泸州银行股份有限公司
LUZHOU BANK CO., LTD.

泸州银行股份有限公司*
Luzhou Bank Co., Ltd.*

（於中華人民共和國註冊成立的股份有限公司）
(A joint stock company incorporated in the People's Republic of China with limited liability)
股份代號：1983 Stock Code: 1983

2026 中期報告 INTERIM REPORT

* 泸州银行股份有限公司並非香港法例第155章《銀行業條例》所指認可機構，不受香港金融管理局的監督，亦不獲授權在香港經營銀行／接受存款業務。
* Luzhou Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.

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Corporate Overview

I. CORPORATE PROFILE

(i) Legal Names

1. Legal Chinese Name: 泸州银行股份有限公司
   (Abbreviation: "泸州银行")
2. Legal English Name: LUZHOU BANK CO., LTD.
   (Abbreviation: "LUZHOU BANK")

(ii) Registered Capital: RMB2,717,752,062

(iii) Legal Representative: Mr. YOU Jiang

(iv) Authorized Representatives: Mr. LIU Shirong and Ms. ZHANG Xiao

(v) Joint Company Secretaries: Mr. MING Yang and Ms. ZHANG Xiao

(vi) Listing Exchange of H Shares: The Stock Exchange of Hong Kong Limited

(vii) Abbreviated Stock Name and Stock Code: LUZHOU BANK (1983.HK)

(viii) Registered Address: Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou, Sichuan Province, the PRC

(ix) Principal Place of Business in Hong Kong: 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

(x) Contact Address:
Building 1, No. 18, Section 3, Jiucheng Avenue, Jiangyang District, Luzhou, Sichuan Province, the PRC
Post Code: 646000
Website: www.lzccb.cn

(xi) Auditor:
International: Deloitte Touche Tohmatsu
Address: 35/F One Pacific Place, 88 Queensway, Hong Kong
Domestic: Deloitte Touche Tohmatsu Certified Public Accountants LLP
Address: 30/F, 222 Yan An Road East, Shanghai

(xii) PRC Legal Advisor: JunHe LLP, Shanghai Office

(xiii) Hong Kong Legal Advisor: Clifford Chance LLP

(xiv) H Share Registrar and Transfer Office: Computershare Hong Kong Investor Services Limited

(xv) Other Relevant Information of the Bank
Registration Date: September 15, 1997
Registration Authority: Luzhou City Administration for Market Regulation in Sichuan Province, the PRC
Unified Social Credit Code: 91510500708926271U
Financial License Institution Number: B0210H251050001
Customer Service and Complaints Hotline: 0830-96830
Tel: 0830-2362606
Fax: 0830-3100625
E-mail: ir@lzccb.cn

II. CORPORATE INFORMATION

Headquartered in Luzhou, the PRC, Luzhou Bank Co., Ltd. was established on September 15, 1997 as approved by the PBOC. The Bank has Chengdu Branch, Meishan Branch and Suining Branch with a total of 41 operating outlets established. As at the end of the Reporting Period, the Group's total assets amounted to RMB211,287 million, total customer loans amounted to RMB135,476 million, and total customer deposits amounted to RMB166,925 million. Meanwhile, the Bank holds a controlling stake in a rural bank.

Our H Shares have been listed on the Main Board of the Hong Kong Stock Exchange on December 17, 2018 (stock code: 1983).

Financial Summary

(The financial data and indicators contained in this interim report are prepared in accordance with International Financial Reporting Standards (IFRS) and, unless otherwise stated, represent the data of the Group)

Item	For the six months ended June 30, 2026	2025	Year-on-year change
Operating results (RMB'000)			**change (%)**
Net interest income	**2,439,061**	1,897,023	28.57
Net fee and commission income	**52,615**	78,660	(33.11)
Operating income	**2,804,076**	2,422,775	15.74
Operating expense	**(957,277)**	(968,254)	(1.13)
Expected credit losses/other assets impairment losses	**(375,676)**	(215,577)	74.27
Profit before income tax	**1,471,123**	1,239,926	18.65
Net profit	**1,002,166**	902,489	11.04
Net profit attributable to Shareholders of the Bank	**1,001,424**	902,489	10.96
Per share (RMB)			**change**
Net assets per share attributable to Shareholders of the Bank(1)	**4.36**	3.90	0.46
Basic earnings per share(2)	**0.35**	0.30	0.05
Diluted earnings per share	**0.35**	0.30	0.05

Item	June 30, 2026	December 31, 2025	Change
Scale indicators (RMB'000)			**change (%)**
Total assets	**211,287,110**	202,461,917	4.36
Of which: net customer loans(3)	**129,419,469**	118,783,713	8.95
Total liabilities	**196,946,826**	188,730,049	4.35
Of which: customer deposits	**166,924,992**	156,555,800	6.62
Share capital	**2,717,752**	2,717,752	–
Equity attributable to Shareholders of the Bank	**14,241,301**	13,633,627	4.46
Total equity	**14,340,284**	13,731,868	4.43
Asset quality indicators (%)			**change**
Non-performing loan (NPL) ratio	**1.18**	1.18	–
Allowance coverage ratio	**383.89**	415.24	(31.35)
Allowance to gross loan ratio	**4.52**	4.92	(0.40)
Capital adequacy indicators (%)			**change**
Core tier-one capital adequacy ratio(4)	**8.19**	8.27	(0.08)
Tier-one capital adequacy ratio(4)	**9.85**	10.04	(0.19)
Capital adequacy ratio(4)	**12.79**	13.08	(0.29)
Other indicators (%)			**change**
Liquidity ratio	**65.78**	72.16	(6.38)

Financial Summary

(The financial data and indicators contained in this interim report are prepared in accordance with International Financial Reporting Standards (IFRS) and, unless otherwise stated, represent the data of the Group)

Item	For the six months ended June 30, 2026	2025	Year-on-year change
Profitability indicators (%)			**change**
Return on average total assets[5]	**0.97**	0.99	(0.02)
Return on average equity[6]	**14.17**	14.62	(0.45)
Net interest spread[7]	**2.71**	2.71	–
Net interest margin[8]	**2.64**	2.44	0.20
Cost-to-income ratio[9]	**32.58**	37.94	(5.36)

Notes:

(1) Net assets per share attributable to Shareholders of the Bank = (equity attributable to Shareholders of the Bank – other equity instruments)/the number of ordinary shares at the end of the period.

(2) Basic earnings per share are calculated by dividing the net profit for the period attributable to Shareholders of the Bank by the weighted average number of ordinary shares during the period.

(3) Net customer loans = total customer loans – impairment allowance on customer loans.

(4) The capital adequacy ratio related indicators in the above table were calculated in accordance with the Capital Administrative Measures for Commercial Banks (《商業銀行資本管理辦法》) and other relevant regulatory requirements.

(5) Return on average total assets = net profit/the average balance of total assets at the beginning and the end of the period.

(6) Return on average equity = net profit attributable to ordinary Shareholders of the Bank/ the weighted average balance of equity attributable to ordinary Shareholders of the Bank at the beginning and the end of the period.

(7) Net interest spread = the average yield on interest-earning assets – the average cost rate of interest-bearing liabilities.

(8) Net interest margin = net interest income/the average interest-earning assets.

(9) Cost-to-income ratio = (operating expense – taxes and surcharges)/operating income.

Management Discussion and Analysis

(The financial data expressed in RMB unless otherwise stated)

1. ENVIRONMENT AND PROSPECTS

In the first half of 2026, the global economic recovery faced pressure due to geopolitical conflicts, with developed economies and emerging markets continuing to show divergent growth trends. The Chinese government implemented more proactive and effective macro policies, enabling the economy to withstand pressure and operate within a reasonable range, with a GDP of RMB69.6 trillion, a year-on-year increase of 4.7%, the largest increment for the same period in the past five years, demonstrating strong development resilience and vitality. Sichuan Province, the Bank's main operating region, advanced amidst pressure, maintaining overall stability, with development potential continuously unleashed and the cultivation of new quality productive forces accelerating. The provincial GDP reached RMB3.4 trillion, ranking steadily at 5th nationwide, a year-on-year increase of 4.8%.

Looking ahead, the global economic landscape is becoming increasingly divergent, with major economies experiencing policy cycle misalignment and persistent inflation stickiness, while trade protectionism and industrial chain restructuring exacerbate external uncertainties. However, the fundamental aspects of China's economic stability, innovation-driven growth, and improvement remain unchanged. As various policy measures continue to take effect, the Chinese economy will maintain a steady and progressive, sound development trend. Sichuan Province is fully promoting the construction of the Chengdu-Chongqing Double City Economic Circle and deeply implementing the strategy of "synchronous development of new industrialization, informatization, urbanization and agricultural modernization, integration of urban and rural, and co-prosperity of five districts" (四化同步、城鄉融合、五區共興), intensifying efforts to stabilize employment, enterprises, markets, and expectations. Luzhou City firmly adheres to the general principle of pursuing progress while maintaining stability, making every effort to boost the economy and promote construction, taking building industrial clusters and strengthening supply chains for the "5+5" key industries as its core initiative, with the "Year of Project Quality and Efficiency Competition" as its main theme, and the development of a regional consumption center city as its driving force, to ensure a strong start to the "15th Five-Year Plan" period.

In the face of a complex and severe macroeconomic environment, increasingly fierce industry competition, and evolving customer financial demands, the Bank maintained its strategic focus in the first half of the year, fully addressing pressures and challenges, deeply advancing business transformation, and comprehensively optimizing internal management, achieving a favorable operating performance characterized by steady scale growth, continuous improvement in profitability, and overall controllable risks. The Bank will always adhere to the general principle of pursuing progress while maintaining stability, strengthen integrated asset-liability management, steadily improve operational quality and efficiency, and reciprocate the care and affection of its investors with excellent results.

2. DEVELOPMENT STRATEGIES

In the second half of 2026, the Bank will thoroughly implement the spirit of state-owned enterprise reform issued by the municipal Party Committee and government, continue to anchor itself in the general principle of pursuing progress while maintaining stability, and deeply grasp the core essence of high-quality development. We will strengthen team building, enhance technology-driven empowerment, boost business interaction, advance business innovation and lower liability costs. We will further strengthen comprehensive risk management and proactively prevent various risks. We will deeply integrate into the construction of the Chengdu-Chongqing Double City Economic Circle, fully serve the construction of the Luzhou-Yongchuan-Jiangjin Integrated Development Demonstration Zone and a provincial-level economic sub-center in Southern Sichuan, actively align with the city's development layout, uphold our financial mission, and earnestly fulfill its strategic mission of supporting local economic and social development.

3. ANALYSIS OF STATEMENTS OF PROFITS

3.1 Financial Results Highlights

Unit: RMB'000

Item	For the six months ended June 30, 2026	2025
Net interest income	**2,439,061**	1,897,023
Net fee and commission income	**52,615**	78,660
Net gains on trading activities, net gains on financial investments and other operating income	**312,400**	447,092
Operating expenses	**(957,277)**	(968,254)
Expected credit losses/other assets impairment losses	**(375,676)**	(215,577)
Share of profits of an associate	**–**	982
Profit before income tax	**1,471,123**	1,239,926
Income tax expenses	**(468,957)**	(337,437)
Net profit	**1,002,166**	902,489
Of which: net profit attributable to Shareholders of the Bank	**1,001,424**	902,489

For the six months ended June 30, 2026, the Group's profit before income tax amounted to RMB1,471 million, representing an increase of RMB231 million or 18.65% as compared to the same period of the previous year, and net profit amounted to RMB1,002 million, representing an increase of RMB100 million or 11.04% as compared to the same period of the previous year. The following table sets forth the impacts of changes in the Group's major profit or loss items on profit before income tax.

Unit: RMB'000

Item	Amount
Profit before income tax for the six months ended June 30, 2025	**1,239,926**
Changes in 2026	
Changes in net interest income	**542,038**
Changes in net fee and commission income	**(26,045)**
Changes in net gains on trading activities, net gains on financial investments and other operating income	**(134,692)**
Changes in operating expenses	**10,977**
Changes in expected credit losses/other assets impairment losses	**(160,099)**
Changes in share of profits of an associate	**(982)**
Profit before income tax for the six months ended June 30, 2026	**1,471,123**

(The financial data expressed in RMB unless otherwise stated)

3.2 Operating Income

In the first half of 2026, the Group's operating income amounted to RMB2,804 million, representing an increase of RMB381 million or 15.74% as compared to the same period of the previous year. Among which, net interest income accounted for 86.98%. Net non-interest income amounted to RMB365 million, accounting for 13.02%. The following table sets forth the components of the Group's operating income and its comparison with the same period of the previous year.

Unit: %

Item	For the six months ended June 30, 2026	2025
Net interest income	**86.98**	78.30
Net fee and commission income	**1.88**	3.25
Net gains on trading activities, net gains on financial investments and other operating income	**11.14**	18.45
Total	**100.00**	100.00

3.3 Net Interest Income

For the six months ended June 30, 2026, the Group's net interest income amounted to RMB2,439 million, representing an increase of RMB542 million or 28.57% as compared to the same period of the previous year, mainly due to the increase in the scale of interest-earning assets and the decrease in the cost rate of interest-bearing liabilities. The following table sets forth the average balance, interest income/expense and average yield/cost rate of the assets and liabilities of the Group for the periods indicated. The average balances of interest-earning assets and interest-bearing liabilities are daily average balances.

Unit: RMB'000

	For the six months ended June 30,					
	2026			2025		
Item	Average balance	Interest income/ expense	Average yield/cost rate (%)	Average balance	Interest income/ expense	Average yield/cost rate (%)
Interest-earning assets						
Customer loans	**134,038,979**	**3,607,738**	**5.38**	115,027,805	3,354,048	5.83
Investment(1)	**32,283,730**	**466,584**	**2.89**	26,893,868	421,234	3.13
Due from and placements with banks and other financial institutions(2)	**6,447,690**	**39,047**	**1.21**	3,572,678	30,326	1.70
Balances with the central bank	**11,779,554**	**74,161**	**1.26**	10,279,820	65,998	1.28
Total	**184,549,953**	**4,187,530**	**4.54**	155,774,171	3,871,606	4.97

(The financial data expressed in RMB unless otherwise stated)

Unit: RMB'000

	For the six months ended June 30,					
	2026			2025		
Item	**Average balance**	**Interest income/ expense**	**Average yield/cost rate (%)**	Average balance	Interest income/ expense	Average yield/cost rate (%)
Interest-bearing liabilities						
Customer deposits	**166,824,064**	**1,514,418**	**1.82**	152,171,098	1,713,228	2.25
Due to and placements from banks and other financial institutions[3]	**3,247,719**	**31,060**	**1.91**	3,479,267	38,477	2.21
Debt securities issued	**14,864,137**	**154,653**	**2.08**	13,424,284	171,920	2.56
Others	**6,660,865**	**48,338**	**1.45**	6,048,009	50,958	1.69
Total	**191,596,785**	**1,748,469**	**1.83**	175,122,658	1,974,583	2.26
Net interest income	**–**	**2,439,061**	**–**	–	1,897,023	–
Net interest spread	**–**	**–**	**2.71**	–	–	2.71
Net interest margin	**–**	**–**	**2.64**	–	–	2.44

Notes:

(1) Investments indicated in section 3.3 include credit related financial assets, financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost.

(2) Due from and placements with banks and other financial institutions indicated in section 3.3 include financial assets held under resale agreements.

(3) Due to and placements from banks and other financial institutions indicated in section 3.3 include financial assets sold under repurchase agreements.

As of June 30, 2026, the average balance of interest-earning assets of the Group was RMB184,550 million, representing an increase of RMB28,776 million or 18.47% as compared to the same period of the previous year, mainly due to an increase in the customer loan volume. Net interest margin was 2.64%, representing an increase of 0.20 percentage points as compared to the same period of the previous year, mainly because the increase in the net interest income was higher than the increase in the average balance of interest-earning assets; net interest spread was 2.71%, remaining flat as compared to the same period of the previous year, mainly because the decrease in the average yield on interest-earning assets was consistent with the decrease in the average cost of interest-bearing liabilities.

The following table sets forth the distribution of changes in the Group's interest income and interest expense due to volume and interest rate changes for the periods indicated: the volume changes were measured by changes in average balance; interest rate changes were measured by changes in average interest rate, and changes in interest income and expense due to volume and interest rate changes were included in the changes in interest income and expense due to volume changes.

Unit: RMB'000

Item	June 30, 2026 vs. June 30, 2025		
	Due to volume	Due to interest rate	Net increase (decrease)
Assets			
Customer loans	511,697	(258,007)	253,690
Investment	77,898	(32,548)	45,350
Due from and placements with banks and other financial institutions	17,411	(8,690)	8,721
Balances with the central bank	9,442	(1,279)	8,163
Changes in interest income	**616,448**	**(300,524)**	**315,924**
Liabilities			
Customer deposits	133,019	(331,829)	(198,810)
Due to and placements from banks and other financial institutions	(2,214)	(5,203)	(7,417)
Debt securities issued	14,981	(32,248)	(17,267)
Others	4,448	(7,068)	(2,620)
Changes in interest expense	**150,234**	**(376,348)**	**(226,114)**
Changes in net interest income	**466,214**	**75,824**	**542,038**

3.4 Interest Income

For the six months ended June 30, 2026, the Group's interest income amounted to RMB4,188 million, representing an increase of RMB316 million or 8.16% as compared to the same period of the previous year, mainly due to an increase in the scale of interest-earning assets. The interest income from customer loans and investments constituted the major part of the interest income of the Group.

3.4.1 Interest income from customer loans

For the six months ended June 30, 2026, the Group's interest income from customer loans amounted to RMB3,608 million, representing an increase of RMB254 million or 7.56% as compared to the same period of the previous year. The following table sets forth the average balance, interest income and average yield of each component of the customer loans of the Group for the periods indicated.

Unit: RMB'000

	For the six months ended June 30,					
	2026			2025		
Item	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	**122,075,016**	**3,333,511**	**5.46**	102,002,610	3,022,491	5.93
Personal loans	**11,963,963**	**274,227**	**4.58**	13,025,195	331,557	5.09
Total customer loans	**134,038,979**	**3,607,738**	**5.38**	115,027,805	3,354,048	5.83

3.4.2 Interest income from investments

For the six months ended June 30, 2026, the Group's interest income from investments amounted to RMB467 million, representing an increase of RMB45 million or 10.77% as compared to the same period of the previous year, mainly due to the increase in the average investment balance.

3.4.3 Interest income due from and placements with banks and other financial institutions

For the six months ended June 30, 2026, the Group's interest income due from and placements with banks and other financial institutions amounted to RMB39 million, representing an increase of RMB9 million or 28.76% as compared to the same period of the previous year, mainly due to the increase in the average balance of due from and placements with banks and other financial institutions.

3.4.4 Interest income from balances with the central bank

For the six months ended June 30, 2026, the Group's interest income from balances with the central bank amounted to RMB74 million, representing an increase of RMB8 million or 12.37% as compared to the same period of the previous year, mainly due to the increase in the average balance of balances with the central bank.

(The financial data expressed in RMB unless otherwise stated)

3.5 Interest Expense

For the six months ended June 30, 2026, the Group's interest expense amounted to RMB1,748 million, representing a decrease of RMB226 million or 11.45% as compared to the same period of the previous year, mainly due to the decrease in the average cost rate of interest-bearing liabilities. Interest expenses on customer deposits and debt securities issued constituted the major part of the interest expense of the Group.

3.5.1 Interest expense on customer deposits

For the six months ended June 30, 2026, the Group's interest expense on customer deposits amounted to RMB1,514 million, representing a decrease of RMB199 million or 11.60% as compared to the same period of the previous year. The following table sets forth the average balance, interest expense and average cost rate of each component of the Group's customer deposits for the periods indicated.

Unit: RMB'000

	For the six months ended June 30,					
	2026			2025		
Item	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Corporate deposits	**76,354,763**	**555,414**	**1.45**	67,627,229	567,967	1.68
Personal deposits	**90,469,301**	**959,004**	**2.12**	84,543,869	1,145,261	2.71
Total customer deposits	**166,824,064**	**1,514,418**	**1.82**	152,171,098	1,713,228	2.25

3.5.2 Interest expense on amounts due to and placements with banks and other financial institutions

For the six months ended June 30, 2026, the Group's interest expense on amounts due to and placements with banks and other financial institutions was RMB31 million, representing a decrease of RMB7 million or 19.28% as compared to the same period of the previous year, mainly due to the decrease in the average cost rate of amounts due to and placements with banks and other financial institutions.

3.5.3 Interest expense on debt securities issued

For the six months ended June 30, 2026, the Group's interest expense on debt securities issued amounted to RMB155 million, representing a decrease of RMB17 million or 10.04% as compared to the same period of the previous year, mainly due to the decrease in the average cost rate of debt securities issued.

(The financial data expressed in RMB unless otherwise stated)

3.6 Net Non-interest Income

For the six months ended June 30, 2026, the Group's net non-interest income amounted to RMB365 million, representing a decrease of RMB161 million or 30.57% as compared to the same period of the previous year. The following table sets forth the major components of the Group's net non-interest income for the periods indicated and the same period of the previous year.

Unit: RMB'000

Item	For the six months ended June 30, 2026	2025
Fee and commission income	**82,398**	102,556
Fee and commission expense	**(29,783)**	(23,896)
Net fee and commission income	**52,615**	78,660
Net gains on trading activities, net gains on financial investments and other operating income	**312,400**	447,092
Total net non-interest income	**365,015**	525,752

3.7 Net fee and commission income

For the six months ended June 30, 2026, the Group's net fee and commission income amounted to RMB52,615 thousand, representing a decrease of RMB26,045 thousand as compared to the same period of the previous year.

Unit: RMB'000

Item	For the six months ended June 30, 2026	2025
Fee and commission income		
Commission income from settlement services	**3,628**	2,020
Commission income from bank card services	**602**	644
Commission income from agency services	**7,361**	5,301
Commission income from guarantees and credit commitment services	**35,958**	13,342
Commission income from wealth management agency services	**33,374**	78,907
Commission income from investment banking services	**1,088**	2,229
Other commission income	**387**	113
Total	**82,398**	102,556
Fee and commission expense	**(29,783)**	(23,896)

3.8 Net Gains on Trading Activities, Net Gains on Financial Investments and Other Operating Income

For the six months ended June 30, 2026, the Group's net gains on trading activities, net gains on financial investments and other operating income amounted to a total gain of RMB312 million, representing a decrease of RMB135 million or 30.13% as compared to the same period of the previous year. Among them, net gains on trading activities decreased by RMB132 million as compared to the same period of the previous year, net gains on financial investments increased by RMB29 million as compared to the same period of the previous year, and other operating income decreased by RMB32 million as compared to the same period of the previous year. The following table sets forth the major components of the Group's net gains on trading activities, net gains on financial investments and other operating income for the periods indicated.

Unit: RMB'000

Item	For the six months ended June 30, 2026	2025
Net gains on trading activities	**189,292**	321,174
Net gains on financial investments	**117,924**	88,745
Other operating income	**5,184**	37,173
Total	**312,400**	447,092

3.9 Operating Expenses

For the six months ended June 30, 2026, the Group's operating expenses amounted to RMB957 million, representing a decrease of RMB11 million or 1.13% as compared to the same period of the previous year. Among them, staff costs increased by RMB8 million or 1.69% as compared to the same period of the previous year, business and administrative expenses decreased by RMB15 million or 5.42% as compared to the same period of the previous year. The following table sets forth the major components of the Group's operating expenses for the periods indicated.

Unit: RMB'000

Item	For the six months ended June 30, 2026	2025
Staff costs (including Directors' and Supervisors' Emoluments (allowance inclusive))	**486,687**	478,589
Business and administrative expenses	**265,805**	281,049
Depreciation and amortization	**126,075**	99,327
Taxes and surcharges	**43,602**	49,039
Professional service fees	**16,933**	15,717
Expenditures on public welfare donations	**300**	4,100
Others	**17,875**	40,433
Total	**957,277**	968,254

3.10 Expected credit losses/other assets impairment losses

For the six months ended June 30, 2026, the Group's expected credit losses/other assets impairment losses amounted to RMB376 million, representing an increase of RMB160 million or 74.27% as compared to the same period of the previous year. The following table sets forth the major components of the Group's expected credit losses for the periods indicated.

Unit: RMB'000

Item	For the six months ended June 30, 2026	2025
ECL for loans measured at amortised cost	**354,109**	451,919
ECL for loans – measured at FVTOCI	**(24,562)**	(83)
ECL for credit related financial assets	**(21,498)**	(231,868)
ECL for financial assets measured at amortised cost	**79,346**	4,446
ECL for financial assets – measured at FVTOCI	**(727)**	(15,171)
ECL for reverse repurchase agreements, due from other banks and financial institutions	**149**	369
ECL for credit commitments	**(11,633)**	4,854
ECL for other receivables	**140**	291
Other assets impairment losses	**352**	820

Expected credit losses on loans constituted the largest part of expected credit losses/other assets impairment losses. For the six months ended June 30, 2026, the expected credit losses on loans (including discounted bills) amounted to RMB330 million, representing a decrease of RMB122 million or 27.06% as compared to the same period of the previous year.

4. ANALYSIS OF MAJOR ITEMS OF THE STATEMENT OF FINANCIAL POSITION

4.1 Assets

As of the end of June 2026, the Group's total assets amounted to RMB211,287 million, representing an increase of RMB8,825 million or 4.36% as compared to the end of the previous year, mainly due to the increase in the Group's customer loans. The following table sets forth the components of the Group's total assets as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026		December 31, 2025	
	Amount	% of total	Amount	% of total
Total customer loans (including accrued interests)	**135,475,851**	**64.12**	124,829,885	61.66
ECL allowance on loans measured at amortized cost	**(6,056,382)**	**(2.87)**	(6,046,172)	(2.99)
Net customer loans	**129,419,469**	**61.25**	118,783,713	58.67
Cash and balances with the central bank	**16,567,950**	**7.84**	13,675,409	6.75
Due from and placements with banks and other financial institutions	**9,652,885**	**4.57**	7,249,550	3.58
Financial investments – credit related financial assets	**1,448,583**	**0.69**	2,238,079	1.11
Financial investments – financial assets measured at fair value through profit or loss	**17,506,090**	**8.29**	27,873,970	13.77
Financial investments – financial assets measured at fair value through other comprehensive income	**3,516,796**	**1.66**	4,501,042	2.22
Financial investments – financial assets measured at amortised cost	**28,819,168**	**13.64**	24,264,640	11.98
Property and equipment	**1,451,429**	**0.69**	1,504,452	0.74
Deferred income tax assets	**1,928,001**	**0.91**	1,950,945	0.97
Other assets	**976,739**	**0.46**	420,117	0.21
Total assets	**211,287,110**	**100.00**	202,461,917	100.00

(The financial data expressed in RMB unless otherwise stated)

Customer loans

As of the end of June 2026, the Group's total customer loans amounted to RMB135,476 million, representing an increase of RMB10,646 million or 8.53% as compared to the end of the previous year; net customer loans amounted to RMB129,419 million, representing an increase of RMB10,636 million or 8.95% as compared to the end of the previous year. The following table sets forth the customer loans of the Group by product type as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026 Amount	June 30, 2026 % of total	December 31, 2025 Amount	December 31, 2025 % of total
Corporate loans	**121,188,215**	**89.46**	109,293,854	87.56
Discounted bills	**1,608,396**	**1.19**	2,821,406	2.26
Personal loans	**12,104,181**	**8.93**	12,011,423	9.62
Accrued interest	**575,059**	**0.42**	703,202	0.56
Total customer loans	**135,475,851**	**100.00**	124,829,885	100.00
Less: ECL allowance on loans measured at amortized cost	**(6,056,382)**	**–**	(6,046,172)	–
Net customer loans	**129,419,469**	**–**	118,783,713	–

Corporate loans

As of the end of June 2026, the Group's total corporate loans amounted to RMB121,188 million, representing an increase of RMB11,894 million or 10.88% as compared to the end of the previous year, accounting for 89.46% of the total customer loans, representing an increase of 1.90 percentage points as compared to the end of the previous year.

Discounted bills

As of the end of June 2026, the Group's total discounted bills amounted to RMB1,608 million, representing a decrease of RMB1,213 million or 42.99% as compared to the end of the previous year, accounting for 1.19% of the total customer loans, representing a decrease of 1.07 percentage points as compared to the end of the previous year.

Personal loans

As of the end of June 2026, the Group's personal loans amounted to RMB12,104 million, representing an increase of RMB93 million or 0.77% as compared to the end of the previous year, accounting for 8.93% of the total customer loans, representing a decrease of 0.69 percentage points as compared to the end of the previous year.

Investments

As of the end of June 2026, the carrying value of the Group's investments amounted to RMB51,291 million, representing a decrease of RMB7,587 million or 12.89% as compared to the end of the previous year. The following table sets forth the components of the Group's investment portfolio as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026 Amount	June 30, 2026 % of total	December 31, 2025 Amount	December 31, 2025 % of total
Financial investments – credit related financial assets	**1,448,583**	**2.82**	2,238,079	3.80
Financial investments – financial assets measured at fair value through profit or loss	**17,506,090**	**34.13**	27,873,970	47.34
Financial investments – financial assets measured at fair value through other comprehensive income	**3,516,796**	**6.86**	4,501,042	7.65
Financial investments –financial assets measured at amortized cost	**28,819,168**	**56.19**	24,264,640	41.21
Total	**51,290,637**	**100.00**	58,877,731	100.00

Financial investments – credit related financial assets

The Group's credit related financial assets are corporate loans extended through consolidated structured entities (trust and asset management plans). The following table sets forth the components of the Group's credit related financial assets as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Financial investments – credit related financial assets – Trust and asset management plans	**1,492,230**	2,292,022
Less: ECL allowance	**(198,322)**	(219,820)
Accrued interest	**154,675**	165,877
Total	**1,448,583**	2,238,079

Financial investments – financial assets measured at fair value through profit or loss

The following table sets forth the components of the Group's financial assets measured at fair value through profit or loss as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Financial investments – financial assets measured at fair value through profit or loss		
—Listed outside Hong Kong	**2,729,028**	3,813,178
—Unlisted	**14,777,062**	24,060,792
Total	**17,506,090**	27,873,970

Financial investments – financial assets measured at fair value through other comprehensive income

The following table sets forth the components of the Group's financial assets measured at fair value through other comprehensive income as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Financial investments – financial assets measured at fair value through other comprehensive income		
—Listed outside Hong Kong	**38,702**	39,306
—Unlisted	**3,445,861**	4,424,059
Subtotal	**3,484,563**	4,463,365
Accrued interest	**32,233**	37,677
Total	**3,516,796**	4,501,042

(The financial data expressed in RMB unless otherwise stated)

Financial investments – financial assets measured at amortized cost

The following table sets forth the components of the Group's financial assets measured at amortized cost as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Financial investments – financial assets measured at amortized cost		
—Listed outside Hong Kong	**1,791,401**	2,233,705
—Unlisted	**27,333,081**	22,308,365
Subtotal	**29,124,482**	24,542,070
Accrued interest	**480,652**	429,190
Less: ECL allowance	**(785,966)**	(706,620)
Total	**28,819,168**	24,264,640

4.2 Liabilities

As of the end of June 2026, the Group's total liabilities amounted to RMB196,947 million, representing an increase of RMB8,217 million or 4.35% as compared to the end of the previous year, mainly due to the stable increase in customer deposits. The following table sets forth the components of the Group's total liabilities as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026		December 31, 2025	
	Amount	% of total	Amount	% of total
Customer deposits	**166,924,992**	**84.76**	156,555,800	82.96
Due to and placements from banks and other financial institutions	**5,178,874**	**2.63**	5,912,573	3.13
Borrowings from the central bank	**7,681,272**	**3.90**	5,574,887	2.95
Current tax liabilities	**248,047**	**0.12**	549,126	0.29
Debt securities issued	**15,109,514**	**7.67**	18,293,528	9.69
Other liabilities	**1,804,127**	**0.92**	1,844,135	0.98
Total liabilities	**196,946,826**	**100.00**	188,730,049	100.00

Customer deposits

As of the end of June 2026, the Group's total customer deposits amounted to RMB166,925 million, representing an increase of RMB10,369 million or 6.62% as compared to the end of the previous year, accounting for 84.76% of the Group's total liabilities, being the Group's primary source of funding. The following table sets forth the components of the Group's customer deposits by product type and customer type as of the dates indicated.

Unit: RMB'000

Item	June 30, 2026		December 31, 2025	
	Amount	% of total	Amount	% of total
Corporate deposits	**72,660,637**	**43.53**	63,351,929	40.47
Demand deposits	**55,515,474**	**33.26**	46,825,421	29.91
Time deposits	**17,145,163**	**10.27**	16,526,508	10.56
Personal deposits	**90,570,413**	**54.26**	89,442,383	57.13
Demand deposits	**20,930,193**	**12.54**	20,876,235	13.33
Time deposits	**69,640,220**	**41.72**	68,566,148	43.80
Accrued interest	**3,693,942**	**2.21**	3,761,488	2.40
Total customer deposits	**166,924,992**	**100.00**	156,555,800	100.00

As of the end of June 2026, the Group's corporate demand deposits accounted for 33.26% of total customer deposits, representing an increase of 3.35 percentage points as compared to the end of the previous year. Corporate demand deposits accounted for 76.40% of corporate deposits, representing an increase of 2.49 percentage points as compared to the end of the previous year; and personal demand deposits accounted for 23.11% of personal deposits, representing a decrease of 0.23 percentage points as compared to the end of the previous year.

Due to and placements from banks and other financial institutions

As of the end of June 2026, the Group's due to and placements from banks and other financial institutions amounted to RMB5,179 million, representing a decrease of RMB734 million or 12.41% as compared to the end of the previous year.

Debt securities issued

As of the end of June 2026, the Group's debt securities issued amounted to RMB15,110 million, representing a decrease of RMB3,184 million or 17.41% as compared to the end of the previous year.

(The financial data expressed in RMB unless otherwise stated)

4.3 Equity

As of the end of June 2026, the Group's equity amounted to RMB14,340 million, representing an increase of RMB608 million or 4.43% as compared to the end of the previous year.

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Share capital	**2,717,752**	2,717,752
Other equity instruments	**2,399,547**	2,399,547
Capital surplus	**1,783,179**	1,783,179
Other reserves	**3,650,023**	3,311,087
Retained earnings	**3,690,800**	3,422,062
Non-controlling interests	**98,983**	98,241
Total equity	**14,340,284**	13,731,868

5. OTHER FINANCIAL INFORMATION

5.1 Analysis of Off-balance Sheet Items

The Group's off-balance sheet items in the statement of financial position specifically include credit commitments, operating lease commitments and capital commitments. Credit commitments are the most important parts and as of the end of the Reporting Period, the balance of credit commitments amounted to RMB4,956 million.

5.2 Overdue and Outstanding Debts

As of the end of the Reporting Period, the Group had no overdue or outstanding debts.

5.3 Assets Pledged

As of the end of the Reporting Period, certain of the Group's assets were pledged as collaterals under agreements with the central bank. For details, please refer to Note 33 of the condensed consolidated financial statements.

6. ANALYSIS OF LOAN QUALITY

During the Reporting Period, the Group continued to strengthen its dynamic monitoring of loan quality, thoroughly implemented various regulatory policies, continuously strengthened internal management, resolved loan risks through multiple ways and channels, and enhanced risk control ability, with the level of allowance coverage meeting regulatory requirements and the loan quality continuously maintaining stable. As of the end of the Reporting Period, the Group's total loan principal amounted to RMB134,901 million, representing an increase of 8.68% as compared to the end of the previous year, total NPLs amounted to RMB1,588 million, representing an increase of RMB117 million as compared to the end of the previous year, and the NPL ratio was 1.18%, representing no change as compared to the end of the previous year.

Distribution of Loans by Five-Category Classification

Unit: RMB'000

	June 30, 2026		December 31, 2025	
Item	**Amount**	**% of total**	Amount	% of total
Normal loans	**132,125,461**	**97.94**	121,089,944	97.56
Special mention loans	**1,187,693**	**0.88**	1,565,846	1.26
Substandard loans	**386,166**	**0.29**	327,637	0.26
Doubtful loans	**443,888**	**0.33**	522,597	0.42
Loss loans	**757,584**	**0.56**	620,659	0.50
Total principals of customer loans	**134,900,792**	**100.00**	124,126,683	100.00
Total NPLs	**1,587,638**	**1.18**	1,470,893	1.18

Pursuant to the regulatory requirements on risk-based classification of loans, the Group has adopted five-category classification to manage the quality of loans. NPLs include loans classified as substandard, doubtful and loss. As at the end of the Reporting Period, the percentage of substandard loans increased by 0.03 percentage points to 0.29% as compared to the end of the previous year, the percentage of doubtful loans decreased by 0.09 percentage points to 0.33% as compared to the end of the previous year, and the percentage of loss loans increased by 0.06 percentage points to 0.56% as compared to the end of the previous year.

(The financial data expressed in RMB unless otherwise stated)

Distribution of Loans and NPLs by Industry

Unit: RMB'000

Item	June 30, 2026 Amount of loans	% of total	Amount of NPLs	NPL ratio %	December 31, 2025 Amount of loans	% of total	Amount of NPLs	NPL ratio %
Corporate loans	**121,188,215**	**89.84**	**966,369**	**0.80**	109,293,854	88.05	904,859	0.83
Leasing and commercial services	**39,841,313**	**29.53**	**201,845**	**0.51**	35,292,285	28.43	200,000	0.57
Construction	**34,554,893**	**25.62**	**133,798**	**0.39**	35,044,082	28.23	171,645	0.49
Wholesale and retail	**21,922,889**	**16.25**	**252,379**	**1.15**	18,406,151	14.83	210,726	1.14
Manufacturing	**2,563,083**	**1.90**	**42,833**	**1.67**	2,428,965	1.96	19,229	0.79
Real estate	**7,730,530**	**5.73**	**322,147**	**4.17**	7,387,618	5.95	298,612	4.04
Accommodation and catering	**1,047,430**	**0.78**	**–**	**–**	775,371	0.62	–	–
Education	**201,870**	**0.15**	**–**	**–**	192,300	0.15	–	–
Water, environment and public utility management	**2,731,546**	**2.02**	**517**	**0.02**	1,829,821	1.47	556	0.03
Transportation, warehousing and postage service	**1,280,671**	**0.95**	**7,740**	**0.60**	1,443,130	1.16	–	–
Others	**9,313,990**	**6.91**	**5,110**	**0.05**	6,494,131	5.25	4,091	0.06
Discounted bills	**1,608,396**	**1.19**	**–**	**–**	2,821,406	2.27	–	–
Retail loans	**12,104,181**	**8.97**	**621,269**	**5.13**	12,011,423	9.68	566,034	4.71
Total principals of customer loans	**134,900,792**	**100.00**	**1,587,638**	**1.18**	124,126,683	100.00	1,470,893	1.18

In the first half of 2026, the Group actively optimized the allocation of risk-bearing assets and the service of the real economy. The Group also actively adjusted its credit structure and increased credit support to small and micro enterprises, agriculture-related economy, livelihood projects and other fields. We strictly controlled credit granted to industries with overcapacity and uncertain prospects, and the risk resilience of newly added credit assets continued to improve.

By industry, the Group's corporate NPLs mainly involved real estate, wholesale and retail business, leasing and commercial services, which accounted for 80.34% of our total corporate NPLs.

Distribution of Loans and NPLs by Product Type

Unit: RMB'000

Item	June 30, 2026 Amount of loans	% of total	Amount of NPLs	NPL ratio %	December 31, 2025 Amount of loans	% of total	Amount of NPLs	NPL ratio %
Corporate loans	**121,188,215**	**89.84**	**966,369**	**0.80**	109,293,854	88.05	904,859	0.83
Working capital loans	**106,490,953**	**78.94**	**644,222**	**0.60**	93,984,716	75.72	606,246	0.65
Fixed asset loans	**14,697,262**	**10.90**	**322,147**	**2.19**	15,309,138	12.33	298,613	1.95
Discounted bills	**1,608,396**	**1.19**	**–**	**–**	2,821,406	2.27	–	–
Retail loans	**12,104,181**	**8.97**	**621,269**	**5.13**	12,011,423	9.68	566,034	4.71
Individual housing loans	**1,841,181**	**1.36**	**52,292**	**2.84**	1,992,530	1.61	47,904	2.40
Personal business loans	**8,899,578**	**6.60**	**508,303**	**5.71**	8,486,729	6.84	464,512	5.47
Personal consumption loans	**1,363,422**	**1.01**	**60,674**	**4.45**	1,532,164	1.23	53,618	3.50
Total principals of customer loans	**134,900,792**	**100.00**	**1,587,638**	**1.18**	124,126,683	100.00	1,470,893	1.18

Under the background of the transformation of old and new driving forces and the continuous promotion of supply-side reform, the Group actively addressed the changes of demand for effective credits, and maintained solid growth of corporate loan scale while adhering to the principle of prudent extension. At the end of the Reporting Period, the proportion of corporate loans of the Group increased by 1.79 percentage points to 89.84% compared with the end of the previous year.

The NPL ratio of corporate loans decreased by 0.03 percentage points from the end of last year to 0.80%.

The Group developed its retail loan business in a prudent manner and pro-actively innovated retail-business products. The retail loan balance stood at RMB12,104 million, with the proportion of retail loans decreasing by 0.71 percentage points to 8.97%.

The NPL ratio of retail loans increased by 0.42 percentage points from the end of last year to 5.13%.

(The financial data expressed in RMB unless otherwise stated)

Distribution of Loans and NPLs by Geographical Region

Unit: RMB'000

	June 30, 2026				December 31, 2025			
Geographical Region	Amount of loans	% of total	Amount of NPLs	NPL ratio %	Amount of loans	% of total	Amount of NPLs	NPL ratio %
Luzhou	**88,255,889**	**65.42**	**912,837**	**1.03**	82,837,173	66.74	1,015,844	1.23
Outside Luzhou	**46,644,903**	**34.58**	**674,801**	**1.45**	41,289,510	33.26	455,049	1.10
Total principals of customer loans	**134,900,792**	**100.00**	**1,587,638**	**1.18**	124,126,683	100.00	1,470,893	1.18

The Group continuously optimized the regional allocation of credit resources and enhanced risk management and control in key industries by serving the economy of Luzhou and actively expanding its cross-regional business.

Distribution of Loans and NPLs by Type of Collateral

Unit: RMB'000

	June 30, 2026				December 31, 2025			
Item	Amount of loans	% of total	Amount of NPLs	NPL ratio %	Amount of loans	% of total	Amount of NPLs	NPL ratio %
Unsecured loans	**49,012,654**	**36.33**	**386,749**	**0.79**	46,081,883	37.12	381,751	0.83
Guaranteed loans	**71,779,142**	**53.21**	**487,813**	**0.68**	63,193,095	50.91	482,790	0.76
Collateralized loans	**9,120,508**	**6.76**	**709,303**	**7.78**	10,123,574	8.16	604,506	5.97
Pledged loans	**4,988,488**	**3.70**	**3,773**	**0.08**	4,728,131	3.81	1,846	0.04
Total principals of customer loans	**134,900,792**	**100.00**	**1,587,638**	**1.18**	124,126,683	100.00	1,470,893	1.18

The Group enhanced risk prevention and control through risk mitigation measures such as adding in guarantors and collaterals, with guaranteed loans and collateralized loans accounting for 59.97%.

Concentration of Borrowers

In accordance with applicable PRC banking laws and regulations, the balance of loans to non-interbank single customers shall not exceed 10% of net capital, the total credit extension to single group customers shall not exceed 15% of net capital, the risk exposures to non-interbank single customers shall not exceed 15% of net tier-one capital, and the risk exposures to a group of non-interbank related customers shall not exceed 20% of net tier-one capital.

Unit: %

Key regulatory indicators (%)	Regulatory standards	June 30, 2026
Percentage of the balance of loans to the single largest customer in net capital	≤10	**7.26**
Percentage of total credit extension to single group customers in net capital	≤15	**14.13**
Percentage of the risk exposures to the single largest customer in net tier-one capital	≤15	**9.01**
Percentage of the risk exposures to single group customers in net tier-one capital	≤20	**17.77**

Details of Our Ten Largest Single Borrowers

Unit: RMB'000

Name of borrower	Industry	Amount of loans as of the end of the Reporting Period	% of total loans
A	Real estate	1,340,000	0.99
B	Leasing and commercial services	1,300,000	0.97
C	Leasing and commercial services	1,300,000	0.97
D	Leasing and commercial services	1,297,500	0.96
E	Leasing and commercial services	1,297,000	0.96
F	Real estate	1,200,000	0.89
G	Construction	1,185,000	0.88
H	Leasing and commercial services	1,069,750	0.79
I	Leasing and commercial services	1,040,250	0.77
J	Leasing and commercial services	1,027,000	0.76
Total		**12,056,500**	**8.94**

As of the end of the Reporting Period, the total loans of our ten largest single borrowers amounted to RMB12,057 million, accounting for 8.94% of the Group's total loans. The loan balance of the largest single borrower was RMB1,340 million, accounting for 0.99% of the Group's total loans.

(The financial data expressed in RMB unless otherwise stated)

Distribution of Loans by Overdue Period (Excluding Interest Receivable)

Unit: RMB'000

Overdue Period	June 30, 2026 Amount	June 30, 2026 % of total loans	December 31, 2025 Amount	December 31, 2025 % of total loans
Overdue for up to 3 months (inclusive)	**567,892**	**0.42**	346,232	0.28
Overdue for over 3 months up to 1 year (inclusive)	**676,489**	**0.50**	675,601	0.54
Overdue for over 1 year up to 3 years (inclusive)	**583,989**	**0.44**	491,918	0.40
Overdue for over 3 years	**216,162**	**0.16**	215,765	0.17
Total overdue loans	**2,044,532**	**1.52**	1,729,516	1.39
Total principals of customer loans	**134,900,792**	**100.00**	124,126,683	100.00

As of the end of the Reporting Period, the Group's overdue loans amounted to RMB2,045 million, an increase of RMB315 million from the end of last year; the proportion of overdue loans to the Group's total loans was 1.52%, an increase of 0.13 percentage points from the end of last year. Of these, loans overdue for up to 3 months (inclusive) amounted to RMB568 million, accounting for 27.78% of total overdue loans. The Group has adopted a stricter classification criterion, under which loans whose principal or interest has been overdue for over 1 day (inclusive) would be deemed as overdue loans.

Foreclosed Assets

As of the end of the Reporting Period, the Group's total foreclosed assets amounted to RMB54,302 thousand, with impairment provisions of RMB11,570 thousand, and a net value of foreclosed assets of RMB42,732 thousand.

Changes in Expected Credit Losses Allowance of Loans Measured at Amortized Cost

The following table sets forth the changes in the Group's allowance for expected credit losses of loans at amortized cost:

Unit: RMB'000

Item	June 30, 2026	December 31, 2025
Balance at the beginning of the year	**6,046,172**	5,342,538
Transfer in through business combinations	**–**	37,205
Charge/(reversal) for the period	**354,109**	790,121
Write-offs and transfer out for the period	**(346,826)**	(335,617)
Recoveries of loans written-off	**19,559**	235,504
Other changes	**(16,632)**	(23,579)
Balance at the end of the year	**6,056,382**	6,046,172

As of the end of the Reporting Period, the Group's balance of allowance for expected credit losses of loans at amortized cost amounted to RMB6,056 million, representing an increase of RMB10 million or 0.17% as compared to the end of the previous year.

Corresponding Measures Taken against Non-performing Assets

During the Reporting Period, the Bank mainly adopted the following measures for management of non-performing assets to enhance management and control on the asset quality and ensure its stability:

Strengthening the monitoring of overdue loans and loans that were showing other early warning signs, and properly collecting and disposing of non-performing loans. Firstly, we have strengthened post-loan management and risk warnings, identified potential risks and signs of risks in a timely manner, and strictly prevented potential risks from turning into substantive risks by strengthening vigilance, fully analyzing and planning in advance; secondly, we have specified the main body responsible for risk elimination and disposal, formulated "one-customer, one-policy" disposal plan, seized the key points of time, improved the efficiency of collection, and quickly promoted the effective implementation of the plan; thirdly, we have facilitated the use of the existing judicial resources, maintained an open channel to collect through litigation, strengthened communication with the court and other relevant departments, strived to obtain maximum support, and ensured orderly and efficient collection work through litigation; fourthly, we have optimized asset quality and written off loans which could be written-off, if appropriate; fifthly, we have established good communication mechanisms with relevant government departments and peer institutions to maintain an open channel to exchange information, and jointly address potential problems arising from corporate operations by concerted efforts.

Credit Extension to Group Customers and Risk Management

The Bank adhered to the principles of "implementing unified credit extension, providing an appropriate amount and conducting dynamic monitoring" ("統一授信、額度適度、動態監控") in extending credit to group customers. Firstly, the Bank strengthened the identification of group customers by identifying group customers based on the principle of "substance is more important than form" ("實質重於形式") and the invisible relationship among enterprises; secondly, to prevent large-sum credit risk, the Bank implemented unified credit management of credit extension to group customers and laid emphasis on prevention of customer risks associated with long position financing and excessive credit extension; thirdly, the Bank controlled the credit limit through establishing a credit account of group customers, combed and updated the list of group customers in a timely manner and prudently approved credit limit to prevent concentration risk and improve its group customer management level on an ongoing basis.

Discount Loans Representing over 20% (Inclusive) of the Total Loans as of the end of the Reporting Period

As of the end of the Reporting Period, the Bank did not have discount loans representing over 20% (inclusive) of the total loans.

7. ANALYSIS OF CAPITAL ADEQUACY RATIOS

The capital management of the Bank is targeted to meet regulatory requirements, constantly enhance the ability to resist the risk of capital and boost return on capital, and reasonably set the capital adequacy ratio target and guide business development with a comprehensive application of means such as performance appraisal and capital allocation in a bid to achieve the coordinated development of its overall strategy, business development and capital management strategy.

We conduct regular internal capital evaluations and evaluate our capital adequacy and risk resistance ability by reference to stress testing. According to our internal capital evaluation and risk profile, we timely adjust our capital plans, optimize resource allocation and guide branches and management departments to transform into capital-light businesses to ensure the realization of the set capital adequacy ratio target.

We calculate our capital adequacy ratio in accordance with the Capital Administrative Measures for Commercial Banks (NFRA Order No. 4 of 2023) (《商業銀行資本管理辦法》(國家金融監督管理總局令2023年第4號)) issued by the National Financial Regulatory Administration and other relevant regulatory provisions. The on-balance-sheet credit risk weighted assets are calculated with different risk weights determined in accordance with each asset, counterparty, market and other related credit risks and by considering the effects of qualified pledge and guarantee; the same method is also applied to the calculation of off-balance-sheet credit risk exposure. Market risk-weighted assets are calculated with the simplified standard method, and the operational risk-weighted assets are calculated with the basic indicator method. During the Reporting Period, we complied with the capital requirements prescribed by regulatory authorities.

The following table sets forth the information of our capital adequacy ratio as of the dates indicated.

Unit: RMB'000

	June 30, 2026	December 31, 2025
Total capital before deductions	**18,512,061**	17,784,756
Of which: Core tier-one capital	**11,862,421**	11,256,271
Additional tier-one capital	**2,402,303**	2,402,506
Tier-two capital	**4,247,337**	4,125,979
Total net capital	**18,465,844**	17,761,524
Net core tier-one capital	**11,816,205**	11,233,039
Net additional tier-one capital	**2,402,303**	2,402,506
Net tier-one capital	**14,218,508**	13,635,545
Total risk-weighted assets	**144,352,180**	135,771,028
Core tier-one capital adequacy ratio	**8.19%**	8.27%
Tier-one capital adequacy ratio	**9.85%**	10.04%
Capital adequacy ratio(1)	**12.79%**	13.08%

As of the end of the Reporting Period, the Group had a capital adequacy ratio of 12.79%, representing a decrease of 0.29 percentage points as compared to the end of the previous year, which was 2.29 percentage points higher than the regulatory requirement; a tier-one capital adequacy ratio of 9.85%, representing a decrease of 0.19 percentage points as compared to the end of the previous year, which was 1.35 percentage points higher than the regulatory requirement; and a core tier-one capital adequacy ratio of 8.19%, representing a decrease of 0.08 percentage points as compared to the end of the previous year, which was 0.69 percentage points higher than the regulatory requirement. During the Reporting Period, the growth rate of net capital of the Group at each tier was slightly lower than the growth rate of risk-weighted assets, which resulted in a decrease in capital adequacy ratio at each tier compared with the end of the previous year. However, the capital adequacy ratio at each tier was still higher than regulatory standards.

Note:

(1) Capital adequacy ratio = total net capital/total risk-weighted assets.

8. RISK MANAGEMENT

Credit Risk

We adhered to the risk control principle of "active compliance, strict risk control and internal control strengthening" and kept intensifying efforts for credit risk management through credit extension structure optimization, credit system improvement, credit staff cultivation and internal examination enhancement, non-performing loan reduction, etc. During the Reporting Period, we intensified credit risk management mainly in the following aspects:

1. Optimizing credit structure adjustment by adhering to the guidance of government policies. Actively responding to the national economic development strategy, focusing on the national direction of industrial structure adjustment, keeping up with the regional economic development strategy, further scientifically digging of and reasonably allocating our credit resources and promoting sustainable and healthy development of our credit business.

2. Strengthening credit extension review and approval, and strictly implementing hierarchical authorization management for credit business. We strengthened the unified credit extension and unified management, and implemented hierarchical authorization for credit extension business according to our business development needs; enhanced credit extension risk review and strictly implemented the independent review and approval mechanism based on the principle of "objectivity and fairness, legal review, independent credit granting/approval, and responsibility for risks" and "substance is more important than form", with a focus on the review of industrial policies, credit policies, use of loans, repayment ability and guarantee ability. We reinforced the credit extension management to group customers and laid emphasis on prevention of customer risks associated with long position financing and excessive credit extension. We also effectively identified high-risk customers, focused on substantial risks and proposed risk prevention measures to strictly control risks.

3. Strengthening risk screening and risk control in key areas. In accordance with the requirements of the regulatory authorities and our risk management and control, the Group actively carried out various types of risk screening.

4. Strengthening post-loan management and strictly controlling risks in the post-loan stage. In light of the industries to which borrowers belong and their business characteristics, we analyzed the changes in borrowers' business operations, financial conditions, credit status, payment behaviors, guarantees, and quantity and channels of financing through regular and irregular on-site inspections as well as off-site monitoring, timely identified unfavorable changes and closely monitored substantial risks to take control measures promptly in response to risk signals; enhanced role-based checks and balances, implemented supervision and inspections, and consolidated a risk defense line in the post-loan management process.

5. Strengthening the monitoring of overdue loans and loans that were showing other early warning signs, and properly collecting and disposing of non-performing loans. We have strengthened asset quality screening and management of loans associated with risk warnings, formulated risk prevention and control measures in a timely manner, and firmly prevented loans from turning into non-performing loans; we have worked out "one-customer, one-policy" risk mitigation plans in light of the specific situations of non-performing loans, and enhanced collection efforts and efficiency through non-litigation collection, litigation or arbitration collection, enforcement of notarization and credit assignment; we have established good communication mechanisms with peer institutions and government departments to maintain an open channel to convey information, and jointly address potential problems arising from corporate operations by concerted efforts.

6. Strengthening the construction of credit team and promoting high-quality and effective development of the credit business. With the purpose of "reality in touch, demand satisfaction, rapid improvement and effectiveness", we conducted themed training through external experts and internal business backbone personnel. Supplemented with tests, exams, and competitions, we kept enhancing the training and guidance for credit line staff, improved the business ability and risk compliance awareness of our credit line staff across the Bank and established an enterprise risk control culture that was able to prevent and control substantial risks and cases.

Operational Risk

Operational risk refers to the risk of loss arising from problematic internal procedures, employees, information technology systems, and external events, including legal risk, but excluding strategic risk and reputational risk.

We continuously strengthened the prevention and control measures of operational risk and prevented systematic operational risk and major operational risk losses. As of the end of the Reporting Period, there was no material operational risk event or case risk event.

Our Board regards operational risk as one of the major risks faced by the Group and bears the ultimate responsibility of operational risk management, and is responsible for deliberating on Administrative Measures for Operational Risk, operational risk preferences and their transmission mechanisms, comprehensive risk management reports covering operational risk submitted by senior management, matters related to operational risk information disclosure, etc.; our Audit Committee bears the responsibilities for supervising the operational risk management and is responsible for supervising and inspecting the performance of duties by our Board and senior management; the senior management bears the implementation of operational risk management, and is responsible for formulating Administrative Measures for Operational Risk, setting and regularly reviewing operational risk preferences and their transmission mechanisms, fully grasping the overall status of operational risk management, and submitting a comprehensive risk management report covering operational risk to the Board. The Operational Risk Management Committee under the senior management is responsible for operational risk prevention and control across the Group. The Group has established the three lines of defense for operational risk management, covering business and management departments at all levels, and each department carries out operational risk management according to its responsibilities. During the Reporting Period, the Group constantly improved the prevention and control system of operational risk, gradually accomplished the operational risk prevention and control work structure of the case prevention prospect, the stage-gate ante-displacement and methods of case prevention, and improved the long-term mechanism of prevention and control of case and operational risk. We intensified operational risk management mainly in the following aspects:

1. Reinforce internal control level. We optimized the system, process and standards, strengthened special inspections and risk assessment of key businesses, established inspection and rectification implementation mechanism, and guarded against the potential dangers of operational risk based on the analysis of key indicators of risk control and early warnings.

2. Promote the publicity of compliance culture. We carried out publicity and training, adhered to the guidance of culture, strengthened business training, rooted in the concept of "internal control first, compliance-oriented", made compliance awareness deeply rooted among the people, made compliance behavior a habit, integrated compliance requirements into the whole business process, and built a strong line of defense against business development risks.

3. Strengthen the management and control of case risks. We implemented inspections, work shift and compulsory vacation, observed the abnormal behavior of employees on a regular basis, and carried out special initiatives in relation to the admission, exit and ongoing management of partner institutions and investigation of clues related to illegal and criminal clues in "Black-Gray Industries" to prevent and resolve case risks.

4. Raise the level of risk control in science and technology. We paid close attention to development, operation and maintenance, and outsourcing business, improved the quality and efficiency of project construction, and carried out inspections of application system and basic software and hardware, checking information security and security assessment to ensure the safe operation of the system; and conducted inspections on information technology outsourcing to ensure the completeness, compliance and effectiveness of information technology outsourcing management.

Market Risk

Market risk refers to the risk of any loss in our on-balance-sheet and off-balance-sheet activities caused by any adverse change in market prices (interest rates, exchange rates, stock prices and commodity prices). The market risks we face mainly include interest rate risk and exchange rate risk. Our market risk management aims at controlling market risks at an acceptable and reasonable range and achieving continuous and healthy development of various businesses.

Our organizational system for market risk management is jointly constituted by the Board and its committees, senior management and its Centralized Risk Management Committee and Market Risk Management Committee, Risk Management Department, Internal Audit Department, Assets and Liabilities Management Department, International Business Department, Financial Markets Department, each business department and branches of head office. The Board assumes ultimate responsibility for market risk management. The senior management assumes implementation responsibility of market risk management and is responsible for organizing market risk management of the Bank. The Market Risk Management Committee under the senior management is the Bank's deliberation and decision-making body for market risk management and is responsible for deliberating on issues related to market risk management. Each department carries out its work in accordance with the division of responsibilities.

We formulated the operation-suiting basic system of market risk management and the corresponding risk appetite, and set up market risk limit indicators. We continued to improve risk management efficiency through such measures as authorization, credit extension, limit, inspection and report.

1. Interest rate risk analysis

The Bank's market risk in its trading book primarily arises from the impact of market interest rate fluctuations on funding trading positions. Regarding interest rate risk for funding trading positions, the Bank closely monitors domestic and international macroeconomic conditions and market liquidity changes, and implements market risk control measures such as position setting and exposure limits. The Bank uses systems to measure, monitor, and manage market risk daily, conducts daily valuations of trading book positions, continuously monitors indicators such as trading limits and stop-loss limits, and periodically effectively monitors, manages, and reports on the implementation of risk limits.

2. Exchange rate risk analysis

Exchange rate risk is the risk of adverse movements of exchange rate resulting in losses on the foreign currency exposure, which is due to the currency structure's imbalance between foreign currency assets and liabilities. Currently, our exchange rate risk arises primarily from the temporary risk of conversion of proceeds of the Bank from intermarket and foreign exchange settlement and sale business on behalf of customers due to exchange rate fluctuations, and the percentage of such capital is low. Therefore, the adverse effect of exchange rate risk has been kept under our control.

Interest Rate Risk in the Banking Book

Interest rate risk in the banking book refers to the risk of losses in the economic value and overall earnings of the banking book due to adverse changes in interest rate levels, maturity structure, and other factors. The Bank's interest rate risk in the banking book mainly stems from mismatches in the repricing periods of assets and liabilities. The objective of the Bank's interest rate risk management in the banking book is to balance interest rate risk and returns based on assessments of interest rate trends, effectively ensuring controllable interest rate risk in the banking book and sustainable business development.

The Bank has formulated fundamental interest rate risk management policies and risk appetites tailored to its operations, and has set interest rate risk limits for its banking book. Regarding the repricing risk of asset and liability businesses, the Bank primarily adopts regular measurement of interest rate sensitivity gaps, analyzes tolerable interest rate risk through gap analysis, and further assesses the impact of interest rate changes on net profit and other comprehensive income. Based on internal and external management needs, the Bank promptly takes measures to adjust its asset and liability product mix and maturity structure, and adjusts deposit and loan interest rate pricing methods as appropriate, to ensure risk levels are maintained within the Bank's acceptable range.

Liquidity Risk

Liquidity risk refers to the risk that the commercial banks cannot timely obtain sufficient funds at reasonable costs for repaying mature debts, performing other payment obligations and satisfying other capital needs for normal business operation.

Our liquidity risk management aims at fully identifying, measuring and monitoring the liquidity risk in our business lines and links by establishing and continuously improving the strategies, policies, procedures and management systems; ensuring sufficient funds to meet the needs for paying debts due and funding business operation in normal operation and stressful situations; and achieving the coordination and unity between safety, liquidity and profitability in business development to promote our sustainable and healthy operation.

To improve the effectiveness of liquidity risk management, we have established a governance structure for liquidity risk management according to the principle of separating the functions of formulating, implementing and supervising liquidity risk management policies, which provides the duties and reporting lines of the Board and its committees, senior management and its Centralized Risk Management Committee, Liquidity Risk Management Committee and our related departments, branches and sub-branches in respect of liquidity risk management. We have implemented a stable liquidity risk appetite better suiting our current development. Currently, our liquidity risk management policies and systems are in line with regulatory requirements and our management needs.

We carry out centralized management of liquidity risk. Through the perfect system for liquidity risk management, we fully identify, accurately measure, continuously monitor, effectively control and timely report liquidity risk from two aspects: short-term provision and mid-and-long term structure with the information system for liquidity risk management, continuously monitor and analyze the future cash flow and various limits and indicators, and periodically conduct stress testing to judge whether we have the ability to meet the liquidity needs in extreme cases. In addition, we have formulated a liquidity risk contingency plan which we regularly test and evaluate.

We hold sufficient high-quality liquid assets to ensure our liquidity needs, and have adequate intraday liquidity positions and relevant financing arrangements to meet intraday payment needs under both normal and stress scenarios. Most of our funds are from customer deposits. Customer deposits constituted a stable fund resource due to their stable growth, wide varieties and diversified terms during the Reporting Period.

With a sound and compliant internal control system for liquidity risk management, we carry out special internal audit on liquidity risk in due course and form an audit report which will be submitted to the Board.

(The financial data expressed in RMB unless otherwise stated)

While paying close attention to changes in macro finance and economy, we continuously enhanced fine management of liquidity risk. During the Reporting Period, we intensified liquidity risk management mainly in the following aspects:

1. We continuously optimized liquidity risk management and improved the system for liquidity risk management.

2. We intensified our efforts in marketing of deposits, particularly the marketing of personal savings and stable deposits from quality small and medium-sized customers, to promote the growth of various deposits and continuously improve the overall stability of our liabilities.

3. We paid close attention to financial and economic situations at home and abroad and changes in market liquidity, and made a prudent and reasonable judgement to timely adjust our assets and liabilities management strategies; continuously and dynamically monitored various indicators and limits management of liquidity risk through the information system for liquidity risk management and made fund arrangements in advance to ensure sufficient provisions and safe and controllable liquidity risks.

4. We continuously optimized asset-liability structure by constantly intensifying the bidirectional management of assets and liabilities, improving the stability of liabilities through multiple channels, rationally arranging for asset issuance and avoiding centralized maturity of liabilities.

5. We designed several stress scenarios and conducted periodic liquidity risk-related stress testing in strict accordance with relevant provisions under the Administrative Measures on Liquidity Risk of Commercial Banks and based on various macro and micro factors which could affect our liquidity as well as the features, scale, nature, complexity and risk profile of our business.

As of June 30, 2026, the liquidity ratio of the Group was 65.78%, which was 40.78 percentage points higher than relevant regulatory requirements; a liquidity coverage ratio was 181.03%, which was 81.03 percentage points higher than relevant regulatory requirements; and a net stable funding ratio was 130.01%, which was 30.01 percentage points higher than relevant regulatory requirements, reflecting that the Group's major liquidity indexes met and were much higher than regulatory requirements.

(The financial data expressed in RMB unless otherwise stated)

	As of June 30, 2026	As of December 31, 2025
Liquidity ratio	**65.78%**	72.16%

Information Technology Risk Management

Information technology risks represent operational risk, legal risk, reputational risk and other types of risks caused by natural factors, human factors, technical loopholes and management failure arising from the process of using information technology in commercial banks. During the Reporting Period, the Group continued to strengthen information technology risk management through the following measures:

1. Continuously improved the in-depth defense system for cybersecurity, regularly updated virus signature databases, vulnerability patch databases and protection rule databases, and hardened mobile-Internet-based applications including Mobile Banking and Yinqitong. The Group also conducted security assessments and remediated system vulnerabilities prior to information system go-live, and enhanced cybersecurity assurance capabilities.

2. Organized bank-wide training on information technology risk management, cybersecurity, IT outsourcing, and business continuity management, provided feedback on issues found during inspections, highlighted key concerns, and enhanced the IT risk awareness of all employees.

3. Revised emergency response plans for key businesses. For customer-critical businesses such as deposit-withdrawal and fund transfers, the Group took full account of business characteristics, potential impacts on customers and reputation risk management requirements for the new phase, defined corresponding business emergency scenarios, and refined emergency response measures.

(The financial data expressed in RMB unless otherwise stated)

9. SEGMENT REPORTING

The following segment operating results are presented by business segment. The Group's main businesses include corporate banking business, retail banking business, financial market business, unallocated items and others. The following table sets forth a summary of the operating results of each business segment of the Group for the periods indicated.

Unit: RMB'000

Item	For the six months ended June 30, 2026 Segment profit before income tax	2026 Ratio %	2025 Segment profit before income tax	2025 Ratio %
Corporate banking business	**924,641**	**62.85**	621,731	50.14
Retail banking business	**168,111**	**11.43**	108,804	8.78
Financial market business	**375,129**	**25.50**	479,902	38.70
Others	**3,242**	**0.22**	29,489	2.38
Total	**1,471,123**	**100.00**	1,239,926	100.00

Unit: RMB'000

Item	For the six months ended June 30, 2026 Segment operating income	2026 Ratio %	2025 Segment operating income	2025 Ratio %
Corporate banking business	**1,718,008**	**61.27**	1,596,677	65.90
Retail banking business	**458,252**	**16.34**	344,775	14.23
Financial market business	**622,271**	**22.19**	444,148	18.33
Others	**5,545**	**0.20**	37,175	1.54
Total	**2,804,076**	**100.00**	2,422,775	100.00

10. BUSINESS REVIEW

Corporate Banking Business

Adhering to the management tenet of "basing on local conditions, serving small and medium-sized enterprises, paying attention to the people's livelihood and caring for the citizens", the Group actively participates in economic construction and social development, and provides its corporate customers with diversified financial products and services to support their business needs.

Corporate loans

As of the end of the Reporting Period, the Group's corporate loan balance was RMB121,188 million, representing an increase of 10.88% from the beginning of the year. Among these, the Group's loans to large and medium-sized enterprises amounted to RMB50,254 million, accounting for 41.47% of the Group's total corporate loans as of the same date. Loans to small and micro enterprises amounted to RMB70,898 million, accounting for 58.50% of the Group's total corporate loans as of the same date. Other corporate loan balances amounted to RMB36 million, accounting for 0.03% of the Group's total corporate loans as of the same date. Most of the Group's corporate loan clients are enterprises registered or primarily operating in Sichuan Province (mainly Chengdu and Luzhou). Corporate loans have always been the largest component of the Group's loan portfolio.

Bill discounting

Bill discounting refers to the bank acceptance bills and commercial acceptance bills purchased by the Group from our corporate customers at prices lower than the par value. We only buy bank acceptance bills and commercial acceptance bills from corporate customers which meet our credit requirements, which is a form of providing short-term financing for such customers.

We also operate interbank bill discounting and rediscounting businesses in our financial markets business segment. Based on the said businesses, the Group resell discounted bills to the PBOC or other commercial banks at a lower price, which will bring us extra current assets and additional revenue in interest spread.

As of June 30, 2026, the Group's bill discounting amounted to RMB1,608 million.

Corporate deposits

As at the end of the Reporting Period, the Group's corporate customer deposit balance was RMB72,661 million, accounting for 43.53% of total deposits. We offer our corporate customers RMB time and demand deposits. The RMB time deposits we offered to corporate customers have maturities ranging from three months to five years. We also offer negotiated deposit products that have customized interest rates and maturities and other terms. Besides, we provide call deposit products, which have higher interest rates than demand deposits and reserve certain flexibility of demand deposits (customers may send a notice in advance to withdraw the deposits). Our corporate deposit customers primarily include government agencies such as financial, transportation and social security institutions, public institutions, state-owned enterprises and large private corporations.

Corporate products

For financing needs of corporate customers, the Bank has developed a variety of targeted products to meet the diverse financing needs of corporate customers.

The Group has rolled out "Tian Tian Loan C" featuring one-time credit approval, revolving usage, and interest-free repayment for three times within 7 days; "Shui Jin Loan" and "Shui e Loan", which are credit products with tax payment amount as the main basis for credit granting; "Piao e Loan", with the value-added tax invoicing amount as the main basis of credit extension; "Le Ye Dai", "Piao Bao Tong" and "E Lu Dai", which provide supply chain financial services around the upstream and downstream enterprises of core enterprises; we provide micro and small enterprises with "CBD Loan" without collateral and that can be borrowed and repaid at any time; "Fang Hao Loan", which is housing secured loan product providing the one-stop online mortgage registration rolled out based on the mode of "Internet + Real Estate Registration"; "Zheng Cai Loan", with the government purchase orders as the basis of credit extension; "Ying Shang Loan", which is a credit product that takes the transaction breakdown of acquiring business or the average daily corporate deposits as the main basis of credit extension and other products, fully leveraging the advantage of short decision-making chains as a local legal-person institution to provide customers with efficient and convenient financing services.

Corporate banking customer base

As at the end of the Reporting Period, the Group's total number of corporate banking customers was 65,841, an increase of 3,671 from the beginning of the year, representing a growth of 5.90%. By studying the specific financial needs of corporate banking customers, we have launched a broad range of products and services with specific features targeting selected groups of customers. At the same time, the head office has also established a special customer relationship management system, which allows us to closely track our customers' and their partners' business transactions with the head office, enabling us to offer customized financial services to them.

Financial services for micro and small enterprises

We have earnestly implemented the spirit of the Central Economic Work Conference, have put in more efforts to improve the quality and efficiency of financial services for micro and small enterprises by increasing efforts on the use of policies and instruments and strengthening the multiple cooperation among the banks, government, guarantors and enterprises from abroad and by strengthening the deployment of technology, building teams, innovating products, streamlining procedures, reducing fees and profits, optimizing services and deepening the assessment at home. Meanwhile, we have constructed the Huirongtong Small Micro Loan Center, an institution specialized in serving small and micro enterprises, to better meet the financing requirements of micro and small enterprises.

As at the end of the Reporting Period, our loan balance to micro and small enterprises amounted to RMB79,302 million. The number of micro and small customers was 9,744. The balance of our inclusive finance loans to micro and small enterprises amounted to RMB17,440 million, covering 9,386 customers.

Retail Banking Business

The Group provides its retail customers with a wide range of financial products and services, including deposits, loans, card services as well as wealth management and other intermediary businesses. The Group has a broad retail customer base.

As of June 30, 2026, the Group had 1,643.2 thousand retail banking customers with total deposits of RMB90,570 million and total loans of RMB12,104 million.

Retail deposits

The balance of retail deposits was RMB90,570 million, representing an increase of RMB1,128 million or 1.26% as compared to the end of the previous year. In particular, the balance of demand deposits amounted to RMB20,930 million, accounting for 23.11% of the retail deposits.

Retail loans

The Group provides its retail customers with personal business loans, personal consumption loans as well as personal residential and commercial mortgage loans. As of June 30, 2026, the total retail loans were RMB12,104 million.

Bank cards

As of June 30, 2026, the number of historical accumulated cards issued to retail banking customers by the Group was 1,858.0 thousand and the stock of cards was 1,505.9 thousand, representing an increase of 39.9 thousand or 2.72% as compared to the end of the previous year.

Proprietary Wealth Management

We provide our customers with Jin Gui Hua series wealth management products based on their risks and return appetites. Our wealth management funds are mainly invested in assets such as debt securities and money market instruments.

In the first half of 2026, the Group's total sales of wealth management products amounted to RMB7,154 million. As of June 30, 2026, the Group had 25,581 wealth management product customers, comprising 25,562 retail customers and 19 institutional customers. The current product balance was RMB6,112 million.

Agency Wealth Management

The Group provides agency sales services for wealth management products to retail customers. In the first half of 2026, the Group's total agency sales of wealth management products amounted to RMB6,578 million. As of June 30, 2026, the Group had 23,319 agency wealth management product customers, and the product balance was RMB6,180 million.

Agency sales of trust

The Group provides customers with agency sales services of trust plans. In the first half of 2026, the total amount of the Group's agency sales of trust plans amounted to RMB1,059 million. As of June 30, 2026, the Group had 1,667 retail customers holding trust plans sold by us on an agency basis, with product balance of RMB2,465 million.

Precious metal services

The Group provides retail customers with precious metal products and services. The Group commenced to provide sales agency service for precious metal in 2018. As of June 30, 2026, the Group's agency sales of precious metal amounted to RMB12,085.9 thousand.

Financial Market Business

In 2026, facing complex changes in the macro environment, market environment and regulatory environment, the Group fully analysed and assessed the macroeconomic and financial regulatory situation and implemented a series of regulatory requirements to prevent and control financial risks. As a result, all types of financial market business maintained stable growth.

The Group's financial market business primarily includes money market transactions and investment activities.

Money market transactions business

The Group's money market transactions include: interbank deposits and placements, interbank lending and borrowing, bond repurchase, bill rediscount, and issuance of interbank certificates of deposit. During the Reporting Period, the Group actively participated in money market transactions. The Group focused on the management and maintenance of interbank clients, maintained credit sustainability with them, and strived to increase interbank client loyalty while maintaining the diversification and dispersion of our counterparties.

1. *Interbank deposits and placements*

   At the end of the Reporting Period, the balance of deposits from banks and other financial institutions was RMB572 million, representing an increase of RMB211 million or 58.52% as compared to the beginning of the year. The balance of interbank deposits with other banks was RMB307 million, representing an increase of RMB101 million or 49.07% as compared to the beginning of the year. The large change in interbank deposits and placements was mainly because the base of the Group is small at the beginning of the year, while the scope of change is larger in respect of adjustment according to the business needs.

2. *Interbank lending and borrowing*

   At the end of the Reporting Period, the Group's balance of interbank borrowing was RMB906 million, representing an increase of RMB139 million or 18.15% as compared to the beginning of the year. The balance of interbank lending was nil, which remained unchanged from the beginning of the year. The large change in interbank borrowing was primarily because the interbank borrowing base was small at the beginning of the year, resulting in a significant scope of change.

3. *Bond repurchase*

At the end of the Reporting Period, the Group's balance of repurchase was RMB3,688 million, representing a decrease of RMB1,069 million or 22.48% as compared to the beginning of the year. The balance of reverse repurchase was RMB9,347 million, representing an increase of RMB2,303 million or 32.69% as compared to the beginning of the year. The large change in repurchase business was primarily because the bond repurchase business base was small at the beginning of the year, resulting in a significant scope of change.

4. *Bill rediscount*

At the end of the Reporting Period, the Group held rediscount bills amounting to RMB1,608 million, representing a decrease of RMB1,213 million or 42.99% as compared to the beginning of the year, mainly due to adjustments made based on the bill market conditions and our business needs.

5. *Issuance of interbank certificates of deposit*

At the end of the Reporting Period, the balance of interbank certificates of deposit issued by the Group was RMB10,619 million, representing a decrease of RMB3,249 million or 23.43% as compared to the beginning of the year.

Investment business

1. *Bond investment*

As at the end of the Reporting Period, the Group adjusted the total amount and structure of bond investments according to the bond market conditions and its own asset allocation needs. At the end of the Reporting Period, the Group's bond investment amounted to RMB39,700 million, representing a decrease of RMB4,973 million or 11.13% as compared to the beginning of the year. Among which, the balance of treasury bonds was RMB12,760 million, representing an increase of RMB4,330 million or 51.36% as compared to the beginning of the year; the balance of policy financial bonds was RMB10,270 million, representing a decrease of RMB1,580 million or 13.33% as compared to the beginning of the year; the balance of debt securities issued by local governments was RMB2,793 million, representing a decrease of RMB98 million or 3.39% as compared to the beginning of the year; the balance of credit bonds was RMB5,527 million, representing a decrease of RMB2,155 million or 28.05% as compared to the beginning of the year; the balance of debt securities issued by commercial banks was RMB8,350 million, representing a decrease of RMB5,470 million or 39.58% as compared to the beginning of the year.

2. *SPV investment*

As at the end of the Reporting Period, SPV investment was RMB10,716 million, including RMB3,374 million for public offering funds, RMB5,417 million for trust plans, and RMB1,925 million for asset management plans. SPV investment decreased by RMB2,652 million or 19.84% as compared to the beginning of the year, mainly due to the decrease in investments in public offering funds.

Financial Consumer Rights Protection

During the Reporting Period, we closely followed the new developments in regulation in our work on consumer rights protection. Starting with the basic work, we optimized organizational structure, reinforced our awareness of responsibility, gave full play to the legal entity's institutional advantages, improved the financial service capability by focusing on product and service design, supplemented by educational campaigns for the public and internal inspection, and comprehensively improved the overall level of our work on consumer rights protection.

1. Strengthening strategic planning and enhancing organizational leadership

The Bank's development strategy and planning sets out the general planning for consumer rights protection, incorporating consumer rights protection into our corporate governance, the construction of our corporate culture and business development strategies. Our Board of Directors bears the ultimate responsibility for consumer protection, provides general planning and guidance for consumer protection, and supervises the strategic goals, policies and measures related to consumer protection, effectively promoting the advancement of financial consumer rights protection.

2. Improving institutional system and consolidating management foundation

We rationalized the consumer rights protection system, established and improved a consumer rights protection system matching our organizational structure and business development, in order to provide a system guarantee for the effective development of our work on consumer rights protection.

3. Highlighting brand reputation and popularizing public education

Adhering to the concept of "customer-orientated" and "service-creating value", we provide "standardized, rigorous, honest and reliable" financial services to consumers to protect their legitimate rights. During the Reporting Period, we organized and carried out various centralized financial education activities, such as "3.15 Financial Consumer Rights Day", "Long Journey to Popularize Financial Knowledge", "Publicity on Telecom Fraud Prevention", and "Publicity Month for Preventing Illegal Financial Activities", to enhance consumers' risk awareness.

4. Enhancing the sense of responsibility and improving the level of consumer protection

We strictly abide by national laws and regulations, actively adapt to adjustments in regulatory policies, and implement relevant industry standards and operating guidelines. During the Reporting Period, we deeply rooted the concept of consumer protection in product design, services, pricing management, agreement formulation, examination and approval, marketing and publicity, etc., to achieve whole-process, full-coverage and all-round management of consumer rights protection.

Changes in Share Capital and Information on Shareholders

I. CHANGES IN SHARE CAPITAL

During the Reporting Period, the Bank's share capital remained unchanged.

II. STATEMENT OF SHAREHOLDING STRUCTURE

Unit: Share, %

	December 31, 2025		Increase (decrease) during the Reporting Period	**June 30, 2026**	
	Quantity	Percentage		**Quantity**	**Percentage**
Total share capital	2,717,752,062	100.00	0	**2,717,752,062**	**100.00**
Domestic Shares held by legal person	1,914,695,969	70.45	0	**1,914,695,969**	**70.45**
Domestic Shares held by natural person	49,936,093	1.84	0	**49,936,093**	**1.84**
H Shares	753,120,000	27.71	0	**753,120,000**	**27.71**

III. PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES OF THE BANK

The Bank did not purchase, sell or redeem any listed securities of the Bank (including sales of treasury shares) during the Reporting Period. As of the end of the Reporting Period, no treasury shares were held by the Bank.

IV. DETAILS OF SHAREHOLDERS

As of the end of the Reporting Period, the total number of shares of the Bank was 2,717,752,062 Shares, consisting of 1,964,632,062 Domestic Shares and 753,120,000 H Shares.

(I) Shareholding of Top 10 Holders of Domestic Shares of the Bank

Shareholding of top ten holders of Domestic Shares of the Bank is as follows:

Unit: Share

No.	Name of Shareholder	Number of Shares held	Shareholding percentage
1	Luzhou Laojiao Group Co., Ltd.	390,528,000	14.37%
2	Sichuan Jiale Enterprise Group Co., Ltd.	325,440,000	11.97%
3	Luzhou Xinfu Mining Industry Group Co., Ltd.	325,440,000	11.97%
4	Luzhou Municipal Finance Bureau	193,853,760	7.13%
5	Luzhou State-owned Assets Operation Co., Ltd.	173,568,000	6.39%
6	Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd.	110,059,035	4.05%
7	Chengdu Modern Agricultural Development Investment Co., Ltd.	97,252,320	3.58%
8	Luzhou Yunsheng Holdings Group Co., Ltd. (Former name: Luzhou Industrial Development Investment Group Co., Ltd.)	88,232,393	3.25%
9	Luzhou Xinglu Asset Management Co., Ltd.	62,154,702	2.29%
10	Luzhou Laojiao Co., Ltd.	43,392,000	1.60%

(II) Interests and Short Positions of Substantial Shareholders and Other Persons in Shares and Underlying Shares under the Regulations of Hong Kong

To the knowledge of the Directors or chief executives of the Bank, as of June 30, 2026, interests and short positions of the following persons (other than the Directors and chief executives of the Bank) had or were deemed to have in the Shares and underlying Shares of the Bank 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 which were recorded in the register required to be kept pursuant to Section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest	Class of Shares	Long position/ short position	Number of Shares directly or indirectly held (share)	Number of Shares owned with derivative interest (share)	Approximate % of issued Shares in the Bank	Approximate % of the relevant class of Shares in the Bank
Luzhou Laojiao Group Co., Ltd. (瀘州老窖集團有限責任公司)(1)	Beneficial owner	Domestic Shares	Long Position	390,528,000	–		
	Interest in controlled corporation	Domestic Shares	Long Position	43,392,000	–		
				433,920,000		15.97%	22.09%
Sichuan Jiale Enterprise Group Co., Ltd. (四川省佳樂企業集團有限公司)(2)	Beneficial owner	Domestic Shares	Long Position	325,440,000	–	11.97%	16.56%
JIANG Xiaoying (姜曉英)(2)	Interest in spouse	Domestic Shares	Long Position	334,118,400	–	12.29%	17.01%
Luzhou Xinfu Mining Industry Group Co., Ltd. (瀘州鑫福礦業集團有限公司)	Beneficial owner	Domestic Shares	Long Position	325,440,000	–	11.97%	16.56%
Sichuan Xinfu Industrial Group Co., Ltd. (四川鑫福產業集團有限公司)(3)	Interest in controlled corporation	Domestic Shares	Long Position	325,440,000	–	11.97%	16.56%
LAI Dafu (賴大福)(3)	Interest in controlled corporation	Domestic Shares	Long Position	325,440,000	–	11.97%	16.56%
GE Xiuqiong (葛修瓊)(3)	Interest in controlled corporation	Domestic Shares	Long Position	325,440,000	–	11.97%	16.56%
Luzhou Yunsheng Holdings Group Co., Ltd. (瀘州雲晟控股集團有限公司)(4)	Beneficial owner	Domestic Shares	Long Position	88,232,393	–		
	Interest in controlled corporation	Domestic Shares	Long Position	173,809,911	–		
				262,042,304		9.64%	13.34%

Name of Shareholder	Nature of interest	Class of Shares	Long position/ short position	Number of Shares directly or indirectly held (share)	Number of Shares owned with derivative interest (share)	Approximate % of issued Shares in the Bank	Approximate % of the relevant class of Shares in the Bank
Luzhou Xinglu Investment Group Co., Ltd. (瀘州市興瀘投資集團有限公司)[5]	Interest in controlled corporation	Domestic Shares	Long Position	233,613,417	–	8.60%	11.89%
Luzhou Municipal Finance Bureau (瀘州市財政局)	Beneficial owner	Domestic Shares	Long Position	193,853,760	–	7.13%	9.87%
Luzhou State-owned Assets Operation Co., Ltd. (瀘州國有資產經營有限公司)	Beneficial owner	Domestic Shares	Long Position	173,568,000	–	6.39%	8.83%
OTX ADVISORY HOLDINGS, INC.[6]	Beneficial owner	H Shares	Long Position	135,672,000	–	4.99%	18.01%
CHEN Xia (陳霞)[6]	Interest in controlled corporation	H Shares	Long Position	135,672,000	–	4.99%	18.01%
KAM CHING[7]	Beneficial owner	H Shares	Long Position	134,384,800	–	4.94%	17.84%
Mill Creek Asia Limited[7]	Beneficial owner	H Shares	Long Position	134,384,800	–	4.94%	17.84%
JNR Asia Corporation Limited[8]	Beneficial owner	H Shares	Long Position	130,920,000	–	4.82%	17.38%
HUANG Chengping (黃成萍)[8]	Interest in controlled corporation	H Shares	Long Position	130,920,000	–	4.82%	17.38%
Luzhou Fundamental Infrastructure Construction Investment Co., Ltd. (瀘州市基礎建設投資有限公司)[9]	Beneficial owner	Domestic Shares	Long Position	18,007,680	–		
	Interest in controlled corporation	Domestic Shares	Long Position	110,059,035	–		
				128,066,715		4.71%	6.52%

Name of Shareholder	Nature of interest	Class of Shares	Long position/ short position	Number of Shares directly or indirectly held (share)	Number of Shares owned with derivative interest (share)	Approximate % of issued Shares in the Bank	Approximate % of the relevant class of Shares in the Bank
Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd. (瀘州興瀘居泰建設工程集團有限公司)[9]	Beneficial owner	Domestic Shares	Long Position	110,059,035	–	4.05%	5.60%
Luzhou Chengnan Construction Investment Co., Ltd. (瀘州市城南建設投資有限公司)[9]	Interest in controlled corporation	Domestic Shares	Long Position	110,059,035	–	4.05%	5.60%
China Development Fund Co., Ltd. (國開發展基金有限公司)[9]	Interest in controlled corporation	Domestic Shares	Long Position	110,059,035	–	4.05%	5.60%
Guotai Junan International Holdings Limited[10]	Interest in controlled corporation	H Shares	Long Position	120,000,000	–	4.42%	15.93%
	Interest in controlled corporation	H Shares	Short Position	120,000,000	–	4.42%	15.93%
HWABAO TRUST CO., LTD	Trustee	H Shares	Long Position	120,000,000	–	4.42%	15.93%
Luzhou High-tech Investment Group Co., Ltd. (瀘州市高新投資集團有限公司)	Beneficial owner	H Shares	Long Position	120,000,000	–	4.42%	15.93%
Luzhou Liquor Investment Co., Ltd. (瀘州酒業投資有限公司)	Beneficial owner	H Shares	Long Position	72,000,000	–	2.65%	9.56%

Notes:

(1) Luzhou State-owned Assets Supervision and Administration Commission (瀘州市國有資產監督管理委員會) had 90% equity interest in Luzhou Laojiao Group Co., Ltd. Luzhou Laojiao Group Co., Ltd. directly held 390,528,000 Domestic Shares and indirectly held 43,392,000 Domestic Shares through its controlled company Luzhou Laojiao Co., Ltd. (瀘州老窖股份有限公司). By virtue of the SFO, Luzhou Laojiao Group Co., Ltd. is deemed to be interested in the Domestic Shares held by Luzhou Laojiao Co., Ltd.

(2) Mr. XIONG Guoming (熊國銘) (i) indirectly held 8,678,400 Domestic Shares through Sichuan Luzhou Jiale Real Estate Co., Ltd. (四川省瀘州市佳樂房地產有限責任公司). Luzhou Yijia Real Estate Development Co., Ltd. (瀘州益佳房地產開發有限公司) had approximately 92.68% equity interest in Sichuan Luzhou Jiale Real Estate Co., Ltd., Sichuan Jiale Yijia Industrial Co., Ltd. (四川佳樂益佳實業有限公司) had approximately 70.44% equity interest in Luzhou Yijia Real Estate Development Co., Ltd., and Mr. XIONG Guoming had 99.9% equity interest in Sichuan Jiale Yijia Industrial Co., Ltd.; and (ii) held 325,440,000 Domestic Shares through Sichuan Jiale Enterprise Group Co., Ltd. (四川省佳樂企業集團有限公司) and Mr. XIONG Guoming had 99.9% equity interest in Sichuan Jiale Enterprise Group Co., Ltd. By virtue of the SFO, Mr. XIONG Guoming is deemed to be interested in the Domestic Shares held by Sichuan Luzhou Jiale Real Estate Co., Ltd. and Sichuan Jiale Yijia Industrial Co., Ltd. Ms. JIANG Xiaoying (姜曉英) is the spouse of Mr. XIONG Guoming and is deemed to be interested in the Domestic Shares held by Mr. XIONG Guoming under the SFO.

(3) Mr. LAI Dafu and Ms. GE Xiuqiong held 60% and 40% equity interest in Sichuan Xinfu Industrial Group Co., Ltd., respectively. Sichuan Xinfu Industrial Group Co., Ltd. held 92% equity interest in Luzhou Xinfu Mining Industry Group Co., Ltd. By virtue of the SFO, each of Mr. LAI Dafu, Ms. GE Xiuqiong and Sichuan Xinfu Industrial Group Co., Ltd. is deemed to be interested in the Domestic Shares held by Luzhou Xinfu Mining Industry Group Co., Ltd.

(4) Luzhou Yunsheng Holdings Group Co., Ltd. directly held 88,232,393 Domestic Shares and indirectly held 173,568,000 Domestic Shares through its wholly-owned subsidiary, Luzhou State-owned Assets Operation Co., Ltd. and indirectly held 241,911 Domestic Shares through its wholly-owned subsidiary, Lutianhua (Group) Co., Ltd. (瀘天化(集團)有限責任公司). By virtue of the SFO, Luzhou Yunsheng Holdings Group Co., Ltd. is deemed to be interested in the Domestic Shares held by Luzhou State-owned Assets Operation Co., Ltd. and Lutianhua (Group) Co., Ltd.

(5) Luzhou Xinglu Investment Group Co., Ltd. (i) indirectly held 110,059,035 Domestic Shares, through its controlled corporation Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd. (瀘州興瀘居泰建設工程集團有限公司), in which Luzhou Chengnan Construction Investment Co., Ltd. and Luzhou Xinglu Investment Group Co., Ltd. had 45.99% and 51.86% equity interest, respectively. Luzhou Fundamental Infrastructure Construction Investment Co., Ltd. had approximately 50.82% equity interest in Luzhou Chengnan Construction Investment Co., Ltd., and Luzhou Xinglu Investment Group Co., Ltd. had approximately 55.11% equity interest in Luzhou Fundamental Infrastructure Construction Investment Co., Ltd.; (ii) indirectly held 43,392,000 Domestic Shares through its controlled corporation Luzhou Laojiao Co., Ltd., in which Luzhou Xinglu Investment Group Co., Ltd. had approximately 24.86% equity interest. Luzhou Laojiao Group Co., Ltd. and Luzhou Xinglu Investment Group Co., Ltd. entered into an agreement on action in concert valid from June 1, 2024 to May 31, 2027 in respect of their respective equity in Luzhou Laojiao Co., Ltd.; (iii) indirectly held 62,154,702 Domestic Shares through its controlled corporation Luzhou Xinglu Asset Management Co., Ltd., in which Luzhou Xinglu Asset Management Co., Ltd. is wholly owned by Luzhou Xinglu Investment Group Co., Ltd.; and (iv) indirectly held 18,007,680 Domestic Shares through its controlled corporation Luzhou Fundamental Infrastructure Construction Investment Co., Ltd. By virtue of the SFO, Luzhou Xinglu Investment Group Co., Ltd. is deemed to be interested in the Domestic Shares held by Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd., Luzhou Laojiao Co., Ltd., Luzhou Xinglu Asset Management Co., Ltd. and Luzhou Fundamental Infrastructure Construction Investment Co., Ltd.

(6) OTX ADVISORY HOLDINGS, INC. is wholly owned by CHEN Xia. By virtue of the SFO, CHEN Xia is deemed to be interested in the H Shares held by OTX ADVISORY HOLDINGS, INC.

(7) Mill Creek Asia Limited is wholly owned by KAM CHING. By virtue of the SFO, KAM CHING is deemed to be interested in the H Shares held by Mill Creek Asia Limited.

(8) JNR Asia Corporation Limited is wholly owned by HUANG Chengping. By virtue of the SFO, HUANG Chengping is deemed to be interested in the H Shares held by JNR Asia Corporation Limited.

(9) Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd. is held as to 51.86% equity interest by Luzhou Xinglu Investment Group Co., Ltd. and as to 45.99% equity interest by Luzhou Chengnan Construction Investment Co., Ltd., in which Luzhou Fundamental Infrastructure Construction Investment Co., Ltd. and China Development Fund Co., Ltd. held approximately 50.82% and 41.18% equity interest, respectively. By virtue of the SFO, each of Luzhou Xinglu Investment Group Co., Ltd., Luzhou Fundamental Infrastructure Construction Investment Co., Ltd., China Development Fund Co., Ltd. and Luzhou Chengnan Construction Investment Co., Ltd. is deemed to be interested in the Domestic Shares held by Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd.

(10) Guotai Junan Financial Products Limited is wholly owned by Guotai Junan International Holdings Limited. Guotai Junan Financial Holdings Limited had 73.74% equity interest in Guotai Junan International Holdings Limited. Guotai Junan Financial Holdings Limited is wholly owned by Guotai Junan Securities Co., Ltd. By virtue of the SFO, each of Guotai Junan International Holdings Limited, Guotai Junan Financial Holdings Limited and Guotai Junan Securities Co., Ltd. is deemed to be interested in the interests in H Shares of Guotai Junan Financial Products Limited.

Save as disclosed above, to the knowledge of the Directors, the Bank is not aware of any other person (other than the Directors and chief executives of the Bank) having any interests or short positions in the Shares or underlying Shares of the Bank as of June 30, 2026 which are required to be recorded in the register pursuant to section 336 of the SFO.

(III) Substantial Shareholders of the Bank

For information about the substantial Shareholders[1] of the Bank, please refer to the related party relationships and related party transactions under Note 37 to the Condensed Consolidated Financial Statements of this interim report.

Note:

(1) According to the Interim Measures for the Equity Management of Commercial Banks of Former CBIRC (CBRC Order 2018 No. 1), the substantial shareholders of a commercial bank refer to shareholders who hold or control 5% or above shares or voting rights of the commercial bank, or who hold less than 5% of total capital or total shares of the commercial bank but have significant impacts on the operation and management of the commercial bank. The significant impacts mentioned above include but are not limited to dispatching directors or senior executives to a commercial bank.

V. DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE BANK

As of June 30, 2026, based on the information available to the Bank and as far as our Directors are aware, the interests and short positions of our Directors and chief executives in the Shares, underlying Shares and debentures of our Bank or any associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register of interests kept pursuant to section 352 of the SFO, or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were set out as follows:

Interests in the Bank held by our Directors and chief executives							
Name	Position	Nature of interest	Class of Shares	Long position/ short position	Number of Shares directly or indirectly held (share)	Approximate % of interest in our Bank	Approximate % of the relevant class of Shares in the Bank
XIONG Guoming (熊國銘)	Non-executive Director	Interest in controlled corporation	Domestic Shares	Long position	334,118,400	12.29%	17.01%
LIU Shirong (劉仕榮)	Non-executive Director	Beneficial owner	Domestic Shares	Long position	13,018	0.0005%	0.0007%

Save as disclosed above, as of June 30, 2026, none of our Directors and chief executives had any interests or short positions in the Shares, underlying Shares or debentures of our Bank or any associated corporations (as defined in Part XV of the SFO) which were required to be recorded in the register kept pursuant to section 352 of the SFO or which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code.

Directors, Senior Management and Employees

I. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

(I) Directors

As of the Latest Practicable Date, the Board of the Bank consisted of twelve Directors, including one executive Director, namely, Mr. YOU Jiang; six non-executive Directors, namely, Mr. LIU Shirong (employee representative Director), Ms. PAN Lina, Mr. XIONG Guoming, Mr. LUO Huoming, Ms. WANG Jie and Ms. CHEN Ping; and five independent non-executive Directors, namely, Mr. ZHONG Jin, Mr. CHING Yu Lung, Mr. HAN Zirong, Mr. FAN Jingdong and Mr. QIU Wei respectively.

The specific names and members of the six special committees under the Board are as follows:

Development and strategy committee: Ms. PAN Lina (chairperson), Mr. YOU Jiang, Mr. XIONG Guoming, Mr. LUO Huoming and Ms. CHEN Ping

Risk management committee: Mr. XIONG Guoming (chairperson), Mr. YOU Jiang, Mr. LIU Shirong, Mr. ZHONG Jin and Mr. CHING Yu Lung

Audit committee: Mr. CHING Yu Lung (chairperson), Ms. PAN Lina, Mr. HAN Zirong and Mr. QIU Wei

Nomination and remuneration committee: Mr. ZHONG Jin (chairperson), Mr. YOU Jiang, Mr. XIONG Guoming, Mr. HAN Zirong and Mr. QIU Wei

Related party (connected) transactions control committee: Mr. HAN Zirong (chairperson), Mr. LIU Shirong, Mr. ZHONG Jin and Mr. CHING Yu Lung

Consumer rights protection committee: Mr. HAN Zirong (chairperson), Mr. LUO Huoming and Mr. FAN Jingdong

(II) Senior Management

There are 9 senior management members in the Bank, including vice president Mr. WANG Chong, vice president Ms. YUAN Shihong, vice president Mr. WU Ji, vice president and chief information officer Mr. HAN Gang, vice president and secretary to the Board, joint company secretary Mr. MING Yang, vice president Mr. YANG Bing, assistant to president Mr. AI Yong, general manager of the internal audit department Ms. LI Yan, and general manager of accounting and finance department Ms. WANG Lan.

II. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT

(I) Changes in Directors

On December 17, 2025, Ms. WANG Jie was elected as a Non-executive Director of the Bank at the Shareholders' general meeting. The appointment of Ms. WANG Jie became effective on April 14, 2026, upon obtaining the approval for her qualification as a Non-Executive Director from the Sichuan Bureau of the National Financial Regulatory Administration.

On February 9, 2026, Ms. WANG Jie obtained legal advice in accordance with Rule 3.09D of the Listing Rules and confirmed her understanding of the responsibilities as a director.

On December 17, 2025, Mr. QIU Wei was elected as an Independent Non-Executive Director of the Bank at the Shareholders' general meeting, and was appointed by the Board on November 26, 2025 as a member of the Audit Committee and a member of the Nomination and Remuneration Committee of the Board. The appointment of Mr. QIU Wei became effective on April 14, 2026, upon obtaining the approval for his qualification as an Independent Non-Executive Director from the Sichuan Bureau of the National Financial Regulatory Administration.

On February 9, 2026, Mr. QIU Wei obtained legal advice in accordance with Rule 3.09D of the Listing Rules and confirmed his understanding of the responsibilities as a director.

For details of the above changes, please refer to the relevant announcements published by the Bank.

(II) Changes in Senior Management

On March 9, 2026, Mr. WANG Chong obtained the approval for his qualification as Vice President from the Sichuan Bureau of the National Financial Regulatory Administration, with his term of office becoming effective from March 9, 2026.

On March 23, 2026, Mr. LIU Shirong resigned from his position as President of the Bank due to his approaching retirement age; with the approval of the Board of Directors, Mr. WANG Chong, Vice President of the Bank, was authorized to temporarily exercise the powers of the President, effective from the date the Bank submits the report on his interim assumption of duties to the financial regulatory authorities.

On March 23, 2026, Ms. XUE Xiaoqin (formerly known as XUE Defang) resigned from her position as Vice President of the Bank due to her approaching retirement age.

On March 23, 2026, Mr. WANG Chong resigned from his position as President of the Bank's Chengdu Branch due to work adjustments; with the approval of the Board of Directors, Mr. GUO Changliang, Vice President of the Bank's Chengdu Branch, was authorized to temporarily exercise the powers of the President of the Chengdu Branch, effective from the date the Bank submits the report on his interim assumption of duties to the financial regulatory authorities.

On May 8, 2026, Mr. HU Jia resigned from his position as Vice President of the Bank due to personal career development reasons.

(III) Changes in Information of Directors and President

Effective from March 16, 2026, Mr. HAN Zirong, an Independent Non-Executive Director of the Bank, was appointed as a member of the Bank's Audit Committee.

On March 23, 2026, Mr. LIU Shirong ceased to serve as President of the Bank and was re-designated as a Non-Executive Director (Employee Representative Director).

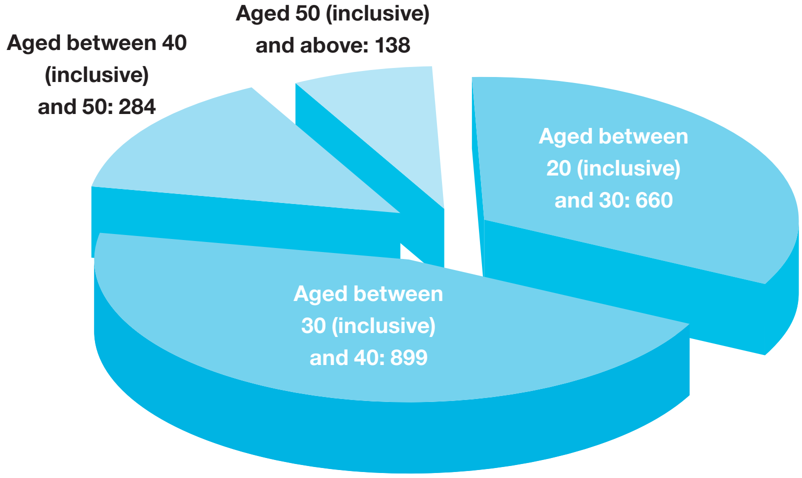
Save as disclosed above, there have been no changes in the information of the Directors and the President of the Bank from the date of the 2025 annual report of the Bank up to the Latest Practicable Date which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

III. SECURITIES TRANSACTION BY DIRECTORS

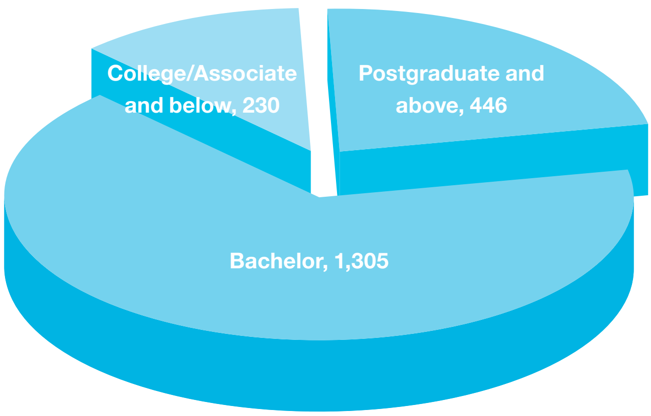
The Bank has adopted the Model Code as its code for regulating securities transactions by Directors of the Bank. Having made specific enquiry with all Directors by the Bank, our Directors confirmed that they had been in compliance with the Model Code throughout the Reporting Period.

IV. DETAILS OF EMPLOYEES

As of June 30, 2026, the Group had a total of 1,981 employees (including staff from Luxian Yuantong Rural Bank and dispatched labor, etc.), with an average age of 34.29 years. Of these, 660 employees were aged 20 (inclusive) to 30, accounting for 33.32%; 899 employees were aged 30 (inclusive) to 40, accounting for 45.38%; 284 employees were aged 40 (inclusive) to 50, accounting for 14.33%; and 138 employees were aged 50 (inclusive) and above, accounting for 6.97%.



By education background, the Bank had 446 employees with postgraduate degrees and above (including 3 doctoral candidates), accounting for 22.51%; 1,305 employees with bachelor degrees, accounting for 65.88%; 230 employees with college/associate degrees and below, accounting for 11.61%.



The Group had a total of 181 technology talents, accounting for 9.14% of the employees of the Group.

V. TRAINING FOR EMPLOYEES

The training for our employees is carried out in accordance with the actual situations of our development strategic objectives and employees' ability and quality. The Bank continuously expands the training platforms, enriches training resources, optimizes training programs, and improves the talent development mechanism. We adopt the organization form of "online and offline, internal and external training, business and management, daily and special, the complementarity between the head office and branches", and continue to promote training programs such as induction training for new employees, leadership development for mid-level managers, international and domestic high-end financial qualified certification training, degree enhancement, and fully optimize and upgrade the cultivation program for young reserve cadres, laying a solid foundation for the continuous development of high-quality financial talents in our Bank. During the Reporting Period, the total number of various internal and external training activities of the Bank reached approximately 130 and the number of participants reached nearly 7,000.

VI. REMUNERATION POLICIES FOR EMPLOYEES

In 2026, the Bank constantly aimed to refine and improve the incentive and restraint mechanism, help employees grow and make progress, increase corporate efficiency and promote its high-quality development, and implemented the market-oriented performance appraisal mechanism based on post salaries and performance-based remuneration. Based on the dual-channel career development system for its employees, the Bank had established dual channels for remuneration promotion of employees, expanded the space for remuneration promotion of professional sequence employees, and built a remuneration exchange link between management sequence and professional sequence. Following the principle of "paying for post, ability and performance", the Bank's post salary was tightly coupled with post value and personal ability, and performance-related pay was closely linked to value creation, contribution and performance, which not only inspired employees to take initiatives to grow and actively improved their ability, but also mobilized employees' working enthusiasm and creativity and enhanced the overall efficiency of the enterprise. The Bank paid "Five Social Insurances and OneHousing Fund (五險一金)" for employees in accordance with the relevant laws. In addition, the Bank purchased supplementary medical insurance for its employees, and established an enterprise annuity plan to provide employees with a relatively complete security system which had effectively improved employees' sense of belonging and strengthened corporate cohesion. At the same time, the Bank had established a mechanism for deferral payment and clawback of performance-related remuneration in accordance with regulatory requirements and business and management needs to promote sound operation and sustainable development of the Bank.

Important Events

CORPORATE GOVERNANCE

During the Reporting Period, the Bank continued to refine its corporate governance structure and improved its corporate governance in strict compliance with laws and regulations such as the Company Law of the PRC, the Commercial Banking Law of the PRC as well as the Listing Rules and in line with the actual conditions of the Bank. We had also adopted Part 2 of the Corporate Governance Code (the "Code") set out in Appendix C1 to the Listing Rules, reached the requirements of the administrative measures and corporate governance for domestic commercial banks, and established a good corporate governance system.

Save as disclosed below, during the Reporting Period, the Bank has complied strictly with the principles and code provisions set out in the Code, as well as some of the recommended best practices. At present, the Board of the Bank has achieved gender diversity, while the appointment of members to the Nomination and Remuneration Committee is determined after comprehensive consideration of directors' professional experience, independence requirements, division of responsibilities of the committee and the overall governance structure arrangements of the Bank. There is a deviation from Code Provision B.3.5 in respect of the relevant arrangements of the Bank for the Reporting Period. Nevertheless, the current composition of the Nomination and Remuneration Committee balances work continuity and performance effectiveness of the committee. The Board will keep under review the membership composition of the committee and make adjustments in a timely manner as appropriate.

We will continue to enhance our corporate governance to ensure compliance with the Code and meet the expectations of the Shareholders and potential investors.

DIVIDENDS DISTRIBUTION

Upon consideration and approval of the 2025 Profit Distribution Plan by the 2025 annual general meeting of the Bank held on June 30, 2026, the Bank distributed final dividends in cash for 2025 of RMB1.3 (tax inclusive) for every 10 shares on July 28, 2026 and RMB353.31 million (tax inclusive) in aggregate to the Shareholders whose names appeared on the register of members of the Bank as of July 10, 2026.

The Bank did not distribute and did not propose to distribute any interim dividend for the six months ended June 30, 2026.

MATERIAL LITIGATIONS AND ARBITRATIONS

During the Reporting Period, there were no litigations or arbitrations which had a material impact on the operation activities of the Group.

PENALTIES IMPOSED ON THE BANK AND DIRECTORS, AND SENIOR MANAGEMENT OF THE BANK

During the Reporting Period, the Bank and all the Directors and senior management had no record of being subject to penalties and circulating criticisms by the CSRC or public censures by the Hong Kong Stock Exchange, or penalties by other regulatory bodies that posed significant impact on the Bank's operation.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

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

REVIEW OF INTERIM RESULTS

The Bank's interim financial information for 2026 (unaudited) prepared in accordance with IFRS has been reviewed by Deloitte Touche Tohmatsu, who has been providing audit service for the Bank since 2025, and an unqualified review report is issued thereon.

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

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS AND MERGER OF ENTERPRISES

During the Reporting Period, the Group had no material acquisition and disposal of assets and merger of enterprises.

SUBSEQUENT MATERIAL EVENTS

The Group has no material subsequent events from the end of the Reporting Period and up to the Latest Practicable Date.

Independent Auditor's Report

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF LUZHOU BANK CO., LTD.
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of LUZHOU BANK CO., LTD. (the "Bank") and its subsidiary (collectively referred to as the "Group") set out on pages 59 to 144, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in shareholders' equity and the 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 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 International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by International Auditing and Assurance Standards Board. 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 International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

25 August 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	Notes	For the six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Interest income		**4,187,530**	3,871,606
Interest expense		**(1,748,469)**	(1,974,583)
Net interest income	3	**2,439,061**	1,897,023
Fee and commission income		**82,398**	102,556
Fee and commission expense		**(29,783)**	(23,896)
Net fee and commission income	4	**52,615**	78,660
Net gains on trading activities	5	**189,292**	321,174
Net gains on financial investments	6	**117,924**	88,745
Other operating income	7	**5,184**	37,173
Operating income		**2,804,076**	2,422,775
Operating expense	8	**(957,277)**	(968,254)
Expected credit losses	9	**(375,324)**	(214,757)
Other assets impairment losses	9	**(352)**	(820)
Operating profit		**1,471,123**	1,238,944
Share of profit of an associate		**–**	982
Profit before income tax		**1,471,123**	1,239,926
Income tax expense	10	**(468,957)**	(337,437)
Net profit		**1,002,166**	902,489
Attributable to:			
Net profit of shareholders of the parent company		**1,001,424**	902,489
Net profit of non-controlling interests		**742**	–
Net profit		**1,002,166**	902,489

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	Notes	For the six months ended 30 June 2026 (Unaudited)	 2025 (Unaudited)
Other comprehensive income/(losses), net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Fair value change of financial assets measured at fair value through other comprehensive income		**26,946**	(9,252)
Expected credit losses of financial assets measured at fair value through other comprehensive income		**(17,888)**	(19,067)
Other comprehensive income/(losses), net of income tax	30	**9,058**	(28,319)
Attributable to:			
Total comprehensive income of shareholders of the parent company		**1,010,482**	874,170
Total comprehensive income of non-controlling interests		**742**	–
Total comprehensive income		**1,011,224**	874,170
Earnings per share			
– Basic and diluted (expressed in RMB yuan)	11	**0.35**	0.30

The accompanying notes form a part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
ASSETS			
Cash and balances with the central bank	12	**16,567,950**	13,675,409
Due from and placements with banks and other financial institutions	13	**9,652,885**	7,249,550
Customer loans	14	**129,419,469**	118,783,713
Financial investments – credit related financial assets	15	**1,448,583**	2,238,079
Financial investments – measured at fair value through profit or loss	16	**17,506,090**	27,873,970
Financial investments – measured at fair value through other comprehensive income	17	**3,516,796**	4,501,042
Financial investments – measured at amortised cost	18	**28,819,168**	24,264,640
Property and equipment	20	**1,451,429**	1,504,452
Deferred income tax assets	21	**1,928,001**	1,950,945
Other assets	22	**976,739**	420,117
Total assets		**211,287,110**	202,461,917
LIABILITIES			
Borrowings from the central bank		**7,681,272**	5,574,887
Due to and placements from banks and other financial institutions	23	**5,178,874**	5,912,573
Customer deposits	24	**166,924,992**	156,555,800
Debt securities issued	25	**15,109,514**	18,293,528
Current tax liabilities		**248,047**	549,126
Other liabilities	26	**1,804,127**	1,844,135
Total liabilities		**196,946,826**	188,730,049
EQUITY			
Equity attributable to shareholders of the Bank			
Share capital	27	**2,717,752**	2,717,752
Other equity instruments	28	**2,399,547**	2,399,547
Capital surplus	27	**1,783,179**	1,783,179
Other reserves	29	**3,650,023**	3,311,087
Retained earnings		**3,690,800**	3,422,062
Subtotal		**14,241,301**	13,633,627
Non-controlling interests		**98,983**	98,241
Total equity		**14,340,284**	13,731,868
Total liabilities and equity		**211,287,110**	202,461,917

The accompanying notes form a part of these condensed consolidated financial statements.

Chairman and Executive Director:
You Jiang

Vice President (discharging duties as Acting President):
Wang Chong

Condensed Consolidated Statement of Changes in Shareholders' Equity

For the six months ended 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company									
				Other reserves						
	Share capital	Other equity instruments	Capital surplus	Surplus reserve	General reserve	Revaluation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance at 1 January 2026 (Audited)	**2,717,752**	**2,399,547**	**1,783,179**	**992,463**	**2,260,726**	**57,898**	**3,422,062**	**13,633,627**	**98,241**	**13,731,868**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,001,424**	**1,001,424**	**742**	**1,002,166**
Changes recognised in other comprehensive income	**-**	**-**	**-**	**-**	**-**	**9,058**	**-**	**9,058**	**-**	**9,058**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**9,058**	**1,001,424**	**1,010,482**	**742**	**1,011,224**
Transfer to general reserve	**-**	**-**	**-**	**-**	**329,878**	**-**	**(329,878)**	**-**	**-**	**-**
Dividends declared to ordinary shareholders (Note 31)	**-**	**-**	**-**	**-**	**-**	**-**	**(353,308)**	**(353,308)**	**-**	**(353,308)**
Interest paid to perpetual bond holders (Note 11)	**-**	**-**	**-**	**-**	**-**	**-**	**(49,500)**	**(49,500)**	**-**	**(49,500)**
Balance at 30 June 2026 (Unaudited)	**2,717,752**	**2,399,547**	**1,783,179**	**992,463**	**2,590,604**	**66,956**	**3,690,800**	**14,241,301**	**98,983**	**14,340,284**
Balance at 1 January 2025 (Audited)	2,717,752	2,296,704	1,786,355	838,507	2,105,856	67,738	2,627,492	12,440,404	–	12,440,404
Net profit for the period	–	–	–	–	–	–	902,489	902,489	–	902,489
Changes recognised in other comprehensive income	–	–	–	–	–	(28,319)	–	(28,319)	–	(28,319)
Total comprehensive income	–	–	–	–	–	(28,319)	902,489	874,170	–	874,170
Contribution from other equity instrument holders	–	1,799,667	–	–	–	–	–	1,799,667	–	1,799,667
Other equity instrument settlements	–	(1,696,824)	(3,176)	–	–	–	–	(1,700,000)	–	(1,700,000)
Transfer to general reserve	–	–	–	–	148,205	–	(148,205)	–	–	–
Dividends declared to ordinary shareholders (Note 31)	–	–	–	–	–	–	(326,130)	(326,130)	–	(326,130)
Interest paid to perpetual bond holders (Note 11)	–	–	–	–	–	–	(95,100)	(95,100)	–	(95,100)
Balance at 30 June 2025 (Unaudited)	2,717,752	2,399,547	1,783,179	838,507	2,254,061	39,419	2,960,546	12,993,011	–	12,993,011

Condensed Consolidated Statement of Changes in Shareholders' Equity

For the six months ended 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to shareholders of the parent company									
				Other reserves						
	Share capital	Other equity instruments	Capital surplus	Surplus reserve	General reserve	Revaluation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance at 1 January 2025 (Audited)	2,717,752	2,296,704	1,786,355	838,507	2,105,856	67,738	2,627,492	12,440,404	–	12,440,404
Consolidation transfer	–	–	–	–	–	–	–	–	97,279	97,279
Net profit for the year	–	–	–	–	–	–	1,541,426	1,541,426	962	1,542,388
Changes recognised in other comprehensive income	–	–	–	–	–	(9,840)	–	(9,840)	–	(9,840)
Total comprehensive income	–	–	–	–	–	(9,840)	1,541,426	1,531,586	962	1,532,548
Contribution from other equity instrument holders	–	1,799,667	–	–	–	–	–	1,799,667	–	1,799,667
Other equity instrument settlements (Note 27)	–	(1,696,824)	(3,176)	–	–	–	–	(1,700,000)	–	(1,700,000)
Transfer to surplus reserve	–	–	–	153,956	–	–	(153,956)	–	–	–
Transfer to general reserve	–	–	–	–	154,870	–	(154,870)	–	–	–
Dividends declared to ordinary shareholders	–	–	–	–	–	–	(326,130)	(326,130)	–	(326,130)
Interest paid to perpetual bond holders	–	–	–	–	–	–	(111,900)	(111,900)	–	(111,900)
Balance at 31 December 2025 (Audited)	2,717,752	2,399,547	1,783,179	992,463	2,260,726	57,898	3,422,062	13,633,627	98,241	13,731,868

The accompanying notes form a part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	**1,471,123**	1,239,926
Adjustments:		
Expected credit losses	**375,324**	214,757
Other assets impairment losses	**352**	820
Depreciation and amortisation	**126,075**	99,327
Net losses on disposal of non-financial assets	**327**	6,012
Net gains arising from financial investments	**(352,161)**	(551,297)
Changes in fair value of financial assets measured at fair value through profit or loss	**44,945**	140,396
Interest income from financial investments	**(466,584)**	(421,234)
Interest expenses on debt securities	**154,653**	171,920
Subtotal	**(117,069)**	(339,299)
Net changes in operating assets:		
Net increase in balances with the central bank	**(239,532)**	(827,510)
Net increase in due from and placements with banks and other financial institutions	**(2,303,127)**	(85,534)
Net increase in customer loans	**(11,103,019)**	(13,697,884)
Net decrease/(increase) in financial assets for trading	**7,395,437**	(2,823,365)
Net decrease/(increase) in other operating assets	**400,756**	(750,277)
Net changes in operating liabilities:		
Net increase/(decrease) in borrowings from the central bank	**2,093,450**	(648,498)
Net decrease in due to and placements from banks and other financial institutions	**(718,940)**	(66,312)
Net increase in customer deposits	**10,436,738**	19,767,520
Net decrease in other operating liabilities	**(432,177)**	(148,408)
Net cash flows from operating activities before income tax	**6,883,640**	1,620,359
Income tax paid	**(746,044)**	(590,111)
Net cash flows generated from operating activities	**6,137,596**	1,030,248

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026
(All amounts expressed in thousands of RMB unless otherwise stated)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment, and non-financial assets	**779**	52,677
Purchase of property, plant and equipment, and non-financial assets	**(107,305)**	(109,203)
Interest income arising from financial investment securities	**423,616**	406,559
Purchase of investment securities	**(5,228,088)**	(10,727,429)
Proceeds from sale and redemption of financial investments	**4,961,096**	8,937,500
Net cash flows generated from/(used in) investing activities	**50,098**	(1,439,896)
Cash flows from financing activities:		
Proceeds from issuance of other equity instruments	**–**	1,799,667
Proceeds from issuance of debt securities	**7,731,930**	6,400,000
Redemption of other equity instruments	**–**	(1,700,000)
Repayment of debt securities upon maturity	**(10,980,000)**	(4,840,000)
Interest paid on debt securities	**(90,596)**	(96,400)
Dividends paid to shareholders	**(122)**	(72)
Dividends paid to perpetual bond holders	**(49,500)**	(95,100)
Cash payment for other financing activities	**(43,760)**	(29,969)
Net cash flow (used in)/generated from financing activities	**(3,432,048)**	1,438,126
Impact of exchange rate fluctuation on cash and cash equivalents	**(1,711)**	(233)
Net increase in cash and cash equivalents	**2,753,935**	1,028,245
Cash and cash equivalents at the beginning of the period	**5,617,781**	3,522,163
Cash and cash equivalents at the end of the period (Note 32)	**8,371,716**	4,550,408

The accompanying notes form a part of these condensed consolidated financial statements.

1. GENERAL INFORMATION

Luzhou Bank Co., Ltd. (the "Bank"), with the approval of the People's Bank of China, was established on 15 September 1997 as a joint-stock commercial bank under the name of "Luzhou City United Bank" in accordance with the Company Law of China. The Bank was jointly sponsored by Luzhou Finance Bureau, the shareholders of eight urban credit cooperatives, two rural credit cooperatives and other new corporate shareholders.

On 8 May 1998, the Sichuan Branch of the People's Bank of China approved the renaming of the Bank from "Luzhou City United Bank" to "Luzhou City Commercial Bank Co., Ltd.". On 4 June 2019, in accordance with the approval of the Sichuan Supervisory Bureau of China Banking and Insurance Regulatory Commission (former CBIRC, later formed National Financial Regulatory Administration or NFRA) and the approval of Luzhou City Market Supervision and Administration Bureau, the Bank was formally renamed to "Luzhou Bank Co., Ltd.". The Bank was listed on the main board of Stock Exchange of Hong Kong on 17 December 2018. As at 30 June 2026, the total issued share capital of the Bank is RMB2,717,752,062 with a par value of RMB1 per share.

The main lines of business of the Bank include corporate banking, retail banking and financial markets operations.

Luxian Yuantong Rural Bank Co., Ltd. ("Yuantong Rural Bank"), the subsidiary of the Bank, was established on 12 August 2009, with a registered capital of RMB30.00 million. Yuantong Rural Bank was established upon the initiative of the Bank. As of 30 June 2026, the Bank held 51% equity of the subsidiary, which representing capital of RMB15.30 million. The Bank and its subsidiaries are collectively referred to as the "Group".

This condensed consolidated financial statements was authorised for issue by the Board of Directors of the Bank on 25 August 2026.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"), and should be read in conjunction with the audited annual consolidated financial statements for the year ended 31 December 2025.

The condensed consolidated financial statements are unaudited, but have been reviewed by Deloitte Touche Tohmatsu in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the International Auditing and Assurance Standards Board.

The Group's consolidated structured entities are measured and presented according to the accounting policies applicable to financial instruments to reflect the substance.

(All amounts expressed in thousands of RMB unless otherwise stated)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Accounting judgements and estimates

The preparation of the condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2025. Actual results may differ from these estimates.

2.3 Significant accounting policies

In the current period, the Group has applied, for the first time, the following amendments to IFRSs (including IASs and its amendments) issued by the IASB.

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 adoption of the amendments has no material impact on the financial position and the financial performance of the Group.

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

Other than the application of the amendments to IFRSs (including IASs and its amendments) mentioned above, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

(All amounts expressed in thousands of RMB unless otherwise stated)

3. NET INTEREST INCOME

	For the six months ended 30 June	
	2026	2025
Interest income		
Balances with the central bank	**74,161**	65,998
Due from and placements with banks and other financial institutions	**39,047**	30,326
Customer loans	**3,607,738**	3,354,048
Financial investments – credit related financial assets	**44,239**	54,129
Financial investments	**422,345**	367,105
Subtotal	**4,187,530**	3,871,606
Interest expense		
Due to the central bank	**(46,610)**	(48,752)
Due to and placements from banks and other financial institutions	**(31,060)**	(38,477)
Customer deposits	**(1,514,418)**	(1,713,228)
Debt securities issued	**(154,653)**	(171,920)
Others	**(1,728)**	(2,206)
Subtotal	**(1,748,469)**	(1,974,583)
Net interest income	**2,439,061**	1,897,023

(All amounts expressed in thousands of RMB unless otherwise stated)

4. NET FEE AND COMMISSION INCOME

	For the six months ended 30 June	
	2026	2025
Fee and commission income		
Commission income from guarantees and credit commitment services	**35,958**	13,342
Commission income from wealth management agency services	**33,374**	78,907
Commission income from agency services	**7,361**	5,301
Commission income from settlement services	**3,628**	2,020
Commission income from investment banking services	**1,088**	2,229
Commission income from bank card services	**602**	644
Other commission income	**387**	113
Total	**82,398**	102,556
Fee and commission expense	**(29,783)**	(23,896)
Net fee and commission income	**52,615**	78,660

5. NET GAINS ON TRADING ACTIVITIES

	For the six months ended 30 June	
	2026	2025
Debt securities-realised gains	**179,489**	436,561
Debt securities-unrealised fair value change	**8,965**	(111,110)
Foreign exchange gains/(losses)	**838**	(4,277)
Total	**189,292**	321,174

(All amounts expressed in thousands of RMB unless otherwise stated)

6. NET GAINS ON FINANCIAL INVESTMENTS

	For the six months ended 30 June	
	2026	2025
Financial investments measured at FVTPL-realised gains	**180,040**	114,766
Financial investments measured at FVTPL-unrealised fair value change	**(53,910)**	(29,286)
Net (losses)/gains arising from de-recognition of FVTOCI	**(8,206)**	3,265
Total	**117,924**	88,745

7. OTHER OPERATING INCOME

	For the six months ended 30 June	
	2026	2025
Incentives and government subsidies	**3,103**	34,649
Rental income from investment properties	**1,318**	1,396
Penalty on early termination of contracts	**150**	227
Net gains on disposal of non-current assets[(1)]	**–**	95
Other miscellaneous income	**613**	806
Total	**5,184**	37,173

(1) The net gains on disposal of non-current assets mainly comprises of net gains on disposal of foreclosed assets.

(All amounts expressed in thousands of RMB unless otherwise stated)

8. OPERATING EXPENSE

	For the six months ended 30 June	
	2026	2025
Staff costs (including directors and supervisors' emoluments (allowance inclusive))[(1)]	**486,687**	478,589
Business and administrative expenses	**265,805**	281,049
Depreciation and amortisation	**126,075**	99,327
Taxes and surcharges	**43,602**	49,039
Professional service fee	**16,933**	15,717
Expenditures on public welfare donations	**300**	4,100
Others	**17,875**	40,433
Total	**957,277**	968,254

(1) Staff costs

	For the six months ended 30 June	
	2026	2025
Salaries and bonuses	**326,133**	332,072
Defined contribution plans[(a)]	**60,184**	53,038
Staff benefits	**34,430**	32,183
Housing benefits and subsidies	**23,984**	20,404
Other social security and benefit costs	**32,247**	30,521
Staff education and labour union expenses	**9,709**	10,371
Total	**486,687**	478,589

(All amounts expressed in thousands of RMB unless otherwise stated)

8. OPERATING EXPENSE (continued)

(1) Staff costs (continued)

(a) Defined contribution plans

The Bank's defined contribution plans are mainly basic pension insurance, enterprise annuity and unemployment insurance paid for employees.

Employees who retire after 8 November 2016 can voluntarily participate in an annuity plan set up by the Bank pursuant to related state corporate annuity regulations. The Bank contributes to the annuity plan based on certain percentage of the employees' gross salary of previous year and the contribution is recognised in profit or loss as incurred.

The amount recognised in profit or loss is as follows:

	For the six months ended 30 June	
	2026	2025
Expenses incurred for retirement benefit plans and unemployment insurance	**28,776**	25,837
Expenses incurred for corporate annuity plan	**31,408**	27,201
Total	**60,184**	53,038

The amount payable at the end of the period/year is as follows:

Statement of financial position obligations for:	**30 June 2026**	31 December 2025
Expenses incurred for retirement benefit plans and unemployment insurance	**49**	–
Expenses incurred for corporate annuity plan	**11**	6
Total	**60**	6

(All amounts expressed in thousands of RMB unless otherwise stated)

9. EXPECTED CREDIT LOSSES/OTHER ASSETS IMPAIRMENT LOSSES

	For the six months ended 30 June 2026	2025
ECL for customer loans measured at amortised cost (Note 14(b))	**354,109**	451,919
ECL for customer loans – measured at FVTOCI (Note 14(b))	**(24,562)**	(83)
ECL for financial investments – credit related financial assets (Note 15)	**(21,498)**	(231,868)
ECL for financial investments – measured at amortised cost (Note 18)	**79,346**	4,446
ECL for financial investments – measured at FVTOCI (Note 17)	**(727)**	(15,171)
ECL for reverse repurchase agreements, due from other banks and financial institutions (Note 13)	**149**	369
ECL for credit commitments	**(11,633)**	4,854
ECL for other receivables	**140**	291
Total	**375,324**	214,757

	For the six months ended 30 June 2026	2025
Other assets impairment losses(1)	**352**	820

(1) Other assets impairment losses are the impairment losses for foreclosed assets.

10. INCOME TAX EXPENSE

	For the six months ended 30 June 2026	2025
Current income tax	**449,031**	258,171
Deferred income tax (Note 21)	**19,926**	79,266
Total	**468,957**	337,437

(All amounts expressed in thousands of RMB unless otherwise stated)

10. INCOME TAX EXPENSE (continued)

The difference between the actual income tax charge in the profit or loss and the amounts which would result from applying the enacted tax rate 25% (for the six months ended 30 June 2025: 25%) to profit before income tax can be reconciled as follows:

	For the six months ended 30 June	
	2026	2025
Profit before income tax	**1,471,123**	1,239,926
Tax calculated at a tax rate of 25%	**367,781**	309,982
Tax effect arising from non-taxable income[a]	**(69,352)**	(35,943)
Tax effect of expenses that are not deductible for tax purposes[b]	**90,342**	52,481
Income tax adjustment for prior years	**80,186**	10,917
Income tax expense	**468,957**	337,437

(a) The non-taxable income mainly represents the interest income arising from the PRC government bonds, municipal debts and dividend income from funds in China mainland.

(b) The expenses that are not tax deductible for tax purposes mainly represent non-deductible losses resulting from write-offs of certain non-performing loans and business entertainment expenses in excess of the relevant deductible threshold under PRC tax regulations.

(c) As at 30 June 2026, the amount of current income tax liabilities was RMB22,993 thousand (As at 31 December 2025: RMB321,295 thousand).

11. BASIC AND DILUTED EARNINGS PER SHARE

	For the six months ended 30 June	
	2026	2025
Net profit attributable to shareholders of the parent company	**1,001,424**	902,489
Less: interest on perpetual bonds declared	**(49,500)**	(95,100)
Profit attributable to ordinary shareholders of the parent company	**951,924**	807,389
Weighted average number of ordinary shares issued (in thousand shares)	**2,717,752**	2,717,752
Basic and diluted earnings per share (RMB)[i]	**0.35**	0.30

(i) The Bank issued non-cumulative perpetual bonds on 31 December 2024 and 13 June 2025 under the terms and conditions as detailed in Note 28.1 Perpetual Bonds. For the purpose of calculating basic earnings per share, distributions on non-cumulative perpetual bonds declared in respect of the period should be deducted from the amounts attributable to shareholders of the Bank. The Bank has declared distributions on perpetual bonds of RMB49,500 thousand for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB95,100 thousand). There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

(All amounts expressed in thousands of RMB unless otherwise stated)

12. CASH AND BALANCES WITH THE CENTRAL BANK

	30 June 2026	31 December 2025
Cash	**155,308**	140,017
Mandatory reserve deposits with the central bank[(a)]	**8,493,658**	8,243,512
Surplus reserve deposits with the central bank	**7,909,639**	5,271,975
Fiscal deposits with the central bank	**4,742**	15,356
Accrued interest	**4,603**	4,549
Total	**16,567,950**	13,675,409

(a) The Group is required to place mandatory reserve deposits and mandatory reserve for foreign exchange with the People's Bank of China ("the central bank"). These mandatory reserves are not available for use in the daily business of the Group.

As at 30 June 2026 and 31 December 2025, the mandatory reserve deposits rates of the Group are as follows:

	30 June 2026	31 December 2025
Mandatory reserve rate for deposits denominated in RMB	**5.00%**	5.00%

Surplus reserve deposits are maintained with the central bank mainly for the purpose of settlement and clearing.

13. DUE FROM AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2026	31 December 2025
Due from banks and other financial institutions	**306,769**	205,789
Reverse repurchase agreements – debt securities	**9,347,467**	7,044,340
Accrued interest	**328**	951
Less: ECL allowance	**(1,679)**	(1,530)
Total	**9,652,885**	7,249,550

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS

(a) Customer loans

	30 June 2026	31 December 2025
Customer loans measured at amortised cost		
Corporate loans	**121,188,215**	109,293,854
Personal loans	**12,104,181**	12,011,423
Accrued interest	**575,059**	703,202
Gross amount of loans measured at amortised cost	**133,867,455**	122,008,479
Less: ECL allowance	**(6,056,382)**	(6,046,172)
Net customer loans measured at amortised cost	**127,811,073**	115,962,307
Customer loans – measured at FVTOCI		
Discounted bills – measured at FVTOCI	**1,608,396**	2,821,406
Net customer loans	**129,419,469**	118,783,713

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS (continued)

(b) Movements on ECL allowance

Corporate loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2026	**3,205,685**	**1,199,356**	**894,678**	**5,299,719**
Transfer:				
– *to stage 1*	599	(599)	–	–
– *to stage 2*	(1,142)	1,142	–	–
– *to stage 3*	(597)	(89,750)	90,347	–
Charge/(Reverse) for the period	197,785	(121,927)	53,617	129,475
Write-offs	–	–	(145,217)	(145,217)
Recoveries of loans previously written off	–	–	4,138	4,138
Other movements	–	–	(6,953)	(6,953)
As at 30 June 2026	**3,402,330**	**988,222**	**890,610**	**5,281,162**

Personal loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2026	**347,351**	**55,344**	**343,758**	**746,453**
Transfer:				
– *to stage 1*	10,388	(5,136)	(5,252)	–
– *to stage 2*	(4,668)	6,845	(2,177)	–
– *to stage 3*	(11,621)	(39,361)	50,982	–
Charge/(Reverse) for the period	(9,636)	26,619	207,651	224,634
Write-offs	–	–	(201,609)	(201,609)
Recoveries of loans previously written off	–	–	15,421	15,421
Other movements	–	–	(9,679)	(9,679)
As at 30 June 2026	**331,814**	**44,311**	**399,095**	**775,220**

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS (continued)

(b) Movements on ECL allowance (continued)

Discounted bills	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2026	**61,493**	**–**	**–**	**61,493**
Reverse for the period	**(23,129)**	**–**	**(1,433)**	**(24,562)**
Recoveries of loans previously written off	**–**	**–**	**1,433**	**1,433**
As at 30 June 2026	**38,364**	**–**	**–**	**38,364**

Corporate loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	2,422,098	1,432,083	789,038	4,643,219
Transfer upon consolidation	7,986	8,927	4,887	21,800
Transfer:				
– to stage 1	34,359	(34,359)	–	–
– to stage 2	(2,573)	20,162	(17,589)	–
– to stage 3	(2,239)	(50,242)	52,481	–
Charge/(Reverse) for the year	746,054	(177,215)	(109,341)	459,498
Write-offs	–	–	(26,002)	(26,002)
Recoveries of loans previously written off	–	–	207,913	207,913
Other movements	–	–	(6,709)	(6,709)
As at 31 December 2025	3,205,685	1,199,356	894,678	5,299,719

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS (continued)

(b) Movements on ECL allowance (continued)

Personal loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	343,146	54,486	301,687	699,319
Transfer upon consolidation	2,824	4,113	8,468	15,405
Transfer:				
– to stage 1	13,357	(6,598)	(6,759)	–
– to stage 2	(12,034)	13,291	(1,257)	–
– to stage 3	(35,804)	(27,468)	63,272	–
Charge for the year	35,862	17,520	277,241	330,623
Write-offs	–	–	(309,615)	(309,615)
Recoveries of loans previously written off	–	–	27,591	27,591
Other movements	–	–	(16,870)	(16,870)
As at 31 December 2025	347,351	55,344	343,758	746,453

Discounted bills	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	3,905	–	–	3,905
Charge for the year	57,588	–	–	57,588
As at 31 December 2025	61,493	–	–	61,493

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS (continued)

(c) Movements on gross amount (excluding accrued interest) of customer loans

The following table further illustrates the changes in the gross amounts of the corporate and personal loans portfolios (excluding interest receivable) to explain the impact of these changes on the portfolio's ECL.

Corporate loans gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2026	**105,433,770**	**2,950,825**	**909,259**	**109,293,854**
Transfer:				
– *to stage 1*	**2,000**	**(2,000)**	**–**	**–**
– *to stage 2*	**(45,072)**	**45,072**	**–**	**–**
– *to stage 3*	**(21,374)**	**(240,862)**	**262,236**	**–**
Net increase/(decrease) for the period	**12,317,390**	**(217,903)**	**(59,909)**	**12,039,578**
Write-offs	**–**	**–**	**(145,217)**	**(145,217)**
As at 30 June 2026	**117,686,714**	**2,535,132**	**966,369**	**121,188,215**

Personal loans gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2026	**11,302,168**	**143,221**	**566,034**	**12,011,423**
Transfer:				
– *to stage 1*	**25,729**	**(15,839)**	**(9,890)**	**–**
– *to stage 2*	**(87,605)**	**91,705**	**(4,100)**	**–**
– *to stage 3*	**(199,475)**	**(93,310)**	**292,785**	**–**
Net increase/(decrease) for the period	**334,394**	**(18,076)**	**(21,951)**	**294,367**
Write-offs	**–**	**–**	**(201,609)**	**(201,609)**
As at 30 June 2026	**11,375,211**	**107,701**	**621,269**	**12,104,181**

Discounted bills gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2026	**2,821,406**	**–**	**–**	**2,821,406**
Net decrease for the period	**(1,213,010)**	**–**	**–**	**(1,213,010)**
As at 30 June 2026	**1,608,396**	**–**	**–**	**1,608,396**

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS (continued)

(c) Movements on gross amount (excluding accrued interest) of customer loans (continued)

Corporate loans gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	84,971,473	3,748,323	916,197	89,635,993
Transfer upon consolidation	446,311	23,680	5,413	475,404
Transfer:				
– to stage 1	106,100	(106,100)	–	–
– to stage 2	(126,769)	163,519	(36,750)	–
– to stage 3	(77,215)	(114,000)	191,215	–
Net increase/(decrease) for the year	20,113,870	(764,597)	(140,814)	19,208,459
Write-offs	–	–	(26,002)	(26,002)
As at 31 December 2025	105,433,770	2,950,825	909,259	109,293,854

Personal loans gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	12,810,795	129,471	492,192	13,432,458
Transfer upon consolidation	145,800	16,145	15,248	177,193
Transfer:				
– to stage 1	30,468	(17,576)	(12,892)	–
– to stage 2	(118,089)	120,487	(2,398)	–
– to stage 3	(384,764)	(65,040)	449,804	–
Net decrease for the year	(1,182,042)	(40,266)	(66,305)	(1,288,613)
Write-offs	–	–	(309,615)	(309,615)
As at 31 December 2025	11,302,168	143,221	566,034	12,011,423

Discounted bills gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	202,219	–	–	202,219
Net increase for the year	2,619,187	–	–	2,619,187
As at 31 December 2025	2,821,406	–	–	2,821,406

(All amounts expressed in thousands of RMB unless otherwise stated)

14. CUSTOMER LOANS (continued)

(d) Customer loans listed by stages

As at 30 June 2026	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Total customer loans	**130,670,321**	**2,642,833**	**1,587,638**	**134,900,792**
– Corporate loans	**117,686,714**	**2,535,132**	**966,369**	**121,188,215**
– Personal loans	**11,375,211**	**107,701**	**621,269**	**12,104,181**
– Discounted bills	**1,608,396**	**–**	**–**	**1,608,396**
Accrued interest	**178,521**	**208,304**	**188,234**	**575,059**
Less: ECL allowance	**(3,734,144)**	**(1,032,533)**	**(1,289,705)**	**(6,056,382)**
Net customer loans	**127,114,698**	**1,818,604**	**486,167**	**129,419,469**

As at 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Total customer loans	119,557,344	3,094,046	1,475,293	124,126,683
– Corporate loans	105,433,770	2,950,825	909,259	109,293,854
– Personal loans	11,302,168	143,221	566,034	12,011,423
– Discounted bills	2,821,406	–	–	2,821,406
Accrued interest	155,550	359,181	188,471	703,202
Less: ECL allowance	(3,553,036)	(1,254,700)	(1,238,436)	(6,046,172)
Net customer loans	116,159,858	2,198,527	425,328	118,783,713

(All amounts expressed in thousands of RMB unless otherwise stated)

15. FINANCIAL INVESTMENTS – CREDIT RELATED FINANCIAL ASSETS

The Group's financial investments – credit related financial assets are corporate loans issued through consolidated structured entities (trust and asset management plans).

	30 June 2026	31 December 2025
Financial investments – credit related financial assets		
– Trust and asset management plans	**1,492,230**	2,292,022
Accrued interest	**154,675**	165,877
Gross amount	**1,646,905**	2,457,899
Less: ECL allowance	**(198,322)**	(219,820)
Total	**1,448,583**	2,238,079

(1) Analysis by type of collaterals:

	30 June 2026	31 December 2025
Unsecured	**399,980**	399,980
Guaranteed	**1,092,250**	1,788,292
Pledged	**–**	103,750
Total	**1,492,230**	2,292,022

(All amounts expressed in thousands of RMB unless otherwise stated)

15. FINANCIAL INVESTMENTS – CREDIT RELATED FINANCIAL ASSETS (continued)

(2) The movement of ECL of financial investments – credit related financial assets is as follows:

	Financial investments – credit related financial assets			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
As at 1 January 2026	**51,470**	**–**	**168,350**	**219,820**
Reverse for the period	**(21,498)**	**–**	**–**	**(21,498)**
As at 30 June 2026	**29,972**	**–**	**168,350**	**198,322**

	Financial investments – credit related financial assets			
	12-month ECL for Stage 1	Lifetime ECL for Stage 2	Lifetime ECL for Stage 3	Total
As at 1 January 2025	48,106	–	465,445	513,551
Charge/(reverse) for the year	3,364	–	(272,684)	(269,320)
Other movements	–	–	(24,411)	(24,411)
As at 31 December 2025	51,470	–	168,350	219,820

(All amounts expressed in thousands of RMB unless otherwise stated)

15. FINANCIAL INVESTMENTS – CREDIT RELATED FINANCIAL ASSETS (continued)

(3) The movement on gross amount (excluding accrued interest) of financial investments – credit related financial assets is as follows:

	Financial investments – credit related financial assets			
Gross amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at 1 January 2026	**2,123,672**	**–**	**168,350**	**2,292,022**
Net decrease for the period	**(799,792)**	**–**	**–**	**(799,792)**
As at 30 June 2026	**1,323,880**	**–**	**168,350**	**1,492,230**

	Financial investments – credit related financial assets			
Gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	1,821,617	–	628,350	2,449,967
Net increase/(decrease) for the year	302,055	–	(460,000)	(157,945)
As at 31 December 2025	2,123,672	–	168,350	2,292,022

(All amounts expressed in thousands of RMB unless otherwise stated)

16. FINANCIAL INVESTMENTS – MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
Financial investments – measured at fair value through profit or loss		
– Listed outside Hong Kong	**2,729,028**	3,813,178
– Unlisted(1)	**14,777,062**	24,060,792
Total	**17,506,090**	27,873,970

(1) Unlisted financial investments measured at fair value through profit or loss are set out below:

	30 June 2026	31 December 2025
Financial assets measured at fair value through profit or loss (unlisted)		
– Treasury bonds	**364,099**	363,740
– Policy bank bonds	**50,768**	454,087
– Commercial bank bonds	**8,328,134**	13,697,778
– Corporate bonds	**496,663**	1,029,146
– Mutual funds	**3,732,816**	6,302,693
– Trust and asset management plans	**1,770,216**	2,178,982
– Equity investments at fair value	**34,366**	34,366
Total	**14,777,062**	24,060,792

The Group's unlisted bonds are traded in the inter-bank bond market in Mainland China.

(2) Financial investments measured at fair value through profit or loss by the issuer are set out below:

	30 June 2026	31 December 2025
Financial investments – measured at fair value through profit or loss		
– Governments	**364,099**	363,740
– Policy banks	**50,768**	454,087
– Commercial banks	**8,328,134**	13,697,778
– Other financial institutions	**5,447,168**	8,380,811
– Corporates	**3,315,921**	4,977,554
Total	**17,506,090**	27,873,970

(All amounts expressed in thousands of RMB unless otherwise stated)

17. FINANCIAL INVESTMENTS – MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2026	31 December 2025
Financial investments – measured at FVTOCI		
– Listed outside Hong Kong	**38,702**	39,306
– Unlisted [(1)]	**3,445,861**	4,424,059
Subtotal	**3,484,563**	4,463,365
Accrued interest	**32,233**	37,677
Total	**3,516,796**	4,501,042

(1) Unlisted financial investments measured at fair value through other comprehensive income are set out below:

	30 June 2026	31 December 2025
Financial investments – measured at FVTOCI (unlisted)		
– Treasury bonds	**2,227,120**	2,382,274
– Local government bonds	**516,812**	1,175,300
– Policy bank bonds	**539,668**	642,607
– Commercial bank bonds	**–**	59,855
– Corporate bonds	**162,261**	164,023
Total	**3,445,861**	4,424,059

The Group's unlisted bonds are traded in the inter-bank bond market in Mainland China.

(2) Financial investments measured at fair value through other comprehensive income by the issuer are set out below:

	30 June 2026	31 December 2025
Financial investments – measured at FVTOCI		
– Government	**2,743,932**	3,557,574
– Policy bank	**539,668**	642,607
– Commercial bank	**–**	59,855
– Corporate	**200,963**	203,329
Total	**3,484,563**	4,463,365

(All amounts expressed in thousands of RMB unless otherwise stated)

17. FINANCIAL INVESTMENTS – MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

(3) The movement of ECL allowance of financial investments – measured at FVTOCI is as follows:

	Financial investments – measured at FVTOCI			
	12-month ECL for Stage 1	**Lifetime ECL for Stage 2**	**Lifetime ECL for Stage 3**	**Total**
As at 1 January 2026	**3,813**	**–**	**–**	**3,813**
Reverse for the period	**(727)**	**–**	**–**	**(727)**
As at 30 June 2026	**3,086**	**–**	**–**	**3,086**

	Financial investments – measured at FVTOCI			
	12-month ECL for Stage 1	Lifetime ECL for Stage 2	Lifetime ECL for Stage 3	Total
As at 1 January 2025	18,896	–	–	18,896
Reverse for the year	(15,083)	–	(632)	(15,715)
Recoveries of financial investments previously written off	–	–	632	632
As at 31 December 2025	3,813	–	–	3,813

(All amounts expressed in thousands of RMB unless otherwise stated)

18. FINANCIAL INVESTMENTS – MEASURED AT AMORTISED COST

	30 June 2026	31 December 2025
Financial investments – measured at amortised cost		
– Listed outside Hong Kong	**1,791,401**	2,233,705
– Unlisted[(1)]	**27,333,081**	22,308,365
Subtotal	**29,124,482**	24,542,070
Accrued interest	**480,652**	429,190
Subtotal	**29,605,134**	24,971,260
Less: ECL allowance	**(785,966)**	(706,620)
Net	**28,819,168**	24,264,640

(1) Unlisted financial investments measured at amortised cost are set out below:

	30 June 2026	31 December 2025
Financial investments – measured at amortised cost (unlisted)		
– Treasury bonds	**10,488,811**	5,960,647
– Local government bonds	**2,370,026**	1,824,497
– Policy bank bonds	**9,899,014**	11,005,188
– Corporate bonds	**1,151,916**	1,201,916
– NFRA regulated ABS	**1,534**	19,337
– Collective trust plans	**3,421,780**	2,296,780
Total	**27,333,081**	22,308,365

(2) Financial investments – measured at amortised cost are analysed by issuer as follows:

	30 June 2026	31 December 2025
Financial investments – measured at amortised cost		
– Government	**12,858,837**	7,785,144
– Policy bank	**9,899,014**	11,005,188
– Commercial banks	**1,534**	19,337
– Trust	**3,421,780**	2,296,780
– Corporate	**2,943,317**	3,435,621
Total	**29,124,482**	24,542,070

(All amounts expressed in thousands of RMB unless otherwise stated)

18. FINANCIAL INVESTMENTS – MEASURED AT AMORTISED COST (continued)

(3) The movement of ECL allowance of financial investments – measured at amortised cost is as follows:

	Financial investments measured at amortised cost			
	12-month ECL for Stage 1	Lifetime ECL for Stage 2	Lifetime ECL for Stage 3	Total
As at 1 January 2026	**169,456**	**71,109**	**466,055**	**706,620**
Transfer in stage	**(10,652)**	**10,652**	**–**	**–**
Charge for the period	**851**	**78,495**	**–**	**79,346**
As at 30 June 2026	**159,655**	**160,256**	**466,055**	**785,966**

	Financial investments measured at amortised cost			
	12-month ECL for Stage 1	Lifetime ECL for Stage 2	Lifetime ECL for Stage 3	Total
As at 1 January 2025	157,508	64,645	355,342	577,495
Charge for the year	11,948	6,464	110,713	129,125
As at 31 December 2025	169,456	71,109	466,055	706,620

(All amounts expressed in thousands of RMB unless otherwise stated)

18. FINANCIAL INVESTMENTS – MEASURED AT AMORTISED COST (continued)

(4) The movement on gross amount (excluding accrued interest) of financial investments – measured at amortised cost is as follows

	Financial investments measured at amortised cost			
Gross amount	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
As at 1 January 2026	**23,678,618**	**143,652**	**719,800**	**24,542,070**
Transfer in stage	**(279,212)**	**279,212**	**–**	**–**
Net increase/(decrease) for the period	**4,585,184**	**(2,772)**	**–**	**4,582,412**
As at 30 June 2026	**27,984,590**	**420,092**	**719,800**	**29,124,482**

	Financial investments measured at amortised cost			
Gross amount	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	18,841,648	149,082	719,800	19,710,530
Net increase/(decrease) for the year	4,836,970	(5,430)	–	4,831,540
As at 31 December 2025	23,678,618	143,652	719,800	24,542,070

19. INVESTMENT IN A SUBSIDIARY

	30 June 2026	31 December 2025
Luxian Yuantong Rural Bank Co., Ltd.	**100,383**	100,383

Yuantong Rural Bank was established on 12 August 2009, with a registered capital of RMB30 million, and its registered office is in Luzhou, Sichuan Province. Yuantong Rural Bank was established upon the initiative of the Bank. As at 30 June 2026, the Bank's capital contribution ratio and voting rights ratio were both at 51%. The principal business of Yuantong Rural Bank includes taking deposits, granting loans, conducting interbank borrowing, etc.

(All amounts expressed in thousands of RMB unless otherwise stated)

20. PROPERTY AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Construction in progress	Total
Cost						
As at 1 January 2026	928,604	12,336	302,243	77,249	783,427	2,103,859
Additions	–	–	10,596	847	63,602	75,045
Transfer from construction in progress	20,433	–	–	–	(20,433)	–
Disposals	–	–	(533)	(1,009)	–	(1,542)
Transfer to long-term deferred expenses	–	–	–	–	(84,386)	(84,386)
As at 30 June 2026	949,037	12,336	312,306	77,087	742,210	2,092,976
Accumulated depreciation						
As at 1 January 2026	(306,749)	(9,187)	(228,924)	(54,547)	–	(599,407)
Depreciation charge	(21,094)	(361)	(17,517)	(4,632)	–	(43,604)
Disposals	–	–	504	960	–	1,464
As at 30 June 2026	(327,843)	(9,548)	(245,937)	(58,219)	–	(641,547)
Net book value						
As at 30 June 2026	621,194	2,788	66,369	18,868	742,210	1,451,429

(All amounts expressed in thousands of RMB unless otherwise stated)

20. PROPERTY AND EQUIPMENT (continued)

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Construction in progress	Total
Cost						
As at 1 January 2025	925,919	10,332	268,415	72,584	298,682	1,575,932
Transfer upon consolidation	2,685	979	1,786	1,304	–	6,754
Additions	–	1,227	32,042	3,361	593,465	630,095
Disposals	–	(202)	–	–	–	(202)
Transfer to long-term deferred expenses	–	–	–	–	(105,406)	(105,406)
Transfer to intangible assets (Note 22)	–	–	–	–	(3,314)	(3,314)
As at 31 December 2025	928,604	12,336	302,243	77,249	783,427	2,103,859
Accumulated depreciation						
As at 1 January 2025	(263,739)	(8,127)	(202,045)	(47,452)	–	(521,363)
Transfer upon consolidation	(884)	(907)	(1,503)	(1,085)	–	(4,379)
Depreciation charge	(42,126)	(345)	(25,376)	(6,010)	–	(73,857)
Disposals	–	192	–	–	–	192
As at 31 December 2025	(306,749)	(9,187)	(228,924)	(54,547)	–	(599,407)
Net book value						
As at 31 December 2025	621,855	3,149	73,319	22,702	783,427	1,504,452

As at 30 June 2026, the balance of buildings, for which registrations for the property ownership certificates had not been completed, was RMB1,155 thousand (31 December 2025: RMB1,194 thousand). However, the directors are of the view that this does not have significant impact on the rights of the Group to use these assets. None of the land or property the Group owned is located in Hong Kong.

(All amounts expressed in thousands of RMB unless otherwise stated)

21. DEFERRED INCOME TAX

Movements in the deferred income tax account are as follows:

	For the six months ended 30 June 2026	For the year ended 31 December 2025
Balance at the beginning of the period/year	**1,950,945**	1,708,908
Transfer upon consolidation	**–**	5,811
Income tax expense (Note 10)	**(19,926)**	232,946
Changes in fair value of financial investments measured at FVTOCI	**(8,982)**	13,906
Changes in ECL allowance of financial investments measured at FVTOCI	**5,964**	(10,626)
Balance at the end of the period/year	**1,928,001**	1,950,945

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

	30 June 2026		31 December 2025	
	Deductible/ (taxable) Temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) Temporary differences	Deferred income tax assets/ (liabilities)
Deferred income tax assets				
Asset impairment allowances	**6,961,171**	**1,740,293**	7,015,989	1,753,997
Unrealised losses on fair value measurements of financial investments measured at FVTPL	**59,228**	**14,807**	14,283	3,571
Payroll payable	**749,713**	**187,428**	789,468	197,367
Others	**82,270**	**20,568**	104,304	26,076
Subtotal	**7,852,382**	**1,963,096**	7,924,044	1,981,011
Deferred tax liabilities				
Unrealised gains on fair value measurement of financial investments measured at FVTOCI	**(47,819)**	**(11,955)**	(11,892)	(2,973)
Others	**(92,558)**	**(23,140)**	(108,371)	(27,093)
Subtotal	**(140,377)**	**(35,095)**	(120,263)	(30,066)
Net deferred income tax assets	**7,712,005**	**1,928,001**	7,803,781	1,950,945

(All amounts expressed in thousands of RMB unless otherwise stated)

22. OTHER ASSETS

	30 June 2026	31 December 2025
Long-term prepaid expenses	**129,866**	103,484
Interest receivable from customer loans	**112,797**	19,214
Right-of-use assets(1)	**94,197**	108,371
Other receivables	**70,601**	40,377
Foreclosed assets(2)	**54,302**	58,812
Intangible assets(3)	**46,216**	23,232
Office building prepayment	**30,390**	28,948
Prepaid expenses	**15,068**	8,049
Investment properties(4)	**573**	573
Clearing and settlement(5)	**434,984**	43,499
Less: Impairment allowance	**(12,255)**	(14,442)
Total	**976,739**	420,117

(1) Right-of-use assets

	Properties
Cost	
As at 1 January 2026	**217,575**
Additions for the period	**5,586**
Decreases for the period	**(8,050)**
As at 30 June 2026	**215,111**
Accumulated depreciation	
As at 1 January 2026	**(109,204)**
Depreciation charge for the period	**(19,760)**
Decreases for the period	**8,050**
As at 30 June 2026	**(120,914)**
Net book value	
As at 30 June 2026	**94,197**

(All amounts expressed in thousands of RMB unless otherwise stated)

22. OTHER ASSETS (continued)

(1) Right-of-use assets (continued)

	Buildings
Cost	
As at 1 January 2025	203,217
Transfer upon consolidation	3,812
Additions	31,722
Decreases	(21,176)
As at 31 December 2025	217,575
Accumulated depreciation	
As at 1 January 2025	(95,618)
Transfer upon consolidation	(1,772)
Charge for the year	(32,990)
Decreases	21,176
As at 31 December 2025	(109,204)
Net book value	
As at 31 December 2025	108,371

(2) Foreclosed assets

	Buildings
As at 1 January 2026	**58,812**
Additions for the period	**856**
Disposals for the period	**(5,366)**
As at 30 June 2026	**54,302**
As at 1 January 2025	54,415
Transfer upon consolidation	8,068
Additions for the year	26,279
Disposals for the year	(29,950)
As at 31 December 2025	58,812

(All amounts expressed in thousands of RMB unless otherwise stated)

22. OTHER ASSETS (continued)

(3) Intangible assets

	Software
Cost	
As at 1 January 2026	**99,683**
Additions for the period	**35,390**
As at 30 June 2026	**135,073**
Accumulated amortisation	
As at 1 January 2026	**(76,451)**
Amortisation charge for the period	**(12,406)**
As at 30 June 2026	**(88,857)**
Net book value	**46,216**

	Software
Cost	
As at 1 January 2025	82,886
Additions for the year	13,483
Transfers from Construction in progress	3,314
As at 31 December 2025	99,683
Accumulated amortisation	
As at 1 January 2025	(62,627)
Amortisation charge for the year	(13,824)
As at 31 December 2025	(76,451)
Net book value	23,232

(All amounts expressed in thousands of RMB unless otherwise stated)

22. OTHER ASSETS (continued)

(4) Investment properties

	For the period ended 30 June 2026	For the year ended 31 December 2025
Cost		
Balance at the beginning of the period/year	**11,453**	11,453
Addition	**–**	–
Balance at the end of the period/year	**11,453**	11,453
Accumulated depreciation		
Balance at the beginning of the period/year	**(10,880)**	(10,880)
Depreciation charge	**–**	–
Balance at the end of the period/year	**(10,880)**	(10,880)
Net book value		
Balance at the end of the period/year	**573**	573

The analysis of the value of investment properties by remaining leasehold period are as follows:

	30 June 2026	31 December 2025
Located in PRC		
Leased out (within 10 years)	**330**	330
Held for lease	**243**	243
Total	**573**	573

(5) The clearing and settlement are balances in the large payment system and UnionPay settlement funds.

(All amounts expressed in thousands of RMB unless otherwise stated)

23. DUE TO AND PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2026	31 December 2025
Due to banks and other financial institutions	**572,170**	360,942
Repurchase agreements – securities	**3,687,550**	4,756,950
Placements from banks and other financial institutions	**906,170**	766,938
Accrued interest	**12,984**	27,743
Total	**5,178,874**	5,912,573

24. CUSTOMER DEPOSITS

	30 June 2026	31 December 2025
Corporate demand deposits	**55,515,474**	46,825,421
Including:		
Guarantee deposits	**2,746,097**	2,336,455
Corporate time deposits	**17,145,163**	16,526,508
Personal demand deposits	**20,930,193**	20,876,235
Personal time deposits	**69,640,220**	68,566,148
Accrued interest	**3,693,942**	3,761,488
Total	**166,924,992**	156,555,800

(All amounts expressed in thousands of RMB unless otherwise stated)

25. DEBT SECURITIES ISSUED

	30 June 2026	31 December 2025
Inter-bank certificates of deposit	**10,618,796**	13,867,832
Fixed rate tier-2 capital debt – 2032[(a)]	**800,000**	800,000
Fixed rate tier 2-capital debt – 2035[(b)]	**1,799,660**	1,799,660
Fixed rate SME debt – 2027[(c)]	**1,800,000**	1,800,000
Accrued interest	**91,058**	26,036
Total	**15,109,514**	18,293,528

(a) The Group issued RMB0.8 billion tier 2 capital debt in November 2022. The term of this capital debt lasts for 10 years, and the fixed interest rate is 4.60%. The Group has an option to redeem the debt at the par value partially or as a whole on 1 November 2027, the last day of the interest-bearing year with early redemption option embedded, provided that the NFRA Sichuan division's permission is acquired in advance and the Group's capital structure fulfills related capital requirements if the redemption is exercised.

(b) The Group issued RMB1.8 billion tier 2 capital debt in September 2025. The term of this capital debt lasts for 10 years, and the fixed interest rate is 2.95%. The Group has an option to redeem the debt at the par value partially or as a whole on 29 September 2030, the last day of the interest-bearing year with early redemption option embedded, provided that the NFRA Sichuan division's permission is acquired in advance and the Group's capital structure fulfills related capital requirements if the redemption is exercised.

The tier 2 capital debts the Group issued have the write-down feature, which allows the Group to write down the entire principals of the debts when regulatory triggering events as stipulated in the offering documents occur and any accumulated unpaid interest would become not payable. According to the relevant NFRA regulations, the tier 2 capital debt issued meets the standards of qualified tier 2 capital instruments.

(c) The Group issued RMB1.8 billion special financial debt for loans to small and micro enterprises (the "SME debt") in November 2024. The term of this SME debt lasts for 3 years, and the fixed interest rate is 2.29%. The Group has no option to redeem the bond before maturity.

As at 30 June 2026, the Group did not have any default in debt issued or certificates of deposit, or any other default (as at 31 December 2025: nil).

(All amounts expressed in thousands of RMB unless otherwise stated)

26. OTHER LIABILITIES

	30 June 2026	31 December 2025
Payroll payable	**754,912**	797,372
Dividends payable	**371,316**	18,129
Other payables	**356,640**	425,878
Lease liabilities	**83,702**	104,304
Provisions	**33,084**	44,717
Contract liabilities	**30,657**	30,657
Security deposits	**12,086**	9,116
Custodial ABS fund payable	**5,266**	7,210
Others	**3,645**	3,673
Clearing and settlement	**152,819**	403,079
Total	**1,804,127**	1,844,135

27. SHARE CAPITAL AND CAPITAL SURPLUS

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

	30 June 2026 and 31 December 2025
Number of shares ('000)	2,717,752

Generally, transactions of the following nature are recorded in the capital surplus:

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

(b) Donations received from shareholders; and

(c) Any other items required by the PRC regulations to be so treated.

Capital surplus can be utilised for increasing capital as approved by the shareholders.

As at 30 June 2026 and 31 December 2025, the Group's capital surplus was shown as follow:

	1 January 2026	Deduction	30 June 2026
Share premium	1,783,179	–	**1,783,179**

	1 January 2025	Addition/ Deduction	31 December 2025
Share premium	1,786,355	(3,176)	1,783,179

28. OTHER EQUITY INSTRUMENTS

28.1 Perpetual bonds outstanding as at 30 June 2026

	Issue date	Accounting classification	Original interest rate	Issue price	Amount in shares	In RMB (in thousands)	Maturity
24 Luzhou Bank Perpetual bonds	31 Dec 2024	Equity instrument	2.80%	RMB100/bond	6,000,000	600,000	No fixed maturity date
25 Luzhou Bank Perpetual bonds	13 Jun 2025	Equity instrument	2.75%	RMB100/bond	18,000,000	1,800,000	No fixed maturity date
					Total	2,400,000	
					Less: Offering related expenses	(453)	
					Carrying amount	2,399,547	

With the approval of relevant Chinese regulatory authorities, the Group issued perpetual bonds in the inter-bank bond market on 31 December 2024, with a total face value of RMB0.6 billion and a par value of RMB100. The interest rate of the perpetual bonds does not contain any interest rate step-up mechanism or any other redemption incentives. The coupon rate is determined by a benchmark rate plus a fixed spread, and it will be adjusted every 5 years, the coupon rate for the first 5 years is 2.80%.

With the approval of relevant Chinese regulatory authorities, the Group issued perpetual bonds in the inter-bank bond market on 13 June 2025, with a face value of RMB1.8 billion and a par value of RMB100. The interest rate of the perpetual bonds does not contain any interest rate step-up mechanism or any other redemption incentives. The coupon rate is determined by a benchmark rate plus a fixed spread, and it will be adjusted every 5 years, the coupon rate for the first 5 years is 2.75%.

28.2 Main clauses

The perpetual bonds will continue to be outstanding so long as the Group's business continues to operate. After five years from the issuance of the perpetual bonds, the Group may redeem the perpetual bonds in whole or in part on each distribution payment date, subject to the satisfaction of the redemption conditions precedent and the approval of the National Financial Regulatory Administration Sichuan Bureau. Upon the occurrence of Write-down Event, the Group has the right, subject to the approval of the National Financial Regulatory Administration Sichuan Bureau but without the need for the consent of the bondholders, to write down whole or part of the aggregate amount of the perpetual bonds. The claims in respect of the perpetual bonds are subordinated to the claims of depositors, general creditors, and subordinated indebtedness that rank senior to the perpetual bonds; and will rank in priority to all classes of equity shares held by the shareholders and rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments that rank pari passu with the perpetual bonds.

The distributions on the perpetual bonds are non-cumulative. The Group shall have the right to cancel, in whole or in part, distributions on the bonds and any such cancellation shall not constitute an event of default. The Group may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Group will not distribute income to ordinary shareholders until it decides to start paying full distributions to the bondholders.

The net proceeds from the Group's issuance of the above bonds, after deducting offering related expenses, will be used to replenish the Additional Tier 1 Capital of the Group.

(All amounts expressed in thousands of RMB unless otherwise stated)

29. OTHER RESERVES

	Surplus reserve[(a)]	General reserve[(b)]	Revaluation reserve of financial assets measured at FVTOCI	Impairment allowances for financial assets measured at FVTOCI	Total
As at 1 January 2026	**992,463**	**2,260,726**	**8,917**	**48,981**	**3,311,087**
Other comprehensive income	**–**	**–**	**26,946**	**(17,888)**	**9,058**
Addition	**–**	**329,878**	**–**	**–**	**329,878**
As at 30 June 2026	**992,463**	**2,590,604**	**35,863**	**31,093**	**3,650,023**
As at 1 January 2025	838,507	2,105,856	50,636	17,102	3,012,101
Other comprehensive income	–	–	(41,719)	31,879	(9,840)
Addition	153,956	154,870	–	–	308,826
As at 31 December 2025	992,463	2,260,726	8,917	48,981	3,311,087

(a) Surplus reserve

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

(b) General reserve

Follow "The Administrative Measures for the Provision of Reserves of Financial "(CAIJIN [2012] No. 20) issued by the Ministry of Finance. According to these requirements, the general reserve should not be lower than the 1.5% of the year end risk weighted assets.

On 23 March 2026, the Board of Directors of the Bank proposed that 1.5% of the risk-weighted assets at the end of 2025 should be appropriated to general risk reserve amounting to RMB329,878 thousand. The proposed resolution has been approved by the Annual General Meeting held on 30 June 2026. As at 30 June 2026, the ending balance of general reserve was RMB2,590,604 thousand (as at 31 December 2025: RMB2,260,726 thousand).

(All amounts expressed in thousands of RMB unless otherwise stated)

30. OTHER COMPREHENSIVE INCOME

	Before tax amount	**Tax benefit**	**Net of tax amount**
For the six months ended 30 June 2026			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of financial investments measured at FVTOCI	**35,928**	**(8,982)**	**26,946**
Expected credit losses of financial investments measured at FVTOCI	**(23,852)**	**5,964**	**(17,888)**
Other comprehensive income for the period	**12,076**	**(3,018)**	**9,058**

	Before tax amount	Tax benefit	Net of tax amount
For the six months ended 30 June 2025			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of financial investments measured at FVTOCI	(12,336)	3,084	(9,252)
Expected credit losses of financial investments measured at FVTOCI	(25,422)	6,355	(19,067)
Other comprehensive income for the period	(37,758)	9,439	(28,319)

(All amounts expressed in thousands of RMB unless otherwise stated)

31. DIVIDENDS

On 23 March 2026, the Board of Directors of the Bank has proposed a resolution to distribute cash dividend for the year ended 31 December 2025 to shareholders on the basis of RMB1.3 (tax inclusive) for every 10 shares held, totalling RMB353,308 thousand (tax inclusive). The proposed resolution has been approved by the Annual General Meeting held on 30 June 2026 and such dividends payable are reflected in the liabilities of the condensed consolidated financial statements.

On 26 March 2025, the Board of Directors of the Bank has proposed a resolution to distribute cash dividend for the year ended 31 December 2024 to shareholders on the basis of RMB1.2 (tax inclusive) for every 10 shares held, totalling RMB326,130 thousand (tax inclusive). The proposed resolution has been approved by the Annual General Meeting held on 30 June 2025.

32. NOTES TO STATEMENTS OF CASH FLOWS

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

	30 June 2026	31 December 2025
Cash and balances with the central bank	**8,064,947**	5,411,992
Financial assets due from other banks and financial institutions	**306,769**	205,789
Total	**8,371,716**	5,617,781

33. COLLATERALS

(a) Assets pledged:

Assets pledged by the Group as collateral are mainly for repurchase agreements, PBOC re-lending and Sichuan fiscal fund deposit pledge guarantee business. All of these arrangements will be mature within 24 months from the date they took effect (as at 31 December 2025: within 12 months). The carrying amount of these collaterals are listed below:

	30 June 2026	31 December 2025
Debt securities	**13,605,878**	10,879,496
Total	**13,605,878**	10,879,496

(b) Collateral accepted:

The Group received bond as collateral in connection with the reverse repurchase agreements. The Group has not accepted collateral that can be resold or repledged. The Group is obligated to return the collateral at the agreed return date. The fair value of the collateral is RMB9,953,700 thousand as at 30 June 2026 (as at 31 December 2025: RMB7,779,800 thousand). The Group did not resell or repledge such collateral.

(All amounts expressed in thousands of RMB unless otherwise stated)

34. STRUCTURED ENTITIES

(a) Consolidated structured entities

As at 30 June 2026	Book value
Financial investments – credit related financial assets	**1,448,583**
Financial investments – measured at amortised cost	**761,320**
Total	**2,209,903**

As at 31 December 2025	Book value
Financial investments – credit related financial assets	2,238,079
Financial investments – measured at amortised cost	817,604
Total	3,055,683

The Group enjoys rights in structured entities established by third parties through directly holding investments. The underlying assets are debt investments including loans, industry funds and unlisted corporate bonds. For the six months ended 30 June 2026 and 2025, the Group did not provide financial support to the above-mentioned consolidated structured entities.

The Group's interest income obtained from the above-mentioned structured entities are as follows:

	For the six months ended 30 June	
	2026	2025
Interest income	**60,791**	70,803

34. STRUCTURED ENTITIES (continued)

(b) Unconsolidated structured entities

(i) Unconsolidated structured entities managed by the Group

The unconsolidated structure entities managed by the Group are mainly non-principal-guaranteed wealth management products issued and managed by the Group acting as asset manager. Based on the analysis and research on the potential targeted clients, the Group designs and sells wealth management products to targeted clients, and the raised funds are then put into related financial market or invested in related financial products according to the product contracts. Investment returns would be allocated to investors according to the product contracts. The Group receives corresponding wealth management commission fee income as the asset manager.

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

As at 30 June 2026, the balance of unconsolidated wealth management products issued and managed by the Group was RMB6,112,442 thousand (as at 31 December 2025: RMB8,386,993 thousand).

For the six months ended 30 June 2026, the Commission income from wealth management agency services obtained from unconsolidated wealth management products was RMB33,374 thousand (for the six months ended 30 June 2025: RMB78,907 thousand). The Group did not purchase financial assets from unconsolidated wealth management products managed by the Group (for the six months ended 30 June 2025: nil), and did not provide any financial support to the unconsolidated wealth management products during the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

(ii) Unconsolidated structured entities invested by the Group

In order to increase the return of extra funds, the Group invests in unconsolidated structured entities including funds and trusts issued and managed by third parties for the six months ended 30 June 2026. The Group classified the investments in the unconsolidated structured entities as financial assets measured at FVTPL or amortised cost (for the six months ended 30 June 2025: same).

(All amounts expressed in thousands of RMB unless otherwise stated)

34. STRUCTURED ENTITIES (continued)

(b) Unconsolidated structured entities (continued)

(ii) Unconsolidated structured entities invested by the Group (continued)

The table below lists the book value (including accrued interest) and maximum credit risk exposure of the assets as a result of the holdings of benefits from unconsolidated structured entities.

As at 30 June 2026	**Book value**	**Maximum exposure to loss**
Financial investments – measured at fair value through profit or loss	**5,663,297**	**5,663,297**
Financial investments – measured at amortised cost	**3,887,099**	**3,887,099**
Total	**9,550,396**	**9,550,396**

As at 31 December 2025	Book value	Maximum risk exposure
Financial investments – measured at fair value through profit or loss	8,903,502	8,903,502
Financial investments – measured at amortised cost	3,257,139	3,257,139
Total	12,160,641	12,160,641

For the six months ended 30 June 2026 and 2025, the interest income, net gains on financial investments and net gains on trading activities from the above unconsolidated structured entities were:

	For the six months ended 30 June	
	2026	2025
Interest income	**101,006**	50,251
Net gains on financial investments	**124,073**	93,085
Net gains on trading activities	**4,568**	–
Total	**229,647**	143,336

For the six months ended 30 June 2026, the Group had not provided any financial or other support to unconsolidated structured entities invested by the Group (For the six months ended 30 June 2025: Nil).

(All amounts expressed in thousands of RMB unless otherwise stated)

35. COMMITMENTS AND CONTINGENT LIABILITIES

35.1 Capital expenditure commitments

	30 June 2026	31 December 2025
Contracted but not provided for		
– Acquisition of IT system	**221,282**	114,852
– Capital expenditure commitments for buildings	**73,888**	71,096
– Office equipment	**11,819**	9,872
	306,989	195,820
Authorised but not contracted for		
– Acquisition of IT system	**2,620**	114,660
Total	**309,609**	310,480

35.2 Financial guarantees and credit related commitments

The following tables indicate the contractual amounts of the Group's financial guarantees and credit related commitments which the Group commits to extend to customers:

	30 June 2026	31 December 2025
Bank acceptance notes	**512,659**	1,726,693
Guarantees	**1,850,946**	1,068,180
Letter of credits	**2,562,744**	2,666,536
Business card commitments	**30,061**	27,760
Total	**4,956,410**	5,489,169

35.3 Legal proceedings

The Group has involved as defendants in certain lawsuits arising from its normal business operations. The Group had no outstanding legal claims as at 30 June 2026 (as at 31 December 2025: Nil).

(All amounts expressed in thousands of RMB unless otherwise stated)

36. FIDUCIARY ACTIVITIES

The Group provides custody and trustee services to third parties. Those assets that are held in a fiduciary capacity are not included in the condensed consolidated statement of financial position.

	30 June 2026	31 December 2025
Entrusted loans	**2,538,395**	2,493,585

37. RELATED PARTY TRANSACTIONS

37.1 Related party relationships

The related parties of the Bank mainly include: the Bank's major shareholders, entities controlled or jointly controlled by the major shareholders, the subsidiary of the Bank, and the key management personnel (including the Bank's directors and senior management) and their family members who have close relationships with them as well as the entities which are controlled, joint controlled or can be significantly influenced by the Bank's key management personnel or their close family members.

As at 30 June 2026 and 31 December 2025, the major shareholders of the Bank, holding 5% or more of the equity interest in the Bank, or holding less than 5% of the equity interest of the Bank but able to exercise significant influence over the operation and management of the Bank, were as follows:

	30 June 2026		31 December 2025	
Name of shareholders	Number of shares held (share '000)	Percentage (%)	Number of shares held (share '000)	Percentage (%)
Luzhou Laojiao Group Co., Ltd.	**390,528**	**14.37**	390,528	14.37
Sichuan Jiale Enterprise Group Co., Ltd.	**325,440**	**11.97**	325,440	11.97
Luzhou Xinfu Mining Group Co., Ltd.	**325,440**	**11.97**	325,440	11.97
Luzhou Finance Bureau	**193,854**	**7.13**	193,854	7.13
Luzhou State Owned Assets Management Co., Ltd.	**173,568**	**6.39**	173,568	6.39
Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd.	**110,059**	**4.05**	110,059	4.05
Luzhou Yunsheng Holding Group Co., Ltd.	**88,232**	**3.25**	88,232	3.25
Luzhou Xinglu Asset Management Co., Ltd.	**62,154**	**2.29**	62,154	2.29
Luzhou Laojiao Co., Ltd.	**43,392**	**1.60**	43,392	1.60
Luzhou Fundamental Infrastructure Construction Investment Co., Ltd.	**18,007**	**0.66**	18,007	0.66
Sichuan Lutianhua Co., Ltd.	**13,017**	**0.48**	13,017	0.48
Sichuan Luzhou Jiale Real Estate Co., Ltd.	**8,678**	**0.32**	8,678	0.32
Lutianhua Group Co., Ltd.	**241**	**0.01**	241	0.01
Total	**1,752,610**	**64.49**	1,752,610	64.49

(All amounts expressed in thousands of RMB unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (continued)

37.2 Related party transactions

Transactions between the Bank and related parties are conducted in accordance with general commercial terms and normal business procedures. The pricing principle is consistent with that of an independent third-party transaction. The related party transactions of the Bank are as follows:

(1) Customer loans to related party (including discounted bills)

	30 June 2026	31 December 2025
Other related companies	**2,861,291**	3,081,822
Related person	**14,402**	15,549
Total	**2,875,693**	3,097,371

(2) Related party loan interest income (including discounted bills)

	For the six months ended 30 June	
	2026	2025
Major shareholders	**–**	2,080
Other related companies	**77,325**	97,403
Related person	**228**	361
Total	**77,553**	99,844

(3) Deposits from related party

	30 June 2026	31 December 2025
Major shareholders	**9,425,223**	9,787,623
Other related companies	**4,633,083**	4,214,541
Related person	**199,295**	189,156
Total	**14,257,601**	14,191,320

(All amounts expressed in thousands of RMB unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (continued)

37.2 Related party transactions (continued)

(4) Related party deposit interest expense

	For the six months ended 30 June	
	2026	2025
Major shareholders	**15,441**	15,460
Other related companies	**20,056**	26,130
Related person	**589**	2,049
Total	**36,086**	43,639

(5) Other receivables and pre-payments from related party

	30 June 2026	31 December 2025
Major shareholders	**–**	70
Other related companies	**1,700**	236
Related person	**–**	12
Total	**1,700**	318

(6) Related party net gains on financial investments – measured at fair value through profit or loss

	For the six months ended 30 June	
	2026	2025
Major shareholders	**–**	64
Other related companies	**–**	905
Total	**–**	969

(7) Related party fees commission and income

	For the six months ended 30 June	
	2026	2025
Other related companies	**258**	319
Total	**258**	319

(All amounts expressed in thousands of RMB unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (continued)

37.2 Related party transactions (continued)

(8) Transactions with key management personnel

Key management personnel refer to those who have authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including Directors and Executive Officers.

The Bank enters into banking transactions with key management personnel in the normal course of business. For the six months ended 30 June 2026, there were no material transactions and balances with key management personnel on an individual basis (For the six months ended 30 June 2025: no material).

(9) Balance of loan guarantee provided by related parties to the Bank

	As at 30 June 2026		
	Corporate loans	**Personal loans**	**Total**
Luzhou Xinglu Financing Guarantee Group Co., Ltd.	**1,122,185**	**5,000**	**1,127,185**
Luzhou Development Financing Guarantee Co., Ltd.	**621,530**	**–**	**621,530**
Luxian Agriculture and SMEs Financing Guarantee Co., Ltd.	**462,858**	**800**	**463,658**
Luzhou Jintong Financing Guarantee Co., Ltd.	**128,340**	**1,900**	**130,240**
Sichuan Hongxin Financing Guarantee Co., Ltd.	**38,084**	**–**	**38,084**
Luzhou Xinglu Agricultural Financing Guarantee Co., Ltd.	**14,000**	**–**	**14,000**
Total	**2,386,997**	**7,700**	**2,394,697**

	As at 31 December 2025		
	Corporate loans	Personal loans	Total
Luzhou Xinglu Financing Guarantee Group Co., Ltd.	1,331,166	5,000	1,336,166
Luzhou Development Financing Guarantee Co., Ltd.	415,460	–	415,460
Luxian Agriculture and SMEs Financing Guarantee Co., Ltd.	325,904	800	326,704
Luzhou Jintong Financing Guarantee Co., Ltd.	136,840	–	136,840
Sichuan Hongxin Financing Guarantee Co., Ltd.	26,600	–	26,600
Luzhou Xinglu Agricultural Financing Guarantee Co., Ltd.	14,000	–	14,000
Total	2,249,970	5,800	2,255,770

For the six months ended 30 June 2026, the fees for the guarantee services provided by the related parties to the borrowers of the Bank are paid by the borrowers, and the Bank does not pay any fees to the related parties (for the six months ended 30 June 2025: Nil).

37. RELATED PARTY TRANSACTIONS (continued)

37.2 Related party transactions (continued)

(10) Property leasing

Yijia Real Estate Co., Ltd., a related party of the Bank, leases a property located in Luzhou City, Sichuan Province to the Bank for a period of ten years from 1 August 2016 to 31 July 2026. The rent of the first half of 2026 is RMB51,710 (The rent of the first half of 2025 is RMB49,248).

Luzhou Xinglu Asset Management Co., Ltd., a related party of the Bank, leases a property located in Luzhou City, Sichuan Province to the Bank for a period of five years from 2 May 2021 to 1 May 2026. Upon expiry, the lease was renewed for a three-year term, from 2 May 2026 to 1 May 2029. The rent of the first half of 2026 is RMB122,520 (The rent of the first half of 2025 is RMB118,632).

Luzhou Xinglu Jutai Construction Engineering Group Co., Ltd., a related party of the Bank, leases a property located in Luzhou City, Sichuan Province to the Bank for a period of three years from 1 September 2022 to 31 August 2025. Upon expiry, the lease was renewed for a three-year term, from 1 September 2025 to 31 August 2028. The rent of the first half of 2026 is RMB172,200 (The rent of the first half of 2025 is RMB190,386).

Luzhou Development Asset Management Co., Ltd., a related party of the Bank, leases a property located in Luzhou City, Sichuan Province to the Bank for a period of three years from 1 May 2023 to 30 April 2026. Upon expiry, the lease was renewed for a one-year term, from 1 May 2026 to 30 April 2027. The rent of the first half of 2026 is RMB364,064 (The rent of the first half of 2025 is RMB412,080).

Luzhou Public Transport Group Co., Ltd., a related party of the Bank, leases a property located in Luzhou City, Sichuan Province to the Bank for use as a self-service bank branch for a period of three years from 1 April 2026 to 31 March 2029. The rent of the first half of 2026 is RMB15,840 (The rent of the first half of 2025 is RMB17,010).

On August 29 2024, the Bank entered into a Property Services Agreement (“the Agreement”) with Luzhou LaoJiao Property Services Co., Ltd., (LLPS). Bidders were selected through an open tender process. Under the Agreement, LLPS will provide integrated property services for the Bank’s headquarters office building. The term of the Agreement is three years, and the contract will be signed annually with first year effective from July 24 2024, to July 23 2025 and second year effective from July 24 2025, to July 23 2026. The maximum annual service fee under the Agreement is RMB8,980,000 (tax-inclusive), equivalent to a monthly service fee of RMB748,333.34 (tax-inclusive). Monthly payments will be settled based on the actual number of customer served, not exceeding the monthly service fee cap. The service fee of the first half of 2026 is RMB4,452,357.96 (The service fee of the first half of 2025 is RMB4,417,455.96).

(All amounts expressed in thousands of RMB unless otherwise stated)

37. RELATED PARTY TRANSACTIONS (continued)

37.2 Related party transactions (continued)

(11) Government related entities

The transactions between the Bank and government related entities proceed under normal commercial terms and conditions. These transactions mainly include provision of deposits and agency service. The Bank considers that transactions with these entities are activities conducted in the ordinary course of business. The Bank has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government related entities.

(12) Others

The above range of transaction interest rates with related parties is listed as follows:

	For the six months ended 30 June	
	2026	2025
Customer loans	**2.13%-6.80%**	2.48%-7.55%
Customer deposits	**0.02%-4.20%**	0.20%-4.80%
Financial investments – measured at fair value through other comprehensive income	**N/A**	N/A
Financial investments – measured at fair value through profit or loss	**N/A**	1.72%-7.00%

38. SEGMENT ANALYSIS

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

The Group has 4 operating segments: corporate banking, retail banking, financial markets, and other categories.

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

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

Financial markets mainly perform inter-bank lending and borrowing, bonds investment and re-purchasing activities, etc.

Others are those businesses not included in the above three segments or cannot be allocated with appropriate basis.

(All amounts expressed in thousands of RMB unless otherwise stated)

38. SEGMENT ANALYSIS (continued)

	For the six months ended 30 June 2026				
	Corporate banking	Retail banking	Financial market	Others	Total
Net interest income/(expenses) from external customers	2,827,561	(691,730)	303,230	–	2,439,061
Inter-segment net interest income/(expenses)	(1,137,263)	1,126,818	10,445	–	–
Net interest income	1,690,298	435,088	313,675	–	2,439,061
Net fee and commission income	27,710	23,164	1,380	361	52,615
Net gains on trading activities	–	–	189,292	–	189,292
Net gains on financial investments	–	–	117,924	–	117,924
Other operating income	–	–	–	5,184	5,184
Operating income	1,718,008	458,252	622,271	5,545	2,804,076
Operating expense	(699,822)	(65,485)	(189,807)	(2,163)	(957,277)
– Depreciation and amortisation	(75,851)	(12,440)	(36,632)	(1,152)	(126,075)
– Others	(623,971)	(53,045)	(153,175)	(1,011)	(831,202)
Expected credit losses	(93,280)	(224,634)	(57,270)	(140)	(375,324)
Other assets impairment losses	(265)	(22)	(65)	–	(352)
Profit before income tax	924,641	168,111	375,129	3,242	1,471,123
Capital expenditure	186,271	30,549	89,959	2,830	309,609
	As at 30 June 2026				
Segment assets	127,117,545	20,847,623	61,390,988	1,930,954	211,287,110
Segment liabilities	(74,829,893)	(93,748,819)	(28,365,374)	(2,740)	(196,946,826)

(All amounts expressed in thousands of RMB unless otherwise stated)

38. SEGMENT ANALYSIS (continued)

	For the six months ended 30 June 2025				
	Corporate banking	Retail banking	Financial market	Others	Total
Net interest income/(expenses) from external customers	2,506,447	(813,704)	204,280	–	1,897,023
Inter-segment net interest income/ (expenses)	(927,173)	1,101,050	(173,877)	–	–
Net interest income	1,579,274	287,346	30,403	–	1,897,023
Net fee and commission income	17,308	57,429	3,826	97	78,660
Net gains on trading activities	–	–	321,174	–	321,174
Net gains on financial investments	–	–	88,745	–	88,745
Other operating income	95	–	–	37,078	37,173
Operating income	1,596,677	344,775	444,148	37,175	2,422,775
Operating expense	(666,985)	(86,592)	(206,307)	(8,370)	(968,254)
– Depreciation and amortisation	(54,789)	(9,760)	(33,927)	(851)	(99,327)
– Others	(612,196)	(76,832)	(172,380)	(7,519)	(868,927)
Expected credit losses	(307,384)	(149,306)	242,224	(291)	(214,757)
Other assets impairment losses	(577)	(73)	(163)	(7)	(820)
Share of profit of an associate	–	–	–	982	982
Profit before income tax	621,731	108,804	479,902	29,489	1,239,926
Capital expenditure	162,180	38,508	116,220	2,978	319,886
	As at 31 December 2025				
Segment assets	114,423,854	19,590,027	66,487,416	1,960,620	202,461,917
Segment liabilities	(65,492,388)	(93,022,388)	(30,197,382)	(17,891)	(188,730,049)

There is no high reliance of the Group to any of the major external customers.

39. FINANCIAL RISK MANAGEMENT

Overview

The Group's operating activities are exposed to various risks. The principal financial risks include credit risk, market risk (including currency risk, interest rate risk and other price risks), liquidity risk, etc. Financial risk management includes identifying, analyzing, evaluating, reporting, controlling or accepting and mitigating risks of varying degrees and risk portfolios Risk-taking is a core characteristic of financial business, and conducting business will inevitably involve risks. Therefore, the Group's objective is to maintain a balance between risk prevention and control and business development returns, and to minimize potential adverse impacts on its financial position.

The Group has formulated risk management policies and procedures including risk appetite, risk limits, stress testing and contingency plans, with the purpose of identifying and assessing risks to detect and analyze such risks, so as to establish appropriate risk limits and control measures, monitor risks and control risk limits through reliable and continuously updated systems. The Group regularly conducts post-review of risk management policies and procedures and analysis of risk profile, and timely optimizes risk management strategies and systems to reflect changes in the market and products and emerging best practice.

The Board of Directors of the Bank bears ultimate responsibility for risk management. It is responsible for approving major risk management policies and procedures, including risk management strategies, risk appetite and the basic comprehensive risk management system, and supervising the senior management in implementing risk management. The senior management is responsible for formulating and improving risk management policies and procedures such as risk management strategies, risk appetite and risk limits, conducting regular risk analysis and assessment, and reporting to the Board of Directors.

39.1 Credit risk

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable to or unwilling to meet its obligations under a contract. Changes in the economy or those in credit quality of a particular industry segment or concentration in the Group's portfolio, could result in losses that are different from those provided for at the balance sheet date. Credit risk increases when the counterparties are in the similar geographical or industry segments. Credit exposures arise principally from customer loans, debt securities and due from banks and other financial institutions. There are also credit risk exposures in off-balance sheet financial arrangements such as loan commitments, guarantees, acceptances and letters of credit.

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

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.1 Credit risk measurement

(a) Credit business

The Group measures and monitors the quality of its credit assets in accordance with Measures for Risk Classification of Financial Assets for Commercial Banks and Measures for Risk Classification of Micro Enterprise loans (Trial Implementation) issued by the NFRA and CBIRC. The classification of loans is based on the borrowers' repayment ability, payment history, willingness of repayment, guarantee of loans, legal responsibility and loan administration. The Guidelines of Risk Classification of Loans require financial institutions to classify their credit assets into five categories, namely pass, special mention, substandard, doubtful and loss, of which the last three categories are non-performing loans. For personal loans and small and micro enterprise loans with remaining balances per counterparty of less than RMB10 million, number of overdue days is also an important indicator for loan classification.

The core definitions of credit asset classifications in *Measures for the Risk Classification of Financial Assets of Commercial Bank* are as follows:

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

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

Substandard: The borrower is unable to repay the principal, interest, or earnings in full, or the financial asset is subjected to credit impairment.

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

Loss: After taking all possible measures, the recovery of financial asset is likely to be little or nil.

Risk Management Department coordinates the classification of loans. The classification of loans is performed by the principle of regular comprehensive classification and timely adjustment. The responsible departments perform initial classification, after which Credit Management Department, Risk Compliance Department of Chengdu Branch, Key Customer Business Risk and Internal Control Department, Huirongtong Small and Micro Loan Center and Risk Compliance Office of IT Innovation Center perform initial review on the classifications proposed by respective departments. Risk Management Department summarises the classification information reviewed by the related departments, conducts secondary review and reports the classification results and all relevant information to Risk Management Committee for final approval. The classification of loans is monitored and adjusted through related credit management system.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.1 Credit risk measurement (continued)

(b) Financial market business

For treasury business (including debt investments), the Group chooses banks and other financial institutions prudently, balances the credit risk and return rate of investments, makes reference to internal and external credit rating information, and uses an appropriate credit limit management system to review and adjust credit lines, aiming to manage the credit risk exposed to the treasury business.

For debt securities investments, unified credit authorisation management is responsible for managing the credit risk exposed to debt securities investments. The Group performs unified credit review and approval and exposure management to the bond issuers invested. The Group regards the external credit ratings of the bonds invested as a significant content of bond credit risk management to enhance the credit risk control.

Debt investments other than debt securities include investments in fund trust schemes, asset management plans and securities investment funds set up by banking financial institutions. The Group implements a granting system for accepting trust companies, securities companies and fund companies, sets credit limits for ultimate borrowers of trust plans, targeted asset management plans, and carries out continuous risk management on a regular basis.

The Group manages the credit quality of due from, placements with and loans to banks and other financial institutions considering the size, financial position and the external credit rating of the banks and financial institutions, managing them with limit exposures.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.2 Risk limit control and mitigation policies

(a) Credit business

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

Unified credit authorisation management is implemented for group customers. Once the maximum credit limit of a group customer is determined, the customer's exposure limit should not exceed its credit limit in the Group at any time before it obtains new credit limit.

The Group takes action to strengthen controls over credit risk in relation to group customers and related party customers. The Group places limits in relation to key group customers to control credit risk. For related party transactions, ordinary related party transactions are approved in accordance with the internal authorization system and then filed with the committee of related party transactions. Material related party transactions are reviewed by the committee of related party transactions and then submitted to the Board of Directors for approval. The independent directors all issue independent opinions on material related party transactions.

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

Except for few customers with excellent quality, the Group requires the borrowers to provide credit enhancements for loans. The types of credit enhancements mainly includes collateral, pledge and guarantee. The detailed collateral type and amount is determined by credit risk of counterparty or customers.

The Group employs a range of asset valuation companies to value the collaterals. The Group generally accepts assets with clear values as collaterals, such as deposit receipt and real estate.

(b) Financial market business

The Group manages financial market business with hierarchical authorisation for different business types such as purchase, distribution, trade and repurchase of debt securities.

The Group conducts necessary assessments on the risk status and loss of trading investment bonds. The Group sets stop-loss point based on analysis of trend of macroeconomic situation and monetary policy. The Group places limits for inter-bank borrowing and lending. The Group manages the credit risk exposures of inter-bank borrowing and lending strictly within the limit of regulation and credit authorisation. The Group conducts approvals strictly on a case-by-case basis within the authorised limit.

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.2 Risk limit control and mitigation policies (continued)

(b) Financial market business (continued)

The debt securities traders, as timely monitors of changes in market interest rates, regularly review and monitor the changes of market interest and report the market value of debt securities to Risk Management Department. If there is any volatility of interest rate in the market or any significant credit risk encountered to debtors, the business department responsible for security investment will arrange Risk Management Department of head office to conclude an emergency plan. The debt trader will react according to the plan.

39.1.3 Collateral and guarantee

The Group has a range of policies and practices intended to mitigate credit risk. The most useful practice is to accept collaterals. The Group implements guidelines on the acceptability of specific classes of collateral. The Group differentiates maximum loan-to-value ratio taking into account type and liquidity of collaterals. The follow-up management of the collateral is carried out by the related business management department. The principal types of collateral for corporate loans and personal loans are as follows:

Type of Collateral	Maximum loan-to-value ratio
Collaterals	
Residential and commercial properties	60%
Land use rights for commercial, residential and comprehensive use	50%
Land use rights for industrial use	40%
Office building	50%
Warehouse	40%
Forestry, trees and woodland usage rights	40%
Construction in progress	50%
Pledges	
Security deposits	100%
Certificates of deposit	90%
Treasury bonds and bank cheques	90%
Debt securities issued by corporations with rating of AA or above	50%
Shares and equities	50%
Warehouse receipts and bills of lading	50%
Creditor’s receivables (excluding project income rights)	50%

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.3 Collateral and guarantee (continued)

Mortgage loans to retail customers are generally collateralised by residential properties. Other loans are collateralised according to the nature of the loan.

For loans guaranteed by a third-party guarantor, the Group will assess the financial condition, credit history and ability to meet obligations of the guarantor.

Collateral held as security for financial assets other than customer loans is determined by the nature of the instrument.

Collateral is also held as part of reverse repurchase agreements. Details of collateral accepted and which the Group is obligated to return are disclosed in Note 33.

39.1.4 Policies of expected credit losses

Expected credit losses is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows expected to be received by the Group discounted at the original effective interest rate, i.e. the present value of all cash shortfalls. In accordance with IFRS 9, the Group classified the financial instruments into three stages. Stage 1 includes performing financial instruments that are "not credit-impaired on initial recognition". The Group needs to measure ECLs over the next 12 months. If the remaining maturity is less than 12 months, the Group only needs to measure ECLs for the remaining maturity. Stage 2 includes financial instruments that have had significant increase in credit risk since initial recognition. Stage 3 includes credit-impaired financial assets. Lifetime ECLs are recognised for those financial instruments in stage 2 and stage 3.

The Group accounts for and recognises ECL allowance on financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, loan commitments made by the Group other than financial liabilities measured at fair value through profit or loss, and financial guarantee contracts not measured at fair value through profit or loss.

Risk grouping

The Group classifies risk groupings by considering different business natures and customer types, industry distributions of the Group's assets, changes in the industry non-performing ratios and types of retail business products through available historical, current and forward-looking information.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.4 Policies of expected credit losses (continued)

Classification of stages

According to IFRS 9, 3-stage classification criteria need to be clearly specified. Financial instruments that are "not credit-impaired on initial recognition" are classified in stage 1 and the 12-month ECL is calculated. If "a significant increase in credit risk" is identified, the financial instrument will be moved to stage 2 and the lifetime ECL is calculated. If the financial instrument is credit-impaired, the financial instrument will be moved to stage 3. The detailed classification criteria have been set up, taking into consideration the overdue days, etc.

The stages are transferable. For example, when the credit risk of financial instruments classified in stage 1 significantly increases, they will be transferred to stage 2.

(1) Financial assets with significant increase in credit risk

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

Quantitative criteria

- The principal or interest of the contract is overdue for more than 30 days, but less than 90 days.

- The five-category classification is "special mention".

- The debtor's external credit rating (bond rating or bond issuer rating) has been downgraded to BBB or below.

- The debt has been extended, exclude credit risk exposure that credit risk has not significantly increased with the Group approval.

Qualitative criteria

- Changes in the economic, technological or legal environment in which the debtor is operating at the present time or in the near future, thereby having negative impacts on the debtor's repayment ability.

- Other circumstances of significant increase in credit risk. For example, appearance of other risk alarm indicators which reflect growing potential risk and financial assets which could cause losses to the Group.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.4 Policies of expected credit losses (continued)

Classification of stages (continued)

(2) *Definition of default and credit-impaired*

When a financial instrument meets one or more of the following conditions, the Group considers the financial asset as being defaulted. The same set of criteria is also applicable to the definition of credit-impaired.

Quantitative criteria

- The principal or interest of the contract is overdue for more than 90 days.
- The five-category classifications are "substandard", "doubtful" or "loss".
- The debtor's external credit rating (bond rating or bond issuer rating) has been downgraded to C or below.

Qualitative criteria

- The debtor is likely to go bankrupt or carry out other financial restructuring.
- The Group has made concessions to the debtor in financial difficulty for economic or legal reasons.
- The issuer of financial instruments held by the Group has serious financial difficulties.
- The market of related financial instruments is deserted due to the debtor's financial difficulty.
- It is becoming probable that the debtor will go bankrupt.

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

Financial assets can be migrated between stages. However, restrictions are set for up-stage migration of corporate banking business. Credit exposures in stage 3 should only be migrated to stage 2 if the debtor has met the repayment schedule for at least two consecutive repayment periods or six months and is expected to demonstrate such payment behaviour in the future. Stage 3 credit exposures should not be migrated directly to stage 1.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.4 Policies of expected credit losses (continued)

Classification of stages (continued)

(3) *Measurement of expected credit losses and explanation of parameters, assumptions and estimation techniques*

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

Probability of default (PD) refers to the probability that the debtor will not be able to fulfil his obligations in the next 12 months or throughout the remaining maturity. The Group builds the migration matrix based on historical data to calculate the 4-quarter probability of default, and derives the lifetime default probability from the 4-quarter probability of default through the Markov chain model.

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

Exposure at default (EAD) refers to the amount that the Group should pay when the default occurs in the next 12 months or throughout the remaining maturity. The Group's EAD is determined by the expected repayment arrangements, and varies for different types of products. For repayments by installments and one-time repayments, the Group determines the EAD according to the repayment plan stipulated in the contract.

The Group determines the ECL by forecasting the PD, LGD and EAD of every single debt. The Group multiplies the three items. This approach can effectively calculate the ECLs for future periods, then discount the results of each period to the report date and add up. The discount rate used in the ECL calculation is the effective interest rate or its approximate value.

(4) *Establishment of impairment model*

The Group has established macro-economic forecast model, with reference to external economic forecasts. The Group conducts forecasts regularly and establishes three possible economic scenarios: optimistic, basic and pessimistic. Basic scenario is defined as the most probable situation, which sets the benchmark for other scenarios. Optimistic and pessimistic scenarios are possible scenarios which are better and worse than basic scenario respectively.

The impairment model is established using a top-down approach. The Group has developed several corporate, retail and inter-bank impairment models, including regression models for different macro-economic indicators such as gross domestic product (GDP), consumer price index (CPI), Investment in fixed assets, and uses MERTON formula and historical default information to make "forward-looking" adjustments to PD which ensures the provision calculation is "forward-looking".

For asset portfolios that impairment model cannot be established, for example, when customers' default rate is extremely low or assets without an appropriate internal rating method, the Group mainly uses mapping derived from external rating or expected loss rate of similar portfolios.

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.4 Policies of expected credit losses (continued)

Classification of stages (continued)

(4) Establishment of impairment model (continued)

ECL calculation involves forward-looking information. The Group identifies the key economic indicators affecting the credit risk and ECL of each asset portfolio, through historical data analysis.

These economic indicators and their impact on PD differ for different financial instruments, which involve expert judgments. The Group annually makes forecasts on these economic indicators ("basic economic scenarios") and provides the best economic forecasts for the next two years. The Group believes that the economic indicators from two years later to the end of the maturity of financial instruments tend to maintain average or average growth, and thus uses the mean regression method. The impact of these economic variables on the PD has been determined by performing MERTON model analysis to understand the impact of historical changes on PD, EAD and LGD.

The Group reviews the key parameters and assumptions used in the ECL calculation annually, taking into account external economic developments, industry changes and regional risks, and makes necessary updates and adjustments.

The Group sets other possible scenarios and scenario weightings according to external data. Based on the analysis for each major portfolio and the number of scenarios, the Group keeps their non-linear characteristics. The Group reassesses the number and characteristics of scenarios annually. On 30 June 2026, the Group's three scenarios (basic, optimistic and pessimistic) can properly reflect the non-linear characteristics of each portfolio. The Group determines scenario weightings through statistical analysis and professional credit judgment, and also considers the possible range of outcomes represented by scenarios. The Group recognises the 12-month or lifetime ECL for financial instruments in stage 1, 2, and 3. The Group measures the weighted-average ECL allowance for 12-month (stage 1) and weighted-average ECL for lifetime (stage 2 and stage 3), which is calculated by multiplying the ECL under each scenario by their weightings respectively, rather than by weighting the parameters. On 30 June 2026, the weightings allocated to each economic scenario were 60% basic, 10% optimism and 30% pessimism (31 December 2025: the weightings allocated to each economic scenario were 60% basic, 10% optimism and 30% pessimism).

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.5 Maximum exposure to credit risk

(a) Maximum exposure to credit risk - Financial instruments subject to impairment

The credit risk exposure of financial instruments included in the scope of expected credit loss assessment is as follow. The book value of the following financial assets represents the maximum credit risk exposure of this Group for these assets.

	As at 30 June 2026			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Assets				
Balances with the central bank	**16,412,642**	**–**	**–**	**16,412,642**
Due from and placements with banks and other financial institutions	**9,652,885**	**–**	**–**	**9,652,885**
Customer loans	**127,114,698**	**1,818,604**	**486,167**	**129,419,469**
Financial investments – credit related financial assets	**1,302,603**	**–**	**145,980**	**1,448,583**
Financial investments – measured at fair value through other comprehensive income	**3,516,796**	**–**	**–**	**3,516,796**
Financial investments – measured at amortised cost	**28,143,939**	**269,561**	**405,668**	**28,819,168**
Other financial assets	**37,713**	**96,370**	**23,631**	**157,714**
Total	**186,181,276**	**2,184,535**	**1,061,446**	**189,427,257**
Off balance sheet guarantees and commitments	**4,956,392**	**–**	**18**	**4,956,410**

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.5 Maximum exposure to credit risk (continued)

(a) Maximum exposure to credit risk - Financial instruments subject to impairment (continued)

	As at 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Assets				
Balances with the central bank	13,535,392	–	–	13,535,392
Due from and placements with banks and other financial institutions	7,249,550	–	–	7,249,550
Customer loans	116,159,858	2,198,527	425,328	118,783,713
Financial investments – credit related financial assets	2,092,099	–	145,980	2,238,079
Financial investments – measured at fair value through other comprehensive income	4,501,042	–	–	4,501,042
Financial investments – measured at amortised cost	23,793,125	75,824	395,691	24,264,640
Other financial assets	36,633	3,828	18,524	58,985
Total	167,367,699	2,278,179	985,523	170,631,401
Off balance sheet guarantees and commitments	5,489,169	–	–	5,489,169

(b) Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVTPL):

	30 June 2026	31 December 2025
Asset		
Financial investments – measured at fair value through profit or loss		
– Bond investments	**11,968,692**	19,357,929
– Mutual fund investments	**3,732,816**	6,302,693
– Trust plans	**1,770,216**	2,178,982
Total	**17,471,724**	27,839,604

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.6 Customer loans

	As at 30 June 2026			
	Corporate loans	**Personal loans**	**Discounted bills**	**Total**
Stage 1	**117,686,714**	**11,375,211**	**1,608,396**	**130,670,321**
Stage 2	**2,535,132**	**107,701**	**–**	**2,642,833**
Stage 3	**966,369**	**621,269**	**–**	**1,587,638**
Total	**121,188,215**	**12,104,181**	**1,608,396**	**134,900,792**
Accrued interest	**502,047**	**73,012**	**–**	**575,059**
Less: ECL allowance(i)	**(5,281,162)**	**(775,220)**	**–**	**(6,056,382)**
Net amount	**116,409,100**	**11,401,973**	**1,608,396**	**129,419,469**

	As at 31 December 2025			
	Corporate loans	Personal loans	Discounted bills	Total
Stage 1	105,433,770	11,302,168	2,821,406	119,557,344
Stage 2	2,950,825	143,221	–	3,094,046
Stage 3	909,259	566,034	–	1,475,293
Total	109,293,854	12,011,423	2,821,406	124,126,683
Accrued Interest	626,315	76,887	–	703,202
Less: ECL allowance(i)	(5,299,719)	(746,453)	–	(6,046,172)
Net amount	104,620,450	11,341,857	2,821,406	118,783,713

(i) As at 30 June 2026, ECL allowance recognised by the Group for Discounted bills – measured at FVTOCI was RMB38,364 thousand (as at 31 December 2025: RMB61,493 thousand).

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.6 Customer loans (continued)

(a) Stage-3 collateralised and pledged loans

	30 June 2026		31 December 2025	
	Carrying amount	**Fair value of collateral held**	Carrying amount	Fair value of collateral held
Credit-impaired assets (Stage 3)				
Customer loans				
– Corporate loans	**134,167**	**177,325**	41,483	235,873
– Personal loans	**92,062**	**187,875**	83,968	133,800
Total	**226,229**	**365,200**	125,451	369,673

The fair value of collaterals is estimated based on the latest available external valuations, the realisation experience of the current collaterals and the market conditions.

(b) Restructured customer loans

Restructuring activities include rescheduled restructuring plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue to be made. These policies are under regular review. Restructuring is most commonly applied to term loans, in particular mid-term and long-term loans.

	30 June 2026	31 December 2025
Restructured customer loans	**637,419**	454,936

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.6 Customer loans (continued)

(c) Overdue loans by security and overdue date

As at 30 June 2026	Overdue for 1 to 90 days	Overdue for 90 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	Total
Unsecured loans	**105,355**	**219,774**	**105,699**	**2,553**	**433,381**
Guaranteed loans	**54,589**	**155,159**	**116,649**	**200,000**	**526,397**
Collateralised loans	**397,441**	**298,318**	**361,114**	**13,601**	**1,070,474**
Pledged loans	**10,507**	**3,238**	**527**	**8**	**14,280**
Total	**567,892**	**676,489**	**583,989**	**216,162**	**2,044,532**

As at 31 December 2025	Overdue for 1 to 90 days	Overdue for 90 days to 1 year	Overdue for 1 to 3 years	Overdue for over 3 years	Total
Unsecured loans	103,786	223,956	92,360	2,957	423,059
Guaranteed loans	108,253	240,735	20,665	200,000	569,653
Collateralised loans	133,463	209,082	378,883	12,800	734,228
Pledged loans	730	1,828	10	8	2,576
Total	346,232	675,601	491,918	215,765	1,729,516

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.6 Customer loans (continued)

(d) Concentration risks analysis for customer loans (gross) by industry sectors:

	30 June 2026 Amount	%	31 December 2025 Amount	%
Corporate loans				
Leasing and commercial services	**39,841,313**	**29.41**	35,292,285	28.27
Construction	**34,554,893**	**25.51**	35,044,082	28.07
Wholesale and retail	**21,922,889**	**16.18**	18,406,151	14.74
Real estate	**7,730,530**	**5.71**	7,387,618	5.92
Financial services	**4,968,961**	**3.67**	2,103,242	1.68
Water, environment and public utility management	**2,731,546**	**2.02**	1,829,821	1.47
Manufacturing	**2,563,083**	**1.89**	2,428,965	1.95
Transportation, warehousing and postage service	**1,280,671**	**0.94**	1,443,130	1.16
Information transmission, software and IT services	**1,253,648**	**0.92**	858,798	0.69
Accommodation and catering	**1,047,430**	**0.77**	775,371	0.62
Scientific research and technology services	**1,020,723**	**0.75**	1,513,641	1.21
Agriculture, forestry, animal husbandry and fishery	**838,858**	**0.62**	736,788	0.59
Production and supply of electricity, heat, gas and water	**749,990**	**0.55**	899,760	0.72
Education	**201,870**	**0.15**	192,300	0.15
Sanitation and social work	**198,505**	**0.15**	84,160	0.07
Household, maintenance and other services	**150,901**	**0.11**	163,882	0.13
Culture, sports and entertainment	**94,360**	**0.07**	110,467	0.09
Mining	**38,044**	**0.03**	23,393	0.02
Discounted bills	**1,608,396**	**1.19**	2,821,406	2.26
Total corporate loans	**122,796,611**	**90.64**	112,115,260	89.81
Personal business loans	**8,899,578**	**6.56**	8,486,729	6.79
Residential mortgage loans	**1,841,181**	**1.36**	1,992,530	1.60
Personal consumption loans	**1,363,422**	**1.01**	1,532,164	1.23
Total personal loans	**12,104,181**	**8.93**	12,011,423	9.62
Accrued interest	**575,059**	**0.43**	703,202	0.57
Total customer loans excluding ECL allowance	**135,475,851**	**100.00**	124,829,885	100.00

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.6 Customer loans (continued)

(e) Types of collateral analysis

Analysis for customer loans (gross) by types of collateral:

	30 June 2026	31 December 2025
Unsecured loans	**49,012,654**	46,081,883
Guaranteed loans	**71,779,142**	63,193,095
Collateralised loans	**9,120,508**	10,123,574
Pledged loans	**4,988,488**	4,728,131
Accrued interest	**575,059**	703,202
Total	**135,475,851**	124,829,885

39.1.7 Investment securities

As at 30 June 2026 and 31 December 2025, RMB securities are rated by domestic rating agencies.

The rating results of investment securities as following:

	As at 30 June 2026			
	Financial investments – measured at fair value through profit or loss	Financial investments – measured at FVTOCI	Financial investments – measured at amortised cost	Total
RMB securities				
AAA	269,281	516,812	3,012,986	3,799,079
AA- to AA+	195,849	13,050	–	208,899
A- to A+	–	–	1,534	1,534
Unrated[(a)]	15,647,017	2,954,701	26,109,962	44,711,680
Accrued interest	–	32,233	480,652	512,885
Less: ECL allowance	N/A	N/A	(785,966)	(785,966)
Subtotal	16,112,147	3,516,796	28,819,168	48,448,111
Foreign currency securities				
Unrated	1,359,577	–	–	1,359,577
Accrued interest	–	–	–	–
Less: ECL allowance	N/A	N/A	–	–
Subtotal	1,359,577	–	–	1,359,577
Total	17,471,724	3,516,796	28,819,168	49,807,688

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.7 Investment securities (continued)

The rating results of investment securities as following: (continued)

	As at 31 December 2025			
	Financial investments – measured at fair value through profit or loss	Financial investments – measured at FVTOCI	Financial investments – measured at amortised cost	Total
RMB securities				
AAA	431,877	888,484	2,571,140	3,891,501
AA- to AA+	939,515	13,031	2,400	954,946
A- to A+	–	–	3,600	3,600
Unrated[(a)]	25,065,138	3,561,850	21,964,930	50,591,918
Accrued Interest	–	37,677	429,190	466,867
Less: ECL allowance	N/A	N/A	(706,620)	(706,620)
Subtotal	26,436,530	4,501,042	24,264,640	55,202,212
Foreign currency securities				
Unrated	1,403,074	–	–	1,403,074
Accrued Interest	–	–	–	–
Less: ECL allowance	N/A	N/A	–	–
Subtotal	1,403,074	–	–	1,403,074
Total	27,839,604	4,501,042	24,264,640	56,605,286

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.7 Investment securities (continued)

(a) Unrated securities

	Financial investments – measured at fair value through profit or loss	Financial investments – measured at FVTOCI	Financial investments – measured at amortised cost	Total
As at 30 June 2026				
Treasury bonds	**364,099**	**2,227,120**	**10,488,811**	**13,080,030**
Local government bonds	**–**	**–**	**58,451**	**58,451**
Policy bank bonds	**50,768**	**539,668**	**9,899,014**	**10,489,450**
Medium-term Notes	**210,093**	**162,261**	**–**	**372,354**
Certificates of deposit	**8,325,093**	**–**	**–**	**8,325,093**
Privately raised corporate bond	**1,123,780**	**25,652**	**2,241,906**	**3,391,338**
Enterprise bond	**19,789**	**–**	**–**	**19,789**
NFRA regulated ABS	**3,042**	**–**	**–**	**3,042**
Mutual funds	**3,732,815**	**–**	**–**	**3,732,815**
Trust and asset management plans	**1,770,216**	**–**	**3,421,780**	**5,191,996**
Private placement notes	**47,322**	**–**	**–**	**47,322**
Total	**15,647,017**	**2,954,701**	**26,109,962**	**44,711,680**

	Financial investments – measured at fair value through profit or loss	Financial investments – measured at FVTOCI	Financial investments – measured at amortised cost	Total
As at 31 December 2025				
Treasury bonds	363,740	2,382,274	5,960,647	8,706,661
Local government bonds	–	346,671	360,411	707,082
Policy bank bonds	454,087	642,607	11,005,188	12,101,882
Medium-term Notes	108,582	164,023	–	272,605
Certificates of deposit	13,694,794	–	–	13,694,794
Privately raised corporate bond	1,377,994	26,275	2,341,904	3,746,173
Corporate bonds	160,184	–	–	160,184
NFRA regulated ABS	2,984	–	–	2,984
Mutual funds	6,302,693	–	–	6,302,693
Trust and asset management plans	2,178,982	–	2,296,780	4,475,762
Private placement notes	421,098	–	–	421,098
Total	25,065,138	3,561,850	21,964,930	50,591,918

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.7 Investment securities (continued)

(a) Unrated securities (continued)

Financial investments – measured at amortised cost are summarised as follows:

	30 June 2026	31 December 2025
Stage 1	**27,984,590**	23,678,618
Stage 2	**420,092**	143,652
Stage 3	**719,800**	719,800
Add: Accrued interest	**480,652**	429,190
Gross amount	**29,605,134**	24,971,260
Less: ECL allowance	**(785,966)**	(706,620)
Net amount	**28,819,168**	24,264,640

Financial investments – credit related financial assets are summarised as follows:

	30 June 2026	31 December 2025
Stage 1	**1,323,880**	2,123,672
Stage 2	**–**	–
Stage 3	**168,350**	168,350
Add: Accrued interest	**154,675**	165,877
Gross amount	**1,646,905**	2,457,899
Less: ECL allowance	**(198,322)**	(219,820)
Net amount	**1,448,583**	2,238,079

(All amounts expressed in thousands of RMB unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

39.1 Credit risk (continued)

39.1.7 Investment securities (continued)

(a) Unrated securities (continued)

Concentration risks analysis for financial investments – credit related financial assets by industry sectors:

	30 June 2026		31 December 2025	
	Amount	**%**	Amount	%
Leasing and commercial services	**992,230**	**60.25**	1,773,272	72.15
Construction	**500,000**	**30.36**	500,000	20.34
Water, environment and public utility management	**–**	**–**	18,750	0.76
Add: Accrued interest	**154,675**	**9.39**	165,877	6.75
Total	**1,646,905**	**100.00**	2,457,899	100.00

39.1.8 Foreclosed assets

	30 June 2026	31 December 2025
Business properties	**53,106**	57,395
Properties and plants	**1,196**	1,417
Less: Provision for foreclosed assets	**(11,570)**	(13,835)
Net amount	**42,732**	44,977

The Group does not generally occupy foreclosed properties for its business use. Foreclosed assets are classified in the condensed consolidated statement of financial position as other assets.

39.1.9 Concentration risk analysis for financial assets with credit risk exposure

The Group's geographical risk is primarily concentrated in Mainland China, therefore, the credit risk of the Group's financial assets is mainly concentrated in Mainland China.

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Fair value hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities, debt instruments in house (e.g. Hong Kong Stock Exchange).

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly. This level includes the debt instruments dealing in the inter-bank market. For example, the input parameters of bond yield curves and counterparty credit risk stem from China bond information website and Bloomberg.

- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs). This level includes equity instruments and structural financial instruments.

The Group determines the fair value of the financial instruments by valuation techniques when it is difficult to obtain quotations from the open market.

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

The measurement of the fair value of unlisted equity held by the Group adopts unobservable parameters that may have significant impact on the valuations. Thus, the Group classifies these financial instruments to the third level. The Group has established an internal control system to supervise the exposure of the financial instrument above.

(All amounts expressed in thousands of RMB unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(b) Financial instruments not measured at fair value

Financial assets and liabilities that are not measured at fair value in the condensed consolidated statement of financial position mainly include: balances with the central bank, due from/placements with banks and financial institutions, financial assets held under reverse repurchase agreements, customer loans, credit related financial assets, financial investments – measured at amortised cost, due to/placement from banks and financial institutions, financial assets sold under repurchase agreements, customer deposits, debt securities issued. Except for the following financial assets and financial liabilities, the difference between the book value before impairment and fair value of those financial assets and liabilities not presented at their fair value was insignificant. Fair value is measured using a discounted cash flow model.

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

	As at 30 June 2026				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial investments – measured at amortised cost	**28,819,168**	**–**	**25,348,709**	**4,692,310**	**30,041,019**
Financial investments – credit related financial assets	**1,448,583**	**–**	**–**	**1,514,655**	**1,514,655**
Financial liabilities					
Debt securities issued	**15,109,514**	**–**	**15,256,904**	**–**	**15,256,904**

	As at 31 December 2025				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments – measured at amortised cost	24,264,640	–	21,755,475	3,501,708	25,257,183
Financial investments – credit related financial assets	2,238,079	–	–	2,316,313	2,316,313
Financial liabilities					
Debt securities issued	18,293,528	–	18,352,818	–	18,352,818

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

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

Financial investments – credit related financial assets

The fair value for financial investments – credit related financial assets is determined based on discounted cash flow model using unobservable discount rates that reflect credit risk and liquidity.

Financial investments – measured at amortised cost

The fair value for financial investments measured at amortised cost is determined based on discounted cash flow model using unobservable discount rates that reflect credit risk and liquidity.

The fair value for bonds measured at amortised cost is based on market prices or broker/dealer price quotations. Where the information is not available, fair value is estimated using quoted market prices for securities with similar credit risk, maturity and yield characteristics.

Debt securities issued

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

Other than above, the carrying values of those financial assets and liabilities not presented at their fair value in the condensed consolidated statement of financial position are a reasonable approximation of their fair values. Those financial assets and liabilities include balances with the central bank, due from/placements with banks and financial institutions, customer loans, due to placements from other banks and financial institutions, customer deposits, etc. and their fair value is measured using a discounted future cash flow model.

(All amounts expressed in thousands of RMB unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(c) Financial assets measured at fair value on a recurring basis

The financial assets measured at fair value on a recurring basis by the three levels are analysed below:

As at 30 June 2026	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Customer loans – discounted bills	**–**	**1,608,396**	**–**	**1,608,396**
Financial investments – measured at FVTPL	**–**	**17,344,532**	**161,558**	**17,506,090**
Financial investments – measured at FVTOCI	**–**	**3,516,796**	**–**	**3,516,796**
Total	**–**	**22,469,724**	**161,558**	**22,631,282**

As at 31 December 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Customer loans – discounted bills	–	2,821,406	–	2,821,406
Financial investments – measured at FVTPL	–	27,712,383	161,587	27,873,970
Financial investments – measured at FVTOCI	–	4,501,042	–	4,501,042
Total	–	35,034,831	161,587	35,196,418

(All amounts expressed in thousands of RMB unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(c) Financial assets measured at fair value on a recurring basis (continued)

Specific valuation techniques used to value financial instruments include:

Quoted market prices or dealer quotes for similar instruments;

Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Movement of Level – 3 valuation methodology

	Financial investments – measured at fair value through profit or loss
As at 1 January 2026	**161,587**
Total gains or losses	
– Current profit and loss	**1,796**
– Recovery of the principal	**(1,825)**
As at 30 June 2026	**161,558**
Total gains for the period included in profit and loss for financial assets held at the period end	**1,796**

	Financial investments – measured at fair value through profit or loss
As at 1 January 2025	177,199
Total gains or losses	
– Current profit and loss	(11,956)
– Recovery of the principal	(3,656)
As at 31 December 2025	161,587
Total gains for the year included in profit and loss for financial assets held at the year end	(11,956)

(All amounts expressed in thousands of RMB unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(c) Financial assets measured at fair value on a recurring basis (continued)

Quantitative information about the significant unobservable inputs used in the fair value measurement of Level 3 for the period ended 30 June 2026 and the year ended 31 December 2025 presented as follows:

As at 30 June 2026	Fair Value	Valuation Technique	Unobservable Inputs	Range of Discounted Expected cash inflows/ Net assets value
Financial investments – measured at fair value through profit or loss				
– ABS	**127,192**	**Discounted cash flows**	**Expected discounted cash inflows**	**97,824 – 137,375**
– Equity investment	**34,366**	**Net assets analysis**	**Net assets**	**0.9910 – 0.9047**

As at 31 December 2025	Fair Value	Valuation Technique	Unobservable Inputs	Range of Discounted Expected cash inflows/ Net assets value
Financial investments – measured at fair value through profit or loss				
– ABS	127,221	Discounted cash flows	Expected discounted cash inflows	115,226 – 141,106
– Equity investment	34,366	Net assets analysis	Net assets	0.9910 – 0.9047

Definitions

"the Group"	the Bank and its subsidiaries
"Bank", "our Bank", "we" or "us"	Luzhou Bank Co., Ltd. (泸州银行股份有限公司)
"Board" or "Board of Directors"	the board of Directors of the Bank
"China" or "PRC"	the People's Republic of China, but for the purpose of this report, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Bank
"Domestic Shares"	ordinary shares in the share capital of the Bank with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
"Former CBIRC"	Former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
"Hong Kong Dollars"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"H Shares"	the overseas listed foreign shares in the ordinary share capital of the Bank with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong Dollars and listed and traded on the Hong Kong Stock Exchange
"IAS"	International Accounting Standards and its interpretations
"IFRS"	International Financial Reporting Standards issued by the IAS Board
"Latest Practicable Date"	August 25, 2026, being the latest practicable date for the purpose of containing certain information in this report before this report is printed
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Reporting Period"	six months ended June 30, 2026
"RMB" or "Renminbi"	the lawful currency of the PRC

Definitions

"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	the holder(s) of the Shares
"Shares"	the Domestic Shares and H Shares of the Bank

泸州银行股份有限公司
LUZHOU BANK CO.,LTD.