

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**BANK OF GANSU CO., LTD.\***

**甘肅銀行股份有限公司\***

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

**(Stock Code: 2139)**

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

The board of directors (the “**Board**”) of Bank of Gansu Co., Ltd.\* (the “**Bank**”) is pleased to announce the unaudited interim results of the Bank and its subsidiaries for the six months ended June 30, 2026. This announcement, containing the full text of the 2026 interim report of the Bank, complies with the relevant requirements of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The Bank’s 2026 interim report will be published on the websites of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Bank at [www.gsbankchina.com](http://www.gsbankchina.com) in September 2026.

By Order of the Board  
**Bank of Gansu Co., Ltd.\***  
**LIU Qing**  
*Executive Director*

Lanzhou, Gansu  
August 28, 2026

*As of the date of this announcement, the Board comprises Mr. LIU Qing as executive director; Mr. ZHANG Bin, Mr. ZHANG Junping, Mr. LIU Jian, Mr. YE Rong, Mr. LI Chun and Ms. YANG Chunmei as non-executive directors; and Mr. LIU Guanghua, Mr. WANG Lei, Mr. HAU Pak Sun, Mr. LI Zongyi and Mr. QIU Yongpan as independent non-executive directors.*

\* *Bank of Gansu 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/deposit-taking business in Hong Kong.*

# Contents

|            |                                                                 |     |
|------------|-----------------------------------------------------------------|-----|
| Chapter 1  | Definitions                                                     | 2   |
| Chapter 2  | Bank Profile                                                    | 7   |
| Chapter 3  | Financial Highlights                                            | 9   |
| Chapter 4  | Management Discussion and Analysis                              | 12  |
| Chapter 5  | Changes in Share Capital and Particulars of Shareholders        | 64  |
| Chapter 6  | Directors, Senior Management, Employees and Organizations       | 67  |
| Chapter 7  | Important Events                                                | 75  |
| Chapter 8  | Report on Review of Condensed Consolidated Financial Statements | 79  |
| Chapter 9  | Notes to the Condensed Consolidated Financial Statements        | 89  |
| Chapter 10 | Unaudited Supplementary Financial Information                   | 150 |



# Chapter 1 Definitions

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

|                                         |                                                                                                                                                                                                                                                                                        |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Articles of Association” or “Articles” | the articles of association of the Bank                                                                                                                                                                                                                                                |
| “Baiyin City Commercial Bank”           | the former Baiyin City Commercial Bank Co., Ltd. (白銀市商業銀行股份有限公司). In May 2011, 25 legal entities, all shareholders of Baiyin City Commercial Bank and all shareholders of Pingliang City Commercial Bank jointly promoted and incorporated the Bank                                    |
| “Bank” or “the Bank”                    | Bank of Gansu Co., Ltd. (甘肅銀行股份有限公司), a joint stock company incorporated in Gansu Province, the PRC on November 18, 2011 with limited liability in accordance with PRC laws, and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches          |
| “Banking Ordinance”                     | Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time                                                                                                                                                             |
| “Board of Directors” or “Board”         | the board of Directors of the Bank                                                                                                                                                                                                                                                     |
| “CBIRC”                                 | China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), replaced by the NAFR in March 2023                                                                                                                                                                                  |
| “CBRC”                                  | the former China Banking Regulatory Commission (中國銀行業監督管理委員會)                                                                                                                                                                                                                          |
| “Commercial Banking Law”                | the Commercial Banking Law of the PRC 《中華人民共和國商業銀行法》, which was promulgated by the 13th meeting of the Standing Committee of the 8th National People’s Congress on May 10, 1995 and became effective on July 1, 1995, as amended, supplemented or otherwise modified from time to time |
| “Companies Ordinance”                   | the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time                                                                                                                                                        |
| “Company Law”                           | the Company Law of the PRC 《中華人民共和國公司法》, as amended and adopted by the Standing Committee of the 10th National People’s Congress on October 27, 2005 and became effective on January 1, 2006, as amended, supplemented or otherwise modified from time to time                         |
| “Corporate Governance Code”             | Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules                                                                                                                                                                                                     |
| “CSRC”                                  | the China Securities Regulatory Commission (中國證券監督管理委員會)                                                                                                                                                                                                                               |
| “Director(s)”                           | director(s) of the Bank                                                                                                                                                                                                                                                                |

# Chapter 1 Definitions

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Domestic Shares”                     | ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi or credited as paid up                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| “Gansu Electric Power Investment”     | Gansu Province Electric Power Investment Group Co., Ltd. (甘肅省電力投資集團有限責任公司), a company incorporated in the PRC on July 16, 1990, and a wholly-owned subsidiary of Gansu State-owned Assets Investment. As at the Latest Practicable Date, Gansu Electric Power Investment held approximately 4.21% of the equity interests in the Bank                                                                                                                                                                                                                                                                                                                                                                                                |
| “Gansu Highway Aviation Tourism”      | Gansu Province Highway Aviation Tourism Investment Group Co., Ltd. (甘肅省公路航空旅遊投資集團有限公司), a company incorporated in the PRC on December 24, 1999. As at the Latest Practicable Date, Gansu Highway Aviation Tourism held approximately 18.3% of the equity interests in the Bank. It is a substantial shareholder and connected person of the Bank                                                                                                                                                                                                                                                                                                                                                                                     |
| “Gansu SASAC”                         | the State-owned Assets Supervision and Administration Commission of the Gansu Provincial Government (甘肅省人民政府國有資產監督管理委員會)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Gansu State-owned Assets Investment” | Gansu Province State-owned Assets Investment Group Co., Ltd. (甘肅省國有資產投資集團有限公司), a company incorporated in the PRC on November 23, 2007, and 75.60% of its equity interest owned by Gansu SASAC and 16% of its equity interest owned by Jiuquan Iron & Steel, and 8.40% of its equity interest owned by Department of Finance of Gansu Province. As at the Latest Practicable Date, Gansu State-owned Assets Investment directly held approximately 12.67% of the equity interests in the Bank, and indirectly held approximately 10.74% of the equity interests in the Bank through its subsidiaries, including Gansu Electric Power Investment and Jinchuan Group. It is a substantial shareholder and connected person of the Bank |
| “GRC system”                          | the internal control, compliance and operational risk management system                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “green finance”                       | economic activities supporting environmental improvements, climate change, conservation and high efficiency utilization of resources, including financial services for project investment, financing, operation and risk management in environmental protection, energy conservation, clean energy, green transportation and green architecture                                                                                                                                                                                                                                                                                                                                                                                      |
| “H Share(s)”                          | ordinary shares issued by the Bank in Hong Kong pursuant to the global offering, with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed and traded on the Hong Kong Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “HK\$”, “HKD” or “HK dollars”         | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| “HKMA”                                | the Hong Kong Monetary Authority                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| “Hong Kong”                           | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

# Chapter 1 Definitions

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Hong Kong Listing Rules”     | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》), as amended, supplemented or otherwise modified from time to time                                                                                                                                                                                                                                                                          |
| “Hong Kong Stock Exchange”    | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “IFRS”                        | International Financial Reporting Standards, International Accounting Standards, amendments and the related interpretations issued by the International Accounting Standards Board                                                                                                                                                                                                                                                                        |
| “independent third party”     | a person or entity not considered a connected person or an associate of a connected person of the Bank under the Hong Kong Listing Rules                                                                                                                                                                                                                                                                                                                  |
| “Jinchuan Group”              | Jinchuan Group Co., Ltd. (金川集團股份有限公司), a company incorporated in the PRC on September 28, 2001, of which Gansu State-owned Assets Investment is its largest shareholder, holding 54.24% of its equity interests. As at the Latest Practicable Date, Jinchuan Group held approximately 6.53% of the equity interests in the Bank                                                                                                                           |
| “Jingning Chengji Rural Bank” | Pingliang Jingning Chengji Rural Bank Co., Ltd., a joint stock company with limited liability incorporated in the PRC on September 18, 2008                                                                                                                                                                                                                                                                                                               |
| “Jiuquan Iron & Steel”        | Jiuquan Iron & Steel (Group) Co., Ltd. (酒泉鋼鐵(集團)有限責任公司), a company incorporated in the PRC on May 26, 1998, and 61.69% of its equity interests owned by Gansu SASAC, 31.49% of its equity interests owned by Gansu State-owned Assets Investment and 6.82% of its equity interests owned by Department of Finance of Gansu Province. As at the Latest Practicable Date, Jiuquan Iron & Steel held approximately 6.53% of the equity interests in the Bank |
| “Latest Practicable Date”     | August 28, 2026, the latest practicable date for ascertaining certain information in this interim report before its publication                                                                                                                                                                                                                                                                                                                           |
| “Listing”                     | the listing of H Shares of the Bank on the Hong Kong Stock Exchange                                                                                                                                                                                                                                                                                                                                                                                       |
| “Main Board”                  | the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange                                                                                                                                                                                                                                              |
| “NAFR”                        | the National Administration of Financial Regulation, formerly known as China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)                                                                                                                                                                                                                                                                                                                  |
| “NAFR Gansu Office”           | Gansu Office of the National Administration of Financial Regulation, the former China Banking and Insurance Regulatory Commission Gansu Office                                                                                                                                                                                                                                                                                                            |
| “non-standard credit assets”  | credit assets that are not traded on the interbank markets or stock exchanges, which for the purpose of this interim report represent our investments in trust plans, asset management plans and wealth management products issued by other financial institutions                                                                                                                                                                                        |

# Chapter 1 Definitions

|                                            |                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “NPL ratio” or “non-performing loan ratio” | the percentage ratio calculated by dividing non-performing loans by total loans                                                                                                                                                                                                                                                                                  |
| “NPLs” or “non-performing loans”           | loans classified as substandard, doubtful and loss according to the five-category loan classification system of the Bank                                                                                                                                                                                                                                         |
| “PBOC”                                     | the People’s Bank of China (中國人民銀行), the central bank of the PRC                                                                                                                                                                                                                                                                                                 |
| “Pingliang City Commercial Bank”           | the former Pingliang City Commercial Bank Co., Ltd. (平涼市商業銀行股份有限公司). In May 2011, 25 legal entities, all shareholders of Baiyin City Commercial Bank and all shareholders of Pingliang City Commercial Bank jointly promoted and incorporated the Bank                                                                                                           |
| “PRC” or “China”                           | the People’s Republic of China, but for the purpose of this interim report only, referring to Chinese Mainland, i.e., excluding Hong Kong, Macau and Taiwan, unless otherwise specified in the context                                                                                                                                                           |
| “PRC GAAP”                                 | the PRC Accounting Standards for Business Enterprises (中國企業會計準則) promulgated by Ministry of Finance on February 15, 2006 and its supplementary regulations, as amended, supplemented or otherwise modified from time to time                                                                                                                                     |
| “provincial city commercial bank(s)”       | local city commercial bank(s), whose establishment was promoted by the provincial government                                                                                                                                                                                                                                                                     |
| “related party(ies)”                       | has the meaning ascribed to it under the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions 《銀行保險機構關聯交易管理辦法》 promulgated by the CBIRC, the PRC GAAP and/or IFRS                                                                                                                                                    |
| “related party transaction(s)”             | has the meaning ascribed to it under the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions promulgated by the CBIRC, the PRC GAAP and/or IFRS                                                                                                                                                                     |
| “Reporting Period”                         | the six months ended June 30, 2026 (namely from January 1, 2026 to June 30, 2026)                                                                                                                                                                                                                                                                                |
| “RMB” or “Renminbi”                        | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                         |
| “Securities Law”                           | the Securities Law of the PRC 《中華人民共和國證券法》, as promulgated by the 6th meeting of the Standing Committee of the 9th National People’s Congress on December 29, 1998 and previously modified upon approval by the Standing Committee of the 13th National People’s Congress on December 28, 2019, as amended, supplemented or otherwise modified from time to time |
| “SFO”                                      | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time                                                                                                                                                                                                                     |
| “Shareholder(s)”                           | holder(s) of the Shares                                                                                                                                                                                                                                                                                                                                          |
| “Shares”                                   | ordinary shares in the share capital of the Bank with a nominal value of RMB1.00 each                                                                                                                                                                                                                                                                            |

# Chapter 1 Definitions

|                                           |                                                                               |
|-------------------------------------------|-------------------------------------------------------------------------------|
| “subsidiary(ies)”                         | has the meaning ascribed to it under Rule 1.01 of the Hong Kong Listing Rules |
| “three rurals”                            | rural areas, agriculture and farmers                                          |
| “treasury shares”                         | has the meaning ascribed to it under the Hong Kong Listing Rules              |
| “United States” or “U.S.”                 | the United States of America                                                  |
| “US\$”, “USD” or “U.S. dollar(s)”         | U.S. dollars, the lawful currency of the United States of America             |
| “we”, “us”, “our”, “Group” or “our Group” | the Bank and its subsidiary on a consolidated basis                           |

In this interim report:

- *The financial data for the six-month periods ended June 30, 2025 and 2026 has not been audited, while the financial data for the year ended December 31, 2025 has been audited.*
- *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 arithmetic aggregation of the figures preceding them.*
- *Unless the context otherwise requires, the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “connected transaction(s)”, “core connected person(s)” and “substantial shareholder(s)” have the meanings given to such terms in the Hong Kong Listing Rules.*
- *For the ease of reference, in this interim report, unless otherwise indicated, the terms “gross loans and advances to customers”, “loans” and “grant of loans” are used synonymously.*
- *If there is any inconsistency between the Chinese names of entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.*

# Chapter 2 Bank Profile

## I. BASIC INFORMATION OF THE BANK

|                                                      |                                                                                                                |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Legal Name of the Company in Chinese                 | : 甘肅銀行股份有限公司                                                                                                   |
| Legal Name of the Company in English                 | : Bank of Gansu Co., Ltd.                                                                                      |
| Legal Representative                                 | : Liu Qing                                                                                                     |
| Authorized Representatives                           | : Liu Qing, Au Yeung Lai Yee (歐陽麗儀)                                                                            |
| Secretary to the Board of Directors                  | : Hao Jumei                                                                                                    |
| Company Secretary                                    | : Au Yeung Lai Yee (歐陽麗儀)                                                                                      |
| Registered Address                                   | : 525-1 Donggang West Road, Chengguan District, Lanzhou City, Gansu Province, the PRC                          |
| Principal Office Address                             | : Bank of Gansu Tower, No. 525-1 Donggang West Road, Chengguan District, Lanzhou City, Gansu Province, the PRC |
| Customer Service Hotline                             | : +86 400 86 96666                                                                                             |
| Telephone                                            | : +86 931 877 6027                                                                                             |
| Facsimile                                            | : +86 931 877 1877                                                                                             |
| Website of the Bank                                  | : <a href="http://www.gsbankchina.com">www.gsbankchina.com</a>                                                 |
| Principal Place of Business in Hong Kong             | : 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong                                   |
| H Share Information Disclosure Website               | : <a href="http://www.hkexnews.hk">www.hkexnews.hk</a>                                                         |
| Stock Listing Place, Stock Short Name and Stock Code | : Hong Kong Stock Exchange, BANK OF GANSU, 2139                                                                |
| Domestic Shares Trustee Agency                       | : China Securities Depository and Clearing Corporation Limited                                                 |
| H Share Registrar                                    | : Computershare Hong Kong Investor Services Limited                                                            |
| PRC Legal Adviser                                    | : Grandall Law Firm (Shanghai)                                                                                 |
| Hong Kong Legal Adviser                              | : Jia Yuan Law Office                                                                                          |
| Domestic Auditor                                     | : Baker Tilly China Certified Public Accountants LLP                                                           |
| International Auditor                                | : Baker Tilly Hong Kong Limited                                                                                |
| Place of Inspection of the Interim Report            | : Office of the Board of the Bank                                                                              |

# Chapter 2 Bank Profile

## II. HISTORY OF THE BANK

In light of the lack of provincial city commercial banks in Gansu Province and in order to promote the economic development of Gansu Province, the People’s Government of Gansu Province decided to establish a provincial city commercial bank by building on the foundations of Baiyin City Commercial Bank and Pingliang City Commercial Bank. Therefore, on May 30, 2011, 25 legal entities (including large and medium-sized state-owned enterprises in Gansu Province and private enterprises in and outside Gansu Province) and representatives of all shareholders of both Baiyin City Commercial Bank and Pingliang City Commercial Bank jointly entered into a promoters agreement in respect of Dunhuang Bank Co., Ltd. (敦煌銀行股份有限公司). Pursuant to the agreement, the 25 legal entities contributed cash and all shareholders of both Baiyin City Commercial Bank and Pingliang City Commercial Bank contributed the appraised net assets of Baiyin City Commercial Bank and Pingliang City Commercial Bank, respectively, to jointly incorporate Dunhuang Bank Co., Ltd.. On August 24, 2011, the General Office of the People’s Government of Gansu Province approved the change to the name of the Bank to be incorporated from the former “Dunhuang Bank Co., Ltd.” to “Bank of Gansu Co., Ltd.”. On September 27, 2011, the former CBRC Gansu Office approved the establishment of the Bank. On November 18, 2011, the former CBIRC Gansu Office approved the commencement of business of the Bank and the conversion of Baiyin City Commercial Bank, Pingliang City Commercial Bank and their branches and sub-branches into Baiyin Branch, Pingliang Branch and their branches and sub-branches. On the same day, the Bank was granted the enterprise legal person business license by the Administration for Industry and Commerce of Gansu Province and was formally incorporated under the Company Law. The Bank is a provincial city commercial bank in Gansu Province.

The Bank’s H Shares have been listed on the Main Board of the Hong Kong Stock Exchange since January 18, 2018.

As the Bank was established in the PRC, the Bank’s corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. The Bank carries on banking business in the PRC under the supervision and regulation of the NAFR and the PBOC. The Bank is not an authorized institution within the meaning of the Banking Ordinance, and is not subject to the supervision of the HKMA, nor authorized to carry on banking and/or deposit-taking business in Hong Kong.

## III. AWARDS OF THE BANK IN THE FIRST HALF YEAR OF 2026

| Awards and Honors                                                          | Awarding Parties/Media            |
|----------------------------------------------------------------------------|-----------------------------------|
| Ranked 336th in the Top 1000 World Banks, and 70th among PRC banks in 2026 | the British magazine “The Banker” |

## Chapter 3 Financial Highlights

| (Expressed in millions of RMB, unless otherwise stated) | Six months ended June 30, |                     | Percentage change (%) | Year ended        |
|---------------------------------------------------------|---------------------------|---------------------|-----------------------|-------------------|
|                                                         | 2026<br>(unaudited)       | 2025<br>(unaudited) |                       | December 31, 2025 |
| <b>Results of operations</b>                            |                           |                     |                       |                   |
| Interest income                                         | 5,535.4                   | 5,992.3             | (7.6)                 | 11,836.0          |
| Interest expenses                                       | (3,293.3)                 | (3,745.2)           | (12.1)                | (7,422.8)         |
| <b>Net interest income</b>                              | <b>2,242.1</b>            | 2,247.1             | (0.2)                 | 4,413.2           |
| Fee and commission income                               | 265.0                     | 245.4               | 8.0                   | 490.3             |
| Fee and commission expenses                             | (107.5)                   | (17.1)              | 528.7                 | (42.4)            |
| <b>Net fee and commission income</b>                    | <b>157.5</b>              | 228.3               | (31.0)                | 447.9             |
| Net trading gains                                       | 189.7                     | 107.4               | 76.6                  | 344.4             |
| Net gains arising from investment securities            | 51.2                      | 130.1               | (60.6)                | 189.6             |
| Net exchange losses                                     | (4.4)                     | (15.9)              | (72.3)                | (18.9)            |
| Other operating income, net                             | 19.1                      | 20.4                | (6.4)                 | 44.5              |
| <b>Operating income</b>                                 | <b>2,654.9</b>            | 2,717.4             | (2.3)                 | 5,420.7           |
| Operating expenses                                      | (991.1)                   | (1,060.1)           | (6.5)                 | (2,355.6)         |
| Impairment losses on assets, net of reversals           | (1,275.2)                 | (1,317.9)           | (3.2)                 | (2,630.7)         |
| <b>Operating profit</b>                                 | <b>388.6</b>              | 339.4               | 14.5                  | 434.4             |
| Share of results of an associate                        | 0.0                       | (0.2)               | (100.0)               | (0.4)             |
| <b>Profit before tax</b>                                | <b>388.6</b>              | 339.2               | 14.6                  | 434.0             |
| Income tax credit                                       | 27.7                      | 59.8                | (53.7)                | 156.9             |
| <b>Profit for the period</b>                            | <b>416.3</b>              | 399.0               | 4.3                   | 590.9             |
| <b>Profit for the period attributable to:</b>           |                           |                     |                       |                   |
| – Owners of the Bank                                    | 427.2                     | 397.9               | 7.4                   | 588.1             |
| – Non-controlling interests                             | (10.9)                    | 1.1                 | (1,090.9)             | 2.8               |
| Basic earnings per share (RMB)                          | 0.03                      | 0.03                | 0                     | 0.04              |
| Diluted earnings per share (RMB)                        | 0.03                      | 0.03                | 0                     | 0.04              |

## Chapter 3 Financial Highlights

| (Expressed in millions of RMB,<br>unless otherwise stated)             | As at<br>June 30,<br>2026<br>(unaudited)                | As at<br>December 31,<br>2025<br>(audited)        | Percentage<br>change<br>(%) |                                                 |
|------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------|-----------------------------|-------------------------------------------------|
| Major indicators of assets/liabilities                                 |                                                         |                                                   |                             |                                                 |
| Total assets                                                           | 458,486.9                                               | 435,895.9                                         | 5.2                         |                                                 |
| Of which: total loans and advances to customers                        | 238,978.9                                               | 229,618.7                                         | 4.1                         |                                                 |
| Total liabilities                                                      | 425,473.8                                               | 401,520.6                                         | 6.0                         |                                                 |
| Of which: total deposits from customers                                | 348,711.8                                               | 337,473.7                                         | 3.3                         |                                                 |
| Total equity                                                           | 33,013.1                                                | 34,375.3                                          | (4.0)                       |                                                 |
|                                                                        |                                                         |                                                   |                             |                                                 |
|                                                                        | Six months ended June 30,<br>2026<br>(%)<br>(unaudited) | 2025<br>(%)<br>(unaudited)                        | Percentage<br>change<br>(%) |                                                 |
| Profitability indicators (%)                                           |                                                         |                                                   |                             |                                                 |
| Return on assets <sup>(1)(14)</sup>                                    | 0.19                                                    | 0.19                                              | 0                           |                                                 |
| Return on equity <sup>(2)(14)</sup>                                    | 2.47                                                    | 2.35                                              | 5.1                         |                                                 |
| Net interest spread <sup>(3)(14)</sup>                                 | 1.02                                                    | 0.97                                              | 5.2                         |                                                 |
| Net interest margin <sup>(4)(14)</sup>                                 | 1.09                                                    | 1.12                                              | (2.7)                       |                                                 |
| Net fee and commission income to operating income ratio <sup>(5)</sup> | 5.93                                                    | 8.40                                              | (29.4)                      |                                                 |
| Cost-to-income ratio <sup>(6)</sup>                                    | 34.88                                                   | 37.28                                             | (6.4)                       |                                                 |
|                                                                        |                                                         |                                                   |                             |                                                 |
|                                                                        | As at<br>June 30,<br>2026<br>(%)<br>(unaudited)         | As at<br>December 31,<br>2025<br>(%)<br>(audited) | Percentage<br>change<br>(%) | As at<br>June 30,<br>2025<br>(%)<br>(unaudited) |
| Capital adequacy indicators (%)                                        |                                                         |                                                   |                             |                                                 |
| Core tier-one capital adequacy ratio <sup>(7)</sup>                    | 10.29                                                   | 11.07                                             | (7.1)                       | 10.65                                           |
| Tier-one capital adequacy ratio <sup>(8)</sup>                         | 11.27                                                   | 12.07                                             | (6.6)                       | 10.65                                           |
| Capital adequacy ratio <sup>(9)</sup>                                  | 12.90                                                   | 12.07                                             | 6.9                         | 10.65                                           |
| Shareholders' equity to total assets ratio                             | 7.20                                                    | 7.89                                              | (8.7)                       | 7.98                                            |
| Assets quality indicators (%)                                          |                                                         |                                                   |                             |                                                 |
| Non-performing loan ratio                                              | 1.86                                                    | 1.93                                              | (3.5)                       | 1.85                                            |
| Provision coverage ratio <sup>(10)</sup>                               | 136.31                                                  | 130.83                                            | 4.2                         | 136.79                                          |
| Provision to total loan ratio <sup>(11)(12)</sup>                      | 2.54                                                    | 2.53                                              | 0.3                         | 2.53                                            |
| Other indicators (%)                                                   |                                                         |                                                   |                             |                                                 |
| Loan to deposit ratio <sup>(13)</sup>                                  | 63.48                                                   | 66.56                                             | (4.6)                       | 70.44                                           |

## Chapter 3 Financial Highlights

### 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.
- (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.
- (3) Represents the difference between the average yield on total interest-earning assets and the average cost on total interest-bearing liabilities.
- (4) Calculated by dividing net interest income by average interest-earning assets.
- (5) Calculated by dividing net fee and commission income by operating income.
- (6) Calculated by dividing total operating expenses (net of business tax and surcharges) by operating income.
- (7) Core tier-one capital adequacy ratio = (core tier-one capital – corresponding capital deductions)/risk-weighted assets.
- (8) Tier-one capital adequacy ratio = (tier-one capital – corresponding capital deductions)/risk-weighted assets.
- (9) Capital adequacy ratio = (total capital – corresponding capital deductions)/risk-weighted assets.
- (10) Provision coverage ratio = provision for impairment losses on loans/total non-performing loans and advances.
- (11) Provision to total loan ratio = provision for impairment losses on loans/total loans and advances to customers.
- (12) In accordance with the relevant regulatory requirements, as a non-systematically important bank in China, the Bank made a provision to total loans at the minimum standard ratio of 2.5%.
- (13) Calculated by dividing total loans and advances to customers by total customer deposits. The loan to deposit ratio is no longer a regulatory ratio for PRC commercial banks under the amended Commercial Banking Law, which became effective on October 1, 2015.
- (14) The ratio for the six months ended June 30, 2025 and 2026, respectively, is calculated on an annual basis.

# Chapter 4 Management Discussion and Analysis

## 1. ENVIRONMENT AND PROSPECT

In the first half of the year, under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, the country fully, accurately, and comprehensively implemented the new development philosophy, accelerated the cultivation of a new development paradigm, and focused on driving high-quality development. Benefiting from the effective implementation of more proactive macro policies, production and supply grew at a faster pace, the employment market remained broadly stable, consumer prices rose moderately, and foreign trade maintained robust growth. Meanwhile, new growth drivers expanded rapidly, strong support was provided to safeguard people's livelihoods, and the resilience of economic development continued to manifest.

According to the preliminary statistics released by the National Bureau of Statistics, the country's Gross Domestic Product (GDP) reached RMB69,570.4 billion in the first half of the year. Broken down by quarter, GDP grew by 5.0% year-on-year in the first quarter and by 4.3% in the second quarter. By industry, the primary, secondary, and tertiary industries recorded year-on-year growth of 3.7%, 3.9%, and 5.2% in added value, respectively. First, industrial production achieved rapid growth, with equipment manufacturing and high-tech manufacturing demonstrating strong momentum. Industrial added value of enterprises above designated size increased by 5.4% year-on-year, with equipment manufacturing accounting for a continuously rising share, further anchoring industrial growth. High-tech manufacturing maintained positive momentum, forging new competitive edges for the industrial sector. Second, the service sector grew steadily, led by the positive development of modern services. With the deep implementation of the "Artificial Intelligence+" initiative, new quality productive forces thrived, propelling the rapid growth of modern service industries such as information technology and business services, while accelerating the integration of technological and industrial innovation. Third, the consumer market continued to expand, and service retail sales grew swiftly. Driven by a series of policies aimed at boosting service consumption, the supply of service consumption was enriched and optimized, with new consumption scenarios emerging rapidly. Emerging consumption models, led by information service consumption, recorded sound growth. Fourth, the investment structure was continuously optimized, with solid investment growth in emerging fields. As emerging industries scaled up and new quality productive forces accelerated their growth, investment growth in high-tech industries picked up momentum.

In the first half of the year, the PBOC conscientiously implemented the decisions and deployments of the CPC Central Committee and the State Council, continued to execute a moderately loose monetary policy, and introduced a series of structural monetary policy measures building on the ongoing effects of existing policies. This created a favorable monetary and financial environment for steady economic growth, high-quality development, and the stable operation of financial markets. In the first half of the year, China's stock of social financing scaled up to RMB462.06 trillion, representing a year-on-year growth of 7.4%; the balance of RMB loans extended to the real economy stood at RMB279.16 trillion, up 5.3% year-on-year. The credit structure was continuously optimized, with loans to enterprises and public institutions increasing by RMB11.13 trillion, of which medium-to-long-term loans rose by RMB5.55 trillion, providing stable funding sources for the real economy. Household business loans increased by RMB689.0 billion, providing sustained financial support for the production and business activities of individually-owned businesses and micro-enterprise owners. In terms of sector allocation, credit flowed heavily toward key sectors and areas of weakness. The balance of inclusive loans to small and micro enterprises grew by 8.3% year-on-year; the balance of medium-to-long-term loans to the industrial sector increased by 5.9% year-on-year; and the balance of medium-to-long-term loans to the service sector (excluding real estate) rose by 9.2% year-on-year. The growth rates of all the aforementioned loans outpaced the growth rate of total loans during the same period.

## Chapter 4 Management Discussion and Analysis

Gansu Province, where the Bank is located, adheres to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding ideology. It fully implements the spirits of the 20th CPC National Congress and all plenary sessions of the 20th CPC Central Committee, and thoroughly implemented the guiding principles of General Secretary Xi Jinping's important speeches and instructions during his inspection tour of Gansu. The province thoroughly executed various decisions and deployments of the CPC Central Committee and the State Council, adheres to the general principle of seeking progress while maintaining stability, deeply carried out the "Five Strengths" initiatives, accelerated the promotion of "Three Modernizations and One Integration", intensified efforts to develop Gansu into "Seven Regions, One Screen, One Channel", and went all out to promote high-quality economic development. As of the end of June 2026, the regional GDP reached RMB695.91 billion, representing a growth of 4.9%. By industry, the added value of the primary industry was RMB45.02 billion, representing a year-on-year growth of 5.9%; the added value of the secondary industry was RMB250.09 billion, up 5.3%; and the added value of the tertiary industry was RMB400.80 billion, up 4.6%. The overall economic operation of the province remained stable, sustaining a favorable momentum towards innovation and optimization.

The year 2026 marks the opening year of the "15th Five-Year Plan". In the first half of the year, macro policies acted in synergy and delivered tangible results, with multiple favorable factors continuously unleashed. The moderately loose monetary policy was implemented smoothly with sustained effectiveness, and structural monetary policy tools provided precise and targeted irrigation. The comprehensive package of policy measures aimed at stabilizing growth, expanding domestic demand, and facilitating transformation yielded positive outcomes, while incremental policy tools retained room for further expansion. These measures effectively drove a continuous recovery in domestic demand, facilitated the orderly mitigation of risks, and steadily restored market confidence, thereby cultivating a stable and favorable macro environment for the high-quality development of the banking industry. Against this backdrop, the banking industry remained true to its original aspiration and mission of serving the real economy. It made coordinated efforts to cultivate new quality productive forces and implement the "Five Major Areas" of finance, achieving reasonable growth in total credit and continuous optimization of the credit structure. Concurrently, the industry persistently strengthened comprehensive risk management, solidly fortified its profitability foundations, and continuously enhanced its capital strength and risk resilience, thereby steadily improving the quality and efficiency of operations and management and achieving coordinated advancement in prudent operations and enhanced quality and efficiency.

## Chapter 4 Management Discussion and Analysis

### 2. DEVELOPMENT STRATEGY

The year 2026 marks the beginning of the 15th Five-Year Development Strategy. The Bank is committed to building itself into a “listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region”. We adhere to the strategic positioning of “serving the local economy, the development of agriculture, rural areas, and rural residents, small and medium-sized enterprises, urban and rural residents, and striving to be a heart-warming bank for the people of Gansu.” We uphold the core values of stability, innovation, collaboration, and integrity, and strengthen the transformation principles of market-oriented thinking, enterprise-level perspective, light-capital operations, and digital-intelligent empowerment. With value creation as our core mission, we focus on the overall objectives of “stable development, improved quality and efficiency, and optimized structure.” Anchoring the development direction of “optimizing business structure, developing differentiated regional markets, and deepening segmented customer management”, we deeply advance our customer, product, channel, and regional strategies, build three major business models – industrial, scenario-based, and digital finance – and achieve integrated and coordinated development across all business segments. By establishing differentiated and distinctive competitive advantages, we aim to drive synergistic growth in scale, profitability, market share, and customer base, while achieving balanced development across scale, profitability, risk, and capital.

## Chapter 4 Management Discussion and Analysis

### 3. OVERALL BUSINESS REVIEW

The Bank's total operating income was RMB2,654.9 million for the six months ended June 30, 2026, representing a decrease of 2.3% as compared with RMB2,717.4 million for the six months ended June 30, 2025. The Bank's net profit increased from RMB399.0 million for the six months ended June 30, 2025 to RMB416.3 million for the six months ended June 30, 2026. The Bank's net profit recorded a year-on-year increase of 4.3%. This was mainly due to the fact that the Bank adhered to serving the real economy and continuously increased the investment of credit assets, and at the same time actively optimized the structure of assets and liabilities and effectively reduced the costs of liabilities by rigorously implementing austerity measures, strictly controlling various operating expenses, and taking multiple measures to drive steady growth in net profit.

As of June 30, 2026, the Bank's total assets amounted to RMB458,486.9 million, representing an increase of 5.2% as compared with the end of 2025; total loans and advances to customers (including interest accrued) amounted to RMB238,978.9 million, representing an increase of 4.1% as compared with the end of 2025; the non-performing loan ratio was 1.86%, representing a decrease of 0.07 percentage point as compared with the beginning of 2026; total deposits from customers (including interest accrued) amounted to RMB348,711.8 million, representing an increase of 3.3% as compared with the end of 2025.

#### (a) Analysis of the Consolidated Statements of Profit or Loss

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, |                     | Increase or<br>decrease | Percentage<br>change (%) |
|------------------------------------------------------------|---------------------------|---------------------|-------------------------|--------------------------|
|                                                            | 2026<br>(Unaudited)       | 2025<br>(Unaudited) |                         |                          |
| Interest income                                            | 5,535.4                   | 5,992.3             | (456.9)                 | (7.6)                    |
| Interest expenses                                          | (3,293.3)                 | (3,745.2)           | 451.9                   | (12.1)                   |
| Net interest income                                        | 2,242.1                   | 2,247.1             | (5.0)                   | (0.2)                    |
| Fee and commission income                                  | 265.0                     | 245.4               | 19.6                    | 8.0                      |
| Fee and commission expenses                                | (107.5)                   | (17.1)              | (90.4)                  | 528.7                    |
| Net fee and commission income                              | 157.5                     | 228.3               | (70.8)                  | (31.0)                   |
| Net trading gains                                          | 189.7                     | 107.4               | 82.3                    | 76.6                     |
| Net gains arising from investment securities               | 51.2                      | 130.1               | (78.9)                  | (60.6)                   |
| Net exchange losses                                        | (4.4)                     | (15.9)              | 11.5                    | (72.3)                   |
| Other operating income, net                                | 19.1                      | 20.4                | (1.3)                   | (6.4)                    |
| Operating income                                           | 2,654.9                   | 2,717.4             | (62.5)                  | (2.3)                    |
| Operating expenses                                         | (991.1)                   | (1,060.1)           | 69.0                    | (6.5)                    |
| Impairment losses on assets, net of reversals              | (1,275.2)                 | (1,317.9)           | 42.7                    | (3.2)                    |
| Operating profit                                           | 388.6                     | 339.4               | 49.2                    | 14.5                     |
| Share of results of an associate                           | 0.0                       | (0.2)               | 0.2                     | (100.0)                  |
| Profit before tax                                          | 388.6                     | 339.2               | 49.4                    | 14.6                     |
| Income tax credit                                          | 27.7                      | 59.8                | (32.1)                  | (53.7)                   |
| Profit for the period                                      | 416.3                     | 399.0               | 17.3                    | 4.3                      |
| Profit for the period attributable to:                     |                           |                     |                         |                          |
| — Owners of the Bank                                       | 427.2                     | 397.9               | 29.3                    | 7.4                      |
| — Non-controlling interests                                | (10.9)                    | 1.1                 | (12.0)                  | (1,090.9)                |

## Chapter 4 Management Discussion and Analysis

### (i) Net interest income

The net interest income was the largest component of the Bank's operating income, accounting for 82.7% and 84.5% of the operating income for the six months ended June 30, 2025 and 2026, respectively. The increase in the proportion of net interest income to operating income during the Reporting Period was primarily attributable to the Bank proactively adjusting its liability structure and continuously reducing the cost of liabilities. The table below sets forth the Bank's interest income, interest expenses and net interest income for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, |                     | Increase or<br>decrease | Percentage<br>change (%) |
|------------------------------------------------------------|---------------------------|---------------------|-------------------------|--------------------------|
|                                                            | 2026<br>(Unaudited)       | 2025<br>(Unaudited) |                         |                          |
| Interest income                                            | 5,535.4                   | 5,992.3             | (456.9)                 | (7.6)                    |
| Interest expenses                                          | (3,293.3)                 | (3,745.2)           | 451.9                   | (12.1)                   |
| Net interest income                                        | 2,242.1                   | 2,247.1             | (5.0)                   | (0.2)                    |

The table below sets forth the average balances of interest-earning assets and interest-bearing liabilities, the related interest income or expenses and the average yield of related assets or average cost of related liabilities of the Bank for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated)                                                     | Six months ended June 30, 2026    |                    |                                        | Six months ended June 30, 2025    |                    |                                        |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|----------------------------------------|-----------------------------------|--------------------|----------------------------------------|
|                                                                                                                | Average<br>balance <sup>(1)</sup> | Interest<br>income | Average<br>yield <sup>(2)</sup><br>(%) | Average<br>balance <sup>(1)</sup> | Interest<br>income | Average<br>yield <sup>(2)</sup><br>(%) |
| <b>Interest-earning assets</b>                                                                                 |                                   |                    |                                        |                                   |                    |                                        |
| Loans and advances to customers                                                                                | 228,035.8                         | 3,932.5            | 3.45                                   | 229,559.7                         | 4,329.4            | 3.77                                   |
| Investment securities and other financial<br>assets <sup>(3)</sup>                                             | 149,516.2                         | 1,344.1            | 1.80                                   | 136,283.6                         | 1,372.3            | 2.01                                   |
| Deposits with banks                                                                                            | 2,903.2                           | 17.6               | 1.21                                   | 2,182.4                           | 10.5               | 0.96                                   |
| Financial assets held under resale<br>agreements and placements with banks<br>and other financial institutions | 20,022.4                          | 151.7              | 1.52                                   | 20,113.4                          | 186.2              | 1.85                                   |
| Deposits with the central bank <sup>(4)</sup>                                                                  | 20,578.1                          | 144.5              | 1.40                                   | 19,192.4                          | 135.7              | 1.41                                   |
| <b>Total interest-earning assets</b>                                                                           | <b>421,055.7</b>                  | <b>5,590.4</b>     | <b>2.66</b>                            | <b>407,331.5</b>                  | <b>6,034.1</b>     | <b>2.96</b>                            |

## Chapter 4 Management Discussion and Analysis

| (Expressed in millions of RMB,<br>unless otherwise stated)                                                         | Six months ended June 30, 2026    |                    |                                        | Six months ended June 30, 2025    |                    |                                        |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|----------------------------------------|-----------------------------------|--------------------|----------------------------------------|
|                                                                                                                    | Average<br>balance <sup>(1)</sup> | Interest<br>income | Average<br>yield <sup>(2)</sup><br>(%) | Average<br>balance <sup>(1)</sup> | Interest<br>income | Average<br>yield <sup>(2)</sup><br>(%) |
| <b>Interest-bearing liabilities</b>                                                                                |                                   |                    |                                        |                                   |                    |                                        |
| Deposits from customers                                                                                            | 327,627.2                         | 2,738.1            | 1.67                                   | 317,819.9                         | 3,163.0            | 1.99                                   |
| Financial assets sold under repurchase<br>agreements and placements from banks<br>and other financial institutions | 6,793.3                           | 50.7               | 1.49                                   | 8,520.3                           | 73.5               | 1.73                                   |
| Debt securities issued <sup>(5)</sup>                                                                              | 42,425.7                          | 317.5              | 1.50                                   | 29,140.1                          | 296.8              | 2.04                                   |
| Deposits from banks and<br>other financial institutions                                                            | 12,853.0                          | 109.0              | 1.70                                   | 13,138.8                          | 134.2              | 2.04                                   |
| Borrowings from the central bank                                                                                   | 12,256.9                          | 74.0               | 1.21                                   | 8,192.4                           | 72.1               | 1.76                                   |
| Lease liabilities                                                                                                  | 239.4                             | 4.0                | 3.33                                   | 279.8                             | 5.6                | 4.00                                   |
| <b>Total interest-bearing liabilities</b>                                                                          | <b>402,195.4</b>                  | <b>3,293.3</b>     | <b>1.64</b>                            | <b>377,091.3</b>                  | <b>3,745.2</b>     | <b>1.99</b>                            |
| <b>Net interest income</b>                                                                                         |                                   | <b>2,297.1</b>     |                                        |                                   | <b>2,288.9</b>     |                                        |
| <b>Net interest spread<sup>(6)</sup></b>                                                                           |                                   |                    | <b>1.02</b>                            |                                   |                    | <b>0.97</b>                            |
| <b>Net interest margin<sup>(7)</sup></b>                                                                           |                                   |                    | <b>1.09</b>                            |                                   |                    | <b>1.12</b>                            |

*Notes:*

- (1) The average balances of interest-earning assets and interest-bearing liabilities are derived from the unaudited management accounts of the Bank.
- (2) Calculated by dividing interest income/expense by average balance.
- (3) Primarily includes interest income from debt investments and others; the main difference against interest income is that such item includes interest income from financial assets at fair value through profit or loss classified into net trading gains.
- (4) Primarily includes statutory deposit reserves, surplus deposit reserves and fiscal deposits reserves.
- (5) Primarily includes interbank certificates of deposit and tier 2 capital bonds.
- (6) Represents the difference between the average yield of total interest-earning assets and the average cost of total interest-bearing liabilities.
- (7) Calculated by dividing net interest income by the average balance of interest-earning assets.

## Chapter 4 Management Discussion and Analysis

The table below sets forth the changes in interest income and interest expense attributable to changes in amount and interest rate of the Bank for the periods indicated. Changes in amount are measured by changes in average balances, and changes in interest rate are measured by changes in average interest rates. Changes caused by both amount and interest rate have been allocated to changes in amount.

| (Expressed in millions of RMB,<br>unless otherwise stated)                                                         | Six months ended June 30,<br>2026 compared with 2025 increase/(decrease)<br>due to |                     |                                            |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------|--------------------------------------------|
|                                                                                                                    | Amount <sup>(1)</sup>                                                              | Rate <sup>(2)</sup> | Net increase/<br>(decrease) <sup>(3)</sup> |
| <b>Interest-earning assets</b>                                                                                     |                                                                                    |                     |                                            |
| Loans and advances to customers                                                                                    | (52.6)                                                                             | (734.6)             | (396.9)                                    |
| Investment securities and other financial assets                                                                   | 238.2                                                                              | (286.2)             | (28.2)                                     |
| Deposits with banks                                                                                                | 8.7                                                                                | 5.5                 | 7.1                                        |
| Financial assets held under resale agreements<br>and placements with banks and other financial<br>institutions     | (1.4)                                                                              | (66.4)              | (34.5)                                     |
| Deposits with the central bank                                                                                     | 19.4                                                                               | (1.9)               | 8.8                                        |
| <b>Change in interest income</b>                                                                                   | <b>365.1</b>                                                                       | <b>(1,222.0)</b>    | <b>(443.7)</b>                             |
| <b>Interest-bearing liabilities</b>                                                                                |                                                                                    |                     |                                            |
| Deposits from customers                                                                                            | 163.8                                                                              | (1,017.0)           | (424.9)                                    |
| Financial assets sold under repurchase agreements<br>and placements from banks and other financial<br>institutions | (25.7)                                                                             | (20.4)              | (22.8)                                     |
| Debt securities issued                                                                                             | 199.3                                                                              | (157.4)             | 20.7                                       |
| Deposits from banks and other financial institutions                                                               | (4.9)                                                                              | (44.7)              | (25.2)                                     |
| Borrowings from the central bank                                                                                   | 49.2                                                                               | (45.1)              | 1.9                                        |
| Lease liabilities                                                                                                  | (1.3)                                                                              | (1.9)               | (1.6)                                      |
| <b>Change in interest expense</b>                                                                                  | <b>411.7</b>                                                                       | <b>(1,319.8)</b>    | <b>(451.9)</b>                             |
| <b>Change in net interest income</b>                                                                               | <b>(46.6)</b>                                                                      | <b>97.8</b>         | <b>8.2</b>                                 |

Notes:

- (1) Represents the average balance for the period minus the average balance for the corresponding period of last year, multiplied by the average yield/cost rate for the period.
- (2) Represents the average yield/cost rate for the period minus the average yield/cost rate for the corresponding period of last year, multiplied by the average balance for the corresponding period of last year.
- (3) Represents interest income/expense for the period minus interest income/expense for the corresponding period of last year.

## Chapter 4 Management Discussion and Analysis

### (ii) Interest income

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

| (Expressed in millions of RMB,<br>unless otherwise stated)                                                        | Six months ended June 30, |                   |                |                   |
|-------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------|----------------|-------------------|
|                                                                                                                   | 2026                      |                   | 2025           |                   |
|                                                                                                                   | Amount                    | % of total<br>(%) | Amount         | % of total<br>(%) |
| Loans and advances to customers                                                                                   | 3,932.5                   | 70.4              | 4,329.4        | 71.8              |
| Investment securities and other<br>financial assets <sup>(1)</sup>                                                | 1,344.1                   | 24.0              | 1,372.3        | 22.7              |
| Deposits with banks                                                                                               | 17.6                      | 0.3               | 10.5           | 0.2               |
| Financial assets held under resale<br>agreements and placements<br>with banks and other financial<br>institutions | 151.7                     | 2.7               | 186.2          | 3.1               |
| Deposits with the central bank                                                                                    | 144.5                     | 2.6               | 135.7          | 2.2               |
| <b>Total</b>                                                                                                      | <b>5,590.4</b>            | <b>100.0</b>      | <b>6,034.1</b> | <b>100.0</b>      |

*Note:*

- (1) The main difference against interest income is that such item includes interest income from financial assets at fair value through profit or loss, which is classified into net trading gains.

Interest income decreased by 7.4% from RMB6,034.1 million for the six months ended June 30, 2025 to RMB5,590.4 million for the six months ended June 30, 2026, primarily due to the decrease in the average yield on interest-earning assets from 2.96% in the same period of last year to 2.66%. The decrease in the average yield of its asset was primarily affected by the downward trend in market interest rates. The average balance of interest-earning assets increased by 3.4% from RMB407,331.5 million for the six months ended June 30, 2025 to RMB421,055.7 million for the six months ended June 30, 2026, which was primarily due to the steady growth in the Bank's total assets, its continuous efforts to step up credit extension and asset investment, and its full commitment to strengthening financial support for the real economy.

## Chapter 4 Management Discussion and Analysis

### (A) *Interest income from loans and advances to customers*

Interest income from loans and advances to customers represented 71.8% and 70.4% of total interest income for the six months ended June 30, 2025 and 2026, respectively. The table below sets forth the average balance, interest income and average yield of loans and advances to customers of the Bank by product for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, 2026    |                    |                         | Six months ended June 30, 2025    |                    |                         |
|------------------------------------------------------------|-----------------------------------|--------------------|-------------------------|-----------------------------------|--------------------|-------------------------|
|                                                            | Average<br>balance <sup>(1)</sup> | Interest<br>income | Average<br>yield<br>(%) | Average<br>balance <sup>(1)</sup> | Interest<br>income | Average<br>yield<br>(%) |
| Corporate loans                                            | 150,438.6                         | 2,840.2            | 3.78                    | 156,115.0                         | 3,231.3            | 4.14                    |
| Retail loans                                               | 53,859.7                          | 979.3              | 3.64                    | 54,825.9                          | 997.6              | 3.64                    |
| Discounted bills                                           | 23,737.6                          | 113.0              | 0.95                    | 18,618.8                          | 100.5              | 1.08                    |
| <b>Total loans and advances to<br/>customers</b>           | <b>228,035.8</b>                  | <b>3,932.5</b>     | <b>3.45</b>             | <b>229,559.7</b>                  | <b>4,329.4</b>     | <b>3.77</b>             |

*Note:*

(1) Represents the average of daily balance based on the unaudited management accounts of the Bank.

### (B) *Interest income from investment securities and other financial assets*

Interest income from investment securities and other financial assets decreased by 2.1% from RMB1,372.3 million for the six months ended June 30, 2025 to RMB1,344.1 million for the six months ended June 30, 2026, primarily due to the decrease in the average yield from 2.01% for the six months ended June 30, 2025 to 1.80% for the six months ended June 30, 2026, the decrease in the average yield was primarily attributable to the continuous decline in market interest rates and the lower yields on existing and newly added investments. The average balance of investment securities and other financial assets increased by 9.7% from RMB136,283.6 million for the six months ended June 30, 2025 to RMB149,516.2 million for the six months ended June 30, 2026, the increase in the scale of investment assets was primarily due to actively capturing market opportunities, an appropriate increase in bond asset allocation and the optimization of the overall asset portfolio.

### (C) *Interest income from deposits with banks*

Interest income from deposits with banks increased by 67.5% from RMB10.5 million for the six months ended June 30, 2025 to RMB17.6 million for the six months ended June 30, 2026, mainly due to the increase in the average yield from 0.96% for the six months ended June 30, 2025 to 1.21% for the six months ended June 30, 2026, which was mainly due to the phased upward trend of funding costs in the interbank market and the continued optimization of pricing and maturity allocation. The average balance of deposits with banks increased by 33.0% from RMB2,182.4 million for the six months ended June 30, 2025 to RMB2,903.2 million for the six months ended June 30, 2026, which was primarily due to the optimization of fund utilization arrangements and the asset allocation structure, and flexibly conducting interbank deposit business, in addition to credit and bond allocations.

## Chapter 4 Management Discussion and Analysis

### (D) *Interest income from financial assets held under resale agreements and placements with banks and other financial institutions*

Interest income from financial assets held under resale agreements and placements with banks and other financial institutions decreased by 18.5% from RMB186.2 million for the six months ended June 30, 2025 to RMB151.7 million for the six months ended June 30, 2026, primarily due to a decrease in the average yield from 1.85% for the six months ended June 30, 2025 to 1.52% for the six months ended June 30, 2026 resulting from the continuous decline in market interest rates; the average balance decreased by 0.5% from RMB20,113.4 million for the six months ended June 30, 2025 to RMB20,022.4 million for the six months ended June 30, 2026. This decrease was mainly attributable to the Bank's proactive efforts to adapt to fluctuations in market funding rates by moderately scaling back short-term interbank financing assets and reallocating capital to key areas such as loans and bonds.

### (E) *Interest income from deposits with the central bank*

Interest income from deposits with the central bank increased by 6.5% from RMB135.7 million for the six months ended June 30, 2025 to RMB144.5 million for the six months ended June 30, 2026, primarily due to the fact that the average balance of deposits with the central bank increased by 7.2% from RMB19,192.4 million for the six months ended June 30, 2025 to RMB20,578.1 million for the six months ended June 30, 2026, mainly due to the corresponding increase in reserve fund allocations in line with the growth in liabilities, effectively ensuring normal fund clearing and liquidity safety.

### (iii) **Interest expense**

The table below sets forth the principal components of interest expense of the Bank for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated)                                                   | Six months ended June 30, |              | 2025           |              |
|--------------------------------------------------------------------------------------------------------------|---------------------------|--------------|----------------|--------------|
|                                                                                                              | 2026                      | % of total   | 2025           | % of total   |
|                                                                                                              | Amount                    | (%)          | Amount         | (%)          |
| Deposits from customers                                                                                      | 2,738.1                   | 83.3         | 3,163.0        | 84.5         |
| Financial assets sold under repurchase agreements and placements from banks and other financial institutions | 50.7                      | 1.5          | 73.5           | 2.0          |
| Debt securities issued                                                                                       | 317.5                     | 9.6          | 296.8          | 7.9          |
| Deposits from banks and other financial institutions                                                         | 109.0                     | 3.3          | 134.2          | 3.6          |
| Borrowings from the central bank                                                                             | 74.0                      | 2.2          | 72.1           | 1.9          |
| Lease liabilities                                                                                            | 4.0                       | 0.1          | 5.6            | 0.1          |
| <b>Total</b>                                                                                                 | <b>3,293.3</b>            | <b>100.0</b> | <b>3,745.2</b> | <b>100.0</b> |

## Chapter 4 Management Discussion and Analysis

Interest expense decreased by 12.1% from RMB3,745.2 million for the six months ended June 30, 2025 to RMB3,293.3 million for the six months ended June 30, 2026, primarily due to a decrease in the average cost rate of interest-bearing liabilities from 1.99% for the six months ended June 30, 2025 to 1.64% for the six months ended June 30, 2026, the decrease in the average cost of interest-bearing liabilities was because: first, the market interest rates continued to decline; second, the Bank continued to broaden its sources of low-cost funds, optimise its liability mix, and proactively reduced its liability costs; and the average balance of interest-bearing liabilities increased by 6.7% from RMB377,091.3 million for the six months ended June 30, 2025 to RMB402,195.4 million for the six months ended June 30, 2026, mainly driven by: first, the steady growth in customer deposits as a result of the Bank's intensified efforts in deposit marketing efforts; and second, actively seeking support from central bank policy tools, as well as the moderate expansion of interbank liabilities, which was aimed at balancing the funding needs on the asset side.

### (A) *Interest expense on deposits from customers*

Interest expense on deposits from customers decreased by 13.4% from RMB3,163.0 million for the six months ended June 30, 2025 to RMB2,738.1 million for the six months ended June 30, 2026, primarily due to the decrease in the average cost rate from 1.99% for the six months ended June 30, 2025 to 1.67% for the six months ended June 30, 2026, and such decrease in the average cost rate was primarily attributable to: first, the decline in market pricing levels; and second, the Bank's continued efforts to optimise its liability structure, increase the proportion of low-cost core deposits, and proactively reduce overall deposit costs; the average balance increased by 3.1% from RMB317,819.9 million for the six months ended June 30, 2025 to RMB327,627.2 million for the six months ended June 30, 2026, and such increase in the average balance was mainly due to the Bank's continued efforts in expanding the customer base and attracting deposits, which steadily expanded the scale of core deposits.

### (B) *Interest expense on financial assets sold under repurchase agreements and placements from banks and other financial institutions*

Interest expense on financial assets sold under repurchase agreements and placements from banks and other financial institutions decreased by 31.0% from RMB73.5 million for the six months ended June 30, 2025 to RMB50.7 million for the six months ended June 30, 2026, primarily due to the fact that the average balance decreased by 20.3% from RMB8,520.3 million for the six months ended June 30, 2025 to RMB6,793.3 million for the six months ended June 30, 2026, which was mainly driven by the Bank continuously maintaining the steady growth of customer deposits, and adjusting short-term interbank borrowing volumes in line with asset allocation plans to optimise its liability mix; the average cost rate decreased from 1.73% for the six months ended June 30, 2025 to 1.49% for the six months ended June 30, 2026, and such decrease was mainly due to the decline in the cost of funds in the interbank market, which led to lower pricing of borrowed funds.

### (C) *Interest expense on debt securities issued*

Interest expense on debt securities issued increased by 7.0% from RMB296.8 million for the six months ended June 30, 2025 to RMB317.5 million for the six months ended June 30, 2026, primarily due to the average cost rate of debt securities issued decreasing from 2.04% for the six months ended June 30, 2025 to 1.50% for the six months ended June 30, 2026. This decrease in the average cost rate was mainly driven by the decline in market interest rates. The Bank seized favorable market opportunities to control issuance costs; the average balance of debt securities issued increased by 45.6% from RMB29,140.1 million for the six months ended June 30, 2025 to RMB42,425.7 million for the six months ended June 30, 2026, which was primarily due to the Bank's timely issuance of interbank certificates of deposit, coupled with the completion of the Tier 2 capital bonds offering, which contributed to overall scale growth.

## Chapter 4 Management Discussion and Analysis

### *(D) Interest expense on deposits from banks and other financial institutions*

Interest expense on deposits from banks and other financial institutions decreased by 18.8% from RMB134.2 million for the six months ended June 30, 2025 to RMB109.0 million for the six months ended June 30, 2026, primarily due to the fact that the average cost rate decreased from 2.04% for the six months ended June 30, 2025 to 1.70% for the six months ended June 30, 2026, which was mainly attributed to the decline in market interbank interest rates, as well as the Bank's continuous optimization of the pricing and structure of interbank liabilities. The average balance decreased by 2.2% from RMB13,138.8 million for the six months ended June 30, 2025 to RMB12,853.0 million for the six months ended June 30, 2026, mainly due to: first, the Bank continued to consolidate core deposits and reduce dependence on inter-bank liabilities; second, the Bank proactively managed interbank borrowing volumes based on liquidity needs, in order to optimise its liability structure.

### *(E) Interest expense on borrowings from the central bank*

Interest expense on borrowings from the central bank increased by 2.6% from RMB72.1 million for the six months ended June 30, 2025 to RMB74.0 million for the six months ended June 30, 2026, primarily due to an increase of 49.6% in the average balance from RMB8,192.4 million for the six months ended June 30, 2025 to RMB12,256.9 million for the six months ended June 30, 2026, and the increase in the average balance was mainly due to the Bank continuously optimizing the allocation of loans and actively seeking support from low-cost re-lending funds; the average cost rate of borrowings from the central bank decreased from 1.76% for the six months ended June 30, 2025 to 1.21% for the six months ended June 30, 2026, which was primarily due to the central bank guiding the interest rates of policy-oriented funds downward.

### **(iv) Net interest spread and net interest margin**

Net interest spread increased from 0.97% for the six months ended 30 June 2025 to 1.02% for the six months ended 30 June 2026. The main factors are as follows: first, the average yield on interest-earning assets declined from 2.96% to 2.66%, primarily due to (i) an overall downward trend in market interest rates; and (ii) a decline in the average yield of the standardised securities investment business, influenced by market pricing conditions; second, the average cost rate of interest-bearing liabilities decreased from 1.99% to 1.64% which was driven, on the one hand, by the continued decline in macro market interest rates and a more accommodative funding pricing environment, and on the other hand, by the Bank's ongoing efforts to broaden low-cost funding sources, optimise the liability portfolio structure, and proactively reduce overall liability costs; third, the decline in the average cost rate of interest-bearing liabilities outpaced the decline in the average yield on interest-earning assets. Collectively, these factors contributed to a 0.05 percentage point increase in the net interest spread.

Net interest margin decreased from 1.12% for the six months ended 30 June 2025 to 1.09% for the six months ended 30 June 2026, primarily due to the continued decline in market interest rates. Meanwhile, the Bank actively lowered interest rates to support the real economy, leading to a decline in the average yield of interest-earning assets. However, to increase support for the real economy, the scale of interest-earning assets such as loans and investments continued to grow, resulting in a slight narrowing of the net interest margin by 0.03 percentage points for the period.

## Chapter 4 Management Discussion and Analysis

### (v) Non-interest income

#### (A) Net fee and commission income

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, |        | Increase or<br>decrease | Percentage<br>change (%) |
|------------------------------------------------------------|---------------------------|--------|-------------------------|--------------------------|
|                                                            | 2026                      | 2025   |                         |                          |
| <b>Fee and commission income</b>                           |                           |        |                         |                          |
| Wealth management service fees                             | 78.4                      | 66.9   | 11.5                    | 17.2                     |
| Agency service fees                                        | 31.0                      | 33.5   | (2.5)                   | (7.5)                    |
| Settlement and clearing fees                               | 79.3                      | 31.1   | 48.2                    | 155.0                    |
| Bank acceptance bill service fees                          | 8.3                       | 9.1    | (0.8)                   | (8.8)                    |
| Letters of guarantee fees                                  | 44.4                      | 63.2   | (18.8)                  | (29.7)                   |
| Others <sup>(1)</sup>                                      | 23.6                      | 41.6   | (18.0)                  | (43.3)                   |
| <b>Subtotal</b>                                            | <b>265.0</b>              | 245.4  | 19.6                    | 8.0                      |
| <b>Fee and commission expenses</b>                         | <b>(107.5)</b>            | (17.1) | (90.4)                  | 528.7                    |
| <b>Net fee and commission income</b>                       | <b>157.5</b>              | 228.3  | (70.8)                  | (31.0)                   |

Note:

1. Primarily includes guarantee fees and advisory service income.

Net fee and commission income decreased by RMB70.8 million from RMB228.3 million for the six months ended June 30, 2025 to RMB157.5 million for the six months ended June 30, 2026, primarily due to an increase in fee and commission expense as a result of the continuous enhancement of service quality and the expansion of service coverage by the Bank.

#### (B) Net trading gains

Net trading gains primarily include gains from disposal of financial assets and interest income from financial assets held for trading for the period. Net trading gains increased by RMB82.3 million from RMB107.4 million for the six months ended June 30, 2025 to RMB189.7 million for the six months ended June 30, 2026, primarily due to the Bank actively capitalizing on market opportunities, thereby enhancing dealing capability and increasing profitability.

## Chapter 4 Management Discussion and Analysis

### (C) *Net gains arising from investment securities*

The net gains arising from investment securities and other financial assets included net gains arising from selling investment securities and other financial assets and revaluation gains arising from the reclassification of other comprehensive income to profit or loss upon the disposal of assets. The Bank had net gains arising from investment securities and other financial assets of RMB130.1 million for the six months ended June 30, 2025, and RMB51.2 million for the six months ended June 30, 2026.

### (D) *Net exchange gains*

Net exchange gains mainly include net gains arising out of foreign exchange settlement and translation of foreign exchange investment assets. The Bank had net exchange losses of RMB15.9 million for the six months ended June 30, 2025 and net exchange losses of RMB4.4 million for the six months ended June 30, 2026, which was primarily affected by the fluctuations in foreign exchange rates.

### (E) *Other operating income, net*

Other operating income mainly included government subsidies, the short-term leasing of fixed assets, net income on asset disposals and others. For the six months ended June 30, 2025, other net operating income of the Bank amounted to RMB20.4 million. For the six months ended June 30, 2026, the Bank recorded other net operating income of RMB19.1 million.

### (vi) **Operating expenses**

Operating expenses decreased by 6.5% from RMB1,060.1 million for the six months ended June 30, 2025 to RMB991.1 million for the six months ended June 30, 2026, which was mainly due to a decrease in property and equipment expenses.

The table below sets forth the principal components of operating expense of the Bank for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, |                | Increase or<br>decrease | Percentage<br>change (%) |
|------------------------------------------------------------|---------------------------|----------------|-------------------------|--------------------------|
|                                                            | 2026                      | 2025           |                         |                          |
| Staff costs                                                | 557.2                     | 569.6          | (12.4)                  | (2.2)                    |
| Premises and equipment expenses                            | 134.3                     | 200.8          | (66.5)                  | (33.1)                   |
| General management and<br>administrative expenses          | 234.8                     | 242.7          | (7.9)                   | (3.3)                    |
| Business tax and surcharges                                | 64.8                      | 47.0           | 17.8                    | 37.9                     |
| <b>Total</b>                                               | <b>991.1</b>              | <b>1,060.1</b> | <b>(69.0)</b>           | <b>(6.5)</b>             |
| <b>Cost-to-income ratio <sup>(1)</sup> (%)</b>             | <b>34.88</b>              | <b>37.28</b>   | <b>(2.4)</b>            | <b>(6.4)</b>             |

*Note:*

(1) Calculated by dividing total operating expenses (net of business tax and surcharge) by total operating income.

## Chapter 4 Management Discussion and Analysis

### (A) Staff costs

The table below sets forth the components of staff cost for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, |              | Increase or<br>decrease | Percentage<br>change (%) |
|------------------------------------------------------------|---------------------------|--------------|-------------------------|--------------------------|
|                                                            | 2026                      | 2025         |                         |                          |
| Salaries and bonuses                                       | 377.9                     | 382.6        | (4.7)                   | (1.2)                    |
| Social insurance                                           | 119.5                     | 125.4        | (5.9)                   | (4.7)                    |
| Housing allowances                                         | 44.5                      | 44.4         | 0.1                     | 0.2                      |
| Staff welfares                                             | 10.1                      | 11.7         | (1.6)                   | (13.7)                   |
| Labour union and staff education<br>expenses               | 4.4                       | 4.4          | 0.0                     | 0.0                      |
| Others                                                     | 0.8                       | 1.1          | (0.3)                   | (27.3)                   |
| <b>Total staff costs</b>                                   | <b>557.2</b>              | <b>569.6</b> | <b>(12.4)</b>           | <b>(2.2)</b>             |

Staff costs decreased by 2.2% from RMB569.6 million for the six months ended June 30, 2025 to RMB557.2 million for the six months ended June 30, 2026, representing a slight decrease.

### (B) Premises and equipment expenses

Premises and equipment expenses decreased by 33.1% from RMB200.8 million for the six months ended June 30, 2025 to RMB134.3 million for the six months ended June 30, 2026, which was mainly due to the Bank's strict control over and reduction in property and equipment expenses.

### (C) General management and administrative expenses

General management and administrative expenses primarily included business promotion fees, administrative fees, transportation fees and repair expenses. General management and administrative expenses decreased by 3.3% from RMB242.7 million for the six months ended June 30, 2025 to RMB234.8 million for the six months ended June 30, 2026, representing a slight decrease.

### (D) Business tax and surcharges

The Bank pays taxes on interest income from loans, fee and commission income and securities trading gains. Business tax and surcharges increased by 37.9% from RMB47.0 million for the six months ended June 30, 2025 to RMB64.8 million for the six months ended June 30, 2026.

## Chapter 4 Management Discussion and Analysis

### (vii) Impairment losses on credit/assets

The table below sets forth the principal components of impairment losses on credit/assets for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated)                       | Six months ended June 30, |         | Increase or<br>decrease | Percentage<br>change (%) |
|----------------------------------------------------------------------------------|---------------------------|---------|-------------------------|--------------------------|
|                                                                                  | 2026                      | 2025    |                         |                          |
| Loans and advances to customers                                                  | <b>705.2</b>              | 928.6   | (223.4)                 | (24.1)                   |
| Investment assets                                                                | <b>399.2</b>              | 293.5   | 105.7                   | 36.0                     |
| Other assets                                                                     | <b>181.5</b>              | 96.4    | 85.1                    | 88.3                     |
| Acceptance bills, letters of<br>guarantees and unused credit<br>card commitments | <b>(10.7)</b>             | (0.6)   | (10.1)                  | 1,683.3                  |
| <b>Total impairment losses on<br/>credit/assets</b>                              | <b>1,275.2</b>            | 1,317.9 | (42.7)                  | (3.2)                    |

Impairment losses on credit/assets decreased by 3.2% from RMB1,317.9 million for the six months ended June 30, 2025 to RMB1,275.2 million for the six months ended June 30, 2026, mainly due to an increase in the provision for impairment losses on investment assets in response to the impact of macroeconomic uncertainties; meanwhile, the loan asset quality improved, resulting in a decrease in the provision for impairment losses on loans, which led to a decrease in overall credit impairment losses.

Credit impairment losses on loans and advances to customers decreased by 24.1% from RMB928.6 million for the six months ended June 30, 2025 to RMB705.2 million for the six months ended June 30, 2026, due to lower impairment provisions resulting from improved loan quality.

Credit impairment losses of investment assets increased by 36% from RMB293.5 million for the six months ended June 30, 2025 to RMB399.2 million for the six months ended June 30, 2026, mainly due to an increase in impairment losses recognized by the Bank in response to the impact of macroeconomic uncertainties.

### (viii) Income tax credit

Income tax credit was RMB59.8 million for the six months ended June 30, 2025 and the income tax credit was RMB27.7 million for the six months ended June 30, 2026, mainly due to the provision for asset impairment losses, and the write-off of non-performing assets, among others, resulting in deductible temporary differences, as well as the greater deferred income tax expenses recognized than the current income tax expenses.

## Chapter 4 Management Discussion and Analysis

### (b) Analysis of the Consolidated Statement of Financial Position

#### (i) Assets

As of December 31, 2025 and June 30, 2026, the total assets of the Bank were RMB435,895.9 million and RMB458,486.9 million, respectively. Major components of total assets include (i) loans and advances to customers; (ii) investment securities and other financial assets; (iii) deposits with banks and placements with other financial institutions; (iv) cash and deposits with the central bank; and (v) financial assets held under resale agreements. The table below sets forth the components of total assets as of the dates indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated)                 | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|----------------------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                                            | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| <b>Assets</b>                                                              |                        |                   |                            |                   |
| Loans and advances to customers,<br>gross                                  | 238,978.9              | 52.1              | 229,618.7                  | 52.7              |
| Provision for impairment losses                                            | (5,909.3)              | (1.3)             | (5,656.0)                  | (1.3)             |
| Loans and advances to customers,<br>net                                    | 233,069.6              | 50.8              | 223,962.7                  | 51.4              |
| Investment securities and other<br>financial assets <sup>(1)</sup>         | 157,230.3              | 34.3              | 145,773.5                  | 33.4              |
| Deposits with banks and<br>placements with other financial<br>institutions | 16,459.8               | 3.6               | 15,094.0                   | 3.5               |
| Cash and deposits with the central<br>bank                                 | 22,031.3               | 4.8               | 26,296.9                   | 6.0               |
| Financial assets held under resale<br>agreements                           | 6,403.2                | 1.4               | 2,604.4                    | 0.6               |
| Other assets <sup>(2)</sup>                                                | 23,292.7               | 5.1               | 22,164.4                   | 5.1               |
| <b>Total assets</b>                                                        | <b>458,486.9</b>       | <b>100.0</b>      | <b>435,895.9</b>           | <b>100.0</b>      |

Notes:

- (1) Including financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost.
- (2) Primarily consist of property and equipment, deferred tax assets, interests receivable, interests in an associate and right-of-use assets.

## Chapter 4 Management Discussion and Analysis

### (A) *Loans and advances to customers*

As of June 30, 2026, the total loans and advances to customers of the Bank (including interest accrued) were RMB238,978.9 million, representing an increase of 4.1% as compared with that as of December 31, 2025. Total loans and advances to customers accounted for 52.1% of the total assets of the Bank, representing a decrease of 0.6% as compared with that as of December 31, 2025.

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

| (Expressed in millions of RMB,<br>unless otherwise stated) | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                            | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| Corporate loans                                            | 153,383.9              | 64.2              | 149,942.3                  | 65.4              |
| Retail loans                                               | 54,226.8               | 22.7              | 54,066.1                   | 23.5              |
| Discounted bills                                           | 25,196.0               | 10.5              | 19,537.9                   | 8.5               |
| Interest accrued                                           | 6,172.2                | 2.6               | 6,072.4                    | 2.6               |
| <b>Total loans and advances to<br/>customers</b>           | <b>238,978.9</b>       | <b>100.0</b>      | <b>229,618.7</b>           | <b>100.0</b>      |

Loans and advances to customers are the largest component of total assets. The Bank offers a variety of loan products, all of which are denominated in Renminbi. Loans and advances to customers, net of provisions for impairment losses, represented 51.4% and 50.8% of total assets as of December 31, 2025 and June 30, 2026, respectively.

The Bank's corporate loans increased by 2.3% from RMB149,942.3 million as of December 31, 2025 to RMB153,383.9 million as of June 30, 2026, which was mainly due to the Bank's proactive response to national policies, support for the development of the real economy, and increased extension of loans.

The Bank's retail loans mainly comprise personal business loans, personal consumption loans and residential and commercial mortgage loans. The Bank's retail loans increased by 0.3% from RMB54,066.1 million as of December 31, 2025 to RMB54,226.8 million as of June 30, 2026.

## Chapter 4 Management Discussion and Analysis

### *Loans and advances to customers by type of collateral*

The table below sets forth loans and advances to customers by type of collateral as of the dates indicated. If a loan is secured by multiple forms of collateral, the classification is based on the primary form of collateral.

| (Expressed in millions of RMB,<br>unless otherwise stated) | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                            | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| Collateralized loans                                       | 91,317.0               | 38.2              | 90,495.6                   | 39.4              |
| Pledged loans                                              | 19,290.8               | 8.1               | 13,970.4                   | 6.1               |
| Guaranteed loans                                           | 77,889.2               | 32.6              | 72,743.6                   | 31.7              |
| Unsecured loans                                            | 44,309.7               | 18.5              | 46,336.7                   | 20.2              |
| Interest accrued                                           | 6,172.2                | 2.6               | 6,072.4                    | 2.6               |
| <b>Total loans and advances to<br/>customers</b>           | <b>238,978.9</b>       | <b>100.0</b>      | <b>229,618.7</b>           | <b>100.0</b>      |

As of December 31, 2025 and June 30, 2026, collateralized loans, pledged loans and guaranteed loans in aggregate represented 77.2% and 78.9% of total loans and advances to customers, respectively. Collateralized loans and pledged loans are subject to loan-to-value ratio limits based on the type of collateral. The Bank usually accepts guarantees provided by listed companies, guarantee companies, enterprises and individuals with good credit. The Bank evaluates a guarantee company based on its size, credit history and risk-resistance level, as well as the value and quality of any collateral provided by the borrower.

Unsecured loans decreased by 4.4% from RMB46,336.7 million as of December 31, 2025 to RMB44,309.7 million as of June 30, 2026.

## Chapter 4 Management Discussion and Analysis

### *Change to the provisions for impairment losses on loans and advances to customers*

The table below sets forth the change to the provision for impairment losses on loans and advances to customers as of the dates indicated.

| <b>(Expressed in millions of RMB, unless otherwise stated)</b> | <b>As of<br/>June 30,<br/>2026</b> | <b>As of<br/>December 31,<br/>2025</b> |
|----------------------------------------------------------------|------------------------------------|----------------------------------------|
| As at the beginning of the Reporting Period                    | <b>5,656.0</b>                     | 5,818.7                                |
| Charge for the period/year                                     | <b>705.2</b>                       | 2,366.5                                |
| Write-off and others for the period/year                       | <b>(483.8)</b>                     | (2,672.7)                              |
| Recoveries of loans and advances previously written off        | <b>31.9</b>                        | 143.5                                  |
| <b>As of June 30/December 31</b>                               | <b>5,909.3</b>                     | 5,656.0                                |

Provisions for impairment losses on loans and advances to customers increased by 4.5% from RMB5,656.0 million as of December 31, 2025 to RMB5,909.3 million as of June 30, 2026, mainly due to the fact that the Bank provisioned for asset impairment losses based on the growth of loans and advances to customers, taking into account external factors such as economic conditions, in order to enhance risk resilience.

### *(B) Investment securities and other financial assets*

As of December 31, 2025 and June 30, 2026, the Bank's investment securities and other financial assets were RMB145,773.5 million and RMB157,230.3 million, representing 33.4% and 34.3% of its total assets, respectively.

Investment securities and other financial assets primarily include debt securities, asset management plans issued by other financial institutions, trust plans, wealth management products and fund products and others.

Investment securities and other financial assets increased by 7.9% from RMB145,773.5 million as of December 31, 2025 to RMB157,230.3 million as of June 30, 2026. This increase was primarily attributable to the Bank's diversified asset allocation through investment securities and other financial assets, effectively increasing its sources of income.

## Chapter 4 Management Discussion and Analysis

### (ii) Liabilities

As of December 31, 2025 and June 30, 2026, the total liabilities of the Bank were RMB401,520.6 million and RMB425,473.8 million, respectively. Major components of the liabilities include (i) deposits from customers; (ii) deposits from banks and other financial institutions; (iii) financial assets sold under repurchase agreements and placements from banks and other financial institutions; (iv) debt securities issued; (v) borrowings from the central bank; and (vi) other liabilities. The table below sets forth the components of total liabilities as of the dates indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated)                                                            | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|-----------------------------------------------------------------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                                                                                       | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| Deposits from customers                                                                                               | 348,711.8              | 81.9              | 337,473.7                  | 84.0              |
| Deposits from banks and other<br>financial institutions                                                               | 11,588.4               | 2.7               | 10,282.2                   | 2.6               |
| Financial assets sold under<br>repurchase agreements and<br>placements from banks and<br>other financial institutions | 1,068.2                | 0.3               | 9,813.5                    | 2.4               |
| Debt securities issued                                                                                                | 39,589.8               | 9.3               | 33,692.9                   | 8.4               |
| Borrowings from the central bank                                                                                      | 20,728.1               | 4.9               | 8,726.6                    | 2.2               |
| Other liabilities <sup>(1)</sup>                                                                                      | 3,787.5                | 0.9               | 1,531.7                    | 0.4               |
| <b>Total liabilities</b>                                                                                              | <b>425,473.8</b>       | <b>100.0</b>      | <b>401,520.6</b>           | <b>100.0</b>      |

*Note:*

(1) Primarily include taxes payable, accrued staff costs, lease liabilities and deferred tax liabilities.

## Chapter 4 Management Discussion and Analysis

### (A) *Deposits from customers*

Deposits from customers are the largest component of total liabilities. As of December 31, 2025 and June 30, 2026, deposits from customers represented 84.0% and 81.9% of the total liabilities, respectively.

The Bank offers RMB-denominated demand and time deposit products to corporate and retail customers. The table below sets forth deposits from customers by product and customer type as of the dates indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                            | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| <b>Corporate deposits</b>                                  |                        |                   |                            |                   |
| Demand deposits                                            | 60,296.2               | 17.3              | 57,940.6                   | 17.2              |
| Time deposits                                              | 24,640.6               | 7.1               | 23,498.0                   | 7.0               |
| <b>Subtotal</b>                                            | <b>84,936.8</b>        | <b>24.4</b>       | <b>81,438.6</b>            | <b>24.2</b>       |
| <b>Retail deposits</b>                                     |                        |                   |                            |                   |
| Demand deposits                                            | 47,641.8               | 13.7              | 45,807.6                   | 13.6              |
| Time deposits                                              | 197,787.2              | 56.6              | 191,779.8                  | 56.8              |
| <b>Subtotal</b>                                            | <b>245,429.0</b>       | <b>70.3</b>       | <b>237,587.4</b>           | <b>70.4</b>       |
| <b>Pledged deposits</b>                                    | <b>6,108.8</b>         | <b>1.8</b>        | <b>6,159.0</b>             | <b>1.8</b>        |
| <b>Others</b>                                              | <b>4,394.9</b>         | <b>1.3</b>        | <b>3,719.0</b>             | <b>1.1</b>        |
| <b>Interest accrued</b>                                    | <b>7,842.3</b>         | <b>2.2</b>        | <b>8,569.7</b>             | <b>2.5</b>        |
| <b>Total deposits from customers</b>                       | <b>348,711.8</b>       | <b>100.0</b>      | <b>337,473.7</b>           | <b>100.0</b>      |

Total deposits from customers increased by 3.3% from RMB337,473.7 million as of December 31, 2025 to RMB348,711.8 million as of June 30, 2026, primarily attributable to the Bank's intensified marketing efforts, which effectively expanded the scale of customer deposits.

### (B) *Debts securities issued*

From January 1, 2026 to June 30, 2026, the Bank issued several tranches of interbank certificates in an aggregate face value of RMB15,360.0 million. These zero-coupon interbank certificates of deposit have terms of 9 months to one year and bear effective interest rates between 1.51% and 1.72% per annum.

On 26 June 2026, the Bank issued a fixed-rate Tier 2 capital bond with a face value of RMB5,000.0 million, subject to a conditional issuer's redemption right at the end of the fifth year, bearing a coupon rate of 2.22%.

## Chapter 4 Management Discussion and Analysis

### (iii) Shareholders' equity

The table below sets forth the change in shareholders' equity of the Bank as of the dates indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                            | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| Share capital                                              | 15,069.8               | 45.6              | 15,069.8                   | 43.7              |
| Capital reserve                                            | 5,960.4                | 18.1              | 5,958.9                    | 17.3              |
| Defined benefit plan reserve                               | (4.3)                  | 0.0               | (4.3)                      | 0.0               |
| Investment revaluation reserve                             | 52.1                   | 0.2               | 53.9                       | 0.2               |
| Surplus reserve                                            | 2,082.4                | 6.3               | 2,082.4                    | 6.1               |
| General reserve                                            | 5,945.9                | 18.0              | 5,945.9                    | 17.3              |
| Retained earnings                                          | 3,870.0                | 11.7              | 5,221.1                    | 15.3              |
| Non-controlling interests                                  | 36.7                   | 0.1               | 47.6                       | 0.1               |
| <b>Total equity</b>                                        | <b>33,013.1</b>        | <b>100.0</b>      | <b>34,375.3</b>            | <b>100.0</b>      |

### (c) Asset quality analysis

#### (i) Breakdown of loans by the five-category classification

For the Bank, the non-performing loans are classified into loans and advances to customers of substandard, doubtful and loss. As of June 30, 2026, the Bank's non-performing loans amounted to RMB4,334.7 million. The table below sets forth loans and advances to customers by loan classification as of the dates indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated)                    | As of<br>June 30, 2026 |                   | As of<br>December 31, 2025 |                   |
|-------------------------------------------------------------------------------|------------------------|-------------------|----------------------------|-------------------|
|                                                                               | Amount                 | % of total<br>(%) | Amount                     | % of total<br>(%) |
| Normal                                                                        | 217,041.1              | 93.2              | 208,565.8                  | 93.3              |
| Special mention                                                               | 11,430.9               | 4.9               | 10,657.4                   | 4.8               |
| Substandard                                                                   | 1,678.7                | 0.7               | 1,822.2                    | 0.8               |
| Doubtful                                                                      | 612.8                  | 0.3               | 617.7                      | 0.3               |
| Loss                                                                          | 2,043.2                | 0.9               | 1,883.2                    | 0.8               |
| <b>Total loans and advances to<br/>customers</b>                              | <b>232,806.7</b>       | <b>100.0</b>      | <b>223,546.3</b>           | <b>100.0</b>      |
| <b>Non-performing loans and non-<br/>performing loan ratio <sup>(1)</sup></b> | <b>4,334.7</b>         | <b>1.86</b>       | <b>4,323.1</b>             | <b>1.93</b>       |

Note:

(1) Calculated by dividing non-performing loans by total loans and advances to customers.

As of December 31, 2025 and June 30, 2026, the non-performing loan ratios of the Bank were 1.93% and 1.86%, respectively, representing a decrease of 0.07 percentage point.

## Chapter 4 Management Discussion and Analysis

### (ii) Concentration of loans

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

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

| (Expressed in millions of RMB,<br>unless otherwise stated)              | As of<br>June 30, 2026 |                   |                                   |                                                        | As of<br>December 31, 2025 |                      |                                   |                                                        |
|-------------------------------------------------------------------------|------------------------|-------------------|-----------------------------------|--------------------------------------------------------|----------------------------|----------------------|-----------------------------------|--------------------------------------------------------|
|                                                                         | Loan<br>amount         | % of total<br>(%) | Non-<br>performing<br>loan amount | Non-<br>performing<br>loan ratio <sup>(1)</sup><br>(%) | Loan<br>amount             | % of<br>total<br>(%) | Non-<br>performing<br>loan amount | Non-<br>performing<br>loan ratio <sup>(1)</sup><br>(%) |
| Corporate loans                                                         |                        |                   |                                   |                                                        |                            |                      |                                   |                                                        |
| Wholesale and retail                                                    | 12,888.9               | 5.5               | 266.6                             | 2.07                                                   | 12,783.7                   | 5.7                  | 319.8                             | 2.50                                                   |
| Manufacturing                                                           | 34,612.8               | 14.9              | 980.5                             | 2.83                                                   | 33,928.9                   | 15.2                 | 1,004.6                           | 3.00                                                   |
| Agriculture, forestry, animal<br>husbandry and fishing                  | 5,876.5                | 2.5               | 109.6                             | 1.87                                                   | 5,968.1                    | 2.7                  | 162.2                             | 2.72                                                   |
| Construction                                                            | 16,058.7               | 6.9               | 181.8                             | 1.13                                                   | 15,648.6                   | 7.0                  | 143.2                             | 0.91                                                   |
| Real estate                                                             | 12,789.6               | 5.5               | 344.5                             | 2.69                                                   | 11,930.6                   | 5.3                  | 344.5                             | 2.89                                                   |
| Mining                                                                  | 9,219.0                | 3.9               | 0.0                               | 0.00                                                   | 8,772.4                    | 3.9                  | 0.0                               | 0.00                                                   |
| Water, environment and public<br>facility management                    | 2,735.4                | 1.2               | 0.0                               | 0.00                                                   | 2,697.8                    | 1.2                  | 0.0                               | 0.00                                                   |
| Culture, sports and entertainment                                       | 2,352.9                | 1.0               | 128.8                             | 5.47                                                   | 2,401.1                    | 1.1                  | 0.7                               | 0.03                                                   |
| Leasing and business services                                           | 20,122.8               | 8.7               | 13.7                              | 0.07                                                   | 22,650.3                   | 10.1                 | 11.1                              | 0.05                                                   |
| Electricity, heating power, gas<br>and water production and<br>supply   | 6,578.3                | 2.8               | 0.0                               | 0.00                                                   | 5,624.0                    | 2.5                  | 0.0                               | 0.00                                                   |
| Transportation, storage and<br>postal services                          | 12,543.4               | 5.4               | 12.7                              | 0.10                                                   | 12,575.4                   | 5.6                  | 8.6                               | 0.07                                                   |
| Education                                                               | 1,162.9                | 0.5               | 26.7                              | 2.30                                                   | 1,178.7                    | 0.5                  | 30.7                              | 2.60                                                   |
| Accommodation and catering                                              | 1,846.5                | 0.8               | 45.3                              | 2.46                                                   | 1,841.1                    | 0.8                  | 24.1                              | 1.31                                                   |
| Financial                                                               | 11,547.7               | 5.0               | 0.0                               | 0.00                                                   | 8,929.8                    | 4.0                  | 0.0                               | 0.00                                                   |
| Health and social services                                              | 1,967.5                | 0.8               | 14.0                              | 0.71                                                   | 2,094.0                    | 0.9                  | 14.0                              | 0.67                                                   |
| Residents and other services                                            | 186.7                  | 0.1               | 1.3                               | 0.70                                                   | 193.2                      | 0.2                  | 4.8                               | 2.51                                                   |
| Scientific research, technical<br>service and geological<br>prospecting | 560.9                  | 0.2               | 1.6                               | 0.29                                                   | 607.7                      | 0.3                  | 3.5                               | 0.58                                                   |
| Information transmission,<br>computer service and software              | 333.4                  | 0.1               | 2.6                               | 0.78                                                   | 116.9                      | 0.1                  | 2.6                               | 2.24                                                   |
| Public administration,<br>social security and social<br>organizations   | 0.0                    | 0.0               | 0.0                               | 0.00                                                   | 0.0                        | 0.0                  | 0.0                               | 0.00                                                   |
| <b>Retail loans</b>                                                     | <b>54,226.8</b>        | <b>23.3</b>       | <b>2,205.0</b>                    | <b>4.07</b>                                            | <b>54,066.1</b>            | <b>24.2</b>          | <b>2,248.7</b>                    | <b>4.16</b>                                            |
| <b>Discounted bills</b>                                                 | <b>25,196.0</b>        | <b>10.8</b>       | <b>0.0</b>                        | <b>0.00</b>                                            | <b>19,537.9</b>            | <b>8.7</b>           | <b>0.0</b>                        | <b>0.00</b>                                            |
| <b>Total</b>                                                            | <b>232,806.7</b>       | <b>100.0</b>      | <b>4,334.7</b>                    | <b>1.86</b>                                            | <b>223,546.3</b>           | <b>100.0</b>         | <b>4,323.1</b>                    | <b>1.93</b>                                            |

Note:

- (1) 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.

## Chapter 4 Management Discussion and Analysis

Loans to borrowers in the manufacturing, leasing and business services, construction, wholesale and retail, and real estate industry represented the principal components of the Bank's corporate loan portfolio. Loans to these industries accounted for 65.08% and 62.90% of total corporate loans as of December 31, 2025 and June 30, 2026, respectively.

### (B) Borrower concentration

#### *Loans to the 10 largest single borrowers*

The following table sets forth the 10 largest single borrowers (excluding group borrowers) as of June 30, 2026 and the balances of loans to these borrowers. All of these loans were classified as normal.

| (Expressed in millions of RMB, unless otherwise stated) |                                             | As of June 30, 2026 |                      |
|---------------------------------------------------------|---------------------------------------------|---------------------|----------------------|
| Customers                                               | Industries involved                         | Total amount        | % of total loans (%) |
| Borrower A                                              | Manufacturing                               | 8,000.0             | 3.4                  |
| Borrower B                                              | Manufacturing                               | 2,560.5             | 1.1                  |
| Borrower C                                              | Real estate                                 | 2,403.3             | 1.0                  |
| Borrower D                                              | Construction                                | 2,383.5             | 1.0                  |
| Borrower E                                              | Leasing and business services               | 2,277.5             | 1.0                  |
| Borrower F                                              | Finance                                     | 2,038.0             | 0.9                  |
| Borrower G                                              | Leasing and business services               | 2,013.0             | 0.9                  |
| Borrower H                                              | Transportation, storage and postal services | 1,800.0             | 0.8                  |
| Borrower I                                              | Manufacturing                               | 1,783.4             | 0.8                  |
| Borrower J                                              | Leasing and business services               | 1,614.0             | 0.7                  |

## Chapter 4 Management Discussion and Analysis

### (C) *Non-performing loans by product*

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

| (Expressed in millions of RMB,<br>unless otherwise stated) | As of June 30, 2026 |                                   |                                                        | As of December 31, 2025 |                                   |                                                        |
|------------------------------------------------------------|---------------------|-----------------------------------|--------------------------------------------------------|-------------------------|-----------------------------------|--------------------------------------------------------|
|                                                            | Loan<br>amount      | Non-<br>performing<br>loan amount | Non-<br>performing<br>loan ratio <sup>(1)</sup><br>(%) | Loan<br>amount          | Non-<br>performing<br>loan amount | Non-<br>performing<br>loan ratio <sup>(1)</sup><br>(%) |
| <b>Corporate loans</b>                                     |                     |                                   |                                                        |                         |                                   |                                                        |
| Working capital loans                                      | 97,055.8            | 1,543.1                           | 1.59                                                   | 95,462.1                | 1,615.8                           | 1.69                                                   |
| Fixed capital loans                                        | 56,328.1            | 586.6                             | 1.04                                                   | 54,480.2                | 458.6                             | 0.84                                                   |
| <b>Sub-total</b>                                           | <b>153,383.9</b>    | <b>2,129.7</b>                    | <b>1.39</b>                                            | <b>149,942.3</b>        | <b>2,074.4</b>                    | <b>1.38</b>                                            |
| <b>Retail loans</b>                                        |                     |                                   |                                                        |                         |                                   |                                                        |
| Personal business loans                                    | 5,712.0             | 1,119.9                           | 19.61                                                  | 5,603.0                 | 1,116.1                           | 19.92                                                  |
| Personal consumption loans                                 | 16,908.9            | 552.8                             | 3.27                                                   | 17,612.6                | 572.7                             | 3.25                                                   |
| Residential and commercial mortgage<br>loans               | 31,605.9            | 532.3                             | 1.68                                                   | 30,850.5                | 559.9                             | 1.81                                                   |
| <b>Sub-total</b>                                           | <b>54,226.8</b>     | <b>2,205.0</b>                    | <b>4.07</b>                                            | <b>54,066.1</b>         | <b>2,248.7</b>                    | <b>4.16</b>                                            |
| <b>Discounted bills</b>                                    | <b>25,196.0</b>     | <b>0.0</b>                        | <b>0.00</b>                                            | <b>19,537.9</b>         | <b>0.0</b>                        | <b>0.00</b>                                            |
| <b>Total loans</b>                                         | <b>232,806.7</b>    | <b>4,334.7</b>                    | <b>1.86</b>                                            | <b>223,546.3</b>        | <b>4,323.1</b>                    | <b>1.93</b>                                            |

*Note:*

(1) Calculated by dividing non-performing loans by loans and advances to customers of each product category.

The non-performing loan ratio of corporate loans increased from 1.38% as of December 31, 2025 to 1.39% as of June 30, 2026, representing an increase of 0.01 percentage point.

The non-performing loan ratio of retail loans decreased from 4.16% as of December 31, 2025 to 4.07% as of June 30, 2026, representing a decrease of 0.09 percentage point.

## Chapter 4 Management Discussion and Analysis

### (D) *Loan aging schedule*

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

| (Expressed in millions of RMB,<br>unless otherwise stated) | As of June 30, 2026 |                   | As of June 30, 2025 |                   |
|------------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|
|                                                            | Amount              | % of total<br>(%) | Amount              | % of total<br>(%) |
| <b>Loans not overdue</b>                                   | <b>225,652.8</b>    | <b>96.9</b>       | 228,695.5           | 97.4              |
| <b>Loans past due for:</b>                                 |                     |                   |                     |                   |
| 1 to 90 days                                               | 3,895.7             | 1.7               | 2,745.6             | 1.2               |
| 91 days to 1 year                                          | 1,019.2             | 0.4               | 1,481.3             | 0.6               |
| 1 to 3 years                                               | 1,317.6             | 0.6               | 1,157.8             | 0.5               |
| 3 years or more                                            | 921.4               | 0.4               | 748.8               | 0.3               |
| <b>Subtotal</b>                                            | <b>7,153.9</b>      | <b>3.1</b>        | 6,133.5             | 2.6               |
| <b>Total loans and advances to customers</b>               | <b>232,806.7</b>    | <b>100.0</b>      | 234,829.0           | 100.0             |

### (d) *Segments information*

#### (i) **Summary of business segment**

We operate three principal lines of business: corporate banking, retail banking and financial market operations. The table below sets forth the operating income for each of our principal business segments for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30, |                   |                |                   |
|------------------------------------------------------------|---------------------------|-------------------|----------------|-------------------|
|                                                            | 2026                      |                   | 2025           |                   |
|                                                            | Amount                    | % of total<br>(%) | Amount         | % of total<br>(%) |
| Corporate banking                                          | 820.4                     | 30.9              | 1,067.5        | 39.3              |
| Retail banking                                             | 1,119.1                   | 42.2              | 856.8          | 31.5              |
| Financial market operations                                | 677.3                     | 25.5              | 747.1          | 27.5              |
| Others <sup>(1)</sup>                                      | 38.1                      | 1.4               | 46.0           | 1.7               |
| <b>Total operating income</b>                              | <b>2,654.9</b>            | <b>100.0</b>      | <b>2,717.4</b> | <b>100.0</b>      |

Note:

- (1) Primarily represent assets, liabilities, income and expenses which cannot be directly attributable or cannot be allocated to a segment on a reasonable basis.

#### (ii) **Summary of geographical segment information**

No geographical information is presented as most of the Group's operations are conducted and all non-current assets are located in Gansu Province of the PRC and therefore revenue is derived from activities in Gansu Province of the PRC.

## Chapter 4 Management Discussion and Analysis

### (e) Off-balance sheet commitments

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

| (Expressed in millions of RMB, unless otherwise stated) | As of<br>June 30, 2026 | As of<br>December 31,<br>2025 |
|---------------------------------------------------------|------------------------|-------------------------------|
| <b>Credit commitments:</b>                              |                        |                               |
| Bank acceptances <sup>(1)</sup>                         | 6,183.0                | 6,568.2                       |
| Letters of guarantee <sup>(2)</sup>                     | 1,166.6                | 1,123.7                       |
| Letters of credit <sup>(2)</sup>                        | 6,313.9                | 6,175.2                       |
| Unused credit card commitments                          | 10,627.6               | 10,496.0                      |
| <b>Subtotal</b>                                         | <b>24,291.1</b>        | <b>24,363.1</b>               |
| <b>Capital commitments</b>                              | <b>42.9</b>            | <b>44.1</b>                   |
| <b>Total</b>                                            | <b>24,334.0</b>        | <b>24,407.2</b>               |

Notes:

- (1) Bank acceptances refer to undertakings of the Bank to pay bank bills drawn on its customers.
- (2) The Bank issues letters of credit and letters of guarantee to third parties to guarantee its customers' contractual obligations.

Off-balance sheet commitments decreased by 0.3% from RMB24,407.2 million as of December 31, 2025 to RMB24,334.0 million as of June 30, 2026.

### (f) Miscellaneous

1. During the Reporting Period, the Bank conducted business relating to the Asian Development Bank (“ADB”) loan refinancing (the “ADB Sub-loan”). ADB Sub-loan refers to the RMB loans granted by the Bank, utilizing loan funds provided by the ADB to the PRC government, to ultimate borrowers meeting the requirements of ADB and the Bank to satisfy their production and operational needs, which comprise two components: loans granted using ADB funds and matching loans granted using the Bank's own funds. As at June 30, 2026, the Bank had cumulatively granted ADB Sub-loan amounting to RMB20.7 million. To date, it has applied for withdrawal and reimbursement for a total of 4 times, and has cumulatively completed withdrawal and reimbursement of US\$3.1448 million.

During the Reporting Period, the Bank actively promoted the development of its inclusive finance business, studied and implemented the spirit of the Central Financial Work Conference, and thoroughly implemented the policy initiatives of the PBOC and the NAFR regarding inclusive finance. By adopting a series of diversified and innovative strategies, the Bank effectively drove the inclusive finance business to achieve the overall objectives of “stabilizing scale, reducing costs and optimizing structure”. As at June 30, 2026, the cumulative amount of inclusive small and micro enterprise loans granted was RMB7.031 billion.

## Chapter 4 Management Discussion and Analysis

### 4. BUSINESS REVIEW

#### (a) Corporate banking

The Bank offers corporate customers a broad range of financial products and services, including loans, discounted bills, deposits and fees and commission-based products and services. The Bank's corporate customers primarily include government agencies, public organizations, SOEs, private enterprises and foreign-invested enterprises. The Bank is committed to serving local customers with a focus on small and micro enterprises.

In addition, the Bank commits to seeking to develop long-term business relationships with customers by closely monitoring their financial needs and offering tailored financial solutions. As of June 30, 2026, the total corporate loans of the Bank amounted to RMB153,383.9 million, while the total corporate deposits amounted to RMB84,936.8 million. For the six months ended June 30, 2025 and 2026, operating income from the Bank's corporate banking business accounted for 39.3% and 30.9% of its total operating income, respectively. The table below sets forth the financial performance of the Bank's corporate banking for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30,<br>2026 | Six months ended June 30,<br>2025 | Percentage<br>change (%) |
|------------------------------------------------------------|-----------------------------------|-----------------------------------|--------------------------|
| External interest income, net <sup>(1)</sup>               | 2,339.2                           | 2,613.4                           | (10.5)                   |
| Inter-segment interest expenses, net <sup>(2)</sup>        | (1,566.0)                         | (1,656.7)                         | (5.5)                    |
| Net interest income                                        | 773.2                             | 956.7                             | (19.2)                   |
| Net fees and commission income                             | 47.2                              | 110.8                             | (57.4)                   |
| <b>Operating income</b>                                    | <b>820.4</b>                      | <b>1,067.5</b>                    | <b>(23.1)</b>            |
| Operating expenses                                         | (307.3)                           | (416.5)                           | (26.2)                   |
| Impairment loss on assets                                  | (503.1)                           | (467.2)                           | 7.7                      |
| Operating profit                                           | 10.0                              | 183.8                             | (94.6)                   |
| <b>Profit before tax</b>                                   | <b>10.0</b>                       | <b>183.8</b>                      | <b>(94.6)</b>            |

Notes:

(1) Represents net income and expenses from third parties.

(2) Represents inter-segment expenses and consideration of transfer.

#### (i) Corporate loans

Corporate loans constituted the largest component of the Bank's loan portfolio. As of December 31, 2025 and June 30, 2026, corporate loans amounted to RMB149,942.3 million and RMB153,383.9 million, accounting for 65.4% and 64.2% of the Bank's total loans and advances to customers, respectively.

#### (ii) Discounted bills

The Bank purchases bank acceptance bills and commercial acceptance bills with remaining maturities of up to one year at discounted prices to satisfy the short-term funding needs of banks and corporate customers. As at December 31, 2025 and June 30, 2026, discounted bills totaled RMB19,537.9 million and RMB25,196.0 million, accounting for 8.5% and 10.5% of the Bank's total loans and advances to customers, respectively.

## Chapter 4 Management Discussion and Analysis

### (iii) **Corporate deposits**

The Bank accepts time and demand deposits denominated in Renminbi and major foreign currencies (including USD, HKD and Euros) from corporate customers. As at December 31, 2025 and June 30, 2026, corporate deposits totaled RMB81,438.6 million and RMB84,936.8 million, accounting for 24.2% and 24.4% of the Bank's total customer deposits, respectively.

### (iv) **Fees and commission-based products and services**

The Bank offers corporate customers a broad range of fees and commission-based products and services, primarily including wealth management services, entrusted loans, settlement services as well as other handling fees and commission-related products and services.

#### *(A) Wealth management services*

The Bank offers corporate customers a broad range of wealth management products based on their risk and return preferences. The Bank invests funds from these wealth management products primarily in bonds, interbank deposits, money market instruments and other fixed income products portfolio.

For the six months ended June 30, 2025 and 2026, wealth management products sold by the Bank to corporate customers totaled RMB21 million and RMB70.5 million, respectively, primarily due to the stable overall product operations, sound performance, relatively high customer recognition and relatively strong willingness to purchase in the first half of 2026.

#### *(B) Entrusted loans*

The Bank provides loans to borrowers designated by corporate customers, who determine the use of loans, principal amount and interest rates for these loans. The Bank monitors the use of entrusted loans by borrowers and assists corporate customers in recovering these loans.

The Bank charges agency fees based on the principal amount of entrusted loans. The Bank's corporate customers bear the risk of default associated with these loans. For the six months ended June 30, 2025 and 2026, service fees charged by the Bank to corporate customers for entrusted loans totaled RMB4.71 million and RMB3.92 million, respectively.

#### *(C) Settlement services*

The Bank offers corporate customers domestic and international settlement services.

**Domestic Settlement Services:** The Bank provides domestic settlement services in the form of bank acceptance bills, collections and telegraphic transfers. For the six months ended June 30, 2025 and 2026, the Bank's total domestic settlement transaction volumes were approximately RMB545.35 billion and RMB522.395 billion, respectively.

**International Settlement Services:** The Bank obtained approval to provide international settlement services in January 2014. The Bank's international settlement services primarily include remittance, collection, letters of credit and letters of guarantee.

For the six months ended June 30, 2025 and 2026, the Bank's international settlement transaction volumes were US\$229.9 million and US\$511.67 million, respectively.

## Chapter 4 Management Discussion and Analysis

### (D) Other fees and commission-based products and services

The Bank offers other fees and commission-based products and services to corporate customers, such as guarantee services, foreign exchange services and bond underwriting and distribution.

### (b) Retail banking

The Bank offers retail customers a wide range of financial products and services, including loans, deposits, bank card services and fees and commission-based products and services. The Bank has a large retail customer base.

As of June 30, 2026, the total retail loans of the Bank amounted to RMB54,226.8 million, while the total retail deposits amounted to RMB245,429.0 million. For the six months ended June 30, 2025 and 2026, operating income from the Bank's retail banking business accounted for 31.5% and 42.2% of its total operating income, respectively.

The Bank categorizes retail banking customers into regular customers (with average financial asset balances of less than RMB50,000), wealth management customers (with average financial asset balances of RMB50,000 or more but less than RMB200,000), wealthy customers (with average financial asset balances of RMB200,000 or more but less than RMB3.0 million) and private banking customers (with average financial asset balances of RMB3.0 million or more).

As of June 30, 2026, the Bank had 419,110 wealthy customers and over 3,367 private banking customers. The Bank continues to grow its wealthy customer and private banking customer base by expanding its product and service portfolio. The table below sets forth the financial performance of the Bank's retail banking for the periods indicated.

| (Expressed in millions of RMB,<br>unless otherwise stated) | Six months ended June 30,<br>2026 | 2025      | Percentage<br>change (%) |
|------------------------------------------------------------|-----------------------------------|-----------|--------------------------|
| External interest expenses, net <sup>(1)</sup>             | (1,257.9)                         | (1,547.4) | (18.7)                   |
| Inter-segment interest income, net <sup>(2)</sup>          | 2,298.6                           | 2,337.3   | (1.7)                    |
| Net interest income                                        | 1,040.7                           | 798.9     | 30.3                     |
| Net fee and commission income                              | 78.4                              | 66.9      | 17.2                     |
| <b>Operating income</b>                                    | <b>1,119.1</b>                    | 856.8     | 30.6                     |
| Operating expenses                                         | (416.3)                           | (334.3)   | 24.5                     |
| Impairment losses on assets                                | (261.9)                           | (461.2)   | (43.2)                   |
| Operating profit                                           | 440.9                             | 61.3      | 619.2                    |
| <b>Profit before tax</b>                                   | <b>440.9</b>                      | 61.3      | 619.2                    |

Notes:

(1) Represents net income and expenses from third parties.

(2) Represents inter-segment expenses and consideration of transfer.

## Chapter 4 Management Discussion and Analysis

### (i) Retail loans

The Bank offers retail customers personal business loans, personal consumption loans and personal residential and commercial mortgage loans. As of December 31, 2025 and June 30, 2026, total retail loans were RMB54,066.1 million and RMB54,226.8 million, accounting for 23.5% and 22.7% of the Bank's total loans and advances to customers, respectively.

### (ii) Retail deposits

The Bank accepts demand and time deposits denominated in Renminbi and major foreign currencies from retail customers. As of December 31, 2025 and June 30, 2026, retail deposits totaled RMB237,587.4 million and RMB245,429.0 million, accounting for 70.4% and 70.3% of the Bank's total customer deposits, respectively.

### (iii) Bank card services

#### (A) Debit cards

The Bank issues debit cards denominated in Renminbi to retail customers holding deposit accounts with it. Customers may use debit cards for a variety of purposes, such as cash deposits and withdrawals, transfers, payments, settlements, consumption, bill payments, financing and wealth management. The Bank provides cardholders with differentiated services by classifying debit cards into basic cards, gold cards, platinum cards and diamond cards based on a bank cardholder's deposit balances.

To expand its customer base and service scope, the Bank issues the following debit cards in cooperation with government agencies and public organizations:

- Social Security Card (社會保障卡): The Bank works with the Department of Human Resources and Social Security of Gansu Province (甘肅省人力資源和社會保障廳) to issue Social Security Cards, which can be used for making social security contributions and social security information inquiries.
- Housing Provident Fund Co-branded Card (公積金聯名卡): The Bank works with the local housing provident fund management center to issue Housing Provident Fund Co-branded Cards, which can be used for withdrawal and transfer of housing provident funds, loan distribution and account inquiries.
- Longyuan Transportation Card (隴原交通卡): The Bank works with the Gansu Provincial Expressway Administration to issue IC financial cards, which can be used for paying expressway tolls electronically.
- Veteran Card (退役軍人保障卡): The IC financial cards issued by the Bank in partnership with Gansu Provincial Veterans Affairs Office, which targets veterans and soldiers' dependents in the province, providing exclusive financial management, savings products, exclusive guarantees and exclusive VIP services for cardholders.

## Chapter 4 Management Discussion and Analysis

- Longjing Card (隴警卡): The IC financial cards issued by the Bank in partnership with the Gansu Public Security Department, which targets public security officers and their immediate family members in the province, providing exclusive financial management, savings products and exclusive VIP services for cardholders.
- Gardener's Card (園丁卡): The IC financial cards issued by the Bank in partnership with Lanzhou Municipal Education Bureau, which targets teaching staff, providing exclusive wealth management, deposit products, and exclusive VIP services for cardholders.

In addition, to enhance its brand recognition, the Bank cooperates with local governments to issue theme cards based on regional characteristics of Gansu Province, such as the Golden Tower Golden Poplar Card (金塔金胡楊卡), Xiongguan Card (雄關卡), the Journey of Xuanzang Card (玄奘之路卡) and Long Nan Landscape Card (隴南山水卡). The Bank also cooperates with various institutions in issuing co-branded cards, including the Gansu Police Vocational College Co-branded Card (甘肅警察職業學校聯名卡), Tianshui Reli Co-branded Card (天水熱力聯名卡) and Qingyang Labor Benefit Card (慶陽工惠卡).

As of June 30, 2026, the Bank had issued approximately 9.15 million debit cards. As of June 30, 2025 and June 30, 2026, holders of these debit cards conducted transactions of approximately RMB24,788.4 million and RMB20,081.9 million, respectively.

### *(B) Credit cards*

On the basis of a thorough investigation of the market, the Bank integrated and upgraded the credit card system by using leading financial technology and big data and officially issued credit cards with a certain credit limit to the public on November 11, 2019. Cardholders can consume by the card within the credit line first and then make payment to the Bank, and are entitled to financial services such as consumer credit, cash deposit and withdrawal and settlement by transfer of account. Credit cards issued by the Bank are classified into basic cards, gold cards and platinum cards according to different credit ratings.

As of June 30, 2026, the Bank had issued 1,087,689 credit cards, including 1,036,024 credit cards and 51,665 business cards. The revolving credit card line was RMB13.206 billion, of which RMB12.239 billion and RMB967 million were granted to credit cards and business cards, respectively. Balance of overdraft recorded was RMB2.840 billion, of which RMB2.803 billion and RMB37 million were made by holders of credit cards and business cards, respectively. Overdraft accounts reached 322,028, including 315,530 credit card accounts and 6,498 business card accounts. The total credit card income amounted to RMB83 million, of which RMB24 million was recorded by intermediary business, and RMB59 million was included in interest income.

### *(C) POS settlement services*

As a payment settlement service provider, the Bank provides selected merchants with transaction fund settlement services. As of June 30, 2026, the Bank had 163,800 merchant customers for its acquiring business. As at 30 June 2025 and 30 June 2026, the total amount of acquiring transactions was approximately RMB57.890 billion and RMB43.468 billion, respectively.

## Chapter 4 Management Discussion and Analysis

### (iv) Fees and commission-based products and services

The Bank offers retail customers a wide range of fees and commission-based products and services, primarily including wealth management services, agency services and payroll and payment agency services.

#### (A) *Wealth management services*

The Bank offers retail customers wealth management products under its Huifu (匯福) series based on their risk and return preferences. The Bank invests funds from these wealth management products primarily in bonds, interbank deposits, money market instruments and other fixed income products.

For the six months ended June 30, 2025 and 2026, wealth management products sold to retail customers totaled RMB16,789.65 million and RMB15,963.33 million, respectively. As of June 30, 2026, the Bank had 142,761 retail wealth management clients and the return rate of its retail wealth management products was between 1.62% and 2.57% for the six months ended June 30, 2026.

#### (B) *Agency services*

The Bank sells insurance, wealth management and precious metal products to retail customers as an agent.

Insurance Products: As of June 30, 2026, the Bank had entered into agency agreements with 7 nationwide insurance companies to promote and distribute their insurance products.

Wealth Management: As of June 30, 2026, the Bank had entered into agency agreements with 8 wealth management companies to promote and distribute their wealth management products, with sales amounts of RMB13,561.67 million.

Precious Metal Products: The Bank received approval to distribute precious metals in China in August 2015. For the six months ended June 30, 2025 and 2026, the Bank sold an aggregate of RMB69.62 million and RMB141.21 million of precious metal products, respectively.

#### (C) *Payroll and payment agency services*

Payroll Services: the Bank provides payroll services to governmental agencies, public organizations and enterprises customers. As of June 30, 2026, the Bank had over 11,897 payroll units. For the six months ended June 30, 2025 and 2026, the Bank paid, in the role of paying agent, average monthly salaries of approximately RMB4,970 million and RMB4,792.33 million, respectively.

Payment Agency Services: the Bank offers customers payment agency services related to daily living expenses (such as utilities costs) through its broad distribution network.

#### (D) *Other fees and commission-based products and services*

The Bank offers other fees and commission-based products and services to retail customers, such as fund transfer, remittance and acceptance services.

## Chapter 4 Management Discussion and Analysis

### (c) Financial market operations

The Bank's financial market operations primarily include money market transactions, investment business and wealth management business. The financial market operations are one of its most important revenue sources. For the six months ended June 30, 2025 and 2026, operating income from financial market operations accounted for 27.5% and 25.5% of its total operating income, respectively. The table below sets forth the financial performance of the Bank's financial market operations for the periods indicated.

| (Expressed in RMB million,<br>unless otherwise stated) | Six months ended June 30, |              | Percentage<br>change (%) |
|--------------------------------------------------------|---------------------------|--------------|--------------------------|
|                                                        | 2026                      | 2025         |                          |
| Net external interest income <sup>(1)</sup>            | 1,160.7                   | 1,181.1      | (1.7)                    |
| Net inter-segment interest expenses <sup>(2)</sup>     | (732.6)                   | (680.6)      | 7.6                      |
| Net interest income                                    | 428.1                     | 500.5        | (14.5)                   |
| Net fee and commission income                          | 8.3                       | 9.1          | (8.8)                    |
| Net trading gains                                      | 189.7                     | 107.4        | 76.6                     |
| Net income arising from investment securities          | 51.2                      | 130.1        | (60.6)                   |
| <b>Operating income</b>                                | <b>677.3</b>              | <b>747.1</b> | <b>(9.3)</b>             |
| Operating expenses                                     | (257.7)                   | (291.5)      | (11.6)                   |
| Impairment losses on assets                            | (439.0)                   | (293.8)      | 49.4                     |
| Operating (loss)/profit                                | (19.4)                    | 161.8        | (112.0)                  |
| <b>(Loss)/profit before tax</b>                        | <b>(19.4)</b>             | <b>161.8</b> | <b>(112.0)</b>           |

Notes:

(1) Represents net income and expenses from third parties.

(2) Represents inter-segment expenses and consideration of transfer.

### (i) Money market transactions

The Bank adjusts its liquidity using various monetary market instruments and earns interest income from money market transactions. Money market transactions primarily include (i) interbank deposits; (ii) interbank placements; and (iii) repurchase and reverse repurchase transactions.

#### (A) Interbank deposits

The Bank deposits funds with and withdraws funds from banks and other financial institutions to manage our assets and liabilities. The Bank accepts deposits from banks and other financial institutions and deposits money in banks and other financial institutions, and also engages in other interbank transactions with certain of these banks and financial institutions.

As of December 31, 2025 and June 30, 2026, deposits from banks and other financial institutions totaled RMB10,282.2 million and RMB11,588.4 million, respectively, and deposits of the Bank at banks and other financial institutions totaled RMB2,910.3 million and RMB3,050.5 million, respectively.

## Chapter 4 Management Discussion and Analysis

### (B) *Interbank placements*

The balance of placements with banks and other financial institutions as of December 31, 2025 and June 30, 2026 totaled RMB12,183.8 million and RMB13,409.3 million, respectively. As of December 31, 2025 and June 30, 2026, placements from banks and other financial institutions totaled RMB2,012.8 million and RMB1,068.2 million, respectively.

### (C) *Repurchase and reverse repurchase transactions*

The securities underlying the Bank's repurchase and reverse repurchase transactions are mainly RMB denominated PRC government bonds and policy financial bonds. As of December 31, 2025 and June 30, 2026, financial assets held under resale agreements totaled RMB2,604.4 million and RMB6,403.2 million, and financial assets sold under repurchase agreements totaled RMB7,800.6 million and RMB0 million, respectively.

### (ii) **Investment securities and other financial assets**

Investment securities and other financial assets primarily include debt securities, interbank certificates, and asset management plans, trust plans, wealth management products and fund products issued by other financial institutions.

### (A) *Security investment by holding purpose*

The table below sets forth investment securities and other financial assets by investment intention as of the dates indicated.

| (Expressed in RMB million,<br>unless otherwise stated)                          | As of June 30, 2026 |                | As of December 31, 2025 |                |
|---------------------------------------------------------------------------------|---------------------|----------------|-------------------------|----------------|
|                                                                                 | Amount              | % of total (%) | Amount                  | % of total (%) |
| Financial assets at fair value<br>through profit or loss                        | 34,901.1            | 22.2           | 33,908.0                | 23.3           |
| Financial assets at fair value<br>through other comprehensive<br>income         | 30,312.9            | 19.3           | 28,621.0                | 19.6           |
| Financial assets at amortized costs                                             | 91,160.8            | 58.0           | 82,365.0                | 56.5           |
| Other equity instrument<br>investments                                          | 855.6               | 0.5            | 879.5                   | 0.6            |
| <b>Total amount of investment<br/>securities and other financial<br/>assets</b> | <b>157,230.3</b>    | <b>100.0</b>   | <b>145,773.5</b>        | <b>100.0</b>   |

Total amount of investment securities and other financial assets increased by 7.9% from RMB145,773.5 million as of December 31, 2025 to RMB157,230.3 million as of June 30, 2026.

## Chapter 4 Management Discussion and Analysis

### (B) *Maturity profile of the Bank's investment portfolio*

The table below sets forth investment securities and other financial assets by remaining maturity 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 (%) |
| Repayable on demand                                 | 108.7               | 0.1            | 581.3                   | 0.4            |
| Due in three months or less                         | 27,127.9            | 17.3           | 22,060.9                | 15.1           |
| Due between three months and one year               | 12,635.0            | 8.0            | 24,060.7                | 16.5           |
| Due between one year and five years                 | 31,294.9            | 19.9           | 22,975.8                | 15.8           |
| Due over five years                                 | 57,821.0            | 36.7           | 47,646.7                | 32.8           |
| Indefinite <sup>(1)</sup>                           | 28,242.8            | 18.0           | 28,448.1                | 19.4           |
| <b>Total</b>                                        | <b>157,230.3</b>    | <b>100.0</b>   | <b>145,773.5</b>        | <b>100.0</b>   |

*Note:*

- (1) Refers to impaired investments, investments that have been more than one month and equity investments, as well as financial assets with no fixed maturity date, including open-ended public funds, asset management plans of the securities industry, and wealth management products, which have no agreed maturity dates and can be subscribed for or redeemed at any time.

The Bank's securities investment with a remaining maturity over five years represents the largest portion of the Bank's investment securities.

### (C) *Holding of government bonds*

As of June 30, 2026, the balance of face value of government bonds held by the Bank amounted to RMB15,344 million. The table below sets forth the top 10 government bonds with the highest face value held by the Bank as of June 30, 2026.

| Name of the bond                   | Face value<br>(in millions<br>of RMB) | Interest rate<br>per annum<br>(%) | Maturity date |
|------------------------------------|---------------------------------------|-----------------------------------|---------------|
| 22 Gansu Bonds 24                  | 2,290                                 | 2.86                              | 2032/8/23     |
| 22 Gansu Bonds 18                  | 1,820                                 | 3.29                              | 2042/6/28     |
| 25 Gansu 17                        | 1,740                                 | 2.13                              | 2055/4/29     |
| 22 Gansu Bonds 22                  | 1,514                                 | 3.29                              | 2042/6/28     |
| 21 Gansu 13                        | 1,500                                 | 3.10                              | 2031/9/3      |
| 20 Gansu Bonds 16                  | 1,420                                 | 3.57                              | 2040/5/29     |
| 25 Gansu Bonds 34                  | 1,350                                 | 2.36                              | 2045/8/22     |
| 23 Coupon-bearing Treasury Bond 17 | 1,330                                 | 2.18                              | 2026/8/15     |
| 24 Gansu Bonds 35                  | 1,260                                 | 2.20                              | 2034/11/29    |
| 24 Gansu Bonds 36                  | 1,120                                 | 1.95                              | 2034/12/13    |

## Chapter 4 Management Discussion and Analysis

### (D) Holding of financial bonds

As of June 30, 2026, the balance of face value of financial bonds (mainly issued by policy banks, commercial banks, and other financial institutions) held by the Bank amounted to RMB18,980 million. The table below sets forth the top 10 financial bonds with the highest face value held by the Bank as of June 30, 2026.

| Name of the bond | Face value<br>(in millions<br>of RMB) | Interest rate<br>per annum<br>(%) | Maturity date |
|------------------|---------------------------------------|-----------------------------------|---------------|
| 25 ADBC 30       | 4,190                                 | 1.82                              | 2035/8/7      |
| 25 CDB 15        | 2,900                                 | 1.65                              | 2035/6/18     |
| 21 CDB 05        | 2,390                                 | 3.66                              | 2031/3/1      |
| 24 CDB 15        | 1,640                                 | 2.26                              | 2034/7/19     |
| 25 EIBC 55       | 1,490                                 | 1.60                              | 2031/2/7      |
| 25 CDB 20        | 1,420                                 | 1.87                              | 2035/9/5      |
| 21 CDB 15        | 1,320                                 | 3.12                              | 2031/9/13     |
| 25 ADBC 09       | 1,300                                 | 1.70                              | 2028/5/8      |
| 25 CDB 08        | 1,170                                 | 1.54                              | 2030/6/13     |
| 24 ADBC 30       | 1,160                                 | 2.09                              | 2034/9/26     |

### (d) Distribution network

#### (i) Physical outlets

As of June 30, 2026, the Bank had 1 head office operational department, 12 branches, 179 sub-branches, 1 micro-to-small sub-branch and 1 community sub-branch. The Bank's branch network covered all of Gansu's cities and prefectures and approximately 93% of its counties and districts. The details of branches are shown in the following table.

| Name of organisation               | Business address (PRC)                                                                                                                                                 | Postcode | Number of organization |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------|
| Head office operational department | No. 525-1 Donggang West Road, Chengguan District, Lanzhou City                                                                                                         | 730000   | 2                      |
| Baiyin Branch                      | No. 369, Chengxin Avenue, Dijiatai Community, Fangzhi Road Sub-district, Baiyin District, Baiyin City                                                                  | 730900   | 15                     |
| Pingliang Branch                   | No. 2, Jingtang Road, Xingbei Road Community, Xijiao Street, Kongtong District, Pingliang City                                                                         | 744000   | 20                     |
| Qingyang Branch                    | No. 3, Honghua West Road, Houguanzhai Village, Houguanzhai Town, Xifeng District, Qingyang City                                                                        | 745000   | 15                     |
| Dingxi Branch                      | Building 3, No. 11, Jiefang Road, Anding District, Dingxi City                                                                                                         | 743000   | 12                     |
| Tianshui Branch                    | 1st Floor and 4-7th Floor, 8th Office Building, Yuyuan Taoli Chunfeng, No. 330 (east of the Building Technology Center), Jihebei Road, Qinzhou District, Tianshui City | 741000   | 13                     |

## Chapter 4 Management Discussion and Analysis

| Name of organisation               | Business address (PRC)                                                                                                                         | Postcode | Number of organization |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------|
| Longnan Branch                     | Building 2, Kecheng Jinyu Huafu,<br>No. 1 Wanxiang Street, Wanxiang<br>Community, Jiangbei Sub-district<br>Office, Wudu District, Longnan City | 746000   | 13                     |
| Jiuquan Branch                     | No. 8-1, Building 1, Jinta Road,<br>Suzhou District, Jiuquan City                                                                              | 735000   | 15                     |
| Jiayuguan Branch                   | No. 111 Xinhua South Road, Jiayuguan<br>City                                                                                                   | 735100   | 5                      |
| Zhangye Branch                     | No. 11 West Street, Ganzhou District,<br>Zhangye City                                                                                          | 734000   | 9                      |
| Wuwei Branch                       | No. 57, East Street, Liangzhou District,<br>Wuwei City                                                                                         | 733000   | 10                     |
| Linxia Branch                      | No.1 -1 Tuanjie North Road, Chengbei<br>Street, Linxia City, Linxia Hui<br>Autonomous Prefecture                                               | 731100   | 11                     |
| Gannan Branch                      | Room 101, 1st Floor, Building 3, No.<br>327, Nianqin Street, Luqu Road<br>Community, Yihe'ang Sub-district,<br>Hezuo City, Gannan Prefecture   | 747000   | 5                      |
| Jinchang Sub-branch                | No. 4 Tianjin Road, Jinchang City                                                                                                              | 737100   | 5                      |
| Lanzhou Chengguan<br>Sub-branch    | Rooms 101-111, Rooms 113-115,<br>Floor 1, No.282 Tianshui North<br>Road, Yanbei Road, Chengguan<br>District, Lanzhou City                      | 730000   | 14                     |
| Lanzhou Jincheng<br>Sub-branch     | No. 613 Huochezhan West Road,<br>Chengguan District, Lanzhou City                                                                              | 730000   | 19                     |
| Lanzhou Anning<br>Sub-branch       | No. 1952-1956 Jianning West Road,<br>Anning District, Lanzhou City                                                                             | 730070   | 4                      |
| Lanzhou Xigu<br>Sub-branch         | Building 4, Poly Lanzhou Tangyue,<br>Yumen Street, Xigu District, Lanzhou<br>City                                                              | 730060   | 4                      |
| Lanzhou New District<br>Sub-branch | H-P Axis, Area C, Asia-Pacific<br>Industrial Science and Technology<br>Headquarters Base, Lanzhou New<br>District, Lanzhou City                | 730300   | 3                      |
| <b>Total</b>                       |                                                                                                                                                |          | <b>194</b>             |

## Chapter 4 Management Discussion and Analysis

### (ii) **Electronic banking business**

#### (A) *Internet banking*

Through the internet, the Bank offers customers account management, information inquiry, remittance and transfer, payment, investment and wealth management and other financial services. As of June 30, 2026, the Bank had over 871,000 internet banking customers, consisting of 92,400 corporate internet banking customers and over 778,600 retail internet banking customers. As of June 30, 2026, the Bank's corporate customers conducted over 2.6134 million online transactions with a total transaction amount of approximately RMB259.379 billion, while retail internet banking customers conducted approximately 180,000 online transactions with a total transaction amount of approximately RMB5.948 billion.

#### (B) *Mobile phone banking*

The Bank provides customers with various financial services, such as account inquiries and management, transfers, payments and loan management. As of June 30, 2026, the Bank had approximately 4,471,300 mobile phone banking customers that had conducted approximately 8,559,200 transactions through mobile phone banking, with total transaction amounts of approximately RMB139.036 billion.

#### (C) *Telephone banking*

The Bank provides customers with loan and deposit account inquiries, personal debit card account transfers, bill inquiries, lost declarations and business inquiry services through an interactive self-service voice system and live customer service. As of June 30, 2026, the Bank had 897,244 registered telephone banking customers, who were all individual customers.

#### (D) *Self-service banking*

The Bank provides convenient banking services to customers at lower operating costs through self-service facilities. The Bank's self-service banking services include balance inquiries, cash withdrawals and deposits, transfers and public utilities payments. As of June 30, 2026, the Bank had 194 outlets, 32 off-bank self-service zones, 471 self-service facilities and 368 intelligent counters.

#### (E) *WeChat banking*

WeChat has become an important channel that provides value-added services to retail customers. Through WeChat banking, customers can access the Bank's products and services; accounts management, transaction inquiries, payment and convenience services; and the Bank's outlet locations inquiry service. As of June 30, 2026, the Bank had over 1,005,500 WeChat banking customers.

## Chapter 4 Management Discussion and Analysis

### (F) *E-commerce platform*

The Bank's e-commerce platform "Longyin Commerce" (隴銀商務) provides merchants with comprehensive services. These services include purchasing, sales and inventory management, and online B2C transactions. As of June 30, 2026, the platform had 3,117,000 users.

### (e) *Information on the subsidiary*

#### **Jingning Chengji Rural Bank (靜寧成紀村鎮銀行)**

In September 2008, Pingliang City Commercial Bank established Jingning Chengji Rural Bank with 4 other legal entities and 7 individuals. As of June 30, 2026, the Bank held an approximately 62.73% equity interest in Jingning Chengji Rural Bank.

Jingning Chengji Rural Bank, a joint stock company with limited liability incorporated in the PRC, carries out its business in the PRC, primarily engaging in offering financial products and services, including loans, deposits and fee and commission-based products and services to local corporate and retail customers.

As of June 30, 2026, Jingning Chengji Rural Bank had 8 corporate loan customers, 705 corporate deposit customers, 7,737 retail loan customers and 121,492 retail deposit customers. As of June 30, 2026, Jingning Chengji Rural Bank had 12 business outlets and 107 employees.

As of June 30, 2026, Jingning Chengji Rural Bank had total assets of RMB1,998.4 million, total deposits of RMB1,868.1 million and total loans of RMB1,358.4 million. For the year ended December 31, 2025 and the six months ended June 30, 2026, operating income attributable to Jingning Chengji Rural Bank totaled RMB45.4 million and RMB21.4 million, accounting for 0.84% and 0.81% of the Bank's total operating income, respectively.

The Bank assists Jingning Chengji Rural Bank by providing strategic guidance and employee training. The Bank also dispatches professional staff to improve employees' business skills, and share experience to innovate products and services to diversify its business.

On June 30, 2026, the Bank convened the 2025 annual general meeting, at which a special resolution was passed proposing to absorb and merge its controlling subsidiary, Jingning Chengji Rural Bank, and to convert it into a sub-branch of the Bank. For specific details, please refer to the section headed "Acquisition and Disposal of Subsidiaries, Associates, Assets and Business/Enterprises Combinations/Mergers" below.

## Chapter 4 Management Discussion and Analysis

### (f) Digital and intelligent transformation and IT Operations Assurance

Closely aligning with the national digital finance development strategy and rooted in the land of Gansu province, the Bank takes “digitalization and intelligence” as its core driver. With a primary focus on four aspects – improving the quality and efficiency of services in key areas, promoting the digital and intelligent upgrade of operation and management, enhancing capabilities for product innovation and iteration, and consolidating the foundation of digital finance development – the Bank provides support for its business development and operation and management, solidly advances the digital and intelligent upgrade of its business models, and gradually enhances its capability to serve the real economy.

For the six months ended June 30, 2026, the Bank’s key initiatives, such as digital finance and digital and intelligent transformation, were advanced in an orderly manner. The information systems of the whole Bank operated safely and stably, the refined management of information technology was continuously strengthened, and technological innovation achieved solid results. First, the Bank actively promoted digital transformation tasks. The 2026 Digital Finance and Digital and Intelligent Transformation Work Plan 《2026年數字金融暨數智化轉型工作方案》 and 2026 Data Governance Work Plan for the Bank of Gansu 《甘肅銀行2026年數據治理工作方案》 were formulated and carried out under supervision. 16 tasks have been put into production, and 39 tasks are progressing as planned. Secondly, the preliminary round of the third “Bank of Gansu Intelligent Innovation” product innovation competition was successfully completed, with 24 outstanding ideas shortlisted for the final, which further fostered a strong atmosphere of innovation and efficiency creation across the Bank. The Bank has launched ten sessions of the “Product Experience Officer” Program, and collected 1,335 suggestions for product optimization, leveraging product experience feedback to facilitate product enhancement. Thirdly, the Bank strengthened digital empowerment by completing intelligent report analysis for nearly 10 scenarios in business lines such as personal banking and retail loans, and releasing data assets. The RPA applications were expanded to cover 40 new automation scenarios. and 120 marketing activities for customer managers were carried out. Fourth, the Bank kept a close eye on the construction of key projects, with 25 projects progressing as scheduled. Among them, the “Yi Biao Tong” (一表通) project took the lead among three legal person institutions in the province to pass the joint commissioning test of the National Administration of Financial Regulation and was successfully put into production. Fifth, we steadily advanced the transformation of information technology application innovation. In the first half of the year, a total of 3 application systems were put into production in the information technology application innovation environment, and the addition and replacement of information technology application innovation equipment, such as office terminals, financial machines and tools, and printers, were carried out simultaneously.

For the six months ended June 30, 2026, Bank of Gansu strengthened the security system from multiple aspects such as business continuity, network security, operation and maintenance management of data security and emergency management, so as to ensure the safe and stable operation of the Bank’s information system.

The Bank has also implemented safeguards to maintain the confidentiality, integrity and availability of information. These safeguards include firewalls, anti-virus measures, data encryption, user authentication and authorization, desk site security, host security, terminal data leakage prevention, intrusion prevention and detection, network security situational awareness, filing and evaluation of the classified protection of important information systems, key information infrastructure protection and information system security assessment. For the six months ended June 30, 2026, the Bank did not suffer any material IT system failures.

## Chapter 4 Management Discussion and Analysis

### 5. RISK MANAGEMENT

#### (a) Risk management of the Bank

The Bank is primarily exposed to credit risk, market risk, operational risk and liquidity risk in its business. It is also exposed to other risks such as reputational risk, information technology risk, money-laundering risk and legal and compliance risk. The Bank summarises and evaluates the comprehensive risk management on a semi-annual basis to prepare a Comprehensive Risk Management Report, and reports the same to the Board. The Bank considers that the existing risk management and internal control systems are operating effectively.

Since its inception, the Bank has implemented comprehensive risk management strategies to enhance its risk management systems.

#### (i) Credit risk management

Credit risk is the risk of loss due to (i) failure by a debtor or counterparty to meet its contractual obligations or (ii) a decrease in credit ratings or repayment ability. The Bank's credit risks arise mainly from loans, investments, guarantees, commitments and other on – or off-balance-sheet credit risk exposures.

Taking into account the external environment, regulatory orientation, epidemic factors and the actual situation of the Bank, the industry investment direction is divided into four categories: aggressive growth, selective growth, presence sustaining and shrinking or exit, and different credit strategies are adopted.

| Industries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Credit Strategies                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Seed and seedling cultivation, wheat, corn, fruits, vegetables, potatoes, traditional Chinese medicine herbs planting, cattle and sheep raising, advanced manufacturing industry, pharmaceutical manufacturing, new energy equipment manufacturing, railways, highways, airports, telecommunications, Internet, hydropower generation, nuclear power generation, wind power generation, solar power generation, power supply, tap water production and supply, and other civil engineering construction in the field of railroads and other infrastructures, higher education, hospitals, software and information technology service industry, wastewater treatment and recycling, research and technology services, etc. (“aggressive growth” industries) | • priority will be given to customers who have technical advantages, established markets and great development potential in the industry. |

## Chapter 4 Management Discussion and Analysis

| Industries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Credit Strategies                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agriculture, forestry, animal husbandry and fishery, coal mining and washing, oil and gas exploration, precious metal mining and dressing, rare earth metal mining and dressing, upgrading of traditional manufacturing industries, housing construction, other civil engineering construction, wholesale and retail of pharmaceuticals and medical equipment, transportation, warehousing, postal services, accommodation and catering, real estate development and operation, tourist attraction management, scenic spot management, forest park management, non-higher education, ferrous metal mining and dressing, common non-ferrous metal mining and dressing, wholesale and retail trade, business services, etc. (" <b>selective growth</b> " industries) | <ul style="list-style-type: none"> <li>selectively support key areas of the industry and high-quality enterprises in the industry.</li> </ul>                                                                                         |
| Thermal power generation, construction and installation, building decoration, traditional manufacturing, etc. (" <b>presence sustaining</b> " industries)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>objectively identify industry customers, prudently support with flexibility, and maintain the overall total amount unchanged under the premise of effective control of credit risk.</li> </ul> |
| Coking, flat glass, ferro-alloy smelting, calcium carbide (" <b>shrinking or exit</b> " industries)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>require an effective decline in overall credit balance from the beginning of the year.</li> </ul>                                                                                              |

### (ii) Market risk management

Market risk is the risk of on-balance sheet and off-balance sheet loss arising from fluctuations in market prices. The Bank is exposed to market risks primarily through its banking book and trading book.

#### (A) Interest rate risk management

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates. Its primary source of interest rate risk is the repricing of on – and off-balance sheet assets and liabilities due to mismatches in maturities.

Maturity or repricing date mismatches may cause changes in net interest income due to fluctuations in prevailing interest rates. The Bank is exposed to interest rate risk through its day-to-day lending and deposit-taking activities and its financial market operations.

The Bank places great emphasis on analyzing the general economic situation and policies, particularly the changes in currency policies. The Bank conducts analysis and studies on interest rate trends in financial markets, based on the results and forecast of which it formulates and adjusts interest rates, in order to better control interest rate risks and reduce losses arising from interest rate fluctuations.

The Bank manages the interest rate risk exposure of its RMB-denominated assets and liabilities on its balance sheet primarily by adjusting interest rates and optimizing the maturity profile of its assets and liabilities. The Bank seeks to reduce maturity mismatches by adjusting repricing frequency and establishing a pricing structure for corporate deposits.

## Chapter 4 Management Discussion and Analysis

The Bank uses various measures to evaluate interest rate risks arising from its banking book, including but not limited to techniques and measures such as duration analysis, sensitivity analysis, scenario analysis and stress tests, to measure its interest rate risk. For example, it regularly conducts sensitivity analysis and duration analysis on its bond business under different circumstances, to measure the potential effects on its profitability. Under unfavorable external conditions, it will also conduct special stress tests analyses on the interest rate benchmark on loans and deposits. Based on such analyses, it may adjust its terms on repricing to control interest rate risk.

The Bank uses sensitivity analysis to measure the impact of changes in interest rates on our net profit or loss and equity. The table below sets forth the results of the Bank's interest rate sensitivity analysis based on its assets and liabilities as of the dates indicated.

|                              | As of June 30, 2026                                     |                      | As of December 31, 2025 |                      |
|------------------------------|---------------------------------------------------------|----------------------|-------------------------|----------------------|
|                              | Change in<br>net profit                                 | Changes<br>in equity | Change in<br>net profit | Changes<br>in equity |
|                              | (Expressed in millions of RMB, unless otherwise stated) |                      |                         |                      |
| Increase by 100 basis points | (553.2)                                                 | (445.9)              | (353.8)                 | (327.5)              |
| Decrease by 100 basis points | 553.2                                                   | 503.7                | 353.8                   | 356.0                |

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

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

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

## Chapter 4 Management Discussion and Analysis

### **(B)** *Exchange rate risk management*

The Bank is exposed to exchange rate risks primarily derived from mismatches in the currency denominations of on – and off-balance sheet assets and liabilities and in the trading positions of foreign exchange transactions. It manages exchange rate risks by matching the sources and uses of funds.

The Bank seeks to keep the adverse impact of exchange rate fluctuations within an acceptable range by managing risk exposure limits and the currency structure of its assets and liabilities. In addition, it endeavors to limit transactions involving high exchange rate risks, monitor major indicators, and inspect the positions of major foreign currencies on a daily basis.

### **(iii)** **Operational risk management**

Operational risk refers to the risk of loss caused by incomplete internal control procedures, failures of employees and IT systems or external events. Operational risk events include internal and external fraud, safety accidents in the workplace, damage to tangible assets, risk or implementation, settlement and procedure management failure relating to customers, products and operations, as well as errors or malfunctions in IT systems.

The Board of Directors is ultimately responsible for monitoring the effectiveness of the Bank's operational risk management. It determines the Bank's operational risk appetite based on its overall business strategies, and reviews and oversees the implementation of operational risk management strategies and policies.

The senior management of the Bank is responsible for coordinating operational risk management through its risk management and internal control committee.

The legal and compliance department of the Bank formulates operational risk management procedures for identifying, evaluating, monitoring and controlling operational risks under the supervision of the Board and senior management. The audit department supervises and evaluates the management of operational risks and is responsible for independently examining and evaluating the appropriateness, effectiveness and efficiency of operational risk management policies, systems and procedures.

The Bank has established a GRC system for managing internal control and operational risks. Through the system, it utilizes operational risk management tools to identify, measure and monitor operational risks.

## Chapter 4 Management Discussion and Analysis

### (iv) **Liquidity risk**

#### (A) *Liquidity risk management*

Liquidity risk refers to the risk of failing to acquire sufficient funds at a reasonable cost and in a timely manner to pay the debts when due, fulfill other payment obligations and meet other funding requirements for normal business operations. Factors affecting the liquidity of the Bank include the term structure of its assets and liabilities and changes to financial market policies, such as changes in the requirements relating to its statutory deposit reserve ratio. The Bank is exposed to liquidity risk primarily in its lending, trading and investment activities, as well as in the management of its cash flow positions.

The organizational framework of the liquidity risk management of the Bank focuses on formulating, implementing and supervising the separation of duties in relation to liquidity risk management policies and procedures. As the ultimate decision-making body for the liquidity risk management, the Board assumes ultimate responsibility for the liquidity risk management of the Bank.

Senior management is responsible for liquidity management, and the assets and liabilities management committee is responsible for implementing liquidity management policies and procedures. The supervisory committee of the Bank is responsible for supervising and evaluating the implementation of liquidity risk management by the Board of Directors and senior management. The financial planning department is responsible for the daily liquidity risk management of the Bank.

The objective of the liquidity risk management of the Bank is, by establishing timely, reasonable and effective liquidity risk management mechanisms, to identify, measure, monitor and control liquidity risks, meet the liquidity needs of its assets, liabilities and off-balance sheet businesses on a timely basis, and control liquidity risks at an acceptable level to maintain sustained and healthy operations.

According to the Measures for the Management of Liquidity Risks of Commercial Banks (effective as from July 1, 2018) issued by the former CBIRC, the Bank continually improves liquidity risk management, strictly implements regulatory rules, closely monitors liquidity indicators, enhances maturity management of its cash flows, formulates emergency plans, enhances liquidity risk management and stress tests.

The Bank manages liquidity risk with instruments such as position reporting and monitoring, cash flow analysis, liquidity stress tests, liquidity risk limits and liquidity risk indicators monitoring.

## Chapter 4 Management Discussion and Analysis

### (B) Liquidity risk analysis

*The Bank's liquidity coverage ratio*

|                              | June 30,<br>2026 | December 31,<br>2025 |
|------------------------------|------------------|----------------------|
| Liquidity coverage ratio (%) | <b>226.33</b>    | 234.01               |

*The Bank's net stable funding ratio*

| (Expressed in millions of RMB,<br>unless otherwise stated) | June 30,<br>2026 | March 31,<br>2026 | December 31,<br>2025 |
|------------------------------------------------------------|------------------|-------------------|----------------------|
| Closing amount of available stable funds                   | <b>326,611.9</b> | 324,514.7         | 319,146.4            |
| Closing amount of required stable funds                    | <b>236,626.4</b> | 235,401.0         | 232,370.4            |
| Net stable funding ratio (%)                               | <b>138.03</b>    | 137.86            | 137.34               |

### (v) Reputation risk management

Reputation risk refers to the risk of negative comments damaging the brand value, affecting normal operation and even market stability from relevant interested parties, the public and the media resulting from our management and operations, the conduct of its employees or external events such as complaints, penalties and cases. The general office of the Bank's headquarters is primarily responsible for reputation risk management, and the Board and the senior management bears the ultimate responsibility, supervision and management for reputation risk management.

## Chapter 4 Management Discussion and Analysis

### (vi) Legal compliance risk management

Legal and compliance risk refers to the risk of legal sanctions, regulatory penalties, financial losses and reputational harm resulting from the failure to comply with laws and regulations. The Bank has a three-tier legal and compliance risk management structure at its head office, branches and sub-branches.

The legal and compliance department at its head office is in charge of managing our overall legal and compliance risks. In addition, the Bank has established legal and compliance departments at the tier-one branches and sub-branches in charge of the matters in respect of legal compliance and risk management.

The Bank's risk management and internal control committee is primarily responsible for the overall operational risk and internal control management of the Bank. The Bank systematically manages our internal control compliance and legal affairs by building a GRC system. The Bank manages legal and compliance risks primarily through the following measures:

- formulating our rules, systems and annual plans, and leading and urging the formulation and amendment thereof;
- enhancing the compliance review mechanism to identify and evaluate compliance risks associated with our business activities;
- developing, coordinating, reviewing and incorporating the Bank's operation authorization plans and revised plans and putting them into implementation;
- uniformly managing standard contracts and other legal documents;
- managing and tracking our legal proceedings;
- formulating an annual compliance management plan, stipulating the focus for annual compliance work;
- managing related parties and connected transactions to control connected transactions in advance;
- optimizing the management mechanism for rectifications upon inspection, and enhancing the supervision and management of our rectifications upon inspection;
- closely monitoring regulatory changes and reporting compliance information and risks to our senior management and the relevant business lines; and
- enhancing internal training on legal and compliance, and issuing compliance alerts and reminders to employees through compliance proposals and internal publications.

### (vii) IT risk management

IT risk refers to operational, reputational, legal and other risks arising from information technology applications due to natural factors, human factors, technical constraints, management defects and other factors. The IT risk management of the Bank aims to identify, measure, monitor and control IT risks through the development of effective systems.

The IT management committee supervises and guides IT activities of the Bank. The risk management department formulates IT risk management procedures under the supervision of the Board and senior management. The audit department audits IT risks. The IT department and relevant business departments are responsible for the implementation of specific risk management measures, plans and proposals.

## Chapter 4 Management Discussion and Analysis

### (viii) Anti-money laundering management

The Bank has formulated comprehensive anti-money laundering rules and procedures in accordance with the Anti-Money Laundering Law of the PRC and the regulations of the PBOC.

The Board of Directors oversees bank-wide implementation of anti-money laundering policies, supervises senior management with respect to the formulation and implementation of anti-money laundering rules and procedures, reviews reports from senior management on any major anti-money laundering matters and the overall money-laundering risk profile, and adjusts anti-money laundering policies of the Bank on a timely basis.

The Bank has established anti-money laundering leadership groups at its head office, branches and sub-branches.

The anti-money laundering leadership group at its head office leads and coordinates the bank-wide anti-money laundering efforts. It is primarily responsible for:

- formulating anti-money laundering plans;
- reviewing rules and internal controls regarding anti-money laundering;
- ensuring the effective implementation of internal controls for anti-money laundering;
- analyzing significant issues relating to anti-money laundering;
- formulating solutions and responsive measures; and
- reporting to the Board of Directors.

This leadership group is led by the president of the Bank and the office is set up at the legal and compliance department. The members of the leadership group consist of the anti-money laundering leadership management department, the business management department, the responsible persons from the middle and back-end cooperation departments and other parties.

The Bank conducts due diligence on the customers in accordance with anti-money laundering laws and regulations. The Bank reports large-scale and suspicious transactions to the China Anti-Money Laundering Monitoring and Analyzing Center on a daily basis through its anti-money laundering management system. The Bank also reports major reasonably suspected money laundering activities to the local branch of the PBOC and cooperates with their investigations, and reports to local public security units when necessary.

The Bank provides bank-wide anti-money laundering training on a regular basis based on employees' position and seniority. The Bank also requires all new employees to participate in mandatory anti-money laundering training before commencing employment.

## Chapter 4 Management Discussion and Analysis

### (ix) Anti-corruption system

The Bank strictly abides by laws and regulations such as the Regulation of the Communist Party of China on Disciplinary Actions, the Law of the People's Republic of China on Administrative Discipline for Public Officials, the Criminal Law of the People's Republic of China and the Supervision Law of the People's Republic of China in its stringent control of corporate prevention of possible irregularities, violations of discipline and law by the Bank's employees. Accordingly, the Bank has launched the Trial Implementation Measures for Complaint Management and Investigation of Bank of Gansu 《甘肅銀行信訪管理及查處工作實施辦法(試行)》, the Trial Administrative Measures for Report on Marriage and Compassionate Leave of Party Members and Leading Cadres of Bank of Gansu 《甘肅銀行黨員幹部操辦婚喪喜慶事宜報備暫行辦法》, the Operating Procedures for Reminders, Letters and Discretions for Management Staff of Bank of Gansu's Head Office 《甘肅銀行總行管理幹部提醒、函詢和誠勉工作操作規程》, the Regulations on Accountability for Violations (2024 Revision) of Bank of Gansu 《甘肅銀行違規問責管理辦法(2024年修訂)》, the Measures for the Assessment of the Party Construction of Bank of Gansu 《甘肅銀行黨風廉政建設工作考核辦法》, the Administrative Measures for the Prevention and Control of Cases of Bank of Gansu 《甘肅銀行案件防控管理辦法》 and other internal systems, gradually improving its construction of system.

In addition to the internal system, the Bank has established a four-in-one complaint mechanism of "letters, visits, call, internet", which accepts and handles issues and traces in accordance with relevant requirements, so as to effectively curb the occurrence of corruption and other illegal acts. In terms of complaint management, the assigned discipline inspection and supervision team has formulated a corresponding working system. In accordance with the principles of unified management, classification and treatment, and handling within a time limit, the approval process is strictly implemented. In accordance with the requirements of registration acceptance, analysis and judgment, investigation and verification, and handling of issues, the Bank will investigate and deal with issues and traces on complaint letters in accordance with the law.

### (b) Internal Audits

The Bank believes internal audits are essential to its stable operations and achievement of business objectives. The Bank conducts internal audits to monitor the compliance with laws and regulations and the implementation of its internal policies and procedures, with the objective of controlling risks at an acceptable level.

The Bank also aims to conduct effective risk management as well as optimize internal control compliance and its corporate governance structure, in an effort to improve its operations. The Bank adheres to the principles of independence, importance, prudence, objectiveness and relevance for internal audits.

The Bank has adopted an independent and vertical internal audit management system, consisting of the audit committee of the Board of Directors and the audit department.

The Bank has formulated internal audit rules and systems that contain charter and criteria for internal audit. The audit department of its head office formulates annual internal audit plans based on regulatory requirements as well as its operation, management and business profile. The plans will be implemented after being approved by the Board of Directors.

The Bank has also established an audit management system, which may, through standard internal audit methods and procedures, audit its operation and management, information systems, risk profile and performance of employees of key positions, audit the effectiveness of its internal controls and corporate governance, and promptly carry out subsequent rectification and follow-up actions.

## Chapter 4 Management Discussion and Analysis

### 6. ANALYSIS ON CAPITAL ADEQUACY RATIO

The Bank is required to comply with the NAFR's capital adequacy ratio requirements. It has calculated and disclosed capital adequacy ratios in accordance with the Capital Administrative Measures for Commercial Banks.

The table below sets forth certain information relating to its capital adequacy ratio as of December 31, 2025 and June 30, 2026.

| (Expressed in millions of RMB, unless otherwise stated) | June 30,<br>2026 | December 31,<br>2025 |
|---------------------------------------------------------|------------------|----------------------|
| Net core tier-one capital                               | 31,540.4         | 33,370.9             |
| Net tier-one capital                                    | 34,543.9         | 36,375.4             |
| Net capital base                                        | 39,553.3         | 36,384.5             |
| Total risk-weighted assets                              | 306,541.6        | 301,391.5            |
| Core tier-one capital adequacy ratio (%)                | 10.29            | 11.07                |
| Tier-one capital adequacy ratio (%)                     | 11.27            | 12.07                |
| Capital adequacy ratio (%)                              | 12.90            | 12.07                |

# Chapter 5 Changes in Share Capital and Particulars of Shareholders

## I. CHANGES IN SHARE CAPITAL OF THE BANK

### (I) Share Capital

During the Reporting Period and up to the Latest Practicable Date, the share capital of the Bank was as follows:

| Description of Shares | Number of Shares      | Approximate Percentage (%) |
|-----------------------|-----------------------|----------------------------|
| Domestic Shares       | 11,275,991,330        | 74.83                      |
| H Shares              | 3,793,800,000         | 25.17                      |
| <b>Total</b>          | <b>15,069,791,330</b> | <b>100.00</b>              |

### (II) Changes in Share Capital

During the Reporting Period and up to the Latest Practicable Date, there have been no changes in the share capital of the Bank.

## II. PARTICULARS OF SHAREHOLDERS

### (I) Particulars of Shareholdings of the Top Ten Shareholders of the Domestic Shares of the Bank

As of June 30, 2026, the top ten Shareholders of the Domestic Shares of the Bank are set out as follows:

| No. | Name of Shareholder                      | The Number of Shares of the Bank Held as at June 30, 2026 <sup>(1)</sup> | Shareholding Percentage as at June 30, 2026 (%) | The Number of Shares of the Bank Held as at the Latest Practicable Date <sup>(1)</sup> | Shareholding Percentage as at the Latest Practicable Date (%) | Number of Shares Pledged |
|-----|------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------|
| 1   | Gansu Highway Aviation Tourism           | 2,657,154,433                                                            | 17.63                                           | 2,657,154,433                                                                          | 17.63                                                         | 0                        |
| 2   | Gansu State-owned Assets Investment      | 1,909,250,972                                                            | 12.67                                           | 1,909,250,972                                                                          | 12.67                                                         | 0                        |
| 3   | Jiuquan Iron & Steel                     | 983,972,303                                                              | 6.53                                            | 983,972,303                                                                            | 6.53                                                          | 0                        |
| 4   | Jinchuan Group                           | 983,972,303                                                              | 6.53                                            | 983,972,303                                                                            | 6.53                                                          | 0                        |
| 5   | Mengshang Bank Co., Ltd.                 | 845,296,403                                                              | 5.61                                            | 845,296,403                                                                            | 5.61                                                          | 0                        |
| 6   | Gansu Electric Power Investment          | 633,972,303                                                              | 4.21                                            | 633,972,303                                                                            | 4.21                                                          | 0                        |
| 7   | Jingyuan Coal Industry Group Limited     | 239,326,800                                                              | 1.59                                            | 239,326,800                                                                            | 1.59                                                          | 0                        |
| 8   | Xiamen International Bank Co., Ltd.      | 239,326,800                                                              | 1.59                                            | 239,326,800                                                                            | 1.59                                                          | 0                        |
| 9   | Duzhe Publishing Group Limited           | 211,324,101                                                              | 1.40                                            | 211,324,101                                                                            | 1.40                                                          | 0                        |
| 10  | Ningxia Tianyuan Manganese Group Limited | 201,083,333                                                              | 1.33                                            | 201,083,333                                                                            | 1.33                                                          | 0                        |
|     | Jingye Group Co., Ltd.                   | 201,083,333                                                              | 1.33                                            | 201,083,333                                                                            | 1.33                                                          | 0                        |

Notes:

- (1) The shareholding in this table refers to the number of Domestic Shares directly held in the Bank.
- (2) As at the end of the Reporting Period, so far as the Bank was aware, the Bank's 701,043,817 Shares, representing 4.65% of the Shares issued, were pledged.

## Chapter 5 Changes in Share Capital and Particulars of Shareholders

### (II) Interests and Short Positions of Substantial Shareholders and Other Persons

To the best knowledge of the Bank, as of June 30, 2026, the following persons (other than the Bank's Directors and chief executive) had or will be 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 the provisions of 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 Interests                                                                                             | Class of Shares | Number of Shares<br>Directly or Indirectly<br>Held <sup>(2)</sup> | Approximate<br>Percentage of the<br>Bank's Total<br>Issued Share Capital<br>(%) | Approximate<br>Percentage of the<br>Bank's Relevant<br>Class of Shares<br>(%) |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Gansu Highway Aviation Tourism                                              | Beneficial owner <sup>(3)</sup>                                                                                 | Domestic Shares | 2,657,154,433(L) <sup>(1)</sup>                                   | 17.63                                                                           | 23.56                                                                         |
|                                                                             | Interest in controlled corporation <sup>(3)</sup>                                                               | Domestic Shares | 100,541,667(L) <sup>(1)</sup>                                     | 0.67                                                                            | 0.89                                                                          |
| Gansu State-owned Assets Investment                                         | Beneficial owner <sup>(4)</sup>                                                                                 | Domestic Shares | 1,909,250,972(L) <sup>(1)</sup>                                   | 12.67                                                                           | 16.93                                                                         |
|                                                                             | Interest in controlled corporation <sup>(4)</sup>                                                               | Domestic Shares | 1,617,944,606(L) <sup>(1)</sup>                                   | 10.74                                                                           | 14.35                                                                         |
| Jiuquan Iron & Steel                                                        | Beneficial owner                                                                                                | Domestic Shares | 983,972,303(L) <sup>(1)</sup>                                     | 6.53                                                                            | 8.73                                                                          |
| Jinchuan Group                                                              | Beneficial owner <sup>(4)</sup>                                                                                 | Domestic Shares | 983,972,303(L) <sup>(1)</sup>                                     | 6.53                                                                            | 8.73                                                                          |
| Mengshang Bank Co., Ltd.                                                    | Beneficial owner                                                                                                | Domestic Shares | 845,296,403(L) <sup>(1)</sup>                                     | 5.61                                                                            | 7.50                                                                          |
| Gansu Electric Power Investment                                             | Beneficial owner <sup>(4)</sup>                                                                                 | Domestic Shares | 633,972,303(L) <sup>(1)</sup>                                     | 4.21                                                                            | 5.62                                                                          |
| Gansu Financial Holding Group Co., Ltd.<br>(甘肅金融控股集團有限公司)                   | Beneficial owner                                                                                                | H Shares        | 1,250,000,000(L) <sup>(1)</sup>                                   | 8.29                                                                            | 32.95                                                                         |
| Gansu Province Xinye Asset Management Co. Ltd.<br>(甘肅省新業資產經營有限責任公司)         | Beneficial owner                                                                                                | H Shares        | 661,065,000(L) <sup>(1)</sup>                                     | 4.39                                                                            | 17.42                                                                         |
| THE PACIFIC SECURITIES CO., LTD.                                            | Other <sup>(5)</sup>                                                                                            | H Shares        | 375,844,000(L) <sup>(1)</sup>                                     | 2.49                                                                            | 9.91                                                                          |
| PACIFIC SECURITIES OVERSEAS GONG YING<br>NO. 3 SINGLE ASSET MANAGEMENT PLAN | Other <sup>(5)</sup>                                                                                            | H Shares        | 375,844,000(L) <sup>(1)</sup>                                     | 2.49                                                                            | 9.91                                                                          |
| China Foreign Economy and Trade Trust Co., Ltd.<br>(中國對外經濟貿易信託有限公司)         | Trustee <sup>(6)</sup>                                                                                          | H Shares        | 282,064,000(L) <sup>(1)</sup>                                     | 1.87                                                                            | 7.43                                                                          |
| Harvest Ahead International Holdings Limited                                | Beneficial owner                                                                                                | H Shares        | 358,405,115(L) <sup>(1)</sup>                                     | 2.38                                                                            | 9.45                                                                          |
| Anar Real Estate Group Co., Ltd.<br>(石榴置業集團有限公司)                            | Founder of a discretionary trust, who can affect the trustee how to exercise discretionary trust <sup>(7)</sup> | H Shares        | 282,064,000(L) <sup>(1)</sup>                                     | 1.87                                                                            | 7.43                                                                          |
| Beijing Kadapu Investment Co., Ltd.<br>(北京卡達普投資有限公司)                        | Interest in controlled corporation <sup>(7)</sup>                                                               | H Shares        | 282,064,000(L) <sup>(1)</sup>                                     | 1.87                                                                            | 7.43                                                                          |

## Chapter 5 Changes in Share Capital and Particulars of Shareholders

Notes:

- (1) L represents long position.
- (2) Pursuant to Part XV of the SFO, shareholders of a company are required to file disclosure of interests forms when certain criteria are fulfilled. When the shareholdings of the shareholders in the company change, it is not necessary for the shareholders to notify the company and the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the substantial shareholders in the Bank may be different from the shareholdings filed with the Hong Kong Stock Exchange.
- (3) Gansu Highway Aviation Tourism held 2,657,154,433 Domestic Shares of the Bank, representing approximately 17.63% of the total issued share capital of the Bank. Gansu Highway Aviation Tourism holds 100% equity interest in Gansu Financial Capital Group Co., Ltd. (甘肅省金融資本集團有限公司), while Gansu Financial Capital Group Co., Ltd. held 100,541,667 Domestic Shares of the Bank, representing approximately 0.67% of the total issued share capital of the Bank. Therefore, Gansu Financial Capital Group Co., Ltd. is a controlled corporation of Gansu Highway Aviation Tourism. Pursuant to the SFO, Gansu Highway Aviation Tourism is deemed to be interested in the Shares held by Gansu Financial Capital Group Co., Ltd.
- (4) Gansu State-owned Assets Investment directly held 1,909,250,972 Domestic Shares of the Bank, representing approximately 12.67% of the total issued share capital of the Bank. Gansu SASAC and Jiuquan Iron & Steel hold 75.60% and 16% equity interest in Gansu State-owned Assets Investment, respectively, while Gansu State-owned Assets Investment in turn holds 31.49% equity interest in Jiuquan Iron & Steel. Gansu State-owned Assets Investment also holds 100% of the equity interest in Gansu Electric Power Investment and 54.24% of the equity interest in Jinchuan Group. Therefore, Gansu Electric Power Investment and Jinchuan Group are controlled corporations of Gansu State-owned Assets Investment. Pursuant to the SFO, Gansu State-owned Assets Investment is deemed to be interested in the Shares held by Gansu Electric Power Investment and Jinchuan Group.
- (5) Jialong Investment Group Co., Ltd. (佳龍投資集團有限公司) is the asset trustor of the PACIFIC SECURITIES OVERSEAS GONG YING No. 3 SINGLE ASSET MANAGEMENT PLAN (Wealth management product registration number: SLE891) (理財產品登記號: SLE891), and THE PACIFIC SECURITIES CO., LTD is the asset manager, of the PACIFIC SECURITIES OVERSEAS GONG YING No. 3 SINGLE ASSET MANAGEMENT PLAN. Pursuant to the SFO, THE PACIFIC SECURITIES CO., LTD is deemed as holding equity interests in the Shares of the Bank held by the PACIFIC SECURITIES OVERSEAS GONG YING No. 3 SINGLE ASSET MANAGEMENT PLAN.
- (6) China Foreign Economy and Trade Trust Co., Ltd. (中國對外經濟貿易信託有限公司) holds 282,064,000 H Shares of the Bank as a trustee, among which, “FOTIC – Wuxingbaichuan No. 26 Special Unitrust of Anar Group” (外貿信託一五行百川26號石榴集團專項單一資金信託) holds 282,064,000 H Shares of the Bank.
- (7) Anar Real Estate Group Co., Ltd. (石榴置業集團股份有限公司) holds 282,064,000 H Shares of the Bank as the founder of a discretionary trust who can influence the trustee how to exercise its discretion. Beijing Kadapu Investment Co., Ltd. (北京卡達普投資有限公司) holds 100% equity interest in Anar Real Estate Group Co., Ltd.

Save as disclosed above, as of June 30, 2026, the Bank is not aware of any other person, other than the Directors and chief executives of the Bank, who had interests or short positions in the Shares and underlying Shares of the Bank, which were required to be recorded in the register of interests maintained 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 the provisions of Divisions 2 and 3 of Part XV of the SFO.

### (III) Particulars of Controlling Shareholders and De Facto Controller

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

# Chapter 6 Directors, Senior Management, Employees and Organizations

## I. INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT MEMBERS

As of the Latest Practicable Date, the information of the Directors and senior management members of the Bank is as follows:

### Directors

| Name                       | Age | Date of joining the Bank | Date of appointment as Director <sup>(1)</sup> | Position(s) held as of the Latest Practicable Date | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------|-----|--------------------------|------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Liu Qing<br>(劉青)       | 60  | May 2011                 | December 3, 2018                               | Executive Director                                 | Presiding over the overall operation of the Bank, and primarily responsible for matters concerning Party building, implementation of major responsibilities for fostering a clean and honest Party, the ideological and political affairs, ideological work, as well as work concerning the Board of Directors, strategic development and audit work and supervising the members of the leading team and senior management for the improvement of the work under their supervision; in charge of the Office of the Board of Directors, the Strategy and Development Department, and the Audit Department.                                                                |
| Mr. Zhang Bin<br>(張斌)      | 57  | December 2024            | May 12, 2025                                   | Non-executive Director<br>(employee director)      | Responsible for inspections, administrative office, security, and targeted support operations, and work related to the Trade Union, Communist Youth League, and Women's Federation, as well as being directly responsible for the construction of the Party and the construction of Party's conduct and administration integrity; in charge of Party Committee Office (Party Committee Propaganda Department and Office), Party-masses Work Department, the Inspection Office of the Party Committee, Security Department, Administrative Affairs Department, Department Party Committee, Commission for Discipline Inspection, Labor Union, and Youth League committee. |
| Mr. Zhang Junping<br>(張軍平) | 48  | September 2023           | September 15, 2023                             | Non-executive Director                             | Participating in the major decisions related to the Bank including on its strategic development and operation management, and the matters of the Board of Directors and the Board committees of which he is a member.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Mr. Liu Jian<br>(劉建)       | 54  | September 2025           | September 19, 2025                             | Non-executive Director                             | Participating in the major decisions related to the Bank including on its strategic development and operation management, and the matters of the Board of Directors and the Board committees of which he is a member.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Mr. Ye Rong<br>(葉榮)        | 53  | September 2024           | September 19, 2024                             | Non-executive Director                             | Participating in the major decisions related to the Bank including on its strategic development and operation management, and the matters of the Board of Directors and the Board committees of which he is a member.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

## Chapter 6 Directors, Senior Management, Employees and Organizations

| Name                      | Age | Date of joining the Bank | Date of appointment as Director <sup>(1)</sup> | Position(s) held as of the Latest Practicable Date | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------|-----|--------------------------|------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Li Chun<br>(李春)       | 53  | December 2025            | December 4, 2025                               | Non-executive Director                             | Participating in the major decisions related to the Bank including on its strategic development and operation management, and the matters of the Board of Directors and the Board committees of which he is a member.                                                                                                                                                                                                |
| Ms. Yang Chunmei<br>(楊春梅) | 48  | March 2022               | March 4, 2022                                  | Non-executive Director                             | Participating in the major decisions related to the Bank including on its strategic development and operation management, and the matters of the Board of Directors and the Board committees of which she is a member.                                                                                                                                                                                               |
| Mr. Liu Guanghua<br>(劉光華) | 56  | March 2022               | March 4, 2022                                  | Independent non-executive Director                 | Responsible for supervising and providing independent advice on operation and management of the Bank, particularly providing advice to the Bank based on his extensive experience in legal works, and performing his duties as a Director through the Board of Directors, the related party transaction and risk management committee and the consumer rights protection committee.                                  |
| Mr. Wang Lei<br>(王雷)      | 45  | September 2023           | September 15, 2023                             | Independent non-executive Director                 | Responsible for supervising and providing independent advice on operation and management of the Bank, particularly providing advice to the Bank based on his extensive experience in accounting, and performing his duties as a Director through the Board of Directors, the strategy and development committee, the audit committee, and the nomination and remuneration committee.                                 |
| Mr. Hau Pak Sun<br>(侯百榮)  | 45  | October 2023             | October 16, 2023                               | Independent non-executive Director                 | Responsible for supervising and providing independent advice on operation and management of the Bank, particularly providing advice to the Bank based on his extensive experience in legal works, and performing his duties as a Director through the Board of Directors, the related party transaction and risk management committee and the nomination and remuneration committee.                                 |
| Mr. Li Zongyi<br>(李宗義)    | 56  | December 2021            | September 19, 2025                             | Independent non-executive Director                 | Responsible for supervising and providing independent advice on operation and management of the Bank, particularly providing advice to the Bank based on his extensive experience in finance and auditing works, and performing his duties as a Director through the Board of Directors, the related party transaction and risk management committee, nomination and remuneration committee and the audit committee. |
| Mr. Qiu Yongpan<br>(邱勇攀)  | 58  | September 2025           | September 19, 2025                             | Independent non-executive Director                 | Responsible for supervising and providing independent advice on operation and management of the Bank, particularly providing advice to the Bank based on his extensive experience in consulting works, and performing his duties as a Director through the Board of Directors, the strategy and development committee, the related party transaction and risk management committee and the audit committee.          |

*Note:*

- (1) The date of appointment as a senior management member represents the date on which relevant person's qualification for the position was approved by the NAFR Gansu Office.

## Chapter 6 Directors, Senior Management, Employees and Organizations

### Senior Management

| Name                       | Age | Date of joining the Bank | Date of appointment as senior management <sup>(1)</sup> | Position held as of the Latest Practicable Date     | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------|-----|--------------------------|---------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ms. Hao Jumei<br>(郝菊梅)     | 57  | February 2012            | June 28, 2019                                           | Vice president, secretary to the Board of Directors | Perform the duties of the president on an acting basis during the vacancy of the office of the president. Responsible for daily work of the Board of Directors, asset preservation, credit approval, as well as the coordination and liaison with the companies held or invested by the Bank (such as rural banks). Assist the chairman in charge of the Office of the Board of Directors; responsible for coordination of risk management, and mainly responsible for the promotion of risk assets mitigation, collection and disposal works of the Bank; manage Risk Management Department, Asset Preservation Department, Special Assets Management Center, Credit Approval Department. |
| Mr. Du Jing<br>(杜晶)        | 50  | December 2011            | May 26, 2020                                            | Vice president                                      | Responsible for corporate business, group client business, financial interbank and investment banking business; in charge of Corporate Business Department, Group Client Department, Financial Interbank Department, and Investment Banking Business Department.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Mr. Sun Xiaoming<br>(孫曉明)  | 48  | January 2024             | April 16, 2024                                          | Vice president                                      | Responsible for the individual business, consumer rights protection, inclusive finance, three rural matters, rural revitalization, retail credit, and asset management, in charge of Individual Business Department, Consumer Rights Protection Department, the Inclusive Finance Department (Rural Revitalization Department), Retail Credit Department, and Asset Management Department.                                                                                                                                                                                                                                                                                                 |
| Mr. Duan Jianxing<br>(段劍星) | 56  | November 2011            | January 18, 2023                                        | Chief information officer                           | Responsible for operation guarantee, channel business, technical supporting, digital transformation and product innovation-related work; in charge of Accounting Operations Department, Information Technology Department, and Channel Management Department.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Ms. Zhang Feng<br>(張峰)     | 55  | September 2012           | August 7, 2025                                          | Chief compliance officer                            | Assist Hao Jumei in promoting the resolution, collection and disposal of risk assets of the Bank, assist Hao Jumei in charge of Risk Management Department, Asset Preservation Department and Special Assets Management Center. Responsible for internal control compliance work and in charge of Legal and Compliance Department.                                                                                                                                                                                                                                                                                                                                                         |

**Note:**

- (1) The date of appointment as a senior management member represents the date on which relevant person's qualification for the position was approved by the NAFR Gansu Office.

## Chapter 6 Directors, Senior Management, Employees and Organizations

### II. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT AND THEIR INFORMATION

#### (I) Changes in Directors

Mr. Liu Qing has resigned as the chairman of the Board of the Bank with effect from August 10, 2026. Following such resignation, he remains an executive Director of the Board of the Bank.

On June 30, 2026, as resolved at the 2025 annual general meeting, Mr. Shi Hailong was elected as an executive Director of the fourth session of the Board of the Bank. On August 14, 2026, as resolved at the 13th meeting of the fourth session of the Board, Mr. Shi Hailong was elected as the chairman of the fourth session of the Board of the Bank. The qualifications of Mr. Shi Hailong to serve as a Director and the chairman of the Board are subject to the approval by the NFRA Gansu Office. His term of office shall commence on the date of such approval, with the same term of office as the fourth session of the Board.

#### (II) Changes in Senior Management

With effect from January 15, 2026, Mr. Shi Hailong has served as the president of the Bank. With effect from February 28, 2026, Mr. Shi Hailong has concurrently served as the chief compliance officer of the Bank. Due to adjustment of work arrangements, with effect from August 10, 2026, Mr. Shi Hailong has resigned as the president and chief compliance officer (concurrently) of the Bank.

Ms. Hao Jumei has performed the duties of the president of the Bank on an acting basis with effect from August 14, 2026.

Save as disclosed above, since the publication of the annual report of the Bank for the year ended December 31, 2025 and up to the Latest Practicable Date, there has been no change in the information of the Directors and senior management members that is required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

### III. COMPANY SECRETARY

During the Report Period, the company secretary of the Bank was Mr. Wong Wai Chiu. On July 21, 2026, Mr. Wong Wai Chiu resigned as the company secretary of the Bank. On the same day, Ms. Au Yeung Lai Yee was appointed as the company secretary of the Bank. For details of this change, please refer to the announcement published by the Bank on July 21, 2026.

The primary contact person for the company secretary at the Bank is Ms. Hao Jumei, a member of the Party Committee, vice president, and secretary to the Board of the Bank, and Ms. Hao Jumei was also required to report significant events to the chairman of the Board.

## Chapter 6 Directors, Senior Management, Employees and Organizations

### IV. REMUNERATION POLICIES FOR DIRECTORS AND SENIOR MANAGEMENT

The remuneration provided by the Bank for its executive Directors and senior management who are also the Bank's employees concurrently includes salaries, discretionary bonus, social security plans, housing provident fund plans and other benefits. The remuneration provided by the Bank for its non-executive Directors and independent non-executive Directors are determined by their responsibilities.

The remuneration of the Directors is determined and paid in accordance with the relevant laws and regulations as well as the relevant provisions of the Articles of Association. The specific remuneration distribution plans should be reviewed by the nomination and remuneration committee under the Board of Directors and submitted to the Board of Directors for approval, and submitted to the Shareholders' general meeting for approval after being approved by the Board of Directors.

The Bank's appraisal on the senior management is based on their performance in completing the decisions, strategic targets and plans of the Board of Directors and whether they are actively and effectively protecting the interests of the Bank and the Shareholders, and it is implemented by the Board of Directors.

The incentive and restraint mechanism of the Bank is mainly embodied in the remuneration mechanism for the senior management. The remuneration to the senior management is linked to the appraisal indicators of the Board of Directors, in order to combine the target incentive with responsibility restraint, ensure the alignment of the remuneration payment with the long-term interests of the Bank, and better encourage the senior management to contribute to the steady and sustainable development of the Bank.

According to the relevant regulations, the premiums and welfare benefit contributions borne by the Group are calculated 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 above defined contribution plans under any circumstances.

### V. SECURITIES TRANSACTIONS BY DIRECTORS AND SENIOR MANAGEMENT

The Bank has adopted, in respect of securities transactions by the Directors and senior management, a code of conduct on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Hong Kong Listing Rules.

Having made specific enquiries to all Directors and senior management, the Bank confirmed that they complied with the Model Code during the Reporting Period.

## Chapter 6 Directors, Senior Management, Employees and Organizations

### VI. POSITIONS HELD IN THE SHAREHOLDER COMPANY BY THE EXISTING DIRECTORS AND SENIOR MANAGEMENT

| Name              | Position held with the Bank | Name of the shareholder company     | Position held in the shareholder company |
|-------------------|-----------------------------|-------------------------------------|------------------------------------------|
| Mr. Zhang Junping | Non-executive Director      | Gansu Highway Aviation Tourism      | Chief financial officer                  |
| Mr. Liu Jian      | Non-executive Director      | Gansu State-owned Assets Investment | Chief financial officer                  |
| Mr. Ye Rong       | Non-executive Director      | Gansu Financial Holding Group       | Deputy general manager                   |
| Mr. Li Chun       | Non-executive Director      | Jinchuan Group Financial Co., Ltd.  | Director, deputy general manager         |
| Ms. Yang Chunmei  | Non-executive Director      | Mengshang Bank                      | Head of the board office                 |

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

As at June 30, 2026, the interests of the Directors and chief executive of the Bank in the Shares, underlying Shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code or in accordance with Divisions 7 and 8 of Part XV under the SFO are as follows:

| Name         | Position in the Bank         | Class of Shares | Nature of Interest | Number of Shares           | Percentage of Domestic Shares of the Bank (%) | Percentage of the Total Share Capital of the Bank (%) |
|--------------|------------------------------|-----------------|--------------------|----------------------------|-----------------------------------------------|-------------------------------------------------------|
| Mr. Liu Qing | Chairman, Executive Director | Domestic Shares | Beneficial owner   | 301,714 (L) <sup>(1)</sup> | 0.003                                         | 0.002                                                 |

*Note:*

(1) L represents long position.

Save as disclosed above, none of the Directors and chief executive of the Bank held any interests or short positions in the Shares, underlying Shares and debentures of the Bank or its associated corporations as at June 30, 2026.

## Chapter 6 Directors, Senior Management, Employees and Organizations

### VIII. EMPLOYEE, EMPLOYEE COMPENSATION POLICY AND EMPLOYEE TRAINING PROGRAM

#### (I) Staff Composition

As of June 30, 2026, the Bank had 4,580 employees. The table below sets forth its number of full-time employees by function as of the same date:

|                                                      | Number of employees | Percentage of total (%) |
|------------------------------------------------------|---------------------|-------------------------|
| Corporate banking                                    | 1,182               | 25.81                   |
| Retail banking                                       | 961                 | 20.98                   |
| Financial market operations                          | 24                  | 0.52                    |
| Finance and accounting                               | 446                 | 9.74                    |
| Risk management, internal audit and legal compliance | 467                 | 10.20                   |
| Information technology                               | 160                 | 3.49                    |
| Management                                           | 242                 | 5.29                    |
| Bank teller                                          | 591                 | 12.9                    |
| Others                                               | 507                 | 11.07                   |
| <b>Total</b>                                         | <b>4,580</b>        | <b>100</b>              |

The Bank has a young and highly educated team of employees. As of June 30, 2026, the average age of the employees was 36.53, and over 93.16% of them had a bachelor's degree or higher.

The following table sets forth the number of the employees by age as of June 30, 2026.

|                                | Number of employees | Percentage of total (%) |
|--------------------------------|---------------------|-------------------------|
| Under 30 (inclusive) years old | 868                 | 18.95                   |
| 31 to 40 years old             | 2,546               | 55.59                   |
| 41 to 50 years old             | 704                 | 15.37                   |
| Above 50 (exclusive) years old | 462                 | 10.09                   |
| <b>Total</b>                   | <b>4,580</b>        | <b>100</b>              |

The following table sets forth the number of the employees of the Bank by education degree as of June 30, 2026.

|                           | Number of employees | Percentage of total (%) |
|---------------------------|---------------------|-------------------------|
| Master's degree or higher | 549                 | 11.99                   |
| Bachelor's degree         | 3,718               | 81.18                   |
| Others                    | 313                 | 6.83                    |
| <b>Total</b>              | <b>4,580</b>        | <b>100</b>              |

## Chapter 6 Directors, Senior Management, Employees and Organizations

For the six months ended June 30, 2026, among the employees of the Bank, 49.86% were male and 50.14% were female; and among the senior management of the Bank, 66.67% were male and 33.33% were female. The Bank has fostered a respectful and inclusive environment that prioritizes diversity of employees in gender, age and professional skills and incorporates employees with diverse experience, backgrounds and perspectives. The Bank will strive to maintain and promote a diversified and harmonious working environment, and do a good job in employee care. By fully protecting the legitimate rights and interests of employees and eliminating any discrimination, the Bank promotes the diversified development of its talent team. In addition, the Bank provides comprehensive training for male and female employees who have the experience, skills and knowledge required for operation and business, including but not limited to operation, management, accounting, finance, compliance, etc. The Board believes that the above strategy can further promote the board diversity in terms of gender in the long run by providing the Board with the opportunity to select capable female employees for future nomination to the Board.

### (II) Employee Remuneration

The Bank's employees participate in employee benefit plans, such as pension insurance, corporate annuity funds, housing provident funds, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance. The Bank conducts performance evaluations of employees on an annual basis to provide feedback based on the evaluations. Remuneration for full-time employees typically consists of a base salary and performance-based compensation

### (III) Employee Training Program

The Bank focuses on employee career development and formulates training tasks in different levels and categories, and formulates differentiated training plans for employees at different levels and positions. It has built a team of internal training providers under its human resources department.

### (IV) Labor Union

The Bank has established a labor union in accordance with PRC laws and regulations. It believes that it has maintained a good working relationship with its employees. As of the Latest Practicable Date, the Bank had not experienced any labor strikes or other labor disturbances that materially affected its operations or public image.

## IX. THE SUBSIDIARY OF THE BANK

Jingning Chengji Rural Bank is the sole controlled subsidiary of the Bank. The Bank holds 62.73% equity interest in Jingning Chengji Rural Bank, the financials of which have been consolidated into the Bank's financial statements. Jingning Chengji Rural Bank was established on September 18, 2008, which was originally a subsidiary of Pingliang City Commercial Bank. It offers local corporate and retail customers diversified financial products and services, including loans, deposits and fee and commission-based products and services.

On June 30, 2026, the Bank held its 2025 annual general meeting and passed a special resolution proposing to absorb and merge with its controlled subsidiary, Jingning Chengji Rural Bank, and to convert it into a sub-branch of the Bank. For details, please refer to the section headed "Acquisition and Disposal of Subsidiaries, Associates, Assets and Business/Enterprises' Combinations/Mergers" below.

# Chapter 7 Important Events

## I. CORPORATE GOVERNANCE CODE

The Bank believes that maintaining high standards of corporate governance mechanisms and high quality of corporate governance is one of the key factors to improve its core competitiveness and to build a modern urban commercial bank. Therefore, the Bank focuses on high quality of corporate governance and actively abides by the best domestic and international corporate governance practices, to ensure the rights and interests of Shareholders and improve the value of the Bank.

The Bank has established a modern corporate governance structure in line with the requirements of its Articles of Association, PRC laws and regulations and the Hong Kong Listing Rules. The Board of Directors is accountable to the Shareholders as a whole and is responsible for, among others, determining the Group's business development strategies, business plans and investment proposals, appointing or removing senior management, and deciding matters such as establishment of internal management departments. The Board of Directors has established committees to perform specified functions consisting of the strategy and development committee, audit committee, nomination and remuneration committee, related party transaction and risk management committee, and consumer rights protection committee.

The Bank has incorporated the Corporate Governance Code and the Guidelines on Corporate Governance of Banking and Insurance Institutions issued by the former CBIRC (the "Corporate Governance Guidelines") into the Bank's governance structure and policies. The Corporate Governance Code and the Corporate Governance Guidelines are well reflected in the Articles of Association and the Terms of Reference of the general meeting, the Board of Directors and committees under the Board of Directors. The Bank's general meeting and the Board of Directors and its committees perform their respective duties, forming a good corporate governance structure. The Bank closely monitors its operation to ensure it complies with the relevant requirements under applicable laws, regulations, codes, guidelines and the Bank's internal policies.

The Bank has established and improved the corporate governance structure and established a series of corporate governance systems according to the Corporate Governance Code and the Corporate Governance Guidelines. The Directors believe during the Reporting Period, the Bank has complied with all the applicable code provisions contained in the Corporate Governance Code and has adopted certain recommended best practices where appropriate. The Bank has also strictly complied with the provisions regarding the management of inside information required by applicable laws and regulations and the Hong Kong Listing Rules.

The Bank will review its corporate governance and strengthen management constantly to ensure compliance with the Corporate Governance Code and the Corporate Governance Guidelines and meet the higher expectations from its Shareholders and potential investors.

## Chapter 7 Important Events

### II. PROFITS AND DIVIDENDS

#### 1. Final dividend for 2025

Considering the comprehensive factors such as the return to shareholders and the future development of the Bank, according to the relevant laws and regulations and the Articles of Association, at the Board meeting of the Bank convened on March 27, 2026, the Board recommended the distribution of a dividend of RMB1.18 (tax inclusive) for every 10 shares, totaling RMB1,778,235,376.94. The proposal was considered and approved at the 2025 AGM of the Bank convened on June 30, 2026.

#### 2. 2026 interim dividend

The Bank's revenue for the six months ended June 30, 2026 and the Bank's financial position as of the same date are set out in the interim financial statements of this interim report. The Board recommended no distribution of 2026 interim dividend or any capitalization of capital reserve.

### III. ISSUANCE OF BONDS

For the six months ended June 30, 2026, the Bank issued bonds during the Reporting Period to supplement its capital, the details of which are set out as follows:

#### Interbank certificates

For the six months ended June 30, 2026, the Bank issued several tranches of zero-coupon interbank certificates in an aggregate principal amount of RMB15,360 million. The interbank certificates have terms of 9 months to one year and bear effective interest rates between 1.51% and 1.72% per annum.

#### Financial bonds

At the meeting of the Board of Directors convened on August 27, 2021, the Board of Directors advised the Bank to issue financial bonds to the public in an aggregate amount of no more than RMB10 billion (inclusive). The proposals were considered and approved at the 2021 annual general meeting convened on June 24, 2022 and the authorizing resolution shall be valid for 24 months from the date of approval of the issuance of the non-capital financial bonds by the People's Bank and other relevant regulatory authorities (if any).

At the Board meeting held on May 31, 2024, the Board of Directors proposed to publicly issue financial bonds (secondary capital bonds, perpetual bonds) with a total scale of no more than RMB10 billion (including RMB10 billion). These resolutions were considered and approved at the Bank's 2023 AGM held on June 27, 2024. The validity period of such authorization resolutions shall be 24 months from the date when the relevant regulatory authorities approve the issuance of financial bonds.

On 26 June 2026, the Bank issued RMB5 billion tier 2 capital bonds in the national interbank bond market. The Bank will promptly disclose the progress of the issuance of financial bonds to the Bank's shareholders and potential investors in accordance with applicable laws and regulations and the Hong Kong Listing Rules.

### IV. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE BANK

During the Reporting Period, the Bank and any of its subsidiaries had not purchased, sold or redeemed any of the Bank's listed securities (including the sale of treasury shares). As of the end of the Reporting Period, the Bank did not hold treasury shares.

## Chapter 7 Important Events

### V. RELATED PARTY TRANSACTIONS

During the Reporting Period, no material related party transaction (defined under the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》) promulgated by the former CBIRC) had occurred which had adverse effects on the operating results and financial position of the Bank.

### VI. LEGAL PROCEEDINGS

The Bank and its holding subsidiary Jingning Chengji Rural Bank are involved in legal disputes in the ordinary course of business, which primarily include actions against borrowers for the recovery of loans. As of the Latest Practicable Date, neither the Bank nor its holding subsidiary was involved in any material pending lawsuits as a defendant.

During the Reporting Period and up to the Latest Practicable Date, none of the Bank's Directors and senior management was involved in any material litigation or arbitration, nor had any of them been subject to any administrative penalty.

### VII. APPOINTMENT OF EXTERNAL AUDITORS

Given that Shinewing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited (collectively, "ShineWing") have provided domestic and overseas audit services to the Bank for 10 consecutive years, reaching the maximum consecutive years of engaging an audit institution as stipulated in the Administrative Measures for the Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (《國有企業、上市公司選聘會計師事務所管理辦法》), the Bank is required to change its external auditors for the year 2026. Based on the bidding and selection results, after obtaining the recommendation from the Audit Committee, the Board of Directors resolved to recommend the appointment of Baker Tilly China Certified Public Accountants (LLP) and Baker Tilly Hong Kong Limited (collectively, "Baker Tilly") as the external auditors of the Bank for the year 2026, to provide services to the Bank including the review of the interim financial statements for the six months ended 30 June, 2026, the audit of the financial statements for 2026, and the internal control audit and other services, for a term of one year, at an estimated total fee of RMB4.58 million. Such appointment was considered and approved by the Shareholders at the 2025 annual general meeting held on June 30, 2026, and will become effective upon the completion of the appointment procedures by Baker Tilly, with their term of appointment commencing from the date of approval at the annual general meeting.

### VIII. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES, ASSETS AND BUSINESS/ENTERPRISES COMBINATIONS/MERGERS

On June 30, 2026, the Bank convened the 2025 annual general meeting, at which a special resolution was passed to approve the proposed merger by absorption of Pingliang Jingning Chengji Rural Bank (the "Rural Bank"), a holding subsidiary of the Bank, and its conversion into a sub-branch of the Bank (the "Merger by Absorption"). A summary of the Merger by Absorption is set out below:

#### ***Basic Information of the Merged Party***

The Rural Bank was established on September 25, 2008, with a registered capital of RMB40.25 million. The Bank held a 62.73% equity interest in the Rural Bank and was its largest shareholder. The Rural Bank's financial statements have been included in the Bank's consolidated financial statements. As of April 30, 2026, after asset and capital verification, the Rural Bank had total assets of approximately RMB1,960.0676 million, total liabilities of approximately RMB1,908.6358 million and net assets of approximately RMB51.4318 million.

## Chapter 7 Important Events

### ***Transaction Consideration and Method of Implementation***

The Bank proposes to acquire, by way of the merger by absorption and for cash, all 15,000,000 shares held by the remaining 35 shareholders of the Rural Bank. Based on the appraisal results issued by an independent asset appraisal institution with April 30, 2026 as the valuation reference date, the consideration payable by the Bank is estimated to be approximately RMB15,950,700, subject to the appraisal results as filed with the competent financial authority. Upon completion of the Merger by Absorption, the Bank will succeed to all the assets, liabilities, businesses, business outlets, personnel, rights and obligations of the Rural Bank. The Rural Bank's status as an independent legal person will be deregistered, and the Rural Bank will be converted into a sub-branch of the Bank.

### ***Nature of the Transaction and Financial Impact***

As the Rural Bank is a holding subsidiary of the Bank and its financial statements have been included in the Bank's consolidated financial statements, the Merger by Absorption has not had any material impact on the Bank's financial position or results of operations. As calculated under the Hong Kong Listing Rules, all applicable percentage ratios in respect of the Merger by Absorption are less than 5%. Accordingly, the Merger by Absorption does not constitute a notifiable transaction under Chapter 14 of the Hong Kong Listing Rules or a connected transaction under Chapter 14A. The Board is of the view that the Merger by Absorption will not prejudice the overall interests of the Bank and its shareholders.

For details, please refer to the circular of the Bank for the 2025 annual general meeting dated June 9, 2026.

Save as disclosed above, the Bank did not carry out any acquisition and disposal of subsidiaries, associates, assets and business/enterprises combinations/mergers during the Reporting Period and up to the Latest Practicable Date.

## **IX. PUBLICATION AND REVIEW OF INTERIM REPORT**

The interim report is available on the HKEXnews website (<http://www.hkexnews.hk>) and the Bank's website (<http://www.gsbankchina.com>). In this interim report, the financial data for the six months ended June 30, 2025 and 2026 have not been audited. The interim financial statements of the Bank for the six months ended June 30, 2026 prepared in accordance with IFRS issued by the International Accounting Standards Board have been reviewed by Baker Tilly according to Hong Kong Standard on Review Engagements 2410. The Board of Directors and its audit committee have reviewed and approved the Group's unaudited consolidated interim financial data, interim report and interim results announcement for the six months ended June 30, 2026.

# Chapter 8 Report on Review of Condensed Consolidated Financial Statements



Baker Tilly Hong Kong Limited  
Level 8, K11 ATELIER King's Road  
728 King's Road,  
Quarry Bay, Hong Kong

天職香港會計師事務所  
香港鰂魚涌英皇道728號8樓

**To the board of directors of Bank of Gansu Co., Ltd.**

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

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Bank of Gansu Co., Ltd. (the "Bank") and its subsidiary (hereinafter collectively referred to as the "Group") set out on pages 81 to 149, which comprise the condensed consolidated statement of financial position as of June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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.

## Chapter 8 Report on Review of Condensed Consolidated Financial Statements

### CONCLUSION

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

**Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, August 28, 2026

**Gao Yajun**

Practising certificate number P06391

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026  
(Expressed in Renminbi)

|                                               | Notes | Six months ended June 30,      |                                |
|-----------------------------------------------|-------|--------------------------------|--------------------------------|
|                                               |       | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Interest income                               |       | 5,535,376                      | 5,992,266                      |
| Interest expenses                             |       | (3,293,325)                    | (3,745,244)                    |
| <b>Net interest income</b>                    | 4     | <b>2,242,051</b>               | <b>2,247,022</b>               |
| Fee and commission income                     |       | 264,953                        | 245,417                        |
| Fee and commission expenses                   |       | (107,547)                      | (17,097)                       |
| <b>Net fee and commission income</b>          | 5     | <b>157,406</b>                 | <b>228,320</b>                 |
| Net trading gains                             | 6     | 189,659                        | 107,379                        |
| Net gains arising from investment securities  | 7     | 51,156                         | 130,066                        |
| Net exchange losses                           |       | (4,441)                        | (15,887)                       |
| Other operating income, net                   | 8     | 19,085                         | 20,418                         |
| Operating income                              |       | 2,654,916                      | 2,717,318                      |
| Operating expenses                            | 9     | (991,129)                      | (1,060,119)                    |
| Impairment losses on assets, net of reversals | 10    | (1,275,167)                    | (1,317,905)                    |
| <b>Operating profit</b>                       |       | <b>388,620</b>                 | <b>339,294</b>                 |
| Share of loss of an associate                 | 21    | –                              | (203)                          |
| <b>Profit before tax</b>                      |       | <b>388,620</b>                 | <b>339,091</b>                 |
| Income tax credit                             | 11    | 27,649                         | 59,795                         |
| <b>Profit for the period</b>                  |       | <b>416,269</b>                 | <b>398,886</b>                 |
| <b>Profit for the period attributable to:</b> |       |                                |                                |
| – Owners of the Bank                          |       | 427,197                        | 397,854                        |
| – Non-controlling interests                   |       | (10,928)                       | 1,032                          |
|                                               |       | <b>416,269</b>                 | <b>398,886</b>                 |

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026  
(Expressed in Renminbi)

|                                                                                                         | Notes | Six months ended June 30,<br>2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
|---------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------|--------------------------------|
| <b>Profit for the period</b>                                                                            |       | <b>416,269</b>                                              | 398,886                        |
| <b>Other comprehensive (expense)/income for the period:</b>                                             |       |                                                             |                                |
| <i>Items that will not be reclassified to profit or loss:</i>                                           |       |                                                             |                                |
| – Fair value loss on investments in equity investments at fair value through other comprehensive income |       | (23,935)                                                    | (3,729)                        |
| – Income tax relating to items that will not be reclassified to profit or loss                          |       | 5,984                                                       | 932                            |
|                                                                                                         |       | (17,951)                                                    | (2,797)                        |
| <i>Items that may be reclassified subsequently to profit or loss:</i>                                   |       |                                                             |                                |
| Debt instrument at fair value through other comprehensive income                                        |       |                                                             |                                |
| – Movement of provision for impairment losses                                                           |       | 559                                                         | 18,447                         |
| – Change in fair value recognised in investment revaluation reserve                                     |       | 21,079                                                      | (168,449)                      |
| – Income tax relating to items that may be reclassified subsequently                                    |       | (5,410)                                                     | 37,501                         |
|                                                                                                         |       | 16,228                                                      | (112,501)                      |
| <b>Other comprehensive (expense)/income for the period, net of income tax</b>                           |       | <b>(1,723)</b>                                              | (115,298)                      |
| <b>Total comprehensive income for the period</b>                                                        |       | <b>414,546</b>                                              | 283,588                        |
| <b>Total comprehensive income for the period attributable to:</b>                                       |       |                                                             |                                |
| – Owners of the Bank                                                                                    |       | 425,474                                                     | 282,556                        |
| – Non-controlling interests                                                                             |       | (10,928)                                                    | 1,032                          |
|                                                                                                         |       | 414,546                                                     | 283,588                        |
| <b>Earnings per share</b>                                                                               |       |                                                             |                                |
| – Basic and diluted (RMB cents)                                                                         | 12    | 2.83                                                        | 2.64                           |

# Condensed Consolidated Statement of Financial Position

As at June 30, 2026  
(Expressed in Renminbi)

|                                                                   | Notes | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------------|-------|-----------------------------------------------|-------------------------------------------------|
| <b>ASSETS</b>                                                     |       |                                               |                                                 |
| Cash and deposits with the central bank                           | 13    | 22,031,330                                    | 26,296,855                                      |
| Deposits with banks                                               | 14    | 3,050,471                                     | 2,910,262                                       |
| Placements with banks and other financial institutions            | 15    | 13,409,301                                    | 12,183,758                                      |
| Financial assets held under resale agreements                     | 16    | 6,403,210                                     | 2,604,371                                       |
| Financial assets at amortised cost                                | 17    | 91,160,804                                    | 82,365,023                                      |
| Loans and advances to customers                                   | 18    | 233,069,552                                   | 223,962,628                                     |
| Financial assets at fair value through profit or loss             | 19    | 34,901,051                                    | 33,907,996                                      |
| Financial assets at fair value through other comprehensive income | 20    | 31,168,474                                    | 29,500,507                                      |
| Interest in an associate                                          | 21    | 9,939                                         | 9,939                                           |
| Property and equipment                                            | 22    | 2,617,386                                     | 2,658,707                                       |
| Right-of-use assets                                               | 23    | 258,797                                       | 303,667                                         |
| Deferred tax assets                                               | 24    | 2,594,479                                     | 2,490,725                                       |
| Other assets                                                      | 25    | 17,812,118                                    | 16,701,501                                      |
| <b>TOTAL ASSETS</b>                                               |       | <b>458,486,912</b>                            | <b>435,895,939</b>                              |
| <b>LIABILITIES AND EQUITY</b>                                     |       |                                               |                                                 |
| <b>LIABILITIES</b>                                                |       |                                               |                                                 |
| Borrowings from the central bank                                  | 27    | 20,728,118                                    | 8,726,555                                       |
| Deposits from banks and other financial institutions              | 28    | 11,588,350                                    | 10,282,191                                      |
| Placements from banks                                             | 29    | 1,068,205                                     | 2,012,835                                       |
| Financial assets sold under repurchase agreements                 | 30    | –                                             | 7,800,620                                       |
| Deposits from customers                                           | 31    | 348,711,824                                   | 337,473,703                                     |
| Accrued staff costs                                               | 32    | 225,549                                       | 286,288                                         |
| Taxes payable                                                     |       | 315                                           | 375                                             |
| Debts securities issued                                           | 33    | 39,589,842                                    | 33,692,858                                      |
| Deferred tax liabilities                                          | 24    | 92,144                                        | 20,467                                          |
| Lease liabilities                                                 | 23    | 221,506                                       | 257,290                                         |
| Other liabilities                                                 | 34    | 3,247,981                                     | 967,418                                         |
| <b>TOTAL LIABILITIES</b>                                          |       | <b>425,473,834</b>                            | <b>401,520,600</b>                              |

# Condensed Consolidated Statement of Financial Position

As at June 30, 2026  
(Expressed in Renminbi)

|                                                     | Notes | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------------------------|-------|-----------------------------------------------|-------------------------------------------------|
| <b>EQUITY</b>                                       |       |                                               |                                                 |
| Share capital                                       | 35    | 15,069,791                                    | 15,069,791                                      |
| Capital reserve                                     | 36(a) | 5,960,375                                     | 5,958,947                                       |
| Defined benefit plan reserve                        |       | (4,300)                                       | (4,300)                                         |
| Investment revaluation reserve                      |       | 52,136                                        | 53,859                                          |
| Surplus reserve                                     | 36(b) | 2,082,449                                     | 2,082,449                                       |
| General reserve                                     | 36(c) | 5,945,904                                     | 5,945,904                                       |
| Retained earnings                                   |       | 3,870,029                                     | 5,221,067                                       |
| Total equity attributable to the owners of the Bank |       | 32,976,384                                    | 34,327,717                                      |
| Non-controlling interests                           |       | 36,694                                        | 47,622                                          |
| <b>TOTAL EQUITY</b>                                 |       | <b>33,013,078</b>                             | <b>34,375,339</b>                               |
| <b>TOTAL LIABILITIES AND EQUITY</b>                 |       | <b>458,486,912</b>                            | <b>435,895,939</b>                              |

Approved and authorised for issue by the board of directors of the Bank on August 28, 2026.

Mr. Li Zongyi  
Director

Mr. Zhang Bin  
Director

# Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026  
(Expressed in Renminbi)

|                                                     | Attributable to owners of the Bank |                 |                              |                                |                 |                 |                   |             | Non-controlling interests | Total       |
|-----------------------------------------------------|------------------------------------|-----------------|------------------------------|--------------------------------|-----------------|-----------------|-------------------|-------------|---------------------------|-------------|
|                                                     | Share capital                      | Capital reserve | Defined benefit plan reserve | Investment revaluation reserve | Surplus reserve | General reserve | Retained earnings | Sub-total   |                           |             |
|                                                     | RMB'000                            | RMB'000         | RMB'000                      | RMB'000                        | RMB'000         | RMB'000         | RMB'000           | RMB'000     | RMB'000                   | RMB'000     |
| At January 1, 2026                                  | 15,069,791                         | 5,958,947       | (4,300)                      | 53,859                         | 2,082,449       | 5,945,904       | 5,221,067         | 34,327,717  | 47,622                    | 34,375,339  |
| Profit for the period                               | -                                  | -               | -                            | -                              | -               | -               | 427,197           | 427,197     | (10,928)                  | 416,269     |
| Other comprehensive (expense)/income for the period | -                                  | -               | -                            | (1,723)                        | -               | -               | -                 | (1,723)     | -                         | (1,723)     |
| Total comprehensive income for the period           | -                                  | -               | -                            | (1,723)                        | -               | -               | 427,197           | 425,474     | (10,928)                  | 414,546     |
| Shareholders' injection (Note 36(a))                | -                                  | 1,428           | -                            | -                              | -               | -               | -                 | 1,428       | -                         | 1,428       |
| Final dividend declared (Note 37)                   | -                                  | -               | -                            | -                              | -               | -               | (1,778,235)       | (1,778,235) | -                         | (1,778,235) |
| At June 30, 2026 (Unaudited)                        | 15,069,791                         | 5,960,375       | (4,300)                      | 52,136                         | 2,082,449       | 5,945,904       | 3,870,029         | 32,976,384  | 36,694                    | 33,013,078  |

# Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026  
(Expressed in Renminbi)

|                                                     | Attributable to owners of the Bank |                            |                                         |                                           |                            |                            |                              |                      | Non-controlling interests | Total      |
|-----------------------------------------------------|------------------------------------|----------------------------|-----------------------------------------|-------------------------------------------|----------------------------|----------------------------|------------------------------|----------------------|---------------------------|------------|
|                                                     | Share capital<br>RMB'000           | Capital reserve<br>RMB'000 | Defined benefit plan reserve<br>RMB'000 | Investment revaluation reserve<br>RMB'000 | Surplus reserve<br>RMB'000 | General reserve<br>RMB'000 | Retained earnings<br>RMB'000 | Sub-total<br>RMB'000 |                           |            |
| <b>At January 1, 2025</b>                           | 15,069,791                         | 5,958,659                  | (5,290)                                 | 108,580                                   | 1,966,278                  | 5,784,233                  | 4,910,812                    | 33,793,063           | 44,853                    | 33,837,916 |
| Profit for the period                               | -                                  | -                          | -                                       | -                                         | -                          | -                          | 397,854                      | 397,854              | 1,032                     | 398,886    |
| Other comprehensive (expense)/income for the period | -                                  | -                          | -                                       | (115,298)                                 | -                          | -                          | -                            | (115,298)            | -                         | (115,298)  |
| Total comprehensive income for the period           | -                                  | -                          | -                                       | (115,298)                                 | -                          | -                          | 397,854                      | 282,556              | 1,032                     | 283,588    |
| Shareholders' injection (Note 36(a))                | -                                  | 8                          | -                                       | -                                         | -                          | -                          | -                            | 8                    | -                         | 8          |
| Appropriation of profits                            |                                    |                            |                                         |                                           |                            |                            |                              |                      |                           |            |
| - Appropriation to surplus reserve                  | -                                  | -                          | -                                       | -                                         | 57,827                     | -                          | (57,827)                     | -                    | -                         | -          |
| <b>At June 30, 2025 (Unaudited)</b>                 | 15,069,791                         | 5,958,667                  | (5,290)                                 | (6,718)                                   | 2,024,105                  | 5,784,233                  | 5,250,839                    | 34,075,627           | 45,885                    | 34,121,512 |

# Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026  
(Expressed in Renminbi)

|                                                                                                | Six months ended June 30, |                     |
|------------------------------------------------------------------------------------------------|---------------------------|---------------------|
|                                                                                                | 2026                      | 2025                |
|                                                                                                | RMB'000                   | RMB'000             |
|                                                                                                | (Unaudited)               | (Unaudited)         |
| <b>Operating activities</b>                                                                    |                           |                     |
| <b>Profit before tax</b>                                                                       | <b>388,620</b>            | <b>339,091</b>      |
| Adjustments for:                                                                               |                           |                     |
| Depreciation of property and equipment                                                         | 66,394                    | 129,620             |
| Depreciation of right-of-use assets                                                            | 61,071                    | 62,010              |
| Amortisation of intangible assets                                                              | 2,528                     | 3,479               |
| Impairment losses on assets, net of reversals                                                  | 1,275,167                 | 1,317,905           |
| Interest expense on lease liabilities                                                          | 3,987                     | 5,566               |
| Interest expense on debts securities issued                                                    | 317,537                   | 296,826             |
| Loss on disposal of property and equipment                                                     | 299                       | 873                 |
| Loss on disposal of repossessed assets                                                         | 356                       | 14                  |
| Gain on early termination of leases                                                            | (5,515)                   | –                   |
| Unrealised (gains)/losses from debt securities at fair value through profit or loss            | (10,526)                  | 119,967             |
| Net gains arising from investment securities                                                   | (51,156)                  | (130,066)           |
| Government grants                                                                              | (3,614)                   | (47)                |
| Interest income on financial investments                                                       | (1,289,073)               | (1,330,417)         |
| Share of loss of an associate                                                                  | –                         | 203                 |
|                                                                                                | <b>756,075</b>            | <b>815,024</b>      |
| <b>Changes in operating assets</b>                                                             |                           |                     |
| Net increase in deposits with the central bank                                                 | (1,080,309)               | (353,012)           |
| Net increase in deposits and placements with banks and other financial institutions            | (4,412,051)               | (315,481)           |
| Net decrease in financial assets held under resale agreements                                  | –                         | 501                 |
| Net increase in financial assets at fair value through profit or loss                          | (1,019,396)               | (9,000,480)         |
| Net increase in loans and advances to customers                                                | (9,889,565)               | (11,302,055)        |
| Net increase in other operating assets                                                         | (1,101,722)               | (391,858)           |
|                                                                                                | <b>(17,503,043)</b>       | <b>(21,362,385)</b> |
| <b>Changes in operating liabilities</b>                                                        |                           |                     |
| Net increase in borrowings from the central bank                                               | 11,997,274                | 228,026             |
| Net increase/(decrease) in deposits and placements from banks and other financial institutions | 311,530                   | (4,734,342)         |
| Net decrease in financial assets sold under repurchase agreements                              | (7,800,000)               | (417,590)           |
| Net increase in deposits from customers                                                        | 11,965,516                | 13,042,068          |
| Net decrease in other operating liabilities                                                    | (291,056)                 | (65,867)            |
|                                                                                                | <b>16,183,264</b>         | <b>8,052,295</b>    |

# Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026  
(Expressed in Renminbi)

|                                                                                              | Note | Six months ended June 30,      |                                |
|----------------------------------------------------------------------------------------------|------|--------------------------------|--------------------------------|
|                                                                                              |      | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| <b>Cash used in operations</b>                                                               |      | <b>(563,704)</b>               | (12,495,066)                   |
| Income tax paid, net                                                                         |      | (4,910)                        | (118,067)                      |
| <b>Net cash used in operating activities</b>                                                 |      | <b>(568,614)</b>               | (12,613,133)                   |
| <b>Investing activities</b>                                                                  |      |                                |                                |
| Proceeds from disposal of investments                                                        |      | 62,054,421                     | 67,619,463                     |
| Interest income received from financial investments                                          |      | 2,103,190                      | 1,981,899                      |
| Proceeds from disposal of property and equipment                                             |      | 2,245                          | 6,743                          |
| Payments on acquisition of investments                                                       |      | (73,670,901)                   | (64,224,979)                   |
| Payments on acquisition of property and equipment and intangible assets                      |      | (29,901)                       | (44,172)                       |
| <b>Net cash (used in)/generated from investing activities</b>                                |      | <b>(9,540,946)</b>             | 5,338,954                      |
| <b>Financing activities</b>                                                                  |      |                                |                                |
| Government grants received                                                                   |      | –                              | 47                             |
| Proceeds from capital contribution by equity shareholder                                     |      | 1,428                          | 8                              |
| Proceeds from issue of new debt securities                                                   |      | 20,119,447                     | 27,760,000                     |
| Repayment of debt securities issued                                                          |      | (14,540,000)                   | (23,220,000)                   |
| Repayment of lease liabilities                                                               |      | (53,020)                       | (59,422)                       |
| Interest paid on debts securities issued                                                     |      | –                              | (315,269)                      |
| <b>Net cash generated from financing activities</b>                                          |      | <b>5,527,855</b>               | 4,165,364                      |
| <b>Net decrease in cash and cash equivalents</b>                                             |      | <b>(4,581,705)</b>             | (3,108,815)                    |
| <b>Cash and cash equivalents at the beginning of the period</b>                              |      | <b>27,573,989</b>              | 22,300,665                     |
| <b>Cash and cash equivalents at the end of the period</b>                                    | 40   | <b>22,992,284</b>              | 19,191,850                     |
| Interest received                                                                            |      | 6,221,752                      | 6,127,658                      |
| Interest paid (excluding interest expenses on debts securities issued and lease liabilities) |      | (3,645,528)                    | (3,062,765)                    |

# Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

## 1 GENERAL

Bank of Gansu Co., Ltd. (the “Bank”) was established in Lanzhou, Gansu Province, the People’s Republic of China (the “PRC”) on September 27, 2011 with the approval of the National Administration of Financial Regulation (the “NAFR”, formerly known as China Banking and Insurance Regulatory Commission (the “CBIRC”)). Prior to its establishment, the banking business was carried out by two city commercial banks (the “Predecessor Entities”), each being located in Gansu Province.

Pursuant to reorganisation initiated by the People’s Government of Gansu Province, the Bank was established through the merger and reorganisation of the Predecessor Entities.

The Bank obtained its finance permit No. B1228H262010001 from the NAFR, and obtained its business license No. 91620000585910383X from the Gansu Administration of Industry and Commerce. The legal representative is Liu Qing and the address of the registered office and principal place of business is 525-1, Donggang West Road, Chengguan District, Lanzhou, Gansu Province.

On January 18, 2018, the Bank’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Stock code: 2139).

As at June 30, 2026, the Bank has 1 head office operational department, 12 branches, 179 sub-branches, 3 micro-to-small enterprise sub-branches, 1 community sub-branch and 1 subsidiary. The principal activities of the Bank and its subsidiary (hereinafter collectively referred to as the “Group”) are the provision of corporate and retail deposits, loans and advances, payment and settlement services, as well as other banking services as approved by the NAFR Gansu Office. The Group operates mainly in Gansu Province.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Bank and its subsidiary.

## 2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended June 30, 2026 have been prepared in accordance with 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.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards.

# Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

## 3 ACCOUNTING POLICIES

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

Other than additional/change in accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025.

### Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards as issued by the IASB which are effective for the Group’s financial year beginning January 1, 2026:

|                                         |                                                                           |
|-----------------------------------------|---------------------------------------------------------------------------|
| Amendments to IFRS 9 and IFRS 7         | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to IFRS 9 and IFRS 7         | Contracts Referencing Nature-dependent Electricity                        |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards – Volume 11              |

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 4 NET INTEREST INCOME

|                                                                                | Six months ended June 30,      |                                |
|--------------------------------------------------------------------------------|--------------------------------|--------------------------------|
|                                                                                | 2026<br>RMB'000<br>(Unaudited) | 2025<br>RMB'000<br>(Unaudited) |
| Interest income arising from                                                   |                                |                                |
| – Deposits with the central bank                                               | 144,500                        | 135,678                        |
| – Deposits with banks                                                          | 17,590                         | 10,532                         |
| – Placements with banks and other financial institutions                       | 97,076                         | 55,339                         |
| – Loans and advances to customers:                                             |                                |                                |
| Corporate loans and advances                                                   | 2,840,177                      | 3,231,296                      |
| Personal loans and advances                                                    | 979,271                        | 997,651                        |
| Discounted bills                                                               | 113,044                        | 100,491                        |
| – Financial assets held under resale agreements                                | 54,645                         | 130,862                        |
| – Financial assets at fair value through other comprehensive income (“FVTOCI”) | 262,956                        | 204,146                        |
| – Financial assets at amortised cost                                           | 1,026,117                      | 1,126,271                      |
|                                                                                | 5,535,376                      | 5,992,266                      |
| Less: Interest expenses arising from                                           |                                |                                |
| – Borrowings from the central bank                                             | (73,954)                       | (72,100)                       |
| – Deposits from banks and other financial institutions                         | (108,982)                      | (134,206)                      |
| – Placements from banks                                                        | (17,374)                       | (15,108)                       |
| – Deposits from customers:                                                     |                                |                                |
| Corporate customers                                                            | (500,936)                      | (617,902)                      |
| Individual customers                                                           | (2,237,201)                    | (2,545,101)                    |
| – Financial assets sold under repurchase agreements                            | (33,354)                       | (58,435)                       |
| – Debts securities issued                                                      | (317,537)                      | (296,826)                      |
| – Lease liabilities                                                            | (3,987)                        | (5,566)                        |
|                                                                                | (3,293,325)                    | (3,745,244)                    |
|                                                                                | 2,242,051                      | 2,247,022                      |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 5 NET FEE AND COMMISSION INCOME

|                                      | Six months ended June 30, |             |
|--------------------------------------|---------------------------|-------------|
|                                      | 2026                      | 2025        |
|                                      | RMB'000                   | RMB'000     |
|                                      | (Unaudited)               | (Unaudited) |
| Fee and commission income            |                           |             |
| – Wealth management service fees     | 78,433                    | 66,938      |
| – Bank acceptance bills service fees | 8,288                     | 9,123       |
| – Agency services fees               | 31,016                    | 33,507      |
| – Settlement and clearing fees       | 79,287                    | 31,128      |
| – Letter of guarantee service fees   | 44,429                    | 63,228      |
| – Others                             | 23,500                    | 41,493      |
|                                      | 264,953                   | 245,417     |
| Fee and commission expenses          |                           |             |
| – Settlement and clearing fees       | (95,567)                  | (4,581)     |
| – Bank card service fees             | (11,980)                  | (12,516)    |
|                                      | (107,547)                 | (17,097)    |
|                                      | 157,406                   | 228,320     |

### 6 NET TRADING GAINS

|                                                                 | Six months ended June 30, |             |
|-----------------------------------------------------------------|---------------------------|-------------|
|                                                                 | 2026                      | 2025        |
|                                                                 | RMB'000                   | RMB'000     |
|                                                                 | (Unaudited)               | (Unaudited) |
| Financial assets at fair value through profit or loss (“FVTPL”) |                           |             |
| – Realised gains from debt securities                           | 124,122                   | 185,416     |
| – Unrealised gains/(losses) from debt securities                | 10,526                    | (119,967)   |
| Interest income arising from financial assets at FVTPL          | 55,011                    | 41,930      |
|                                                                 | 189,659                   | 107,379     |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 7 NET GAINS ARISING FROM INVESTMENT SECURITIES

|                                           | Six months ended June 30, |                        |
|-------------------------------------------|---------------------------|------------------------|
|                                           | 2026                      | 2025                   |
|                                           | RMB'000<br>(Unaudited)    | RMB'000<br>(Unaudited) |
| Net gains on disposal of debt instruments | 51,156                    | 130,066                |

### 8 OTHER OPERATING INCOME, NET

|                                                   | Six months ended June 30, |                        |
|---------------------------------------------------|---------------------------|------------------------|
|                                                   | 2026                      | 2025                   |
|                                                   | RMB'000<br>(Unaudited)    | RMB'000<br>(Unaudited) |
| Government grants (Note)                          | 3,614                     | 47                     |
| Rental income                                     | 3,471                     | 1,948                  |
| Loss on disposal of property and equipment        | (299)                     | (873)                  |
| Loss on disposal of repossessed assets            | (356)                     | (14)                   |
| Gain on early termination of leases               | 5,515                     | –                      |
| Repossessed assets – rental and management income | 19,345                    | 13,145                 |
| Other operating (losses)/income, net              | (12,205)                  | 6,165                  |
|                                                   | 19,085                    | 20,418                 |

*Note:* Government grants recognised as other income were awarded to foster business development of the Group. The government grants are one-off with no specific condition attached.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 9 OPERATING EXPENSES

|                                               | Six months ended June 30, |             |
|-----------------------------------------------|---------------------------|-------------|
|                                               | 2026                      | 2025        |
|                                               | RMB'000                   | RMB'000     |
|                                               | (Unaudited)               | (Unaudited) |
| Staff costs (including directors' emoluments) |                           |             |
| – Salaries and bonuses                        | 377,936                   | 382,617     |
| – Staff welfares                              | 10,107                    | 11,632      |
| – Social insurance                            | 119,496                   | 125,419     |
| – Housing allowances                          | 44,452                    | 44,398      |
| – Labour union and staff education expenses   | 4,367                     | 4,409       |
| – Others                                      | 844                       | 1,113       |
|                                               | 557,202                   | 569,588     |
| Premises and equipment expenses               |                           |             |
| – Depreciation of property and equipment      | 66,394                    | 129,620     |
| – Depreciation of right-of-use assets         | 61,071                    | 62,010      |
| – Amortisation of intangible assets           | 2,528                     | 3,479       |
| – Rental and property management expenses     | 4,385                     | 5,734       |
|                                               | 134,378                   | 200,843     |
| Other tax and surcharges                      | 64,791                    | 46,981      |
| Other general and administrative expenses     | 234,758                   | 242,707     |
|                                               | 991,129                   | 1,060,119   |

### 10 IMPAIRMENT LOSSES ON ASSETS, NET OF REVERSALS

|                                                                              | Six months ended June 30, |             |
|------------------------------------------------------------------------------|---------------------------|-------------|
|                                                                              | 2026                      | 2025        |
|                                                                              | RMB'000                   | RMB'000     |
|                                                                              | (Unaudited)               | (Unaudited) |
| Impairment losses recognised/(reversed) on assets:                           |                           |             |
| – Deposits with banks                                                        | 25                        | 25          |
| – Placements with banks and other financial institutions                     | 4,350                     | 513         |
| – Financial assets held under resale agreements                              | (206)                     | 146         |
| – Debt instruments at FVTOCI                                                 | 559                       | 18,447      |
| – Financial assets at amortised cost                                         | 398,617                   | 275,059     |
| – Loans and advances to customers                                            | 705,226                   | 928,609     |
| – Acceptance bills, letters of guarantees and unused credit card commitments | (10,715)                  | (646)       |
| – Repossessed assets                                                         | 3,640                     | 48,184      |
| – Other assets                                                               | 173,671                   | 47,568      |
|                                                                              | 1,275,167                 | 1,317,905   |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 11 INCOME TAX CREDIT

|                             | Six months ended June 30, |             |
|-----------------------------|---------------------------|-------------|
|                             | 2026                      | 2025        |
|                             | RMB'000                   | RMB'000     |
|                             | (Unaudited)               | (Unaudited) |
| Current tax                 |                           |             |
| – PRC Enterprise Income Tax | 3,854                     | 84,322      |
| Deferred tax (Note 24)      |                           |             |
| – Current period            | (31,503)                  | (144,117)   |
|                             | (27,649)                  | (59,795)    |

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC companies is 25%. Pingliang Jingning Chengji Rural Bank Co., Ltd. (“平涼市靜寧成紀村鎮銀行股份有限公司”, “Jingning Chengji Rural Bank”), a subsidiary of the Bank, obtained approvals from tax authorities to adopt the preferential income tax rate of 15% for the six months ended June 30, 2026 and 2025.

### 12 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Bank is based on the following data:

|                                                                                                           | Six months ended June 30, |             |
|-----------------------------------------------------------------------------------------------------------|---------------------------|-------------|
|                                                                                                           | 2026                      | 2025        |
|                                                                                                           | (Unaudited)               | (Unaudited) |
| Profit for the period attributable to owners of the Bank (RMB'000)                                        | 427,197                   | 397,854     |
| Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ('000) | 15,069,791                | 15,069,791  |

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the six months ended June 30, 2026 and 2025.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 13 CASH AND DEPOSITS WITH THE CENTRAL BANK

|                                        | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Cash on hand                           | 521,583                                       | 499,788                                         |
| Deposits with the central bank         |                                               |                                                 |
| – Statutory deposit reserve (Note (a)) | 17,155,756                                    | 16,351,579                                      |
| – Surplus deposit reserve (Note (b))   | 4,035,087                                     | 9,402,307                                       |
| – Fiscal deposits                      | 311,206                                       | 35,074                                          |
|                                        | 21,502,049                                    | 25,788,960                                      |
| Accrued interest                       | 7,698                                         | 8,107                                           |
|                                        | 22,031,330                                    | 26,296,855                                      |

Notes:

- (a) The Group places statutory deposit reserves with The People's Bank Of China (the "PBOC") in accordance with relevant regulations in the PRC. As at June 30, 2026 and December 31, 2025, the statutory deposit reserve ratios applicable to the Bank were as follows:

|                                             | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Reserve ratio for RMB deposits              | 5%                                            | 5%                                              |
| Reserve ratio for foreign currency deposits | 4%                                            | 4%                                              |

The statutory deposit reserves are restricted balances with central bank and are not available for the Group's daily business.

- (b) The surplus deposit reserves are maintained with the PBOC for the purpose of cash settlement and other kinds of unrestricted deposits.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 14 DEPOSITS WITH BANKS

Analysed by type and location of counterparty

|                                                       | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Deposits in Chinese Mainland<br>– Banks               | 2,997,480                                     | 2,882,563                                       |
| Deposits outside Chinese Mainland<br>– Banks          | 47,646                                        | 25,405                                          |
|                                                       | 3,045,126                                     | 2,907,968                                       |
| Accrued interest                                      | 5,464                                         | 2,388                                           |
| Less: Provision for impairment losses (Notes a and b) | (119)                                         | (94)                                            |
|                                                       | 3,050,471                                     | 2,910,262                                       |

Notes:

(a) Provision for impairment losses of deposits with banks:

|                                                           | At June 30, 2026                                                                               |                                                   |                                                                          |                                 |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|
|                                                           | Stage 1<br>12-month<br>("12m")<br>Expected<br>Credit Loss<br>("ECL")<br>RMB'000<br>(Unaudited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Unaudited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| Gross deposits with banks<br>(excluding accrued interest) | 3,045,126                                                                                      | –                                                 | –                                                                        | 3,045,126                       |
| Less: Provision for<br>impairment losses                  | (119)                                                                                          | –                                                 | –                                                                        | (119)                           |
|                                                           | 3,045,007                                                                                      | –                                                 | –                                                                        | 3,045,007                       |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 14 DEPOSITS WITH BANKS (Continued)

Analysed by type and location of counterparty (Continued)

Notes: (Continued)

(a) Provision for impairment losses of deposits with banks: (Continued)

|                                                           | At December 31, 2025 |              |             |           |
|-----------------------------------------------------------|----------------------|--------------|-------------|-----------|
|                                                           | Stage 1              | Stage 2      | Stage 3     | Total     |
|                                                           | 12m ECL              | Lifetime ECL | ECL-credit- |           |
|                                                           | RMB'000              | RMB'000      | impaired    |           |
|                                                           | (Audited)            | (Audited)    | (Audited)   | (Audited) |
| Gross deposits with banks<br>(excluding accrued interest) | 2,907,968            | –            | –           | 2,907,968 |
| Less: Provision for<br>impairment losses                  | (94)                 | –            | –           | (94)      |
|                                                           | 2,907,874            | –            | –           | 2,907,874 |

(b) Movement in provision for impairment losses of deposits with banks:

|                                                                                          | Stage 1 | Stage 2      | Stage 3     | Total   |
|------------------------------------------------------------------------------------------|---------|--------------|-------------|---------|
|                                                                                          | 12m ECL | Lifetime ECL | ECL-credit- |         |
|                                                                                          | RMB'000 | RMB'000      | impaired    |         |
|                                                                                          | RMB'000 | RMB'000      | RMB'000     | RMB'000 |
| Provision for impairment<br>losses at January 1, 2025                                    | 52      | –            | –           | 52      |
| – Charged to profit or loss                                                              | 42      | –            | –           | 42      |
| Provision for impairment losses at<br>December 31, 2025 (Audited) and<br>January 1, 2026 | 94      | –            | –           | 94      |
| – Charged to profit or loss                                                              | 25      | –            | –           | 25      |
| Provision for impairment losses<br>at June 30, 2026 (Unaudited)                          | 119     | –            | –           | 119     |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 15 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

|                                                       | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Placements in Chinese Mainland                        |                                               |                                                 |
| – Banks                                               | –                                             | 300,000                                         |
| – Other financial institutions                        | 13,400,000                                    | 11,860,000                                      |
|                                                       | 13,400,000                                    | 12,160,000                                      |
| Accrued interest                                      | 16,392                                        | 26,499                                          |
| Less: Provision for impairment losses (Notes a and b) | (7,091)                                       | (2,741)                                         |
|                                                       | 13,409,301                                    | 12,183,758                                      |

Notes:

(a) Provision for impairment losses of placements with banks and other financial institutions:

|                                                                                                 | At June 30, 2026              |                                    |                                                           |                  |
|-------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
|                                                                                                 | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
| Gross placements with banks and<br>other financial institutions<br>(excluding accrued interest) | 13,400,000                    | –                                  | –                                                         | 13,400,000       |
| Less: Provision for<br>impairment losses                                                        | (7,091)                       | –                                  | –                                                         | (7,091)          |
|                                                                                                 | 13,392,909                    | –                                  | –                                                         | 13,392,909       |

|                                                                                                 | At December 31, 2025          |                                    |                                                           |                  |
|-------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
|                                                                                                 | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
| Gross placements with banks and<br>other financial institutions<br>(excluding accrued interest) | 12,160,000                    | –                                  | –                                                         | 12,160,000       |
| Less: Provision for<br>impairment losses                                                        | (2,741)                       | –                                  | –                                                         | (2,741)          |
|                                                                                                 | 12,157,259                    | –                                  | –                                                         | 12,157,259       |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 15 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Continued)

Notes: (Continued)

(b) Movement in provision for impairment losses of placements with banks and other financial institutions:

|                                                                                                              | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
| Provision for impairment losses<br>at January 1, 2025,<br>December 31, 2025 (Audited)<br>and January 1, 2026 | 2,741                         | –                                  | –                                                         | 2,741            |
| – Charged to profit or loss                                                                                  | 4,350                         | –                                  | –                                                         | 4,350            |
| Provision for impairment losses at<br>June 30, 2026 (Unaudited)                                              | 7,091                         | –                                  | –                                                         | 7,091            |

### 16 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

|                                                       | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| In Chinese Mainland                                   |                                               |                                                 |
| – Other financial institutions                        | 6,403,053                                     | 2,604,440                                       |
| Accrued interest                                      | 260                                           | 240                                             |
| Less: Provision for impairment losses (Notes c and d) | (103)                                         | (309)                                           |
|                                                       | 6,403,210                                     | 2,604,371                                       |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 16 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(Continued)

#### (b) Analysed by type of security held

|                                          | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Debt securities                          |                                               |                                                 |
| – Government                             | 439,551                                       | 100,000                                         |
| – Banks and other financial institutions | 5,963,502                                     | 2,504,440                                       |
|                                          | 6,403,053                                     | 2,604,440                                       |
| Accrued interest                         | 260                                           | 240                                             |
| Less: Provision for impairment losses    | (103)                                         | (309)                                           |
|                                          | 6,403,210                                     | 2,604,371                                       |

#### (c) Provision for impairment losses of financial assets held under resale agreements:

| At June 30, 2026                                                                 |                                              |                                                   |                                                                          |                                 |
|----------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|
|                                                                                  | Stage 1<br>12m ECL<br>RMB'000<br>(Unaudited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Unaudited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| Gross financial assets held under resale agreements (excluding accrued interest) | 6,403,053                                    | –                                                 | –                                                                        | 6,403,053                       |
| Less: Provision for impairment losses                                            | (103)                                        | –                                                 | –                                                                        | (103)                           |
|                                                                                  | 6,402,950                                    | –                                                 | –                                                                        | 6,402,950                       |

  

| At December 31, 2025                                                             |                                            |                                                 |                                                                        |                               |
|----------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------|-------------------------------|
|                                                                                  | Stage 1<br>12m ECL<br>RMB'000<br>(Audited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Audited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Audited) | Total<br>RMB'000<br>(Audited) |
| Gross financial assets held under resale agreements (excluding accrued interest) | 2,604,440                                  | –                                               | –                                                                      | 2,604,440                     |
| Less: Provision for impairment losses                                            | (309)                                      | –                                               | –                                                                      | (309)                         |
|                                                                                  | 2,604,131                                  | –                                               | –                                                                      | 2,604,131                     |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 16 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(Continued)

(d) Movements in provision for impairment losses of financial assets held under resale agreements:

|                                                                                          | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
| Provision for impairment losses at<br>January 1, 2025                                    | -                             | -                                  | -                                                         | -                |
| - Charged to profit or loss                                                              | 309                           | -                                  | -                                                         | 309              |
| Provision for impairment losses at<br>December 31, 2025 (Audited) and<br>January 1, 2026 | 309                           | -                                  | -                                                         | 309              |
| - Credited to profit or loss                                                             | (206)                         | -                                  | -                                                         | (206)            |
| Provision for impairment losses at<br>June 30, 2026 (Unaudited)                          | 103                           | -                                  | -                                                         | 103              |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 17 FINANCIAL ASSETS AT AMORTISED COST

|                                                                             | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| <b>Financial assets measured at amortised cost</b>                          |                                               |                                                 |
| Debt securities issued by the following institutions<br>in Chinese Mainland |                                               |                                                 |
| – Government                                                                | 44,816,112                                    | 41,644,802                                      |
| – Banks                                                                     | –                                             | 1,946,281                                       |
| – Other financial institutions                                              | 34,949,642                                    | 26,066,909                                      |
| – Corporations                                                              | 800,053                                       | 1,640,059                                       |
| Trust plans                                                                 | 6,999,399                                     | 7,014,217                                       |
| Asset management plans                                                      | 3,467,700                                     | 3,501,500                                       |
| Asset-backed securities                                                     | 23,687                                        | 23,747                                          |
|                                                                             | <b>91,056,593</b>                             | 81,837,515                                      |
| Accrued interest                                                            | 1,555,336                                     | 1,580,016                                       |
| Less: Provision for impairment losses (Notes a and b)                       | (1,451,125)                                   | (1,052,508)                                     |
|                                                                             | <b>91,160,804</b>                             | 82,365,023                                      |
| Analysed as:                                                                |                                               |                                                 |
| Listed outside Hong Kong                                                    | 81,303,570                                    | 72,071,295                                      |
| Unlisted outside Hong Kong                                                  | 9,857,234                                     | 10,293,728                                      |
|                                                                             | <b>91,160,804</b>                             | 82,365,023                                      |
| Fair value                                                                  | <b>92,503,641</b>                             | 82,593,557                                      |

As at June 30, 2026 and December 31, 2025, parts of debt securities were pledged as security for repurchase agreements (Note 26(a) and Note 30(c)).

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 17 FINANCIAL ASSETS AT AMORTISED COST (Continued)

Notes:

(a) Provision for impairment losses of financial assets at amortised cost:

|                                                                             | At June 30, 2026                             |                                                   |                                                                          |                                 |
|-----------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|
|                                                                             | Stage 1<br>12m ECL<br>RMB'000<br>(Unaudited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Unaudited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| Gross financial assets at<br>amortised cost<br>(excluding accrued interest) | 83,214,007                                   | 4,559,793                                         | 3,282,793                                                                | 91,056,593                      |
| Less: Provision for<br>impairment losses                                    | (32,280)                                     | (303,286)                                         | (1,115,559)                                                              | (1,451,125)                     |
|                                                                             | 83,181,727                                   | 4,256,507                                         | 2,167,234                                                                | 89,605,468                      |

  

|                                                                             | At December 31, 2025                       |                                                 |                                                                        |                               |
|-----------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------|-------------------------------|
|                                                                             | Stage 1<br>12m ECL<br>RMB'000<br>(Audited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Audited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Audited) | Total<br>RMB'000<br>(Audited) |
| Gross financial assets at<br>amortised cost<br>(excluding accrued interest) | 73,980,051                                 | 4,574,611                                       | 3,282,853                                                              | 81,837,515                    |
| Less: Provision for<br>impairment losses                                    | (35,041)                                   | (116,133)                                       | (901,334)                                                              | (1,052,508)                   |
|                                                                             | 73,945,010                                 | 4,458,478                                       | 2,381,519                                                              | 80,785,007                    |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 17 FINANCIAL ASSETS AT AMORTISED COST (Continued)

Notes: (Continued)

(b) Movements in provision for impairment losses of financial assets at amortised cost:

|                                                                                    | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
| Provision for impairment losses at January 1, 2025                                 | 58,307                        | 904,360                            | 2,879,496                                                 | 3,842,163        |
| Changes in the provision for impairment losses                                     |                               |                                    |                                                           |                  |
| – Transfer to stage 2                                                              | (10,015)                      | 10,015                             | –                                                         | –                |
| – Transfer to stage 3                                                              | (79)                          | –                                  | 79                                                        | –                |
| – Write off and others                                                             | –                             | (581,932)                          | (2,378,035)                                               | (2,959,967)      |
| – (Credited)/charged to profit or loss                                             | (13,172)                      | (216,310)                          | 399,794                                                   | 170,312          |
| Provision for impairment losses at December 31, 2025 (Audited) and January 1, 2026 | <b>35,041</b>                 | <b>116,133</b>                     | <b>901,334</b>                                            | <b>1,052,508</b> |
| Changes in the provision for impairment losses                                     |                               |                                    |                                                           |                  |
| – Transfer to stage 1                                                              | –                             | –                                  | –                                                         | –                |
| – Transfer to stage 2                                                              | –                             | –                                  | –                                                         | –                |
| – Transfer to stage 3                                                              | –                             | –                                  | –                                                         | –                |
| – Write off and others                                                             | –                             | –                                  | –                                                         | –                |
| – (Credited)/charged to profit or loss                                             | (2,761)                       | 187,153                            | 214,225                                                   | 398,617          |
| Provision for impairment losses at June 30, 2026 (Unaudited)                       | <b>32,280</b>                 | <b>303,286</b>                     | <b>1,115,559</b>                                          | <b>1,451,125</b> |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 18 LOANS AND ADVANCES TO CUSTOMERS

#### (a) Analysed by nature

|                                                       | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| <b>Gross loans and advances to customers</b>          |                                               |                                                 |
| Corporate loans and advances                          | 153,383,823                                   | 149,942,315                                     |
| Personal loans and advances                           |                                               |                                                 |
| – Personal business loans                             | 5,711,975                                     | 5,602,983                                       |
| – Personal consumption loans                          | 16,908,931                                    | 17,612,551                                      |
| – Residential and commercial mortgage loans           | 31,605,895                                    | 30,850,539                                      |
|                                                       | 54,226,801                                    | 54,066,073                                      |
| Discounted bills                                      | 25,196,011                                    | 19,537,898                                      |
| Accrued interest                                      | 232,806,635                                   | 223,546,286                                     |
| Less: Provision for impairment losses (Notes d and e) | 6,172,216<br>(5,909,299)                      | 6,072,369<br>(5,656,027)                        |
|                                                       | 233,069,552                                   | 223,962,628                                     |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

#### (b) Analysed by industry sector

|                                                                      | At June 30, 2026           |                        | Loans and advances secured by collaterals RMB'000 (Unaudited) |
|----------------------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|
|                                                                      | Amount RMB'000 (Unaudited) | Percentage (Unaudited) |                                                               |
| <b>Gross loans and advances to customers</b>                         |                            |                        |                                                               |
| Corporate loans and advances                                         |                            |                        |                                                               |
| – Manufacturing                                                      | 34,612,764                 | 14.48%                 | 14,487,543                                                    |
| – Wholesale and retail                                               | 12,888,918                 | 5.39%                  | 5,629,984                                                     |
| – Real estate                                                        | 12,789,592                 | 5.35%                  | 10,288,742                                                    |
| – Construction                                                       | 16,058,735                 | 6.72%                  | 6,044,045                                                     |
| – Mining                                                             | 9,218,943                  | 3.86%                  | 2,677,677                                                     |
| – Agriculture, forestry, animal husbandry and fishery                | 5,876,513                  | 2.47%                  | 2,125,639                                                     |
| – Leasing and business services                                      | 20,122,838                 | 8.42%                  | 8,263,064                                                     |
| – Water, environment and public facility management                  | 2,735,369                  | 1.14%                  | 1,028,266                                                     |
| – Cultural, sports and entertainment                                 | 2,352,902                  | 0.98%                  | 1,822,795                                                     |
| – Accommodation and catering                                         | 1,846,472                  | 0.77%                  | 1,595,899                                                     |
| – Electricity, gas and water production and supply                   | 6,578,332                  | 2.75%                  | 1,198,963                                                     |
| – Transportation, storage and postal services                        | 12,543,418                 | 5.25%                  | 1,169,619                                                     |
| – Health and social services                                         | 1,967,518                  | 0.82%                  | 1,018,515                                                     |
| – Education                                                          | 1,162,878                  | 0.49%                  | 264,789                                                       |
| – Finance                                                            | 11,547,726                 | 4.83%                  | –                                                             |
| – Scientific research, technical services and geological prospecting | 560,907                    | 0.23%                  | 155,355                                                       |
| – Resident and other services                                        | 186,660                    | 0.08%                  | 86,750                                                        |
| – Information transmission, computer services and software           | 333,338                    | 0.14%                  | 120,753                                                       |
|                                                                      | <b>153,383,823</b>         | <b>64.17%</b>          | <b>57,978,398</b>                                             |
| Personal loans and advances                                          | 54,226,801                 | 22.71%                 | 33,338,458                                                    |
| Discounted bills                                                     | 25,196,011                 | 10.54%                 | –                                                             |
| Accrued interest                                                     | 6,172,216                  | 2.58%                  | –                                                             |
|                                                                      | <b>238,978,851</b>         | <b>100%</b>            | <b>91,316,856</b>                                             |
| Less: Provision for impairment losses                                | (5,909,299)                |                        |                                                               |
|                                                                      | <b>233,069,552</b>         |                        |                                                               |

# Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

## 18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

### (b) Analysed by industry sector (Continued)

| At December 31, 2025                                                 |                                |                         |                                                                         |
|----------------------------------------------------------------------|--------------------------------|-------------------------|-------------------------------------------------------------------------|
|                                                                      | Amount<br>RMB'000<br>(Audited) | Percentage<br>(Audited) | Loans and advances<br>secured by<br>collaterals<br>RMB'000<br>(Audited) |
| <b>Gross loans and advances to customers</b>                         |                                |                         |                                                                         |
| Corporate loans and advances                                         |                                |                         |                                                                         |
| – Manufacturing                                                      | 33,928,890                     | 14.78%                  | 14,393,587                                                              |
| – Wholesale and retail                                               | 12,783,711                     | 5.57%                   | 5,688,334                                                               |
| – Real estate                                                        | 11,930,595                     | 5.20%                   | 10,172,695                                                              |
| – Construction                                                       | 15,648,642                     | 6.82%                   | 5,831,995                                                               |
| – Mining                                                             | 8,772,379                      | 3.82%                   | 2,584,858                                                               |
| – Agriculture, forestry, animal husbandry and fishery                | 5,968,102                      | 2.60%                   | 2,212,100                                                               |
| – Leasing and business services                                      | 22,650,353                     | 9.86%                   | 8,441,014                                                               |
| – Water, environment and public facility management                  | 2,697,797                      | 1.17%                   | 1,028,004                                                               |
| – Cultural, sports and entertainment                                 | 2,401,079                      | 1.05%                   | 1,875,378                                                               |
| – Accommodation and catering                                         | 1,841,097                      | 0.80%                   | 1,619,232                                                               |
| – Electricity, gas and water production and supply                   | 5,623,963                      | 2.45%                   | 1,182,786                                                               |
| – Transportation, storage and postal services                        | 12,575,415                     | 5.48%                   | 1,178,809                                                               |
| – Health and social services                                         | 2,093,983                      | 0.91%                   | 1,030,090                                                               |
| – Education                                                          | 1,178,702                      | 0.51%                   | 280,156                                                                 |
| – Finance                                                            | 8,929,800                      | 3.89%                   | –                                                                       |
| – Scientific research, technical services and geological prospecting | 607,681                        | 0.26%                   | 138,502                                                                 |
| – Resident and other services                                        | 193,181                        | 0.08%                   | 87,302                                                                  |
| – Information transmission, computer services and software           | 116,945                        | 0.05%                   | 40,811                                                                  |
|                                                                      | 149,942,315                    | 65.30%                  | 57,785,653                                                              |
| Personal loans and advances                                          | 54,066,073                     | 23.55%                  | 32,709,939                                                              |
| Discounted bills                                                     | 19,537,898                     | 8.51%                   | –                                                                       |
| Accrued interest                                                     | 6,072,369                      | 2.64%                   | –                                                                       |
|                                                                      | 229,618,655                    | 100%                    | 90,495,592                                                              |
| Less: Provision for impairment losses                                | (5,656,027)                    |                         |                                                                         |
|                                                                      | 223,962,628                    |                         |                                                                         |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

#### (c) Analysed by type of collateral

|                                              | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| <b>Gross loans and advances to customers</b> |                                               |                                                 |
| Unsecured loans                              | 44,309,699                                    | 46,336,677                                      |
| Guaranteed loans                             | 77,889,243                                    | 72,743,596                                      |
| Collateralised loans                         | 91,316,856                                    | 90,495,592                                      |
| Pledged loans                                | 19,290,837                                    | 13,970,421                                      |
|                                              | <b>232,806,635</b>                            | 223,546,286                                     |
| Accrued interest                             | 6,172,216                                     | 6,072,369                                       |
| Less: Provision for impairment losses        | (5,909,299)                                   | (5,656,027)                                     |
|                                              | <b>233,069,552</b>                            | 223,962,628                                     |

#### (d) Provision for impairment losses of loans and advances to customers

|                                                                       | At June 30, 2026                             |                                                   |                                                                          |                                 |
|-----------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|---------------------------------|
|                                                                       | Stage 1<br>12m ECL<br>RMB'000<br>(Unaudited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Unaudited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| Gross loans and advances to customers<br>(excluding accrued interest) | 216,001,483                                  | 12,465,111                                        | 4,340,041                                                                | 232,806,635                     |
| Less: Provision for impairment losses                                 | (1,269,152)                                  | (1,429,404)                                       | (3,210,743)                                                              | (5,909,299)                     |
|                                                                       | <b>214,732,331</b>                           | <b>11,035,707</b>                                 | <b>1,129,298</b>                                                         | <b>226,897,336</b>              |

|                                                                       | At December 31, 2025                       |                                                 |                                                                        |                               |
|-----------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------|-------------------------------|
|                                                                       | Stage 1<br>12m ECL<br>RMB'000<br>(Audited) | Stage 2<br>Lifetime ECL<br>RMB'000<br>(Audited) | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000<br>(Audited) | Total<br>RMB'000<br>(Audited) |
| Gross loans and advances to customers<br>(excluding accrued interest) | 208,539,112                                | 10,678,897                                      | 4,328,277                                                              | 223,546,286                   |
| Less: Provision for impairment losses                                 | (1,314,568)                                | (1,534,708)                                     | (2,806,751)                                                            | (5,656,027)                   |
|                                                                       | <b>207,224,544</b>                         | <b>9,144,189</b>                                | <b>1,521,526</b>                                                       | <b>217,890,259</b>            |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 18 LOANS AND ADVANCES TO CUSTOMERS (Continued)

#### (e) Movements of provision for impairment losses of loans and advances to customers

The table below analyses the movements of the provision for impairment losses during the period/year per class of assets.

|                                                                                          | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
|------------------------------------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
| Provision for impairment losses<br>at January 1, 2025                                    | 1,579,533                     | 1,541,036                          | 2,698,112                                                 | 5,818,681        |
| Change in the provision for<br>impairment losses                                         |                               |                                    |                                                           |                  |
| – Transfer to Stage 1                                                                    | 210,234                       | (164,745)                          | (45,489)                                                  | –                |
| – Transfer to Stage 2                                                                    | (48,344)                      | 59,124                             | (10,780)                                                  | –                |
| – Transfer to Stage 3                                                                    | (14,161)                      | (160,528)                          | 174,689                                                   | –                |
| – Write-offs and others                                                                  | –                             | –                                  | (2,672,698)                                               | (2,672,698)      |
| – (Credited)/charged to profit or loss                                                   | (412,694)                     | 259,821                            | 2,519,381                                                 | 2,366,508        |
| – Recoveries of loans and advances<br>previously written off                             | –                             | –                                  | 143,536                                                   | 143,536          |
| Provision for impairment losses<br>at December 31, 2025<br>(Audited) and January 1, 2026 | 1,314,568                     | 1,534,708                          | 2,806,751                                                 | 5,656,027        |
| Change in the provision for<br>impairment losses                                         |                               |                                    |                                                           |                  |
| – Transfer to Stage 1                                                                    | 336,361                       | (296,728)                          | (39,633)                                                  | –                |
| – Transfer to Stage 2                                                                    | (31,126)                      | 41,701                             | (10,575)                                                  | –                |
| – Transfer to Stage 3                                                                    | (67,512)                      | (38,121)                           | 105,633                                                   | –                |
| – Write-offs and others                                                                  | –                             | –                                  | (483,843)                                                 | (483,843)        |
| – (Credited)/charged to profit or loss                                                   | (283,140)                     | 187,845                            | 800,521                                                   | 705,226          |
| – Recoveries of loans and advances<br>previously written off                             | –                             | –                                  | 31,889                                                    | 31,889           |
| Provision for impairment losses at<br>June 30, 2026 (Unaudited)                          | 1,269,151                     | 1,429,405                          | 3,210,743                                                 | 5,909,299        |

#### (f) Analysed by geographical sector

Geographically, the Group mainly conducts their businesses and most of their customers and assets are located in Gansu Province of the PRC.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|                                          | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Financial assets held for trading (Note) | 6,944,405                                     | 5,420,228                                       |
| Trust plans                              | 4,094,957                                     | 4,094,957                                       |
| Asset management plans                   | 2,313,452                                     | 2,412,375                                       |
| Investment funds                         | 21,548,237                                    | 21,980,436                                      |
|                                          | <b>34,901,051</b>                             | <b>33,907,996</b>                               |
| Analysed as:                             |                                               |                                                 |
| Listed outside Hong Kong                 | 6,944,405                                     | 5,420,228                                       |
| Unlisted outside Hong Kong               | 27,956,646                                    | 28,487,768                                      |
|                                          | <b>34,901,051</b>                             | <b>33,907,996</b>                               |

*Note:*

Financial assets held for trading:

|                                                                               | At 30 June<br>2026<br>RMB'000<br>(Unaudited) | At 31 December<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------|
| Debt securities issued by the following institutions<br>in Chinese Mainland : |                                              |                                                |
| – Banks                                                                       | 6,587,332                                    | 5,015,453                                      |
| – Other financial institutions                                                | 357,073                                      | 404,775                                        |
|                                                                               | <b>6,944,405</b>                             | <b>5,420,228</b>                               |

As at June 30, 2026, no financial assets at FVTPL were subject to material restrictions on the realisation (December 31, 2025: nil).

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|                                                                          | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Debt instruments at FVTOCI                                               |                                               |                                                 |
| Debt securities issued by the following institutions in Chinese Mainland |                                               |                                                 |
| – Government                                                             | 2,924,908                                     | 2,129,518                                       |
| – Banks and other financial institutions                                 | 27,273,134                                    | 26,299,133                                      |
|                                                                          | 30,198,042                                    | 28,428,651                                      |
| Listed equity investments designated at FVTOCI                           | 54,691                                        | 76,596                                          |
| Unlisted equity investments designated at FVTOCI                         | 800,918                                       | 802,948                                         |
| Accrued interest                                                         | 114,823                                       | 192,312                                         |
|                                                                          | 31,168,474                                    | 29,500,507                                      |
| Analysed as:                                                             |                                               |                                                 |
| Listed outside Hong Kong                                                 | 30,367,556                                    | 28,697,559                                      |
| Unlisted outside Hong Kong                                               | 800,918                                       | 802,948                                         |
|                                                                          | 31,168,474                                    | 29,500,507                                      |

As at June 30, 2026 and December 31, 2025, parts of debt securities were pledged as security for repurchase agreements (Note 26(a) and Note 30(c)).

The above unlisted equity investments represent investments in unlisted equity securities issued by private entities established in the PRC. These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Bank have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 20 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Movements of provision for impairment losses of debt instruments at FVTOCI

|                                                              | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
| Provision for impairment losses at January 1, 2026           | 3,805                         | –                                  | –                                                         | 3,805            |
| – Movement during the period                                 | 559                           | –                                  | –                                                         | 559              |
| Provision for impairment losses at June 30, 2026 (Unaudited) | 4,364                         | –                                  | –                                                         | 4,364            |

  

|                                                                | Stage 1<br>12m ECL<br>RMB'000 | Stage 2<br>Lifetime ECL<br>RMB'000 | Stage 3<br>Lifetime<br>ECL-credit-<br>impaired<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------------------------------|------------------|
| Provision for impairment losses at January 1, 2025             | 1,525                         | –                                  | –                                                         | 1,525            |
| – Movement during the year                                     | 2,280                         | –                                  | –                                                         | 2,280            |
| Provision for impairment losses at December 31, 2025 (Audited) | 3,805                         | –                                  | –                                                         | 3,805            |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 21 INTEREST IN AN ASSOCIATE

|                                              | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Cost of investment in an associate, unlisted | 3,000                                         | 3,000                                           |
| Share of post-acquisition profits            | 6,939                                         | 6,939                                           |
|                                              | 9,939                                         | 9,939                                           |

As at June 30, 2026 and December 31, 2025, the Group had interests in the following associate:

| Name of the bank                                                                                        | Form of entity    | Country of establishment/<br>operation | Class of shares held | Proportion of ownerships interests or participating shares held by the Group |            | Proportion of voting power held |            | Principal activity        |
|---------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------|----------------------|------------------------------------------------------------------------------|------------|---------------------------------|------------|---------------------------|
|                                                                                                         |                   |                                        |                      | 30/6/2026                                                                    | 31/12/2025 | 30/6/2026                       | 31/12/2025 |                           |
| Gansu Jingchuan BOC Fullerton Community Bank Co., Ltd.*<br>("甘肃涇川中銀富登村鎮銀行股份有限公司",<br>"Gansu Jingchuan") | Limited liability | The PRC                                | Ordinary share       | 16.67%                                                                       | 16.67%     | 16.67%                          | 16.67%     | Corporate and retail bank |

**Note:** This associate is directly held by the Bank. The Group considered that it has the practical ability to exercise significant influence over Gansu Jingchuan even though it owns less than 20% of the ownership interest and voting control after taking into account 1) the Group's ownership interest is significant relative to other shareholders due to the wide dispersion of shareholding interests; 2) the representation or rights to appoint/nominate directors for the board of directors of the associate; and 3) the rights to participate in the policy-making process, including dividends and other distribution.

\* The English translation is for identification only.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 21 INTEREST IN AN ASSOCIATE (Continued)

The financial information and carrying amount, in aggregate, of the Group's interest in an associate that is not material and is accounted for using the equity method are set out below:

|                                                                          | Six months ended June 30, |             |
|--------------------------------------------------------------------------|---------------------------|-------------|
|                                                                          | 2026                      | 2025        |
|                                                                          | RMB'000                   | RMB'000     |
|                                                                          | (Unaudited)               | (Unaudited) |
| The Group's share of loss and total comprehensive expense for the period | -                         | (203)       |

  

|                                                                      | At June 30, | At December 31, |
|----------------------------------------------------------------------|-------------|-----------------|
|                                                                      | 2026        | 2025            |
|                                                                      | RMB'000     | RMB'000         |
|                                                                      | (Unaudited) | (Audited)       |
| Carrying amount of the Group's interests in the immaterial associate | 9,939       | 9,939           |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 22 PROPERTY AND EQUIPMENT

|                                                    | Construction<br>in progress<br>RMB'000 | Premises<br>(Buildings)<br>RMB'000 | Electronic<br>and office<br>equipment<br>RMB'000 | Motor<br>vehicles<br>RMB'000 | Leasehold<br>improvement<br>RMB'000 | Computer<br>software<br>RMB'000 | Total<br>RMB'000 |
|----------------------------------------------------|----------------------------------------|------------------------------------|--------------------------------------------------|------------------------------|-------------------------------------|---------------------------------|------------------|
| <b>Cost</b>                                        |                                        |                                    |                                                  |                              |                                     |                                 |                  |
| At January 1, 2025                                 | 122,522                                | 2,923,227                          | 798,785                                          | 46,344                       | 676,121                             | 738,078                         | 5,305,077        |
| Additions                                          | 6,496                                  | 12,386                             | 24,354                                           | 2,202                        | 40,471                              | 47,954                          | 133,863          |
| Transfers (out)/in from construction in progress   | (13,922)                               | 106                                | 2,027                                            | -                            | 2,512                               | 8,926                           | (351)            |
| Disposals                                          | (4,320)                                | (9,643)                            | (46,162)                                         | (4,205)                      | (18,014)                            | (6,325)                         | (88,669)         |
| At December 31, 2025 (Audited) and January 1, 2026 | 110,776                                | 2,926,076                          | 779,004                                          | 44,341                       | 701,090                             | 788,633                         | 5,349,920        |
| Additions                                          | 9,310                                  | 619                                | 5,018                                            | -                            | 4,153                               | 8,332                           | 27,432           |
| Transfers (out)/in from construction in progress   | (13,295)                               | -                                  | 10,574                                           | -                            | 1,877                               | 844                             | -                |
| Disposals                                          | -                                      | -                                  | (18,564)                                         | -                            | (949)                               | (21,316)                        | (40,829)         |
| At June 30, 2026 (Unaudited)                       | 106,791                                | 2,926,695                          | 776,032                                          | 44,341                       | 706,171                             | 776,493                         | 5,336,523        |
| <b>Accumulated depreciation</b>                    |                                        |                                    |                                                  |                              |                                     |                                 |                  |
| At January 1, 2025                                 | -                                      | 784,709                            | 662,897                                          | 42,714                       | 473,868                             | 524,165                         | 2,488,353        |
| Provided for the year                              | -                                      | 85,808                             | 42,073                                           | 802                          | 44,543                              | 80,890                          | 254,116          |
| Eliminated on disposals                            | -                                      | (555)                              | (38,035)                                         | (4,101)                      | (2,681)                             | (5,884)                         | (51,256)         |
| At December 31, 2025 (Audited) and January 1, 2026 | -                                      | 869,962                            | 666,935                                          | 39,415                       | 515,730                             | 599,171                         | 2,691,213        |
| Provided for the period                            | -                                      | 22,530                             | 10,624                                           | 397                          | 15,816                              | 17,027                          | 66,394           |
| Eliminated on disposals                            | -                                      | -                                  | (16,985)                                         | -                            | (775)                               | (20,710)                        | (38,470)         |
| At June 30, 2026 (Unaudited)                       | -                                      | 892,492                            | 660,574                                          | 39,812                       | 530,771                             | 595,488                         | 2,719,137        |
| <b>Carrying value</b>                              |                                        |                                    |                                                  |                              |                                     |                                 |                  |
| At June 30, 2026 (Unaudited)                       | 106,791                                | 2,034,203                          | 115,458                                          | 4,529                        | 175,400                             | 181,005                         | 2,617,386        |
| At December 31, 2025 (Audited)                     | 110,776                                | 2,056,114                          | 112,069                                          | 4,926                        | 185,360                             | 189,462                         | 2,658,707        |

As at June 30, 2026, the premises with carrying values of approximately RMB136,861,000 (December 31, 2025: approximately RMB137,845,000) were in the process of obtaining the relevant legal titles.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 23 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### (i) Right-of-use assets

|                            | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|----------------------------|-----------------------------------------------|-------------------------------------------------|
| Leased premises            | 227,350                                       | 271,732                                         |
| Land use rights in the PRC | 31,447                                        | 31,935                                          |
|                            | <b>258,797</b>                                | 303,667                                         |

Additions to the right-of-use assets, due to new leases of office premises, for the six months ended June 30, 2026 amounted to approximately RMB23,159,000 (six months ended June 30, 2025: approximately RMB42,669,000 due to new leases of office premises).

During the six months ended June 30, 2026, the Group terminated a number of lease agreements for office premises and derecognised right-of-use assets of approximately RMB6,958,000 (six months ended June 30, 2025: nil).

#### (ii) Lease liabilities

As at June 30, 2026, the carrying amount of lease liabilities was approximately RMB221,506,000 (December 31, 2025: approximately RMB257,290,000).

During the six months ended June 30, 2026, the Group entered into a number of new lease agreements for office premises and recognised lease liabilities of approximately RMB23,159,000 (six months ended June 30, 2025: approximately RMB42,669,000 for office premises).

During the six months ended June 30, 2026, the Group terminated a number of lease agreements for office premises and derecognised lease liabilities of approximately RMB12,471,000 (six months ended June 30, 2025: nil).

| Amounts payable under lease liabilities | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-----------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Within one year                         | 113,291                                       | 106,751                                         |
| After one year but within three years   | 84,911                                        | 110,218                                         |
| After three years but within five years | 15,738                                        | 26,321                                          |
| After five years                        | 7,566                                         | 14,000                                          |
|                                         | <b>221,506</b>                                | 257,290                                         |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 23 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

#### (iii) Amount recognised in profit or loss

|                                         | Six months ended June 30, |             |
|-----------------------------------------|---------------------------|-------------|
|                                         | 2026                      | 2025        |
|                                         | RMB'000                   | RMB'000     |
|                                         | (Unaudited)               | (Unaudited) |
| Depreciation expense of leased premises | 60,583                    | 61,306      |
| Depreciation expense of land use rights | 488                       | 704         |
| Interest expense on lease liabilities   | 3,987                     | 5,566       |
| Expense relating to short-term leases   | 1,104                     | 1,551       |

#### (iv) Others

For the six months ended June 30, 2026, the total cash outflow for leases amounted to approximately RMB54,124,000 (six months ended June 30, 2025: RMB60,793,000).

#### Restrictions or covenants on leases

As at June 30, 2026, lease liabilities of RMB221,506,000 are recognised with related right-of-use assets of RMB258,797,000 (December 31, 2025: lease liabilities of RMB257,290,000 are recognised with related right-of-use assets of RMB303,667,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 24 DEFERRED TAXATION

The following is an analysis of the deferred tax balances for financial reporting purposes:

|                          | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------|-----------------------------------------------|-------------------------------------------------|
| Deferred tax assets      | 2,594,479                                     | 2,490,725                                       |
| Deferred tax liabilities | (92,144)                                      | (20,467)                                        |
|                          | <b>2,502,335</b>                              | <b>2,470,258</b>                                |

The following are the major deferred tax assets/(liabilities) recognised and movements thereon in the six months ended June 30, 2026 and the year ended December 31, 2025:

|                                                       | Provision<br>for<br>impairment<br>losses on<br>assets<br>RMB'000<br>(Note (i)) | Net (gains)/<br>losses from<br>fair value<br>changes<br>of financial<br>instruments<br>RMB'000<br>(Note (ii)) | Salaries,<br>bonuses<br>and<br>allowances<br>payable<br>RMB'000 | Tax losses<br>RMB'000 | Unearned<br>interest and<br>discount<br>RMB'000 | Lease<br>liabilities<br>RMB'000 | Right-of-use<br>assets<br>RMB'000 | Net balance<br>of deferred<br>tax assets<br>RMB'000 |
|-------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------|-------------------------------------------------|---------------------------------|-----------------------------------|-----------------------------------------------------|
| At January 1, 2025                                    | 2,258,842                                                                      | (14,778)                                                                                                      | 40,601                                                          | -                     | -                                               | 71,335                          | (74,470)                          | 2,281,530                                           |
| (Charged)/credited to profit or loss                  | (717,330)                                                                      | 23,658                                                                                                        | (7,910)                                                         | 872,875               | -                                               | (7,013)                         | 6,537                             | 170,817                                             |
| (Charged)/credited to other<br>comprehensive income   | (570)                                                                          | 18,811                                                                                                        | (330)                                                           | -                     | -                                               | -                               | -                                 | 17,911                                              |
| At December 31, 2025 (Audited)<br>and January 1, 2026 | <b>1,540,942</b>                                                               | <b>27,691</b>                                                                                                 | <b>32,361</b>                                                   | <b>872,875</b>        | <b>-</b>                                        | <b>64,322</b>                   | <b>(67,933)</b>                   | <b>2,470,258</b>                                    |
| Credited/(charged) to<br>profit or loss               | 187,230                                                                        | (2,632)                                                                                                       | (9,875)                                                         | (175,394)             | 30,023                                          | (8,945)                         | 11,096                            | 31,503                                              |
| (Charged)/credited to other<br>comprehensive income   | (139)                                                                          | 713                                                                                                           | -                                                               | -                     | -                                               | -                               | -                                 | 574                                                 |
| At June 30, 2026 (Unaudited)                          | <b>1,728,033</b>                                                               | <b>25,772</b>                                                                                                 | <b>22,486</b>                                                   | <b>697,481</b>        | <b>30,023</b>                                   | <b>55,377</b>                   | <b>(56,837)</b>                   | <b>2,502,335</b>                                    |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 24 DEFERRED TAXATION (Continued)

Notes:

- (i) The Group recognised provision for impairment losses on loans and advances to customers and other assets. The provision for impairment losses was determined based on the expected recoverable amount of the relevant assets as at June 30, 2026 and December 31, 2025. However, the amounts deductible for income tax purposes are calculated at 1% of the gross carrying amount of qualifying assets as at June 30, 2026 and December 31, 2025, together with write-offs which fulfill specific criteria as set out in the PRC tax rules and are approved by the tax authorities.
- (ii) Net gains or losses on fair value changes of financial instruments are subject to tax when realised.

### 25 OTHER ASSETS

|                                       | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Other receivables and prepayments     | 8,993,440                                     | 8,245,839                                       |
| Less: Provision for impairment losses | (45,082)                                      | (54,546)                                        |
|                                       | 8,948,358                                     | 8,191,293                                       |
| Intangible assets (Note (a))          | 9,421                                         | 11,242                                          |
| Reposessed assets (Note (b))          | 8,057,741                                     | 7,880,478                                       |
| Interest receivables                  | 896,539                                       | 553,021                                         |
| Less: Provision for impairment losses | (99,941)                                      | (57,408)                                        |
|                                       | 796,598                                       | 495,613                                         |
| Others (Note 47)                      | –                                             | 143,152                                         |
| Less: Provision for impairment losses | –                                             | (20,277)                                        |
|                                       | –                                             | 122,875                                         |
|                                       | 17,812,118                                    | 16,701,501                                      |

Notes:

- (a) These intangible assets mainly included software which are amortised over 1 – 5 years.
- (b) These reposessed assets mainly included land use rights and buildings.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 26 PLEDGED ASSETS

#### (a) Assets pledged as collaterals

Financial assets pledged by the Group as collaterals for liabilities or contingent liabilities mainly include debt securities and bills, which are for borrowings from the central bank, deposits from banks and other financial institutions, deposit from customers and repurchase agreements. The carrying amounts of the financial assets pledged as collaterals as at June 30, 2026 are approximately RMB35,825,771,000 (December 31, 2025: approximately RMB28,019,776,000).

#### (b) Received pledged assets

The Group conducts resale agreements under the usual and customary terms of placements, and holds collaterals for these transactions.

### 27 BORROWINGS FROM THE CENTRAL BANK

|                     | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|---------------------|-----------------------------------------------|-------------------------------------------------|
| Borrowings          | 16,591,760                                    | 4,897,005                                       |
| Re-discounted bills | 4,119,619                                     | 3,817,100                                       |
| Accrued interest    | 16,739                                        | 12,450                                          |
|                     | 20,728,118                                    | 8,726,555                                       |

### 28 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparties

|                                                                                | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Deposits from the following institutions operating in<br>Chinese Mainland      |                                               |                                                 |
| – Banks                                                                        | 7,426,926                                     | 8,500,619                                       |
| – Other financial institutions                                                 | 3,259,268                                     | 918,487                                         |
|                                                                                | 10,686,194                                    | 9,419,106                                       |
| Deposits from the following institutions operating<br>outside Chinese Mainland |                                               |                                                 |
| – Banks                                                                        | 789,816                                       | 791,896                                         |
| Accrued interest                                                               | 112,340                                       | 71,189                                          |
|                                                                                | 11,588,350                                    | 10,282,191                                      |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 29 PLACEMENTS FROM BANKS

Analysed by type and location of counterparty

|                                | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------|-----------------------------------------------|-------------------------------------------------|
| Placements in Chinese Mainland |                                               |                                                 |
| – Banks                        | 1,053,930                                     | 2,007,408                                       |
| Accrued interest               | 14,275                                        | 5,427                                           |
|                                | <b>1,068,205</b>                              | <b>2,012,835</b>                                |

### 30 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparties

|                     | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|---------------------|-----------------------------------------------|-------------------------------------------------|
| In Chinese Mainland |                                               |                                                 |
| – Banks             | –                                             | 7,800,000                                       |
| Accrued interest    | –                                             | 620                                             |
|                     | <b>–</b>                                      | <b>7,800,620</b>                                |

(b) Analysed by collateral

|                  | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|------------------|-----------------------------------------------|-------------------------------------------------|
| Debt securities  | –                                             | 7,800,000                                       |
| Accrued interest | –                                             | 620                                             |
|                  | <b>–</b>                                      | <b>7,800,620</b>                                |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 30 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (Continued)

#### (c) Transfer of financial assets

In daily operating activities, the Group entered into repurchase agreements with certain counterparties. As at June 30, 2026, no debt securities measured at amortised cost, debt securities measured at FVTOCI and bills measured at amortised cost is subject to such agreements (December 31, 2025: approximately RMB7,560,614,000, RMB1,666,770,000 and RMBnil respectively).

As stipulated in the repurchase agreements, there is no transfer of the legal ownership of these debt securities to the counterparties during the covered period. However, the Group is not allowed to sell or pledge these securities during the covered period unless both parties mutually agree with such arrangement. Accordingly, the Group has determined that it retains substantially all the risks and rewards of these debt securities and therefore has not derecognised from the condensed consolidated financial statements but regarded as “collateral” for the secured lending from the counterparties.

### 31 DEPOSITS FROM CUSTOMERS

|                                        | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Demand deposits                        |                                               |                                                 |
| – Corporate customers                  | 60,296,168                                    | 57,940,608                                      |
| – Individual customers                 | 47,641,758                                    | 45,807,632                                      |
|                                        | 107,937,926                                   | 103,748,240                                     |
| Time deposits                          |                                               |                                                 |
| – Corporate customers                  | 24,640,637                                    | 23,498,013                                      |
| – Individual customers                 | 197,787,246                                   | 191,779,772                                     |
|                                        | 222,427,883                                   | 215,277,785                                     |
| Pledged deposits                       |                                               |                                                 |
| – Acceptances                          | 3,864,596                                     | 3,249,968                                       |
| – Guarantees and letters of guarantees | 269,619                                       | 191,362                                         |
| – Others                               | 1,974,581                                     | 2,717,643                                       |
|                                        | 6,108,796                                     | 6,158,973                                       |
| Others                                 | 4,394,873                                     | 3,718,963                                       |
| Accrued interest                       | 7,842,346                                     | 8,569,742                                       |
|                                        | 348,711,824                                   | 337,473,703                                     |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 32 ACCRUED STAFF COSTS

|                                                               | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Salary and bonus payable                                      | 183,418                                       | 239,691                                         |
| Social pension schemes payable (Note (i))                     | 6,605                                         | 6,895                                           |
| Other social insurances payable                               | 21,766                                        | 24,932                                          |
| Supplementary retirement benefits ("SRB") payable (Note (ii)) | 12,710                                        | 13,590                                          |
| Other long-term staff welfare payable (Note (iii))            | 1,050                                         | 1,180                                           |
|                                                               | 225,549                                       | 286,288                                         |

Notes:

- (i) Social pension schemes payable

Pursuant to the relevant laws and regulations in the PRC, the Group has joined a defined contribution plan for the employees arranged by local government labour and social security organisations. The Group makes contributions to the retirement plan at the applicable rates based on the amounts stipulated by the relevant government organisations. The contributions by the Group for the defined contribution plan above are charged to the statement of profit or loss as they become payable in accordance with the rules of the respective defined contribution plan. The only obligation of the Group with respect to such defined contribution plan is to make the specified contributions. During the period/year ended June 30, 2026 and December 31, 2025, there was no forfeited contributions under the defined contribution plan. Accordingly, no forfeited contribution was utilised during the period/year, and there was no forfeited contribution available as at June 30, 2026 and December 31, 2025 to reduce level of contributions.

- (ii) SRB payable:

The Group pays SRB for eligible employees. The amount represents the present value of the total estimated amount of future benefits that the Group is committed to pay for eligible employees at the end of the reporting period/year. The Group's obligations in respect of the SRB were assessed using projected unit credit actuarial cost method by an external independent actuary, Wills Towers Watson (a member of Society of Actuaries in America). There was no assets under the defined benefit plans as at June 30, 2026 and December 31, 2025.

The balances of SRB of the Group are as follows:

|                                 | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|---------------------------------|-----------------------------------------------|-------------------------------------------------|
| Present value of SRB obligation | 12,710                                        | 13,590                                          |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 32 ACCRUED STAFF COSTS (Continued)

Notes: (Continued)

(ii) SRB payable: (Continued)

Movements of SRB payable of the Group are as follows:

|                                     | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------|-----------------------------------------------|-------------------------------------------------|
| At the beginning of the period/year | 13,590                                        | 15,940                                          |
| Service cost, net                   | 520                                           | 1,120                                           |
| Interest cost                       | 140                                           | 290                                             |
| Actuarial losses                    | –                                             | (1,320)                                         |
| Payment made                        | (1,540)                                       | (2,440)                                         |
| At the end of the period/year       | 12,710                                        | 13,590                                          |

Principal actuarial assumptions of the Group are as follow:

|                                   | At June 30,<br>2026<br>(Unaudited) | At December 31,<br>2025<br>(Audited) |
|-----------------------------------|------------------------------------|--------------------------------------|
| Discount rate                     | 2.00%                              | 2.00%                                |
| Mortality                         | CL5/CL6                            | CL5/CL6                              |
| Early retirement wage growth rate | 6%                                 | 6%                                   |

Sensitivity analysis:

|                                | Effect on SRB<br>At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------|----------------------------------------------------------------|-------------------------------------------------|
| Discount rate (increase by 1%) | (3,230)                                                        | (3,070)                                         |
| Discount rate (decrease by 1%) | 4,950                                                          | 4,730                                           |

Although the analysis does not take account of the full distribution of cash flows expected under the SRB, it does provide an approximation of the sensitivity of the assumptions shown.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 32 ACCRUED STAFF COSTS (Continued)

Notes: (Continued)

#### (iii) Other long-term staff welfare payable

The Group pays compensation for termination benefits of eligible employees. The amount represents the present value of the total estimated amount of future benefits that the Group is committed to pay for eligible employees at the end of the reporting period/year. The Group's obligations in respect of other long-term staff welfare payable were assessed using projected unit credit actuarial cost method by an external independent actuary (a member of Society of Actuaries in America) of Wills Towers Watson. There were no assets under the defined benefit plans as at June 30, 2026 and December 31, 2025.

The balances of other long-term staff welfare payable of the Group are as follows:

|                                                                   | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Present value of other long-term staff welfare payable obligation | 1,050                                         | 1,180                                           |

Movements of other long-term staff welfare payable of the Group are as follows:

|                                     | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------|-----------------------------------------------|-------------------------------------------------|
| At the beginning of the period/year | 1,180                                         | 1,480                                           |
| Service cost, net                   | 10                                            | 10                                              |
| Payment made                        | (140)                                         | (310)                                           |
| At the end of the period/year       | 1,050                                         | 1,180                                           |

Principal actuarial assumptions of the Group are as follow:

|                                   | At June 30,<br>2026<br>(Unaudited) | At December 31,<br>2025<br>(Audited) |
|-----------------------------------|------------------------------------|--------------------------------------|
| Discount rate                     | 1.25%                              | 1.25%                                |
| Mortality                         | CL5/CL6                            | CL5/CL6                              |
| Early retirement wage growth rate | 6%                                 | 6%                                   |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 32 ACCRUED STAFF COSTS (Continued)

Notes: (Continued)

(iii) Other long-term staff welfare payable (Continued)

Sensitivity analysis:

|                                | Effect on long-term staff Welfare payable |                      |
|--------------------------------|-------------------------------------------|----------------------|
|                                | At June 30, 2026                          | At December 31, 2025 |
|                                | RMB'000                                   | RMB'000              |
|                                | (Unaudited)                               | (Audited)            |
| Discount rate (increase by 1%) | (10)                                      | (10)                 |
| Discount rate (decrease by 1%) | 10                                        | 20                   |

Although the analysis does not take account of the full distribution of cash flows expected under other long-term staff welfare payable, it does provide an approximation of the sensitivity of the assumptions shown.

### 33 DEBT SECURITIES ISSUED

|                                  | At June 30, 2026 | At December 31, 2025 |
|----------------------------------|------------------|----------------------|
|                                  | RMB'000          | RMB'000              |
|                                  | (Unaudited)      | (Audited)            |
| Interbank deposits (Note (a))    | 34,589,537       | 33,692,858           |
| Tier-two capital bond (Note (b)) | 5,000,000        | –                    |
|                                  | 39,589,537       | 33,692,858           |
| Accrued interest                 | 305              | –                    |
|                                  | 39,589,842       | 33,692,858           |
| Fair value                       | 39,609,561       | 33,694,413           |

Notes:

- (a) During the six months ended 30 June 2026, the Bank issued a number of zero coupon interbank deposits with a total nominal amount of RMB15,360,000,000 and duration between 9 months to 1 year. As at 30 June 2026, the outstanding balance of interbank deposits issued is approximately RMB34,589,537,000. The ranges of effective interest rates per annum on the Group's interbank deposits issued are 1.51% to 1.72% per annum.

During the year ended 31 December 2025, the Bank issued a number of zero coupon interbank deposits with a total nominal amount of RMB56,470,000,000 and duration between 3 months to 1 year. As at 31 December 2025, the outstanding balance of interbank deposits issued was approximately RMB33,692,858,000. The ranges of effective interest rates per annum on the Group's interbank deposits issued were 1.65% to 1.85% per annum.

- (b) On 26 June 2026, the Bank issued a fixed interest rate tier-two capital bond with a total nominal amount of RMB5,000,000,000. The bank has conditional redemption rights at the end of the fifth year. The coupon rate of the tier-two capital bond issued was 2.22% per annum.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 34 OTHER LIABILITIES

|                                                          | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|----------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Other payables and accrued expenses                      | 1,178,369                                     | 553,373                                         |
| Clearance of inter-bank accounts                         | –                                             | 125,215                                         |
| Agency business liabilities                              | 35,032                                        | 2,749                                           |
| Dividend payable                                         | 1,801,768                                     | 23,533                                          |
| Other tax payables                                       | 85,553                                        | 20,330                                          |
| Provision for bank acceptances and letters of guarantees | 46,801                                        | 57,516                                          |
| Others (Note)                                            | 100,458                                       | 184,702                                         |
|                                                          | <b>3,247,981</b>                              | <b>967,418</b>                                  |

*Note:*

As at 30 June 2026, amounts of approximately RMBnil (December 31, 2025: approximately RMB143,152,000) represented the associated liability of the transfer of non-performing financial assets disclosed in Note 47.

### 35 SHARE CAPITAL

Share capital as at June 30, 2026 and December 31, 2025 are as follows:

|                                                                    | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Registered, issued and fully paid ordinary shares<br>of RMB1 each: |                                               |                                                 |
| – Ordinary shares                                                  | 15,069,791                                    | 15,069,791                                      |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 36 RESERVES

#### (a) Capital reserve

|                                                                   | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Share premium                                                     | 5,633,746                                     | 5,633,746                                       |
| Shareholders' injection (Note)                                    | 326,075                                       | 324,647                                         |
| Changes in ownership in a subsidiary without<br>change in control | 554                                           | 554                                             |
|                                                                   | 5,960,375                                     | 5,958,947                                       |

*Note:*

During the Bank's restructuring, the promoters who subscribed for additional shares issued by the Bank contributed capital using the net proceeds from the disposal of non-performing assets held in trust by the Bank. During the six months ended June 30, 2026, net proceeds of approximately RMB1,428,000 (six months ended June 30, 2025: approximately RMB8,000) were received as shareholders' injection. As at June 30, 2026, approximately RMB326,075,000 (December 31, 2025: approximately RMB324,647,000) has been included in capital reserve.

#### (b) Surplus reserve

The surplus reserve at June 30, 2026 and December 31, 2025 represented statutory surplus reserve fund and other surplus reserve. The statutory surplus reserve fund of the Group as at June 30, 2026 was approximately RMB1,577,375,000 (December 31, 2025: approximately RMB1,577,375,000). The other surplus reserve fund of the Group as at June 30, 2026 was approximately RMB505,074,000 (December 31, 2025: approximately RMB505,074,000).

The Bank and its subsidiary are required to appropriate 10% of their net profits, after making good any accumulated loss as from prior years, to statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital.

#### (c) General reserve

With effect from July 1, 2012, pursuant to the "Administrative Measures on Accrual of Provisions by Financial Institutions" issued by the Ministry of Finance of the PRC (the "MOF") in March 2012, the Group is required, in principle, to set aside a general reserve not lower than 1.5% of the balance of its gross risk-bearing assets at each year end.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 37 DIVIDENDS

During the six months ended June 30, 2026, a final dividend of RMB1.18 per 10 shares in respect the year ended December 31, 2025 was declared. The aggregate amount of the 2025 final dividend declared in the current interim period amounted to approximately RMB1,778,235,000 (six months ended June 30, 2025: nil).

### 38 STRUCTURED ENTITIES

#### (a) Unconsolidated structured entities

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

The Group holds interests in certain structured entities sponsored by third party institutions through investments in the units issued by these structured entities. Such structured entities include trust fund plans, asset management plans and asset-backed securities and investment funds.

The following table set out an analysis of the gross carrying amounts of interests held by the Group as at June 30, 2026 and December 31, 2025:

|                         |                                                           | At June 30, 2026                                                      |                                              |                                               |
|-------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------|
|                         | Financial<br>assets at<br>FVTPL<br>RMB'000<br>(Unaudited) | Financial<br>assets at<br>amortised<br>cost<br>RMB'000<br>(Unaudited) | Carrying<br>amount<br>RMB'000<br>(Unaudited) | Maximum<br>exposure<br>RMB'000<br>(Unaudited) |
| Trust plans             | 4,094,957                                                 | 6,999,399                                                             | 11,094,356                                   | 11,094,356                                    |
| Asset management plans  | 2,313,452                                                 | 3,467,700                                                             | 5,781,152                                    | 5,781,152                                     |
| Asset-backed securities | –                                                         | 23,687                                                                | 23,687                                       | 23,687                                        |
| Investment funds        | 21,548,237                                                | –                                                                     | 21,548,237                                   | 21,548,237                                    |
|                         | 27,956,646                                                | 10,490,786                                                            | 38,447,432                                   | 38,447,432                                    |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 38 STRUCTURED ENTITIES (Continued)

#### (a) Unconsolidated structured entities (Continued)

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

|                         |                           | At December 31, 2025               |                   |                   |
|-------------------------|---------------------------|------------------------------------|-------------------|-------------------|
|                         | Financial assets at FVTPL | Financial assets at amortised cost | Carrying amount   | Maximum exposure  |
|                         | RMB'000 (Audited)         | RMB'000 (Audited)                  | RMB'000 (Audited) | RMB'000 (Audited) |
| Trust plans             | 4,094,957                 | 7,014,217                          | 11,109,174        | 11,109,174        |
| Asset management plans  | 2,412,375                 | 3,501,500                          | 5,913,875         | 5,913,875         |
| Asset-backed securities | –                         | 23,747                             | 23,747            | 23,747            |
| Investment funds        | 21,980,436                | –                                  | 21,980,436        | 21,980,436        |
|                         | 28,487,768                | 10,539,464                         | 39,027,232        | 39,027,232        |

#### (ii) Structured entities sponsored by the Group which the Group does not consolidate but holds an interest in as at June 30, 2026 and December 31, 2025:

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Group includes investments in units issued by these structured entities and fees charged by providing management services. As at June 30, 2026 and December 31, 2025, the carrying amounts of the investments in the units issued by these structured entities and management fee receivables being recognised are not material in the consolidated statement of financial positions.

As at June 30, 2026, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Group, are approximately RMB23,770,472,000 (December 31, 2025: RMB23,772,337,000).

#### (iii) Unconsolidated structured entities sponsored by the Group during the year in which the Group does not have an interest in as at June 30, 2026 and December 31, 2025:

During the six months ended June 30, 2026, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Group after January 1, 2026 but matured before June 30, 2026 amounted to approximately RMB116,000,000.

During the year ended December 31, 2025, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Group after January 1, 2025 but matured before December 31, 2025 amounted to approximately RMB992,639,000.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 39 CAPITAL MANAGEMENT

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

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

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

Accordance to the capital regulatory requirements of "Administrative Measures for the Capital of Commercial Banks", the non-systemically important banks' minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50% respectively. During the six months ended June 30, 2026 and year ended December 31, 2025, the Group's capital adequacy ratios complied with the capital regulatory requirements.

The on-balance sheet risk-weighted assets are measured using different risk weights, which are determined according to the credit, market and other risks associated with each asset and counterparty, taking into account any eligible collaterals or guarantees. Similar treatment is adopted for off-balance sheet exposure, with adjustments made to reflect the more contingent nature of any potential losses. Market risk-weighted assets are calculated using the simplified standardised approach. Operational risk-weighted assets are calculated using basic indicator approach.

The capital adequacy ratios and related components of the Group illustrated below are computed based on the Group's interim financial statements prepared in accordance with China Accounting Standards for Business Enterprises. During the period/year ended June 30, 2026 and December 31, 2025, the Group has complied with all its externally imposed capital requirements.

The Group's overall strategies towards the capital management remain unchanged from prior years and periods.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 39 CAPITAL MANAGEMENT (Continued)

The Group's capital adequacy ratios as at June 30, 2026 and December 31, 2025 calculated in accordance with "Administrative Measures for the Capital of Commercial Banks" are as follows:

|                                                                         | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Total core tier-one capital                                             |                                               |                                                 |
| Share capital                                                           | 15,069,791                                    | 15,069,791                                      |
| Qualifying portion of capital reserve                                   | 5,960,375                                     | 5,958,947                                       |
| Defined benefit plan reserve                                            | (4,300)                                       | (4,300)                                         |
| Investment revaluation reserve                                          | 52,136                                        | 53,859                                          |
| Surplus reserve                                                         | 2,082,449                                     | 2,082,449                                       |
| General reserve                                                         | 5,945,904                                     | 5,945,904                                       |
| Retained earnings                                                       | 3,870,029                                     | 5,221,067                                       |
| Qualifying portions of non-controlling interests                        | 32,252                                        | 33,939                                          |
| Core tier-one capital deductions (Note)                                 | (1,468,202)                                   | (990,677)                                       |
| Net core tier-one capital                                               | 31,540,434                                    | 33,370,979                                      |
| Other tier-one capital                                                  | 3,000,000                                     | 3,000,000                                       |
| Eligible portion of non-controlling interests                           | 3,507                                         | 4,525                                           |
| Net tier-one capital                                                    | 34,543,941                                    | 36,375,504                                      |
| Tier-two capital                                                        |                                               |                                                 |
| Eligible amount of tier-2 capital instruments and related share premium | 5,000,000                                     | —                                               |
| Eligible portion of non-controlling interests                           | 9,394                                         | 9,051                                           |
| Net capital base                                                        | 39,553,335                                    | 36,384,555                                      |
| Total risk weighted assets                                              | 306,541,582                                   | 301,391,520                                     |
| Core tier-one capital adequacy ratio                                    | 10.29%                                        | 11.07%                                          |
| Tier-one capital adequacy ratio                                         | 11.27%                                        | 12.07%                                          |
| Capital adequacy ratio                                                  | 12.90%                                        | 12.07%                                          |

Note:

For the six months ended June 30, 2026 and year ended December 31, 2025, core tier-one capital deductions primarily include computer software included in line item "property and equipment", intangible assets included in line item "other assets" and others.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 40 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following balances with an original maturity of less than three months:

|                                                        | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Cash on hand                                           | 521,583                                       | 499,788                                         |
| Deposits with the central bank                         | 4,035,087                                     | 9,402,307                                       |
| Deposits with banks                                    | 2,832,561                                     | 2,907,454                                       |
| Placements with banks and other financial institutions | 9,200,000                                     | 12,160,000                                      |
| Financial assets held under resale agreements          | 6,403,053                                     | 2,604,440                                       |
|                                                        | <b>22,992,284</b>                             | <b>27,573,989</b>                               |

### 41 RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS

#### (a) Related parties

##### (i) Major shareholders

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

Shareholding in the Bank:

|                                                                    | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Gansu Province Highway Aviation Tourism Investment Group Co., Ltd. | 17.63%                                        | 17.63%                                          |
| Gansu State-owned Assets Investment Co., Ltd.                      | 12.67%                                        | 12.67%                                          |
| Gansu Financial Holding Group Co., Ltd.                            | 8.29%                                         | 8.29%                                           |
| Jiuquan Iron & Steel (Group) Co., Ltd.                             | 6.53%                                         | 6.53%                                           |
| Jinchuan Group Co., Ltd.                                           | 6.53%                                         | 6.53%                                           |
| Mengshang Bank Co., Ltd.                                           | 5.61%                                         | 5.61%                                           |

##### (ii) Other related parties

Other related parties can be individuals or enterprises, which include members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; and entities controlled or jointly controlled by the major shareholders of the Bank as set out in Note 41(a)(i) or their controlling shareholders. Transactions with related parties were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 41 RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS

(Continued)

#### (b) Transactions with related parties other than key management personnel

##### (i) Transactions between the Bank and its subsidiary

The subsidiary of the Bank is its related party. The transactions between the Bank and its subsidiary and among the subsidiary are eliminated on consolidation and therefore are not disclosed in these condensed financial statement.

##### (ii) Transactions between the Group and major shareholders

|                                    | Six months ended June 30, |                 |
|------------------------------------|---------------------------|-----------------|
|                                    | 2026                      | 2025            |
|                                    | RMB'000                   | RMB'000         |
|                                    | (Unaudited)               | (Unaudited)     |
| Transactions during the period     |                           |                 |
| Interest income                    | 72,484                    | 103,593         |
| Interest expense                   | 42,487                    | 66,917          |
|                                    |                           |                 |
|                                    | At June 30,               | At December 31, |
|                                    | 2026                      | 2025            |
|                                    | RMB'000                   | RMB'000         |
|                                    | (Unaudited)               | (Audited)       |
| Balances at end of the period/year |                           |                 |
| Loans and advances to customers    | 4,336,047                 | 4,732,116       |
| Deposits from customers            | 3,552,032                 | 5,724,489       |
| Financial assets at amortised cost | –                         | 207,757         |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 41 RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS

(Continued)

#### (b) Transactions with related parties other than key management personnel

(Continued)

#### (iii) Transactions between the Group and other related parties

|                                                      | Six months ended June 30, |                 |
|------------------------------------------------------|---------------------------|-----------------|
|                                                      | 2026                      | 2025            |
|                                                      | RMB'000                   | RMB'000         |
|                                                      | (Unaudited)               | (Unaudited)     |
| Transactions during the period                       |                           |                 |
| Interest income                                      | 498,321                   | 428,871         |
| Interest expense                                     | 82,495                    | 93,694          |
| Trading gains                                        | –                         | 3,300           |
| Fair value losses                                    | –                         | (2,533)         |
|                                                      |                           |                 |
|                                                      | At June 30,               | At December 31, |
|                                                      | 2026                      | 2025            |
|                                                      | RMB'000                   | RMB'000         |
|                                                      | (Unaudited)               | (Audited)       |
| Balances at end of the period/year                   |                           |                 |
| Loans and advances to customers                      | 27,875,718                | 26,200,216      |
| Deposits from customers                              | 12,802,164                | 13,092,768      |
| Deposits from banks and other financial institutions | 72,026                    | 2,612           |
| Other receivables                                    | 7,300,342                 | 364,978         |
| Financial assets at amortised cost                   | 284,140                   | 884,172         |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 41 RELATED PARTIES RELATIONSHIPS AND TRANSACTIONS

(Continued)

#### (c) Key management personnel

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

#### (i) Transactions between the Group and key management personnel

|                                | Six months ended June 30, |             |
|--------------------------------|---------------------------|-------------|
|                                | 2026                      | 2025        |
|                                | RMB'000                   | RMB'000     |
|                                | (Unaudited)               | (Unaudited) |
| Transactions during the period |                           |             |
| Interest income                | 5                         | 9           |
| Interest expense               | 54                        | 77          |

|                                    | At June 30, | At December 31, |
|------------------------------------|-------------|-----------------|
|                                    | 2026        | 2025            |
|                                    | RMB'000     | RMB'000         |
|                                    | (Unaudited) | (Audited)       |
| Balances at end of the period/year |             |                 |
| Loans and advances to customers    | –           | 484             |
| Deposits from customers            | 7,902       | 8,323           |

#### (ii) Key management personnel compensation

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

|                                          | Six months ended June 30, |             |
|------------------------------------------|---------------------------|-------------|
|                                          | 2026                      | 2025        |
|                                          | RMB'000                   | RMB'000     |
|                                          | (Unaudited)               | (Unaudited) |
| Salaries and allowances                  | 1,126                     | 1,147       |
| Retirement benefits scheme contributions | 591                       | 658         |
| Discretionary bonuses                    | 878                       | 1,627       |
|                                          | 2,595                     | 3,432       |

#### (d) Loans and advances to directors, supervisors and officers

During the six months ended June 30, 2026, nil amount of loans and advances to directors, supervisors and officers of the Group (six months ended June 30, 2025: RMB504,000).

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 42 SEGMENT REPORTING

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

#### Corporate banking

This segment represents the provision of a range of financial products and services to corporations and government agencies. These products and services include corporate loans and advances, deposit taking activities, agency services, consulting and advisory services, remittance and settlement services and guarantee services.

#### Retail banking

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

#### Financial market operations

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

#### Others

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

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

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

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

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 42 SEGMENT REPORTING (Continued)

#### (a) Segment results, assets and liabilities

|                                               | Six months ended June 30, 2026                 |                                             |                                                             |                                  |                                 |
|-----------------------------------------------|------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|----------------------------------|---------------------------------|
|                                               | Corporate<br>banking<br>RMB'000<br>(Unaudited) | Retail<br>banking<br>RMB'000<br>(Unaudited) | Financial<br>market<br>operations<br>RMB'000<br>(Unaudited) | Others<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| Operating income                              |                                                |                                             |                                                             |                                  |                                 |
| External net interest income/(expense)        | 2,339,240                                      | (1,257,930)                                 | 1,160,741                                                   | –                                | 2,242,051                       |
| Internal net interest (expense)/income        | (1,565,978)                                    | 2,298,582                                   | (732,604)                                                   | –                                | –                               |
| Net interest income                           | 773,262                                        | 1,040,652                                   | 428,137                                                     | –                                | 2,242,051                       |
| Net fee and commission income                 | 47,186                                         | 78,433                                      | 8,287                                                       | 23,500                           | 157,406                         |
| Net trading gains                             | –                                              | –                                           | 189,659                                                     | –                                | 189,659                         |
| Net gains arising from investment securities  | –                                              | –                                           | 51,156                                                      | –                                | 51,156                          |
| Net exchange losses                           | –                                              | –                                           | –                                                           | (4,441)                          | (4,441)                         |
| Other operating income, net                   | –                                              | –                                           | –                                                           | 19,085                           | 19,085                          |
| Operating income                              | 820,448                                        | 1,119,085                                   | 677,239                                                     | 38,144                           | 2,654,916                       |
| Operating expenses                            | (307,250)                                      | (416,274)                                   | (257,693)                                                   | (9,912)                          | (991,129)                       |
| Impairment losses on assets, net of reversals | (503,108)                                      | (261,860)                                   | (438,984)                                                   | (71,215)                         | (1,275,167)                     |
| Operating profit/(loss)                       | 10,090                                         | 440,951                                     | (19,438)                                                    | (42,983)                         | 388,620                         |
| Share of loss of an associate                 | –                                              | –                                           | –                                                           | –                                | –                               |
| Profit/(loss) before tax                      | 10,090                                         | 440,951                                     | (19,438)                                                    | (42,983)                         | 388,620                         |
| Segment assets                                | 175,587,060                                    | 57,568,639                                  | 221,234,618                                                 | 1,502,116                        | 455,892,433                     |
| Deferred tax assets                           | –                                              | –                                           | –                                                           | 2,594,479                        | 2,594,479                       |
| Total assets                                  | 175,587,060                                    | 57,568,639                                  | 221,234,618                                                 | 4,096,595                        | 458,486,912                     |
| Segment liabilities                           | 92,017,187                                     | 253,398,043                                 | 73,731,948                                                  | 4,432,744                        | 423,579,922                     |
| Dividend payable                              | –                                              | –                                           | –                                                           | 1,801,768                        | 1,801,768                       |
| Deferred tax liabilities                      | –                                              | –                                           | –                                                           | 92,144                           | 92,144                          |
| Total liabilities                             | 92,017,187                                     | 253,398,043                                 | 73,731,948                                                  | 6,326,656                        | 425,473,834                     |
| Other segment information                     |                                                |                                             |                                                             |                                  |                                 |
| – Depreciation and amortisation               | 49,784                                         | 16,322                                      | 62,726                                                      | 1,161                            | 129,993                         |
| – Capital expenditure                         | 11,451                                         | 3,754                                       | 14,428                                                      | 268                              | 29,901                          |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 42 SEGMENT REPORTING (Continued)

#### (a) Segment results, assets and liabilities (Continued)

|                                                  | Six months ended June 30, 2025                 |                                             |                                                             |                                  |                                 |
|--------------------------------------------------|------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|----------------------------------|---------------------------------|
|                                                  | Corporate<br>banking<br>RMB'000<br>(Unaudited) | Retail<br>banking<br>RMB'000<br>(Unaudited) | Financial<br>market<br>operations<br>RMB'000<br>(Unaudited) | Others<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| Operating income                                 |                                                |                                             |                                                             |                                  |                                 |
| External net interest<br>income/(expense)        | 2,613,394                                      | (1,547,451)                                 | 1,181,079                                                   | –                                | 2,247,022                       |
| Internal net interest<br>(expense)/income        | (1,656,696)                                    | 2,337,294                                   | (680,598)                                                   | –                                | –                               |
| Net interest income                              | 956,698                                        | 789,843                                     | 500,481                                                     | –                                | 2,247,022                       |
| Net fee and commission income                    | 110,765                                        | 66,938                                      | 9,124                                                       | 41,493                           | 228,320                         |
| Net trading gains                                | –                                              | –                                           | 107,379                                                     | –                                | 107,379                         |
| Net gains arising from<br>investment securities  | –                                              | –                                           | 130,066                                                     | –                                | 130,066                         |
| Net exchange losses                              | –                                              | –                                           | –                                                           | (15,887)                         | (15,887)                        |
| Other operating income, net                      | –                                              | –                                           | –                                                           | 20,418                           | 20,418                          |
| Operating income                                 | 1,067,463                                      | 856,781                                     | 747,050                                                     | 46,024                           | 2,717,318                       |
| Operating expenses                               | (416,454)                                      | (334,259)                                   | (291,450)                                                   | (17,956)                         | (1,060,119)                     |
| Impairment losses on assets, net of<br>reversals | (467,171)                                      | (461,173)                                   | (293,771)                                                   | (95,790)                         | (1,317,905)                     |
| Operating profit/(loss)                          | 183,838                                        | 61,349                                      | 161,829                                                     | (67,722)                         | 339,294                         |
| Share of loss of an associate                    | –                                              | –                                           | –                                                           | (203)                            | (203)                           |
| Profit/(loss) before tax                         | 183,838                                        | 61,349                                      | 161,829                                                     | (67,925)                         | 339,091                         |
| Segment assets                                   | 177,480,750                                    | 57,506,420                                  | 188,961,376                                                 | 1,068,031                        | 425,016,577                     |
| Deferred tax assets                              | –                                              | –                                           | –                                                           | 2,465,019                        | 2,465,019                       |
| Total assets                                     | 177,480,750                                    | 57,506,420                                  | 188,961,376                                                 | 3,533,050                        | 427,481,596                     |
| Segment liabilities                              | 93,421,855                                     | 239,943,695                                 | 57,544,934                                                  | 2,425,113                        | 393,335,597                     |
| Dividend payable                                 | –                                              | –                                           | –                                                           | 23,548                           | 23,548                          |
| Deferred tax liabilities                         | –                                              | –                                           | –                                                           | 939                              | 939                             |
| Total liabilities                                | 93,421,855                                     | 239,943,695                                 | 57,544,934                                                  | 2,449,600                        | 393,360,084                     |
| Other segment information                        |                                                |                                             |                                                             |                                  |                                 |
| – Depreciation and amortisation                  | 81,475                                         | 26,399                                      | 86,745                                                      | 490                              | 195,109                         |
| – Capital expenditure                            | 18,446                                         | 5,977                                       | 19,638                                                      | 111                              | 44,172                          |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 42 SEGMENT REPORTING (Continued)

#### (a) Segment results, assets and liabilities (Continued)

|                          | As at December 31, 2025                      |                                           |                                                           |                                |                               |
|--------------------------|----------------------------------------------|-------------------------------------------|-----------------------------------------------------------|--------------------------------|-------------------------------|
|                          | Corporate<br>banking<br>RMB'000<br>(Audited) | Retail<br>banking<br>RMB'000<br>(Audited) | Financial<br>market<br>operations<br>RMB'000<br>(Audited) | Others<br>RMB'000<br>(Audited) | Total<br>RMB'000<br>(Audited) |
| Segment assets           | 172,154,810                                  | 58,742,962                                | 201,232,421                                               | 1,275,021                      | 433,405,214                   |
| Deferred tax assets      | –                                            | –                                         | –                                                         | 2,490,725                      | 2,490,725                     |
| <b>Total assets</b>      | <b>172,154,810</b>                           | <b>58,742,962</b>                         | <b>201,232,421</b>                                        | <b>3,765,746</b>               | <b>435,895,939</b>            |
| Segment liabilities      | 88,265,292                                   | 246,258,629                               | 62,893,021                                                | 4,059,658                      | 401,476,600                   |
| Deferred tax liabilities | –                                            | –                                         | –                                                         | 23,533                         | 23,533                        |
| Dividend payable         | –                                            | –                                         | –                                                         | 20,467                         | 20,467                        |
| <b>Total liabilities</b> | <b>88,265,292</b>                            | <b>246,258,629</b>                        | <b>62,893,021</b>                                         | <b>4,103,658</b>               | <b>401,520,600</b>            |

#### (b) Geographical information

No geographical information is presented as the Group's operations are primarily conducted and revenue is derived from activities in Gansu Province of the PRC, and all non-current assets are located in the PRC.

#### (c) Information about major customers

During the six months ended 30 June 2026 and 2025, no operating income from a customer contributed over 10% of the total operating income of the Group.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### (a) Fair value measurement

##### (i) Financial assets

The Group's financial assets mainly consist of cash and deposits with the central bank, deposits with banks, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, financial assets at amortised cost, financial assets at FVTPL and financial assets at FVTOCI.

Deposits with the central bank, deposits with banks, placements with banks and other financial institutions and financial assets held under resale agreements are mostly priced at market interest rates and due within one year. Accordingly, the carrying amounts approximate the fair values.

Loans and advances to customers are mostly priced at floating rates close to the PBOC rates. Accordingly, the carrying amounts approximate the fair values.

The carrying amount and fair value of financial assets at amortised cost are disclosed in Note 17.

The fair value of financial assets at FVTPL and FVTOCI are disclosed in Note 19 and Note 20, respectively.

##### (ii) Financial liabilities

The Group's financial liabilities mainly include borrowings from the central banks, deposits from banks and other financial institutions, placements from banks, financial assets sold under repurchase agreements, deposits from customers and debts securities issued.

The financial liabilities recorded at amortised cost are disclosed in Note 27, Note 28, Note 29, Note 30, Note 31 and Note 33 respectively. Except for debt securities issued, the carrying amounts of all other financial instruments approximate their fair values. The carrying amount and fair value of debt securities issued are disclosed in Note 33.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Fair value hierarchy

The following table presents the carrying value of financial instruments measured at fair value in the condensed consolidated statements of financial position across the three levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. These three types of inputs have created 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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

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

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Fair value hierarchy (Continued)

|                                                     | At June 30, 2026                  |                                   |                                   |                                 |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
|                                                     | Level 1<br>RMB'000<br>(Unaudited) | Level 2<br>RMB'000<br>(Unaudited) | Level 3<br>RMB'000<br>(Unaudited) | Total<br>RMB'000<br>(Unaudited) |
| <b>Assets</b>                                       |                                   |                                   |                                   |                                 |
| Financial assets at FVTPL                           |                                   |                                   |                                   |                                 |
| – Debt securities held for trading                  | –                                 | 6,944,405                         | –                                 | 6,944,405                       |
| – Trust plans                                       | –                                 | 3,155,226                         | 939,731                           | 4,094,957                       |
| – Asset management plans                            | –                                 | 2,313,452                         | –                                 | 2,313,452                       |
| – Investment funds                                  | –                                 | 21,548,237                        | –                                 | 21,548,237                      |
| Financial assets at FVTOCI                          |                                   |                                   |                                   |                                 |
| – Debt instruments at FVTOCI                        | –                                 | 30,312,865                        | –                                 | 30,312,865                      |
| – Listed equity investments<br>measured at FVTOCI   | 54,691                            | –                                 | –                                 | 54,691                          |
| – Unlisted equity investments<br>measured at FVTOCI | –                                 | –                                 | 800,918                           | 800,918                         |
|                                                     | 54,691                            | 64,274,185                        | 1,740,649                         | 66,069,525                      |

|                                                     | At December 31, 2025            |                                 |                                 |                               |
|-----------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------|
|                                                     | Level 1<br>RMB'000<br>(Audited) | Level 2<br>RMB'000<br>(Audited) | Level 3<br>RMB'000<br>(Audited) | Total<br>RMB'000<br>(Audited) |
| <b>Assets</b>                                       |                                 |                                 |                                 |                               |
| Financial assets at FVTPL                           |                                 |                                 |                                 |                               |
| – Debt securities held for trading                  | –                               | 5,420,228                       | –                               | 5,420,228                     |
| – Trust plans                                       | –                               | 3,155,226                       | 939,731                         | 4,094,957                     |
| – Asset management plans                            | –                               | 2,412,375                       | –                               | 2,412,375                     |
| – Investment funds                                  | –                               | 21,980,436                      | –                               | 21,980,436                    |
| Financial assets at FVTOCI                          |                                 |                                 |                                 |                               |
| – Debt instruments at FVTOCI                        | –                               | 28,620,963                      | –                               | 28,620,963                    |
| – Listed equity investments<br>measured at FVTOCI   | 76,596                          | –                               | –                               | 76,596                        |
| – Unlisted equity investments<br>measured at FVTOCI | –                               | –                               | 802,948                         | 802,948                       |
|                                                     | 76,596                          | 61,589,228                      | 1,742,679                       | 63,408,503                    |

During the six months ended June 30, 2026, there were no significant transfers among each level (six months ended June 30, 2025: nil).

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Fair value hierarchy (Continued)

- (i) The Group uses valuation techniques to determine the fair value of financial instruments when open quotation in active markets is not available. The main parameters used in valuation techniques for financial instruments held by the Bank include bond prices, interest rates, foreign exchange rates, equity and stocks prices, volatilities, correlations, early repayment rates, counterparty credit spreads and others, which are basically observable and obtainable from open market.
- (ii) The valuation techniques and input used in the fair value measurements of financial instruments are set out below:

| Financial assets                 | Fair value as at,<br>June 30, 2026<br>RMB'000<br>(Unaudited) | December 31,<br>2025<br>RMB'000<br>(Audited) | Fair value<br>hierarchy | Valuation technique(s)<br>and key input(s)                                                                                                                                       | Significant<br>unobservable<br>input(s)             | Relationship<br>of key<br>inputs and<br>significant<br>unobservable<br>inputs<br>to fair value |
|----------------------------------|--------------------------------------------------------------|----------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>Financial assets at FVTPL</b> |                                                              |                                              |                         |                                                                                                                                                                                  |                                                     |                                                                                                |
| Debt securities – listed         | 6,944,405                                                    | 5,420,228                                    | Level 2                 | Based on valuation results provided by China Central Depository & Clearing Co., determined by using discounted cash flow model                                                   | N/A                                                 | N/A                                                                                            |
| Trust plans                      | 3,155,226                                                    | 3,155,226                                    | Level 2                 | Based on the net asset values of the investments, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses | N/A                                                 | N/A                                                                                            |
| Trust plans                      | 939,731                                                      | 939,731                                      | Level 3                 | Income approach – By reference to the present value of the discounted cash flows model to be derived from the ownership of the investee, based on an appropriate discount rate   | The weighted average cost of capital (“WACC”) 5.05% | The higher the WACC, the lower the fair value                                                  |
| Asset management plans           | 2,313,452                                                    | 2,412,375                                    | Level 2                 | Based on the net asset values of the investments, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses | N/A                                                 | N/A                                                                                            |
| Investment funds                 | 21,548,237                                                   | 21,980,436                                   | Level 2                 | Based on the net asset values of the investments, determined with reference to observable (quoted) prices of underlying investment portfolio and adjustments of related expenses | N/A                                                 | N/A                                                                                            |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Fair value hierarchy (Continued)

(ii) The valuation techniques and input used in the fair value measurements of financial instruments are set out below: (Continued)

| Financial assets                               | Fair value as at,<br>June 30, 2026<br>RMB'000<br>(Unaudited) | December 31,<br>2025<br>RMB'000<br>(Audited) | Fair value<br>hierarchy | Valuation technique(s)<br>and key input(s)                                                                                                                                                                      | Significant<br>unobservable<br>input(s) | Relationship<br>of key<br>inputs and<br>significant<br>unobservable<br>inputs<br>to fair value |
|------------------------------------------------|--------------------------------------------------------------|----------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------|
| <b>Financial assets at<br/>FVTOCI</b>          |                                                              |                                              |                         |                                                                                                                                                                                                                 |                                         |                                                                                                |
| Debt securities – listed                       | 30,312,865                                                   | 28,620,963                                   | Level 2                 | Based on valuation results provided by China Central Depository & Clearing Co., determined by using discounted cash flow model                                                                                  | N/A                                     | N/A                                                                                            |
| Listed equity investments measured at FVTOCI   | 54,691                                                       | 76,596                                       | Level 1                 | Based on the quoted market price from an observable market                                                                                                                                                      | N/A                                     | N/A                                                                                            |
| Unlisted equity investments measured at FVTOCI | 301,809                                                      | 303,839                                      | Level 3                 | Income approach – By reference to the present value of the discounted cash flows model to be derived from the ownership of the investee, based on an appropriate discount rate                                  | WACC of 5.05%                           | The higher the WACC, the lower the fair value                                                  |
| Unlisted equity investments measured at FVTOCI | 499,109                                                      | 499,109                                      | Level 3                 | Asset-based approach – The fair value of the target company was determined by the asset-based approach using the adjusted net asset value with adjustments for discount of marketability in current environment | The discount of marketability of 20%    | The higher the discount of marketability, the lower the fair value                             |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 43 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Fair value hierarchy (Continued)

Reconciliation of Level 3 fair value measurements of financial assets:

|                                                                      | Financial<br>assets at FVTPL<br>RMB'000 | Unlisted equity<br>investments<br>designated at<br>financial assets<br>at FVTOCI<br>RMB'000 |
|----------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------|
| At January 1, 2025                                                   | 939,731                                 | 807,068                                                                                     |
| Change in fair value recognised in investment<br>revaluation reserve | –                                       | (4,120)                                                                                     |
| At December 31, 2025 (Audited) and January 1, 2026                   | <b>939,731</b>                          | <b>802,948</b>                                                                              |
| Change in fair value recognised in investment<br>revaluation reserve | –                                       | (2,030)                                                                                     |
| At June 30, 2026 (Unaudited)                                         | <b>939,731</b>                          | <b>800,918</b>                                                                              |

During the six months ended June 30, 2026, the fair value losses of approximately RMB2,030,000 (December 31, 2025: fair value losses of approximately RMB4,120,000) are included in investment revaluation reserve.

### 44 ENTRUSTED LENDING BUSINESS

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

|                 | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-----------------|-----------------------------------------------|-------------------------------------------------|
| Entrusted loans | <b>20,971,221</b>                             | 17,523,864                                      |
| Entrusted funds | <b>20,971,221</b>                             | 17,523,864                                      |

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 45 COMMITMENTS

#### (a) Credit commitments

The Group's credit commitments take the form of bank acceptances, letters of credit and guarantees and unused credit card commitment.

The Group provides letters of guarantees and letters of credit to guarantee the performance of customers to third parties. Acceptances comprise of undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. The amounts disclosed in respect of unused credit card commitments are under the assumption that the amounts will be fully advanced.

|                                | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|--------------------------------|-----------------------------------------------|-------------------------------------------------|
| Bank acceptances               | 6,183,032                                     | 6,568,215                                       |
| Letters of guarantees          | 1,166,555                                     | 1,123,690                                       |
| Unused credit card commitments | 10,627,632                                    | 10,496,009                                      |
| Letters of credit              | 6,313,871                                     | 6,175,175                                       |
|                                | <b>24,291,090</b>                             | 24,363,089                                      |

The Group may be exposed to credit risk in all the above credit businesses. The management of the Group periodically assesses credit risk and makes provision for any probable losses. As the facilities may expire without being drawn upon, the total of the contractual amounts shown above is not representative of expected future cash outflows.

## Chapter 9 Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2026  
(Expressed in Renminbi)

### 45 COMMITMENTS (Continued)

#### (b) Capital commitments

As at June 30, 2026 and December 31, 2025, the Group's authorised capital commitments are as follows:

|                                                                         | At June 30,<br>2026<br>RMB'000<br>(Unaudited) | At December 31,<br>2025<br>RMB'000<br>(Audited) |
|-------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------|
| Purchase of property and equipment<br>– Contracted for but not provided | 42,928                                        | 44,110                                          |

### 46 CONTINGENT LIABILITIES

The Bank and its subsidiary are involved as defendants in certain lawsuits arising from their normal business operations. As at June 30, 2026, in light of court decisions or advice from legal counsels, the directors of the Bank considered the final result of the lawsuits will not have any material impact on the financial position or operations of the Group.

### 47 TRANSFER OF NON-PERFORMING FINANCIAL ASSETS

In the ordinary course of business, the Group enters into certain transactions that involve the transfer of recognised financial assets to the third parties or special purpose vehicles. Where such transfers meet the derecognition criteria, the financial assets transferred are derecognised in whole or to the extent of the portion transferred. Where the Group retains substantially all risk and rewards of the transferred assets, the transfer does not meet the derecognition criteria. The financial assets remain as recognised. The Group enters into transactions in the normal course of business that transfer non-performing assets to third parties.

The aforementioned financial assets are approximately RMBnil as at June 30, 2026 (December 31, 2025: RMB143,152,000) in other assets (Note 25). The associated liabilities amounting to approximately RMBnil as at June 30, 2026 (December 31, 2025: RMB143,152,000) were included in other liabilities (Note 34).

### 48 SUBSEQUENT EVENTS

There were no significant events occurred after the reporting period.

### 49 COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current period's presentation.

# Chapter 10 Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

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

## 1. LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO (%)

|                                                     | At<br>June 30,<br>2026 | Average for<br>the year ended<br>June 30,<br>2026 |
|-----------------------------------------------------|------------------------|---------------------------------------------------|
| Liquidity coverage ratio (RMB and foreign currency) | 226.33%                | 230.17%                                           |

|                                                     | At<br>December 31,<br>2025 | Average for<br>the year ended<br>December 31,<br>2025 |
|-----------------------------------------------------|----------------------------|-------------------------------------------------------|
| Liquidity coverage ratio (RMB and foreign currency) | 234.01                     | 217.64                                                |

### Leverage Ratio

|                                           | At<br>June 30,<br>2026 |
|-------------------------------------------|------------------------|
| Leverage ratio (RMB and foreign currency) | 7.32%                  |

Pursuant to the Leverage Ratio Management of Commercial Banks issued by the China Banking former CBIRC and was effective since April 1, 2015, a minimum leverage ratio of 4% is required.

The above liquidity coverage ratio and leverage ratio are calculated in accordance with the formula promulgated by the CBIRC and based on the financial information prepared in accordance with the People's Republic of China Generally Accepted Accounting Principles ("PRC GAAP"), with the specific computational formulas as follows:

Liquidity coverage ratio = high-quality liquid assets/net capital outflow in the next 30 days × 100%

Leverage ratio = (core tier 1 capital – corresponding capital deductions)/on and off-balance sheet assets after adjustment × 100%

## Chapter 10 Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

### 2. CURRENCY CONCENTRATIONS

|                  | At June 30, 2026           |                               |                              |
|------------------|----------------------------|-------------------------------|------------------------------|
|                  | USD<br>(RMB<br>equivalent) | Others<br>(RMB<br>equivalent) | Total<br>(RMB<br>equivalent) |
| Spot assets      | 272,138.5                  | 59,544.4                      | 331,682.9                    |
| Spot liabilities | (2,961.4)                  | (73,573.3)                    | (76,534.7)                   |
| Net position     | 269,177.1                  | (14,028.9)                    | 255,148.2                    |

  

|                  | At December 31, 2025       |                               |                              |
|------------------|----------------------------|-------------------------------|------------------------------|
|                  | USD<br>(RMB<br>equivalent) | Others<br>(RMB<br>equivalent) | Total<br>(RMB<br>equivalent) |
| Spot assets      | 245,733.1                  | 60,510.7                      | 306,243.8                    |
| Spot liabilities | (5,813.3)                  | (80,311.0)                    | (86,124.3)                   |
| Net position     | 239,919.8                  | (19,800.3)                    | 220,119.5                    |

The above information is computed in accordance with the provisions of the CBIRC. The Group has no structural position as at December 31, 2024 and December 31, 2025.

### 3. INTERNATIONAL CLAIMS

The Group is principally engaged in business operations within People's Republic of China ("PRC"), and regards all claims on third parties outside PRC as international claims. International claims include loans and advances to customers, deposit with the central bank, amounts due from banks and other financial institutions.

A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose Head Office is located in another country.

|                                          | At<br>June 30,<br>2026 | At<br>December 31,<br>2025 |
|------------------------------------------|------------------------|----------------------------|
| Deposit with banks                       |                        |                            |
| Asia Pacific, excluding Chinese mainland | 0                      | 0                          |
| Europe                                   | –                      | –                          |
| Total                                    | 0                      | 0                          |

## Chapter 10 Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

### 4. LOANS AND ADVANCES OVERDUE FOR MORE THAN 90 DAYS BY GEOGRAPHICAL SEGMENTS

|                                          | At<br>June 30,<br>2026 | At<br>December 31,<br>2025 |
|------------------------------------------|------------------------|----------------------------|
| Gansu Region                             | 3,013,968              | 2,838,927                  |
| Chinese mainland, excluding Gansu Region | 244,276                | 73,578                     |
| Total                                    | 3,258,244              | 2,912,505                  |

### 5. GROSS AMOUNT OF LOANS AND ADVANCES OVERDUE FOR MORE THAN 90 DAYS

|                                                                                                              | At<br>June 30,<br>2026 | At<br>December 31,<br>2025 |
|--------------------------------------------------------------------------------------------------------------|------------------------|----------------------------|
| Gross loans and advances which have been overdue with respect to either principal or interest for periods of |                        |                            |
| – Overdue between three months to six months (inclusive)                                                     | 548,536                | 294,898                    |
| – Overdue between six months to one year (inclusive)                                                         | 470,679                | 502,857                    |
| – Overdue between one year to three years (inclusive)                                                        | 1,317,560              | 1,329,671                  |
| – Overdue more than three years                                                                              | 921,469                | 785,079                    |
| Total                                                                                                        | 3,258,244              | 2,912,505                  |
| As a percentage of total loans and advances to customers                                                     |                        |                            |
| – Overdue between three months to six months (inclusive)                                                     | 0.24%                  | 0.13%                      |
| – Overdue between six months to one year (inclusive)                                                         | 0.20%                  | 0.22%                      |
| – Overdue between one year to three years (inclusive)                                                        | 0.57%                  | 0.59%                      |
| – Overdue more than three years                                                                              | 0.40%                  | 0.35%                      |
| Total                                                                                                        | 1.40%                  | 1.30%                      |

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

### 6. CHINESE MAINLAND NON-BANK EXPOSURE

The Bank is a commercial bank incorporated in Chinese mainland with its banking business conducted in Chinese mainland. At December 31, 2025 and December 31, 2024, most of the Bank's exposures arose from businesses with Chinese mainland entities or individuals.