



东莞农村商业银行
DRC Bank

東莞農村商業銀行股份有限公司
Dongguan Rural Commercial Bank Co., Ltd.

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

Stock Code: 9889

INTERIM
REPORT
2026



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

Important Notice



The Board of Directors, the Directors, and senior management of the Bank confirm the truthfulness, accuracy and completeness of the contents of this Interim Report and that there are no false representations, misleading statements or material omissions, and severally and jointly assume liability for the information hereof.

On 28 August 2026, the 22nd meeting of the 5th session of the Board of Directors of the Bank was held at the conference room of Dongguan Rural Commercial Bank Building. It considered and approved the Resolution on the 2026 Interim Report. 10 Directors were eligible to attend the meeting, 9 were present in person and 1 were present by proxy. The convening of the meeting is in compliance with relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of Dongguan Rural Commercial Bank Co., Ltd. This Interim Report was also considered and approved by the Audit Committee of the Board of Directors of the Bank.

The 2026 Interim Financial Report of the Bank prepared in accordance with the International Financial Reporting Accounting Standards is unaudited, but has been reviewed by KPMG in accordance with the International Standard on Review Engagements.

Mr. Lu Guofeng, the legal representative and chairman of the Bank, Mr. Qian Hua, the vice president (acting as the president), Mr. Ye Jianguang, the person-in-charge of accounting, and Ms. Zhong Xuemei, the head of the accounting department, declare and assure the truthfulness, accuracy, and completeness of the financial reports in this Report.

As resolved at the 2025 annual general meeting held on 21 May 2026, the Bank distributed a dividend of RMB0.22 (tax inclusive) per share for the year ended 31 December 2025, with a total amount of RMB1,515 million (tax inclusive). The Bank did not make profit distribution or transfer capital reserve into share capital for the interim period of 2026.

The forward-looking statements included in this Report are based on current plans, estimates and projections. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable, the Board of Directors gives no assurance that these expectations will be realized or proved to be correct and these statements should not be considered as commitment of the Group. Investors and persons concerned should be fully aware of the risks and understand the difference among plans, estimates and commitments.

During the Reporting Period, the Bank was not aware of any material risks that would adversely affect its future development strategies and business targets. Details of the major risks to which the Bank was exposed in its operations and management and the corresponding measures adopted by the Bank are described in this Report. Please refer to the information in the "Risk Management" section in the "Management Discussion and Analysis" chapter of this Report.

Under different circumstances, this Report discloses relevant information on the Group basis or at the level of the Bank only. Therefore, there exists inconsistency between the data of the "Group" and the "Bank" and such inconsistency is not due to data error, but due to the difference in the scope of the data. Unless otherwise specified, the financial information set out in this Report represents the consolidated data from the financial statements of the Bank together with its subsidiaries, namely Yunfu Xinxing Dongying County Bank Company Limited, Hezhou Babu Dongying County Bank Company Limited, Zhanjiang Rural Commercial Bank Co., Ltd. and Guangdong Chaoyang Rural Commercial Bank Co., Ltd.

Important Notice

Unless otherwise specified, the currency for the amounts stated in this Report is RMB. There may be discrepancies between the arithmetic sum of certain breakdowns and the corresponding total amount, which is due to rounding rather than data error. To conform with the presentation of the interim financial statements of 2026, the Group has made reclassification adjustments to certain figures for the comparative period.

This Report is prepared in Chinese and English. If there are any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

Definitions



Definitions

Definitions of commonly used terms in this Report

“Articles of Association” or “Articles”	unless otherwise indicated in the context, the articles of association of the Bank currently in force
“Bank”, “our Bank” or “Dongguan Rural Commercial Bank”	Dongguan Rural Commercial Bank Co., Ltd. (東莞農村商業銀行股份有限公司), a joint stock company established on 22 December 2009 through restructuring in the PRC with limited liability, and includes its predecessor, branches and sub-branches (excluding its subsidiaries)
“Board” or “Board of Directors”	the board of Directors of our Bank
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as currently in force
“Director(s)”	the director(s) of our Bank
“Domestic Share(s)”	ordinary share(s) issued by our Bank in the mainland of the PRC
“Group” or “we” or “us”	the Bank and its subsidiaries
“Guangdong Chaoyang Rural Commercial Bank”	Guangdong Chaoyang Rural Commercial Bank Co., Ltd. (廣東潮陽農村商業銀行股份有限公司), a joint stock company established on 27 December 2020 through restructuring in the PRC with limited liability and a non-wholly owned subsidiary of our Bank
“Guangdong Puning Rural Commercial Bank”	Guangdong Puning Rural Commercial Bank Co., Ltd. (廣東普寧農村商業銀行股份有限公司), a joint stock company established on 18 March 2016 through restructuring in the PRC with limited liability, and an institution that the Bank is entrusted by the Dongguan Municipal Government to manage
“Hezhou Babu Dongying County Bank”	Hezhou Babu Dongying County Bank Company Limited (賀州八步東盈村鎮銀行股份有限公司), a joint stock company incorporated on 8 August 2012 in the PRC with limited liability and a non-wholly owned subsidiary of our Bank
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	ordinary share(s) issued by our Bank in Hong Kong, the PRC
“Latest Practicable Date”	28 August 2026, being the latest practicable date prior to the printing of this Report for ascertaining certain data contained herein

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited currently in force
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set forth in Appendix C3 to the Listing Rules, as currently in force
“NFRA”, “former CBIRC” or “former CBRC”	National Financial Regulatory Administration (國家金融監督管理總局) or its predecessor, the former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), the former China Banking Regulatory Commission (中國銀行業監督管理委員會)
“PBoC” or “Central Bank”	The People’s Bank of China, the central bank of the PRC
“Report” or “this Report”	2026 Interim Report of Dongguan Rural Commercial Bank Co., Ltd.
“Reporting Period”	the six months ended 30 June 2026
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) currently in force
“Share(s)”	ordinary share(s) of the Bank, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s) of the Bank, including Domestic Shareholder(s) and H Shareholder(s)
“Yunfu Xinxing Dongying County Bank”	Yunfu Xinxing Dongying County Bank Co., Ltd. (雲浮新興東盈村鎮銀行股份有限公司), a joint stock company incorporated on 23 December 2011 in the PRC with limited liability, which became a wholly owned subsidiary of our Bank in January 2026
“Zhanjiang Rural Commercial Bank”	Zhanjiang Rural Commercial Bank Co., Ltd. (湛江農村商業銀行股份有限公司), a joint stock company established on 26 October 2019 through restructuring in the PRC with limited liability and a non-wholly owned subsidiary of our Bank

Chapter I

Company Profile and Business Overview



I. GENERAL INFORMATION

Legal Chinese name	東莞農村商業銀行股份有限公司
Abbreviation of Chinese name	東莞農村商業銀行
Legal English name	Dongguan Rural Commercial Bank Co., Ltd.
Abbreviation of English name	DRC Bank
Legal representative	Lu Guofeng
Authorized representatives under the Listing Rules	Qian Hua, Tam Pak Yu, Vivien
Authorized representative under the Hong Kong Companies Ordinance	Tam Pak Yu, Vivien
Secretary to the Board of Directors	Ye Jianguang ⁽¹⁾
Joint company secretaries	Zhu Ying, Tam Pak Yu, Vivien
Registered address	No. 2, Hongfu East Road, Dongcheng Street, Dongguan City, Guangdong Province, the PRC
Postal code	523123
Company's Website	www.drcbank.com
Customer service hotline	(86) 769-961122
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Stock exchange	The Stock Exchange of Hong Kong Limited
Stock short name and code	DRCB, 9889.HK
H share registrar	Computershare Hong Kong Investor Services Limited
Domestic share depository	China Securities Depository and Clearing Corporation Limited
Domestic auditor	Pan-China Certified Public Accountants LLP
International auditor	KPMG
Legal advisor in Chinese mainland	C&T Partners
Hong Kong legal advisor	King & Wood
Designated information disclosure websites	Website of the Hong Kong Stock Exchange (www.hkexnews.hk) Website of the Bank (www.drcbank.com)
Place for inspection of information disclosure	Office of the Board of Directors of the Bank
Date of establishment as joint stock company	22 December 2009
Registered capital	RMB6,888,545,510
Unified Social Credit Code	914419007829859746
Financial license number	B1054H344190001

Chapter I

Company Profile and Business Overview

Note:

- (1) Mr. Ye Jianguang tendered his resignation from his role as the Secretary to the Board of Directors, in May 2026. In accordance with applicable regulations, he will continue to perform the functions of the Secretary to the Board until the Bank appoints a successor who obtains the related qualification approval from the financial regulatory authority. The Bank appointed Ms. Zhu Ying as the Secretary to the Board of Directors in May 2026, subject to the approval by the financial regulatory authority.

II. COMPANY PROFILE

Dongguan Rural Commercial Bank originated from Dongguan Credit Group (東莞信用互助組) established in 1952. The Bank ceased to be administrated by the Agricultural Bank of China in 1996, established Dongguan Rural Credit Cooperatives Association*(東莞市農村信用合作聯社) upon completion of reform as a unified legal person in 2005, completed the reform as Dongguan Rural Commercial Bank Co., Ltd. in 2009, and was successfully listed on the Hong Kong Stock Exchange in 2021 (stock code: 9889.HK).

As of the end of June 2026, the Bank has established three tier-one branches outside Dongguan, namely Nansha branch in Guangdong Pilot Free Trade Zone, Hengqin Guangdong-Macao In-Depth Cooperation Zone branch and Huizhou branch, managed Zhanjiang Rural Commercial Bank, Guangdong Chaoyang Rural Commercial Bank, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank on a consolidated basis, assisted Dongguan Municipal Government in managing Guangdong Puning Rural Commercial Bank, and invested in Guangdong Shunde Rural Commercial Bank, Guangdong Xuwen Rural Commercial Bank, Guangdong Lechang Rural Commercial Bank and Ya'an Rural Commercial Bank, and has become a regional banking group rooted in Dongguan, serving East Guangdong and West Guangdong.

As of the end of June 2026, the total assets of Dongguan Rural Commercial Bank Group amounted to RMB798,083 million, with the balance of deposits of RMB544,996 million and the balance of loans of RMB416,784 million. The non-performing loan ratio of the Group was 1.93%; the provision coverage ratio was 192.99%; the capital adequacy ratio and the tier-one capital adequacy ratio were 15.34% and 13.27%, respectively. The Group achieved a net profit of RMB2,887 million, with the return on asset (ROA) and the return on equity (ROE) of 0.72% and 8.87%, respectively.

According to the statistics of the British magazine "The Banker" in 2026, the Bank ranked 225th in the global banking industry; in the "Top 100 Banks in China of 2025" released by China Banking Association, the Bank ranked 38th overall and 6th among rural commercial banks nationwide. The Bank has been awarded the "Dongguan City Benefit Contribution Award" by the Dongguan Municipal Party Committee and Municipal Government for years.

III. DEVELOPMENT STRATEGY, INVESTMENT VALUE AND CORE COMPETITIVENESS

(I) Development Strategies

Under the direction of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and following the deployment of the Central Financial Work Conference and the Central Economic Work Conference, the Group deepens the “Five Major Financial Initiatives”, adheres to the leadership of Party building and the people-centric value orientation, adheres to the mission of “accompanying, trusting and growing with each other”, and implements the development path of light capital development, digital transformation and characteristic competition to achieve the vision of becoming a “Regional Value-oriented Rural Commercial Bank Group”.

(II) Investment Value and Competitive Edge

Operating area integrated into national strategic hub, offering broad development space. The Group has based itself in the Guangdong-Hong Kong-Macao Greater Bay Area with Dongguan as the center, and East Guangdong and West Guangdong as two complements. Its operational area covers four cities within the Guangdong-Hong Kong-Macao Greater Bay Area urban cluster, as well as Zhanjiang and Shantou, two provincial sub-center cities. The Group’s operating areas align with national, provincial and municipal strategies including the development of the Guangdong-Hong Kong-Macao Greater Bay Area, high-quality development of the manufacturing industry, self-reliance and strength in science and technology, and rural revitalization. The economic development, industrial structure and market potential of the area have laid a foundation for the sustainable development of the Group.

Clear and firm development strategy, values-driven growth. The Group, based on the new stage of development, closely follows changes in the economy, customers and the market, clearly defines the vision and goal of becoming a regional value-oriented rural commercial bank group, and practices the values of customer orientation, integrity and honesty, steady development and coordinated growth to ensure stable and long-term development.

Coordinated development of business segments, continuous optimization in financial service. The Group adheres to the main responsibility and main business of “supporting agriculture, supporting SMEs and supporting the real economy”, promotes the coordinated development of the four core business segments of corporate, retail, inclusive finance and financial asset management which are mutually integrated and promote each other, provides comprehensive financial services to customers and fully supports the development of the real economy.

Continuous enhancement in organization and management, improved quality and efficiency of operational management. The Group takes ecological, flat and professional operation as the main lines, comprehensively deepens the reform of system and mechanism, gives play to the advantages such as flexible mechanism, short decision-making chain and interpersonal and geographical relationships to improve the speed of response to customer needs. It adheres to the principle of prudent operation, shapes a comprehensively integrated, agile and proactive risk management system, reinforces risk quality management and achieves sustainable commercial development.

Technology empowerment for development, full power acceleration of digital development.

The Group has strengthened its systems development to build the foundation for the digital transformation. It strengthens the integration capability of business and technology, deepens the empowerment of technology and data, promotes systematic, refined and intelligent operations by digitalization, constructs precise marketing models, intelligent risk control models and intensive operation models and continuously empowers the innovation of financial products and services.

Standardized and solid corporate governance with open and progressive corporate culture.

The Group has established a sound corporate governance structure, and formed a diversified shareholding structure with state-owned, private, foreign, rural collective economic organization, natural person and employee. The Group adheres to the business philosophy of “customer-centric, market-oriented, and efficiency-oriented”, builds a responsible and dedicative striving culture, a prudent and stable compliance culture and a warm and harmonious home culture, creates a corporate atmosphere of “with happiness and openness as its core, equality, mutual trust, mutual assistance, mutual love and common progress”, and unites the entire Group for coordinated and common development with corporate culture.

IV. HONORS AND AWARDS

2026

February

2025 Dongguan Industry Power List “Benchmark in Technology Finance Services”

Dongguan Newspaper Media Group

Wealth Management Income Pioneer Prize in 2025 Lianhe Zhiping Golden Toad Award

Lianxin Zhiping Digital Technology Co., Ltd. * (聯信智評數字科技有限公司)

Excellent Wealth Management Prize in 2025 Lianhe Zhiping Golden Toad Award

Lianxin Zhiping Digital Technology Co., Ltd. * (聯信智評數字科技有限公司)

Excellent Wealth Management Sales Bank Prize in 2025 Lianhe Zhiping Golden Toad Award

Lianxin Zhiping Digital Technology Co., Ltd. * (聯信智評數字科技有限公司)

March

Self-Discipline Model Award for the Self-Regulatory Mechanism of Guangdong Provincial Banks’ Foreign Exchange and Cross-border RMB Business Development

Self-Regulatory Mechanism of Guangdong Provincial Banks’ Foreign Exchange and Cross-border RMB Business Development

Honest Enterprise in 2026 Dongguan City Honest Service Brand Promotion Campaign

Dongguan Consumer Council, Dongguan Newspaper Media Group

2026

Excellent Fixed Income Bank Wealth Management Product Award in 2026 Gold Honour Award

China Investment Association, Financial Industry Asset Management Professional Committee

Excellent Asset Management Rural Commercial Bank in 2026 Gold Honour Award

China Investment Association, Financial Industry Asset Management Professional Committee

2025 Dongguan Financial Industry Supporting “High-Quality Development Project” Outstanding Unit Award

Nanfang Daily

April

Pioneer Unit in Public Welfare Publicity

Dongguan Advertising Association, Dongguan Public Service Advertising Release Alliance

Top 50 Enterprises in Dongguan by Economic Contribution in 2025

Chinese Communist Party Dongguan Committee, Dongguan Municipal People's Government

May

Top 10 City Rural Commercial Bank Wealth Management Award in RBA 9th Retail Banking Award

Retail Banking Magazine

June

Top 10 Banks for the New Track of Retail Transformation of the 15th China New Financial Institution Cooperation and Exchange Conference

National Forum Office for Regional Finance, Organising Committee of China New Financial Institution Forum

July

Ranked 225th of the Top 1,000 Global Banks in 2026

The Banker, UK

Dongguan City's 2026 “6 · 30” Initiative to Support Rural Revitalization and Dongguan Charity Day Event “United in Vision, United in Action for Revitalization”

Office of the CPC Dongguan Municipal Committee Rural Work Leading Group, Dongguan Charity Federation

Chapter II

Accounting Data and Financial Indicators Highlights



(Unit: RMB'000)

Operating results	For the six months ended 30 June		Percentage increase/ (decrease) for the Reporting Period as compared to the same period of the previous year (%)
	2026	2025	
Operating income	6,061,168	5,500,933	10.18
Profit before tax	2,665,848	2,755,043	(3.24)
Net profit	2,886,981	2,627,906	9.86
Net profit attributable to the shareholders of the Bank	2,779,874	2,628,882	5.74

(unit: RMB/share)

Per share	As at 30 June/for the six months ended 30 June		As at 31 December/ for the year ended 31 December	Percentage increase/ (decrease) for the Reporting Period as compared to the same period of the previous year (%)
	2026	2025	2025	
Net asset per share attributable to the shareholders of the Bank	8.93	8.69	8.75	2.76
Basic earnings per share	0.40	0.38	0.56	5.26
Diluted earnings per share	0.40	0.38	0.56	5.26

Chapter II

Accounting Data and Financial Indicators Highlights

(Unit: RMB'000)

Scale indicators	As at 30 June 2026	As at 31 December 2025	Percentage increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	798,082,958	796,015,702	0.26
Including: Gross loans and advances to customers (excluding accrued interest)	416,784,389	409,031,225	1.90
Allowance for expected credit loss/impairment for loans and advances to customers ⁽¹⁾	15,489,929	15,139,296	2.32
Total liabilities	733,731,793	732,991,761	0.10
Including: Total deposits from customers (excluding accrued interest)	544,996,286	544,211,842	0.14
Share capital	6,888,546	6,888,546	0.00
Shareholders' equity	64,351,165	63,023,941	2.11
Including: Equity attributable to shareholders of the Bank	61,546,195	60,294,841	2.08
Non-controlling interests	2,804,970	2,729,100	2.78

Note:

- (1) Including the expected credit loss allowance on loans and advances to customers measured at amortized costs and the expected credit loss allowance on loans and advances to customers at fair value through other comprehensive income.

(unit: %)

Profitability indicators	For the six months ended 30 June		Amount of increase/ (decrease) for the Reporting Period as compared to the same period of the previous year
	2026	2025	
Return on average total assets (annualized) ⁽¹⁾	0.72	0.70	0.02
Return on average equity (annualized) ⁽²⁾	8.87	8.23	0.64
Net interest spread (annualized) ⁽³⁾	1.27	1.16	0.11
Net interest margin (annualized) ⁽⁴⁾	1.30	1.22	0.08
Cost-to-income ratio ⁽⁵⁾	30.81	33.67	(2.86)

Notes:

- (1) The annualized rate of return was calculated by dividing the annualized net profit for the period by the average balance of total assets at the beginning and the end of the period.
- (2) The annualized rate of return was calculated by dividing the annualized net profit for the period by the average balance of total shareholders' equity at the beginning and the end of the period, which was the closing balance after taking into account the annualized net profit.
- (3) Calculated as the difference between the average yield on total interest-earning assets and the average cost rate of interest-bearing liabilities.
- (4) Calculated by dividing the net interest income for the beginning and the end of the period by the average balance of total interest earning assets.
- (5) Calculated by dividing the total operating expenses (excluding tax and surcharges) by total operating income.

Chapter II

Accounting Data and Financial Indicators Highlights

(unit: %)

Capital adequacy indicators⁽¹⁾	As at 30 June 2026	As at 31 December 2025	Amount of increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Core tier-one capital adequacy ratio ⁽²⁾	13.24	13.30	(0.06)
Tier-one capital adequacy ratio ⁽³⁾	13.27	13.33	(0.06)
Capital adequacy ratio ⁽⁴⁾	15.34	15.41	(0.07)
Ratio of total equity to total assets	8.06	7.92	0.14

Notes:

- (1) Indicators were calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》). The calculation scope of capital adequacy ratio comprises of all branches and financial institution subsidiaries in compliance with the requirements of the Administrative Measures for the Capital of Commercial Banks.
- (2) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by total risk-weighted assets.
- (3) Calculated by dividing tier-one capital, net of tier-one capital deductions, by total risk-weighted assets.
- (4) Calculated by dividing total capital, net of capital deductions, by total risk-weighted assets.

(unit: %)

Asset quality indicators	As at 30 June 2026	As at 31 December 2025	Amount of increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Non-performing loan ratio ⁽¹⁾	1.93	1.79	0.14
Allowance coverage ratio ⁽²⁾	192.99	207.68	(14.69)
Allowance to total loan ratio ⁽³⁾	3.73	3.72	0.01

Notes:

- (1) Calculated by dividing the total amount of non-performing loan (excluding accrued interest) by total amount of loans (excluding accrued interest), where the loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.
- (2) Calculated by dividing the balance of loan impairment provision by total amount of non-performing loans (excluding accrued interest), where the balance of loan impairment provision does not include the balance of loan impairment provision recorded under other comprehensive income and the loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.
- (3) Calculated by dividing the balance of loan impairment provision by total amount of loans (excluding accrued interest), where the balance of loan impairment provision does not include the balance of loan impairment provision recorded under other comprehensive income and the loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.

(unit: %)

Other indicator	As at 30 June 2026	As at 31 December 2025	Amount of increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year
Loan-to-deposit ratio ⁽¹⁾	76.49	75.16	1.33

Note:

- (1) A group approach to off-site supervisory reporting for the NFRA; calculated by dividing total amount of loans to customers (excluding accrued interest) by total deposits from customers (excluding accrued interest), where the deposits and loans of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, our subsidiaries, were calculated by the original book value instead of fair value on the acquisition date.

Chapter III

Management

Discussion and

Analysis



I. OPERATION OVERVIEW

In the first half of 2026, the Group closely aligned its efforts with the major strategic decisions and deployments of the Party Central Committee and the provinces and municipalities, and solidly advanced the initiatives of stabilizing growth, preventing risks, and promoting reform. By deeply practising the business philosophy of “customer-centric, market-oriented, and efficiency-oriented”, the Group achieved steady progress in business development, continuously strengthened risk control management, and sustained the enhancement of development vitality, resulting in the coordinated and continuous development of operation quality, scale, and profitability.

In terms of business scale, as of the end of the Reporting Period, the Group’s total assets amounted to RMB798,083 million, representing an increase of RMB2,067 million or 0.26% over the end of the previous year. The balance of deposits amounted to RMB544,996 million, representing an increase of RMB784 million or 0.14% over the end of the previous year. The balance of loans amounted to RMB416,784 million, representing an increase of RMB7,753 million or 1.90% over the end of the previous year, demonstrating resilience in scale growth and continuously enhancing services to the real economy.

In terms of development quality, as of the end of the Reporting Period, the Group’s non-performing loan ratio was 1.93%, the provision coverage ratio was 192.99%, the capital adequacy ratio and tier one capital adequacy ratio were 15.34% and 13.27% respectively, and these indicators were in line with the regulatory standards.

In terms of operation performance, during the Reporting Period, the Group achieved an operating income of RMB6,061 million, representing an increase of RMB560 million or 10.18% compared with the same period last year, and a net profit of RMB2,887 million, representing an increase of RMB259 million or 9.86% compared with the same period last year. The ROA (return on assets) and the ROE (return on equity) were 0.72% and 8.87%, respectively, reflecting improved profitability.

II. KEY OPERATING DATA

(I) Income Statement Analysis

During the Reporting Period, the Group achieved operating income of RMB6,061 million, representing an increase of RMB560 million or 10.18% compared with the same period last year, and a net profit of RMB2,887 million, representing an increase of RMB259 million or 9.86% compared with the same period last year. This was mainly due to the increase in net interest income. The key items and movements in the Group’s income statement are shown in the table below:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Net interest income	4,824,632	4,236,511	588,121	13.88
Net non-interest income	1,236,536	1,264,422	(27,886)	(2.21)
Operating income	6,061,168	5,500,933	560,235	10.18
Operating expense	(1,912,820)	(1,902,275)	(10,545)	0.55
Impairment losses on assets	(1,512,682)	(869,794)	(642,888)	73.91
Operating profit	2,635,666	2,728,864	(93,198)	(3.42)
Share of profits of associates	30,182	26,179	4,003	15.29
Profit before tax	2,665,848	2,755,043	(89,195)	(3.24)
Income tax expense	221,133	(127,137)	348,270	(273.93)
Net profit	2,886,981	2,627,906	259,075	9.86
Net profit attributable to the shareholders of the Bank	2,779,874	2,628,882	150,992	5.74
Net profit attributable to the non-controlling interests	107,107	(976)	108,083	11,074.08

1. Net interest income

During the Reporting Period, the Group's net interest income amounted to RMB4,825 million, representing an increase of RMB588 million, or 13.88% compared with the same period last year. The following table sets forth the interest income, interest expense and net interest income of the Group during the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Interest income	9,896,787	9,973,080	(76,293)	(0.76)
Interest expense	(5,072,155)	(5,736,569)	664,414	(11.58)
Net interest income	4,824,632	4,236,511	588,121	13.88

(1) Net interest spread and net interest margin

During the Reporting Period, the Group's average yield on interest-earning assets amounted to 2.68%, representing a year-on-year decrease of 0.19 percentage point. The average cost rate of interest-bearing liabilities amounted to 1.41%, representing a year-on-year decrease of 0.30 percentage point. The net interest spread amounted to 1.27%, representing a year-on-year increase of 0.11 percentage point, and the net interest margin amounted to 1.30%, representing a year-on-year increase of 0.08 percentage point, which was mainly due to the year-to-year decrease in interest expenses.

The following table sets forth the average balances of the Group's interest-earning assets and interest-bearing liabilities, the related interest income or expense and the related average yields on assets or related average cost ratio of liabilities for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Average balance	Interest income/expense	Average yield/cost ratio ⁽¹⁾ (%)	Average balance	Interest income/expense	Average yield/cost ratio ⁽¹⁾ (%)
Interest-earning assets						
Loans and advances to customers	411,787,475	6,265,281	3.04	386,529,220	6,393,967	3.31
Financial investments ⁽²⁾	265,124,392	3,167,162	2.39	250,838,472	3,125,201	2.49
Deposits with the central bank	31,997,353	227,195	1.42	31,334,635	218,063	1.39
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	30,872,993	237,149	1.54	26,819,825	235,849	1.76
Total	739,782,213	9,896,787	2.68	695,522,152	9,973,080	2.87
Interest-bearing liabilities						
Deposits from customers	539,693,534	3,500,737	1.30	520,999,573	4,193,501	1.61
Debt securities issued	107,224,444	984,106	1.84	96,886,549	1,000,856	2.07
Borrowings from the central bank	54,398,743	423,963	1.56	24,470,972	238,324	1.95
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	19,791,590	156,492	1.58	28,501,473	296,398	2.08
Lease liabilities	469,417	6,857	2.92	478,328	7,490	3.13
Total	721,577,728	5,072,155	1.41	671,336,895	5,736,569	1.71
Net interest income		4,824,632			4,236,511	
Net interest spread⁽³⁾			1.27			1.16
Net interest margin⁽⁴⁾			1.30			1.22

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Notes:

- (1) Calculated by dividing the annualized interest income/expense for the period by the average balance.
- (2) Mainly consisted of interest-earning financial assets at amortized cost and financial investments at fair value through other comprehensive income.
- (3) Calculated as the difference between the average yield on total interest-earning assets and the average cost ratio of total interest-bearing liabilities.
- (4) Calculated by dividing the annualized net interest income for the beginning and the end of the period by the average balance of total interest-earning assets.

The following table sets forth the year-on-year changes in the Group's interest income and interest expense due to changes in volume and interest rates:

(Unit: RMB'000)

Item	For the six months ended 30 June		
	2026 VS 2025		
	Increase/decrease due to the changes in		Net increase/decrease ⁽³⁾
	Volume ⁽¹⁾	Interest rate ⁽²⁾	
Interest-earning assets			
Loans and advances to customers	417,822	(546,508)	(128,686)
Financial investments ⁽⁴⁾	177,989	(136,028)	41,961
Deposits with the central bank ⁽⁵⁾	4,612	4,520	9,132
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	35,643	(34,343)	1,300
Changes in interest income	636,066	(712,359)	(76,293)
Interest-bearing liabilities			
Deposits from customers	150,467	(843,231)	(692,764)
Debt securities issued ⁽⁶⁾	106,792	(123,542)	(16,750)
Borrowings from the central bank	291,468	(105,829)	185,639
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	(90,577)	(49,329)	(139,906)
Lease liabilities	(140)	(493)	(633)
Changes in interest expense	458,010	(1,122,424)	(664,414)
Changes in net interest income	178,056	410,065	588,121

Notes:

- (1) Represents the average balance of this period less the average balance of the previous period, multiplied by the average yield/cost rate of the previous period.
- (2) Represents the average yield/cost rate of the period minus average yield/cost rate of the previous period, multiplied by the average balance of the period.
- (3) Represents interest income/expense of the period minus interest income/expense of the previous period.
- (4) Mainly consisted of interest-earning financial assets at amortized cost and financial assets at fair value through other comprehensive income.
- (5) Mainly consisted of statutory deposit reserves and surplus deposit reserves.
- (6) Mainly consisted of interbank certificates of deposits, tier-two capital bonds, green financial bonds, Sannong special bonds, SME financial bonds and others.

(2) *Interest income*

During the Reporting Period, the interest income of the Group amounted to RMB9,897 million, representing a decrease of RMB76 million or 0.76% compared with the same period last year, which was mainly due to the year-to-year decrease in interest income from loans and advances to customers. The following table sets forth the composition, percentage and average yield of the Group's interest income for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Amount	Percentage of total (%)	Average cost ratio (%)	Amount	Percentage of total (%)	Average cost ratio (%)
Loans and advances to customers	6,265,281	63.31	3.04	6,393,967	64.11	3.31
Financial investments	3,167,162	31.99	2.39	3,125,201	31.34	2.49
Deposits with the central bank	227,195	2.30	1.42	218,063	2.19	1.39
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	237,149	2.40	1.54	235,849	2.36	1.76
Total interest income	9,896,787	100.00	2.68	9,973,080	100.00	2.87

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(i) Interest income from loans and advances to customers

During the Reporting Period, the Group's interest income from loans and advances to customers amounted to RMB6,265 million, representing a decrease of RMB129 million or 2.01% compared with the same period last year, which was mainly due to the loan repricing. The following table sets forth the average balance, interest income and average yield for each component of the Group's loans and advances to customers for the periods indicated.

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Average balance	Interest income	Average cost ratio (%)	Average balance	Interest income	Average cost ratio (%)
Corporate loans and advances	256,230,995	4,112,341	3.21	231,478,350	4,035,227	3.49
Personal loans and advances	124,722,095	2,044,218	3.28	127,430,764	2,255,627	3.54
Discounted bills	30,834,385	108,722	0.71	27,620,106	103,113	0.75
Total	411,787,475	6,265,281	3.04	386,529,220	6,393,967	3.31

(ii) Financial investment interest income

During the Reporting Period, the Group achieved interest income from financial investments of RMB3,167 million, representing an increase of RMB42 million or 1.34% compared with the same period last year, mainly due to the increase in bond scale.

(iii) Interest income from financial assets held under resale agreements and deposits and placements with banks and other financial institutions

During the Reporting Period, interest income from financial assets held under resale agreements and deposits and placements with banks and other financial institutions of the Group amounted to RMB237 million, representing an increase of RMB1 million or 0.55% compared with the same period last year. The following table sets forth the average balance, interest income and average yield of each component of the Group's financial assets held under resale agreements and deposits and placements with banks and other financial institutions:

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Average balance	Interest income	Average cost ratio (%)	Average balance	Interest income	Average cost ratio (%)
Financial assets held under resale agreements	8,963,737	62,073	1.38	8,600,979	73,394	1.71
Deposits and placements with banks and other financial institutions	21,909,256	175,076	1.60	18,218,846	162,455	1.78
Total	30,872,993	237,149	1.54	26,819,825	235,849	1.76

(3) *Interest expense*

During the Reporting Period, interest expense of the Group amounted to RMB5,072 million, representing a decrease of RMB664 million or 11.58% compared with the same period last year, mainly due to the decrease in interest expense on customer deposits. The following table sets forth the composition, percentage and average cost ratio of the Group's interest expense for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Amount	Percentage of total (%)	Average cost rate (%)	Amount	Percentage of total (%)	Average cost rate (%)
Deposits from customers	3,500,737	69.02	1.30	4,193,501	73.10	1.61
Debt securities issued	984,106	19.40	1.84	1,000,856	17.45	2.07
Borrowings from the central bank	423,963	8.36	1.56	238,324	4.15	1.95
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	156,492	3.09	1.58	296,398	5.17	2.08
Lease liabilities	6,857	0.13	2.92	7,490	0.13	3.13
Total interest expense	5,072,155	100.00	1.41	5,736,569	100.00	1.71

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(i) Interest expense on deposits from customers

During the Reporting Period, the Group's interest expense on customer deposits amounted to RMB3,501 million, representing a decrease of RMB693 million or 16.52% compared with the same period last year, mainly due to the lower deposit interest rate and better deposit structure. The following table sets forth the average balance, interest expense and average cost rate of each component of the Group's customer deposits during the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Corporate deposits						
Demand	92,254,173	118,083	0.26	87,655,267	210,659	0.48
Time	117,418,025	1,311,720	2.23	113,061,367	1,538,989	2.72
Sub-total	209,672,198	1,429,803	1.36	200,716,634	1,749,648	1.74
Personal deposits						
Demand	117,479,567	30,131	0.05	112,582,656	41,228	0.07
Time	212,541,769	2,040,803	1.92	207,700,283	2,402,625	2.31
Sub-total	330,021,336	2,070,934	1.26	320,282,939	2,443,853	1.53
Total	539,693,534	3,500,737	1.30	520,999,573	4,193,501	1.61

(ii) Interest expense on debt securities issued

During the Reporting Period, the Group's interest expense on debt securities issued was RMB984 million, representing a decrease of RMB17 million or 1.67% compared with the same period last year, mainly due to the decrease in the issuance scale of interbank certificates of deposit.

(iii) Interest expense on borrowings from the central bank

During the Reporting Period, the Group's interest expense on borrowings from the central bank amounted to RMB424 million, representing an increase of RMB186 million compared with the same period last year, mainly due to the increase in the scale of the medium-term lending facilities.

- (iv) Interest expense on financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions

During the Reporting Period, the Group's interest expenses on amounts due to banks and other financial institutions amounted to RMB156 million, with a decrease of RMB140 million compared with the same period last year, mainly due to the decrease in interbank deposits and the decline in interest rates. The following table sets forth the average balance, interest expense and average cost ratio of each component of the Group's financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions:

(Unit: RMB'000)

Item	For the six months ended 30 June					
	2026			2025		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Financial assets sold under repurchase agreements	14,454,003	104,372	1.44	15,471,861	146,018	1.89
Deposits and placements from banks and other financial institutions	5,337,587	52,120	1.95	13,029,612	150,380	2.31
Total	19,791,590	156,492	1.58	28,501,473	296,398	2.08

2. Net non-interest income

During the Reporting Period, the Group's net non-interest income amounted to RMB1,237 million, representing a decrease of RMB28 million, or 2.21% compared with the same period last year, mainly due to the decrease in net trading gains. The following table sets forth the composition and proportion of non-interest income of the Group for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Net fee and commission income	234,751	234,207	544	0.23
Net trading gains	215,959	293,192	(77,233)	(26.34)
Net gains on financial instruments	759,283	701,920	57,363	8.17
Other operating income	26,543	35,103	(8,560)	(24.39)
Total	1,236,536	1,264,422	(27,886)	(2.21)

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(1) Net fee and commission income

During the Reporting Period, the Group's net fee and commission income amounted to RMB235 million, reaching a level basically same as that of the same period of last year. The following table sets forth the Group's net fee and commission income:

(Unit: RMB'000)

Item	For the six months ended 30 June			
	2026		2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Fee income from settlement business	31,458	13.40	34,238	14.62
Bank card fee income	64,459	27.46	93,173	39.78
Fee income from trust and other fiduciary activities	116,610	49.67	107,708	45.99
Income from wealth management business	101,544	43.26	109,902	46.93
Income from other businesses	28,087	11.96	29,539	12.61
Fee and commission income	342,158	145.75	374,560	159.93
Fee and commission expense	(107,407)	(45.75)	(140,353)	(59.93)
Net fee and commission income	234,751	100.00	234,207	100.00

(2) Net trading gains

During the Reporting Period, the Group's net trading gains amounted to RMB216 million, representing a decrease of RMB77 million compared with the same period last year, mainly due to the reduction of interest income from bond reallocations.

(3) Net gains on financial instruments

During the Reporting Period, the Group's net gains on financial instruments amounted to RMB759 million, representing an increase of RMB57 million compared with the same period last year, mainly due to the increase in gains from bond swing trading activities.

(4) Other operating income

During the Reporting Period, the Group's other operating income amounted to RMB27 million, representing a decrease of RMB9 million compared with the same period last year.

3. Operating expenses

During the Reporting Period, the Group's operating expenses amounted to RMB1,913 million, representing an increase of RMB11 million or 0.55% compared with the same period last year, mainly due to the increase in general and administrative expenses. The following table sets forth the main components of the Group's operating expenses for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Staff costs	1,277,606	1,300,973	(23,367)	(1.80)
Taxes and surcharges	45,546	50,154	(4,608)	(9.19)
General and administrative expenses	353,415	326,694	26,721	8.18
Depreciation and amortization	234,028	222,480	11,548	5.19
Others	2,225	1,974	251	12.72
Total	1,912,820	1,902,275	10,545	0.55

(1) Staff costs

During the Reporting Period, the Group's staff costs amounted to RMB1,278 million, representing a decrease of RMB23 million or 1.80% compared with the same period last. The following table sets forth the main components of the Group's staff costs for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Salaries, bonuses and allowances	872,945	916,888	(43,943)	(4.79)
Pension and other social benefits	324,146	304,833	19,313	6.34
Enterprise annuity scheme	63,145	61,053	2,092	3.43
Others	17,370	18,199	(829)	(4.56)
Total	1,277,606	1,300,973	(23,367)	(1.80)

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(2) Depreciation and amortization

During the Reporting Period, the Group's depreciation and amortization amounted to RMB234 million, representing an increase of RMB12 million compared with the same period last year.

4. Impairment losses on assets

During the Reporting Period, the Group's impairment losses on assets amounted to RMB1,513 million, representing an increase of RMB643 million compared with the same period last year, mainly due to the increased provision for loan impairment to strengthen asset risk resilience.

5. Income tax expenses

During the Reporting Period, the Group's income tax expense amounted to RMB-221 million, representing a decrease of RMB348 million compared with the same period last year. The following table sets forth the main components of the Group's income tax expenses for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Current income tax expense	38,639	268,661	(230,022)	(85.62)
Deferred income tax expense	(259,772)	(141,524)	(118,248)	83.55
Total	(221,133)	127,137	(348,270)	(273.93)

(II) Balance Sheet Analysis

1. Assets

As of the end of the Reporting Period, the Group's total assets amounted to RMB798,083 million, representing an increase of RMB2,067 million or 0.26% over the end of the previous year. The following table sets forth the balance of main components of the Group's total assets as of the dates indicated:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Net loans and advances to customers	402,747,586	50.46	395,067,042	49.63
Cash and balances with Central Bank	37,616,601	4.71	37,340,992	4.69
Financial investments ⁽¹⁾	320,106,992	40.11	332,050,603	41.71
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	23,066,083	2.89	17,212,818	2.16
Investment in associates	717,041	0.09	691,202	0.09
Goodwill	520,521	0.07	520,521	0.07
Property and equipment	2,209,717	0.28	2,274,308	0.29
Right-of-use assets	1,129,425	0.14	1,146,740	0.14
Deferred tax assets	6,009,557	0.75	5,755,405	0.72
Others ⁽²⁾	3,959,435	0.50	3,956,071	0.50
Total assets	798,082,958	100.00	796,015,702	100.00

Notes:

- (1) Financial investments include bonds, funds, beneficiary rights of credit assets, and unlisted equity investments, etc.
- (2) Consisted of derivative financial assets, prepayments to suppliers, long-term deferred expenses, foreclosed assets, R&D expenses, clearing and settlement, and precious metal, etc.

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(1) Loans and advances to customers

As of the end of the Reporting Period, the Group's net loans and advances to customers amounted to RMB402,748 million, representing an increase of RMB7,681 million or 1.94% compared with the end of last year, which was mainly due to the increase in corporate loans.

(Unit: RMB'000)

Item	As at 30 June 2026	As at 31 December 2025	Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
Total loans and advances to customers	416,784,389	409,031,225	7,753,164	1.90
Add: accrued interest	1,418,859	1,145,799	273,060	23.83
Less: provision for expected credit loss ⁽¹⁾	15,455,662	15,109,982	345,680	2.29
Net loans and advances to customers	402,747,586	395,067,042	7,680,544	1.94

Note:

- (1) Excluding the provision for impairment of bills rediscounted and forfaiting, which are included in other comprehensive income.

The Group's loans and advances to customers mainly consisted of corporate loans, personal loans and discounted bills. For details of the Group's loans and advances to customers, please refer to the section "Loan Quality Analysis" in this chapter of this Report.

(2) Financial assets held under resale agreements and deposits and placements with banks and other financial institutions

As of the end of the Reporting Period, the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions amounted to RMB23,066 million, representing an increase of RMB5,853 million over the end of the previous year, which was mainly due to the increase in the scale of placements with other banks. The following table sets forth details of the Group's financial assets held under resale agreements, deposits and placements with banks and other financial institutions:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Deposits with domestic banks and other financial institutions	3,656,956	15.86	2,975,370	17.29
Deposits with overseas banks and other financial institutions	926,215	4.02	1,202,063	6.98
Placements with domestic banks and other financial institutions	16,630,978	72.12	12,040,000	69.95
Financial assets held under resale agreements	1,845,944	8.00	996,000	5.78
Sub-total	23,060,093	100.00	17,213,433	100.00
Add: accrued interest	26,778		19,267	
Less: impairment allowance	20,788		19,882	
Total	23,066,083		17,212,818	

(3) *Financial investments*

As of the end of the Reporting Period, the Group's financial investments mainly include bonds, beneficiary rights of credit assets, funds and unlisted equity investments. The total financial investments of the Group amounted to RMB320,107 million, representing a decrease of RMB11,944 million or 3.60% compared with the end of the previous year, mainly due to the decrease in bond investment compared with the end of the previous year. The following table sets forth the composition of the Group's financial investments as of the dates indicated:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Financial investments at fair value through profit and loss	48,499,368	15.15	51,543,670	15.52
Financial investments at amortized cost	154,996,416	48.42	144,943,419	43.65
Financial investments at fair value through other comprehensive income	116,611,208	36.43	135,563,514	40.83
Total	320,106,992	100.00	332,050,603	100.00

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Among them, the distribution of the types and amounts of bonds held by the Group was as follows:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Bonds issued by the central and local governments	225,176,196	78.82	191,635,145	64.10
Bonds issued by financial institutions	53,738,681	18.81	100,939,789	33.76
Bonds issued by enterprises	905,225	0.32	1,307,937	0.44
Interbank certificates of deposits	5,859,407	2.05	5,096,999	1.70
Total	285,679,509	100.00	298,979,870	100.00

2. Liabilities

As of the end of the Reporting Period, the Group's total liabilities amounted to RMB733,732 million, representing an increase of RMB740 million or 0.10% compared with the end of the previous year, mainly due to the increase in borrowings from the central bank. The following table sets forth the composition of the Group's total liabilities as of the dates indicated:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Deposits from customers	555,296,668	75.68	555,048,197	75.72
Debt securities issued	99,178,085	13.52	114,899,573	15.68
Borrowings from the central bank	61,154,502	8.33	43,658,994	5.96
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	10,852,177	1.48	12,697,542	1.73
Lease liabilities	463,154	0.06	476,532	0.07
Financial liabilities at fair value through profit or loss	2,661,725	0.36	2,122,696	0.29
Taxes payable	491,848	0.07	387,011	0.05
Other liabilities ⁽¹⁾	3,633,634	0.50	3,701,216	0.50
Total liabilities	733,731,793	100.00	732,991,761	100.00

Note:

- (1) Mainly consisted of derivative financial liabilities, salaries payable to employees, purchases payable, accrued expenses and others.

(1) *Deposits from customers*

As of the end of the Reporting Period, the total deposits from customers of the Group were RMB555,297 million, representing an increase of RMB248 million or 0.04% compared with the end of the previous year. In terms of deposit structure, personal deposits accounted for 61.07%, up 0.87 percentage points from the end of the previous year; corporate deposits accounted for 36.81%, down 0.89 percentage points from the end of the previous year. In terms of maturity structure, demand deposits accounted for 39.20%, up 0.05 percentage points from the end of the previous year; time deposits accounted for 58.68%, down 0.07 percentage points from the end of the previous year. The following table sets forth the Group's deposits from customers by product category as at the dates indicated:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate deposits				
– Demand	94,350,369	17.31	96,345,805	17.70
– Time	106,287,131	19.50	108,857,549	20.00
Sub-total	200,637,500	36.81	205,203,354	37.70
Personal deposits				
– Demand	119,299,870	21.89	116,734,188	21.45
– Time	213,502,844	39.18	210,886,864	38.75
Sub-total	332,802,714	61.07	327,621,052	60.20
Other deposits⁽¹⁾	11,556,072	2.12	11,387,436	2.10
Principal of customer deposits in total	544,996,286	100.00	544,211,842	100.00
Add: accrued interest	10,300,382		10,836,355	
Total deposits from customers	555,296,668		555,048,197	

Note:

(1) Consisted of remittance outstanding, margin deposit and national treasury time deposits.

(2) *Financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions*

As of the end of the Reporting Period, the Group's financial assets sold under repurchase agreements, deposits and placements from banks and other financial institutions amounted to RMB10,852 million, representing a decrease of RMB1,845 million, mainly due to the decrease in notes sold under repurchase agreements. The following table set forth the breakdown of financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions of the Group as at the dates indicated:

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(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Deposits from domestic banks	592,477	5.46	2,139,329	16.85
Deposits from non-banking domestic financial institutions	744,186	6.86	453,504	3.57
Placements from domestic banks	2,279,373	21.00	757,051	5.96
Bonds sold under repurchase agreements	7,214,498	66.48	7,321,221	57.66
Notes sold under repurchase agreements	—	—	2,003,891	15.78
Sub-total	10,830,534	99.80	12,674,996	99.82
Add: accrued interest	21,643	0.20	22,546	0.18
Total	10,852,177	100.00	12,697,542	100.00

3. Shareholders' equity

As of the end of the Reporting Period, the total shareholders' equity of the Group was RMB64,351 million, representing an increase of RMB1,327 million or 2.11% as compared to the end of the previous year, mainly due to the increase in undistributed profits. The following table sets forth the composition of the shareholders' equity of the Group as at the dates indicated:

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Share capital	6,888,546	10.70	6,888,546	10.93
Capital reserve	6,330,831	9.84	6,333,920	10.05
Surplus reserve	9,663,899	15.02	9,663,899	15.33
General risk reserve	9,042,500	14.05	9,042,500	14.35
Revaluation reserve	1,630,232	2.53	1,640,185	2.60
Undistributed profits	27,990,187	43.50	26,725,791	42.41
Total equity attributable to shareholders of the Bank	61,546,195	95.64	60,294,841	95.67
Non-controlling interests	2,804,970	4.36	2,729,100	4.33
Total shareholders' equity	64,351,165	100.00	63,023,941	100.00

4. Restrictions on rights to assets

As of the end of the Reporting Period, certain assets of the Group were used as collateral for the repurchase business, the business of borrowings from the central bank and financing bonds. For details of the assets as collateral, please refer to Note 40(e) “collateral” to the consolidated financial statements in the “Financial Report” chapter in this Report. The following table sets forth the breakdown of the fair value of assets as collateral as at the date indicated:

(Unit: RMB'000)

Item	As at 30 June 2026	Reason for restriction
Bonds	8,040,178	Repurchase business
Bonds	450,271	Financing bonds business
Bonds	76,936,418	Borrowings from the central bank
Bills	275,331	Borrowings from the central bank
Total	85,702,198	

(III) Cash Flow Statement Analysis

During the Reporting Period, the Group's net cash from operating activities amounted to RMB4,064 million, representing an increase of RMB28,328 million as compared with the corresponding period last year, mainly due to the year-on-year increase in cash inflow from borrowings from the central bank. The net cash from investing activities was RMB16,474 million, representing an increase of RMB9,914 million as compared with the corresponding period last year, mainly due to the year-on-year decrease in cash payments for acquisition of financial investments. The net cash from financing activities was RMB-18,349 million, representing a decrease of RMB36,817 million as compared to the corresponding period last year, mainly due to the year-on-year increase in cash paid for repayment of debts. The following table sets forth the Group's net cash flow:

(Unit: RMB'000)

Item	For the six months ended 30 June		Amount of increase/ (decrease)	Increase/ (decrease) percentage (%)
	2026	2025		
Net cash flow from operating activities	4,063,971	(24,264,185)	28,328,156	116.75
Net cash flow from investing activities	16,473,776	6,559,597	9,914,179	151.14
Net cash flow from financing activities	(18,349,413)	18,468,032	(36,817,445)	(199.36)

(IV) Loan Quality Analysis

1. Loan distribution by five-tier loan classification

(Unit: RMB'000)

Item	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Normal	393,539,072	94.42	393,019,515	96.09
Special mention	15,219,450	3.65	8,720,042	2.13
Substandard	2,356,927	0.57	2,142,120	0.52
Doubtful	1,570,285	0.38	1,131,398	0.28
Loss	4,098,655	0.98	4,018,150	0.98
Total loans to customers	416,784,389	100.00	409,031,225	100.00
Non-performing loans and non-performing loan ratio⁽¹⁾	8,025,867	1.93	7,291,668	1.79

Note:

- (1) Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the total loans (excluding accrued interest). For the purpose of calculating the non-performing loan ratio, the non-performing loan ratios of Zhanjiang Rural Commercial Bank and Guangdong Chaoyang Rural Commercial Bank, the subsidiaries, were calculated based on the original carrying value of the loans as of 31 December 2025 and 30 June 2026, respectively, instead of the fair value as of the consolidated balance sheet date.

During the Reporting Period, the Group adhered to prudent classification principles, rigorously assessed asset risk classifications, and accurately reflected asset quality. Meanwhile, we continued to strengthen asset quality monitoring and control, intensified efforts in the recovery and disposal of non-performing assets, and comprehensively solidified asset quality. As of the end of the Reporting Period, the Group's normal loans amounted to RMB393,539 million, representing an increase of RMB520 million as compared to the end of last year; loans of special mention amounted to RMB15,219 million, representing an increase of RMB6,499 million as compared to the end of last year. The balance of non-performing loans stood at RMB8,026 million, representing an increase of RMB734 million from the end of the previous year. The non-performing loan ratio was 1.93%, representing an increase of 0.14 percentage points from the end of last year.

As of the end of the Reporting Period, the migration rate of the Group's normal loans was 5.01%; the migration rate of loans of special mention was 30.96%; the migration rate of substandard loans was 162.49%; and the migration rate of doubtful loans was 97.03%.

2. Loans and non-performing loans by product type

(Unit: RMB'000)

Item	As at 30 June 2026				As at 31 December 2025			
	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)
Corporate loans	263,829,548	63.30	4,848,887	1.85	246,553,951	60.28	3,688,332	1.51
Personal loans	123,666,717	29.67	3,176,980	2.57	126,527,286	30.93	3,603,336	2.85
Discounted bills	29,288,124	7.03	—	—	35,949,988	8.79	—	—
Total	416,784,389	100.00	8,025,867	1.93	409,031,225	100.00	7,291,668	1.79

3. Loans and non-performing loans by industry

(Unit: RMB'000)

Industry distribution ⁽¹⁾	As at 30 June 2026				As at 31 December 2025			
	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)
Corporate loans and advances	263,829,548	63.30	4,848,887	1.85	246,553,951	60.28	3,688,332	1.51
Wholesale and retail	33,494,731	8.05	3,177,677	9.49	32,421,874	7.93	2,225,955	6.87
Leasing and commercial services	64,960,148	15.59	474,777	0.73	57,085,351	13.96	423,508	0.74
Manufacturing	88,280,593	21.18	678,299	0.80	81,341,965	19.89	672,253	0.86
Construction	22,506,634	5.40	240,387	1.07	22,606,473	5.53	251,496	1.11
Real estate	18,827,795	4.52	—	—	19,021,818	4.65	—	—
Finance	2,834,389	0.68	—	—	2,671,195	0.65	—	—
Production and supply of power, gas and water	6,681,830	1.60	630	0.01	6,626,474	1.62	—	—
Transportation, warehousing, and postal services	7,762,774	1.86	147,038	1.89	6,975,148	1.71	12,167	0.17
Water, environment and public utilities management	2,807,934	0.67	45,000	1.60	2,942,724	0.72	—	—
Health, social security and welfare	1,348,767	0.32	—	—	1,455,865	0.36	—	—
Education	2,739,862	0.66	1,000	0.04	2,632,040	0.64	—	—
Information transmission, software and information technology services	1,469,914	0.35	24,624	1.68	1,238,850	0.30	12,719	1.03
Accommodations and catering industries	2,499,623	0.60	1,137	0.05	2,548,234	0.62	41,059	1.61
Agriculture, forestry, animal husbandry and fishery	2,060,890	0.49	31,972	1.55	2,299,578	0.56	26,789	1.16
Residential services and other services	518,212	0.12	2,098	0.40	395,874	0.10	2,105	0.53
Culture, sports, and entertainment	237,142	0.06	698	0.29	141,734	0.03	6,478	4.57
Scientific research and technical services, and geological prospecting	4,653,896	1.12	23,550	0.51	4,110,430	1.00	13,803	0.34
Mining	144,414	0.03	—	—	38,324	0.01	—	—
Discounted bills	29,288,124	7.03	—	—	35,949,988	8.79	—	—
Personal loans	123,666,717	29.67	3,176,980	2.57	126,527,286	30.93	3,603,336	2.85
Total	416,784,389	100.00	8,025,867	1.93	409,031,225	100.00	7,291,668	1.79

Note:

- (1) Classified based on the Industrial Classification for National Economic Activities (《國民經濟行業分類》) issued by the Standardization Administration of China on 30 June 2017.

Chapter III

Management Discussion and Analysis

4. Loans and non-performing loans by types of guarantees

(Unit: RMB'000)

Guarantee method	As at 30 June 2026				As at 31 December 2025			
	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)	Amount	Percentage of total (%)	NPL amount	Non-performing loan ratio (%)
Collateralized loans	192,034,623	46.08	4,068,989	2.12	189,490,844	46.33	3,553,513	1.88
Pledged loans	36,152,712	8.67	110,508	0.31	43,263,441	10.58	111,508	0.26
Guaranteed loans	111,440,435	26.74	2,793,003	2.53	108,807,540	26.60	2,467,167	2.29
Unsecured loans	77,156,619	18.51	1,053,367	1.37	67,469,400	16.49	1,159,480	1.72
Total	416,784,389	100.00	8,025,867	1.93	409,031,225	100.00	7,291,668	1.79

5. Distribution of loans by region

(Unit: RMB'000)

Region distribution	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Dongguan	351,765,401	84.40	344,594,913	84.25
Outside Dongguan	65,018,988	15.60	64,436,312	15.75
Total	416,784,389	100.00	409,031,225	100.00

6. Loans to top ten single borrowers

As of the end of the Reporting Period, the Group's loan balance to any single borrower did not exceed 10% of the Group's net capital. The following table sets forth the Group's loan balance to the top ten single borrowers (excluding group borrowers) as of the end of the Reporting Period:

(Unit: RMB'000)

Borrower	Industry	As at 30 June 2026		
		Balance of loans	Percentage of total loans (%)	Percentage of net capital (%)
Customer A	Leasing and commercial services	2,914,000	0.70	4.08
Customer B	Construction	1,708,450	0.41	2.39
Customer C	Real estate	1,611,308	0.39	2.26
Customer D	Scientific research and technical services	1,300,000	0.31	1.82
Customer E	Finance	1,288,069	0.31	1.80
Customer F	Leasing and commercial services	1,283,000	0.31	1.80
Customer G	Real estate	1,076,445	0.26	1.51
Customer H	Manufacturing	1,023,067	0.25	1.43
Customer I	Real estate	1,017,030	0.24	1.42
Customer J	Transportation, warehousing, and postal services	1,008,784	0.24	1.41
Total		14,230,153	3.41	19.92

As of the end of the Reporting Period, the total loans to the Group's largest single borrower amounted to RMB2,914 million, accounting for 4.08% of the Group's net capital. Total loans to the top ten single borrowers amounted to RMB14,230 million, accounting for 19.92% of the Group's net capital and 3.41% of the Group's total loans. The following table sets forth the Group's concentration indicators for the periods indicated:

Concentration indicator	As at 30 June 2026	As at 31 December 2025	Regulatory requirements
Loans to single largest customer as a percentage of net capital	4.08%	4.16%	≤10%
Credits granted to single group customer as a percentage of net capital	6.69%	6.83%	≤15%
Loans to top ten customers as a percentage of net capital	19.92%	20.18%	—

Note: Data as of 31 December 2025 are calculated based on audited data according to regulatory standards; data as of 30 June 2026 are calculated based on reviewed data according to regulatory standards.

7. Loans overdue

(Unit: RMB'000)

Class	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Current loans	408,678,237	97.72	400,847,423	97.73
Loans past due	9,525,011	2.28	9,329,601	2.27
– Within 3 months	1,886,847	0.45	2,343,850	0.57
– 3 months to 1 year	3,454,302	0.83	2,622,563	0.64
– More than 1 year to less than 3 years	3,838,416	0.92	3,992,138	0.97
– More than 3 years	345,446	0.08	371,050	0.09
Total loans and advances to customers⁽¹⁾	418,203,248	100.00	410,177,024	100.00
Less: allowance for expected credit loss	15,455,662	—	15,109,982	—
Net loans and advances to customers	402,747,586	—	395,067,042	—

Note:

- (1) Total loans and advances to customers refer to the credit risk exposure including the loan principal amount and accrued interest balance.

As of the end of the Reporting Period, the balance of overdue customer loan of the Group was RMB9,525 million, accounting for 2.28% of all loans, representing an increase of RMB195 million over the end of last year. Among them, the balance of loans past due within 3 months amounted to RMB1,887 million, representing a decrease of RMB457 million as compared to the end of last year; the balance of loans past due for 3 months to 1 year amounted to RMB3,454 million, representing an increase of RMB832 million over the end of last year; the balance of loans past due for more than 1 year to less than 3 years amounted to RMB3,838 million, representing a decrease of RMB154 million over the end of last year; the balance of loans past due for more than 3 years amounted to RMB345 million, representing a decrease of RMB26 million over the end of last year.

8. Foreclosed assets

(Unit: RMB'000)

Class	As at 30 June 2026	As at 31 December 2025
Property and equipment	361,781	363,049
Land use rights	107,461	107,461
Sub-total	469,242	470,510
Less: Provision for impairment losses	323,560	324,828
Total	145,682	145,682

9. Disposal of non-performing assets

During the Reporting Period, the Group continued to implement measures to resolve non-performing assets, strengthening its asset quality management and control. In the first half of 2026, a total of RMB1,924 million of non-performing loans were disposed of. Among them, RMB403 million was recovered through cash collection, RMB20 million through debt restructuring, RMB1,446 million through bad debt write-off, and RMB55 million through quality improvement.

10. Changes in provision for impairment of loans and advances to customers

During the Reporting Period, the Group made provision for loan losses of RMB1,588 million, of which RMB1,583 million was provided for loans and advances at amortized cost, and RMB5 million was provided for loans and advances at fair value through other comprehensive income; wrote off the non-performing loans of RMB1,446 million, and recovered the loans that had been written off of RMB215 million. As of the end of the Reporting Period, the balance of provision for expected credit losses on loans amounted to RMB15,490 million. Among them, the balance of impairment on loans and advances at amortized cost amounted to RMB15,456 million, and the changes in the provision for expected credit losses are as follows:

(Unit: RMB'000)

Item	For the six months ended 30 June	
	2026	2025
Balance as at the end of last period	15,109,982	14,414,904
Provision for the period	967,757	1,087,031
Derecognition or settlement for the period	(2,138,662)	(1,661,963)
Write off for the period	(1,445,584)	(1,439,887)
Re-measurement	2,962,169	1,493,212
Closing balance	15,455,662	13,893,297

In addition, the balance of impairment of the Group's loans and advances to customers (bills discounted, rediscounted and forfeiting) at fair value through other comprehensive income amounted to RMB34 million as of the end of the Reporting Period.

(V) Capital Management

During the Reporting Period, the Group continued to strengthen its capital management and improve its capital management system. As of the end of the Reporting Period, the Group's capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 15.34%, 13.27% and 13.24%, respectively, and the capital adequacy ratios at all levels met regulatory requirements.

Chapter III Management Discussion and Analysis

1. Capital adequacy ratios analysis

The Group calculates and discloses the capital adequacy ratio in accordance with the relevant provisions of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》). The calculation scope of capital adequacy ratio comprises of all branches and financial institution subsidiaries in compliance with the requirements of the Administrative Measures for the Capital of Commercial Banks.

(Unit: RMB'000)

Item	As at 30 June 2026	As at 31 December 2025
Core tier-one capital	62,549,949	61,274,728
Core tier-one capital deductions	869,885	679,847
Net core tier-one capital	61,680,064	60,594,881
Other tier-one capital	133,834	130,652
Net tier-one capital	61,813,898	60,725,533
Tier-two capital	9,639,123	9,482,953
Net capital	71,453,021	70,208,486
Total risk-weighted assets	465,766,811	455,643,201
Including: Credit risk-weighted assets ⁽¹⁾	435,165,008	423,030,220
Market risk-weighted assets ⁽²⁾	9,545,576	11,556,754
Operational risk-weighted assets ⁽³⁾	21,056,227	21,056,227
Core tier-one capital adequacy ratio (%)⁽⁴⁾	13.24	13.30
Tier-one capital adequacy ratio (%)⁽⁵⁾	13.27	13.33
Capital adequacy ratio (%)⁽⁶⁾	15.34	15.41

Notes:

- (1) Credit risk is measured under weighted method.
- (2) Market risk is measured under simplified standardized method.
- (3) Operational risk is measured under standardized method.
- (4) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by total risk-weighted assets.
- (5) Calculated by dividing tier-one capital, net of tier-one capital deductions, by total risk-weighted assets.
- (6) Calculated by dividing total capital, net of capital deductions, by total risk-weighted assets.

In accordance with the requirements of the Administrative Measures for the Capital of Commercial Banks, Pillar 3 Information Disclosures Report for the first half of 2026 of the Group will be further disclosed subsequently in the “Investor Relations” – “Information Disclosure” — “Regulatory Capital” section on the Chinese version website of the Bank (www.drcbank.com).

2. Leverage ratio

The leverage ratio was calculated and disclosed by the Group in accordance with the relevant provisions under the Administrative Measures for the Capital of Commercial Banks.

(Unit: RMB'000)

Item	As at 30 June 2026	As at 31 December 2025
Net tier-one capital	61,813,898	60,725,533
Adjusted balance of on- and off-balance sheet assets ⁽¹⁾	822,097,530	820,270,138
Leverage ratio (%)	7.52	7.40

Note:

- (1) Calculated by dividing the net tier-one capital by the adjusted balance of on- and off-balance sheet assets.

For more details on leverage ratio, please refer to the “Information on Leverage Ratio” in the appendix of the supplementary information in the “Financial Report” chapter of this Report.

(VI) Segment Operating Results

Our principal business activities include corporate banking, retail banking and treasury business. The following table sets forth our operating income of principal business segment for the periods indicated:

(Unit: RMB'000)

Item	For the six months ended 30 June			
	2026		2025	
	Amount	Percentage of total (%)	Amount	Percentage of total (%)
Corporate banking	2,699,330	44.53	2,368,582	43.06
Retail banking	2,159,199	35.62	1,832,348	33.31
Treasury	1,268,627	20.93	1,422,381	25.86
Others	(65,988)	(1.08)	(122,378)	(2.23)
Total operating income	6,061,168	100.00	5,500,933	100.00

(VII) Analysis on Off-balance Sheet Items

Off-balance sheet businesses refer to the businesses engaged by commercial banks which are not included in the balance sheet and do not constitute actual assets and liabilities according to the current enterprise accounting standards for business enterprises, but may cause changes in profit or loss.

During the Reporting Period, the Group remained committed to the principles of prudent and sound operations, and strictly implemented regulatory requirements by incorporating off-balance sheet items into comprehensive risk management system, continuously refining mechanisms for risk identification, measurement, monitoring, and control, consistently enhancing risk management capabilities for off-balance sheet items to strengthen integrated financial service capacity, and better meeting the increasingly diverse financial needs of customers. As of the end of the Reporting Period, the distribution of the Group's off-balance sheet items is as follows:

1. Financial guarantees and other credit commitments

(Unit: RMB'000)

Item	As at 30 June 2026	As at 31 December 2025	Increase/ (decrease) as at the end of the Reporting Period as compared to the end of the previous year (%)
Letters of credit	952,191	932,847	2.07
Guarantees	1,296,005	2,090,757	(38.01)
Bank acceptance bills	15,825,165	14,512,813	9.04
Unused limit of credit cards	5,943,781	6,296,763	(5.61)
Total	24,017,142	23,833,180	0.77

2. Capital commitments

(Unit: RMB'000)

Item	Contract amount at the end of the period	Contract amount at the beginning of the period
Property and equipment	181,022	61,587

For details of off-balance sheet commitments, please refer to Note 40(c) "Capital Commitments" to the consolidated financial statements in the "Financial Report" chapter in this Report.

(VIII) Other Financial Information Disclosed in accordance with Regulatory Requirements

1. *Contingent liabilities and pledged assets*

For details of our contingent liabilities and pledged assets as at the end of the Reporting Period, please refer to Note 40 “Contingent Liabilities and Commitments” to the consolidated financial statements in the “Financial Report” chapter in this Report.

2. *Overdue debts*

The Group had no overdue debts during the Reporting Period.

3. *Analysis of investment*

During the Reporting Period, the Group had no new investment in equity.

4. *Disposal of major assets and equity interests*

During the Reporting Period, the Group had no disposals of major assets and equity.

5. *Structured entities controlled by the Group*

As of the end of the Reporting Period, the scale of structured entities that the Group has included in the scope of the consolidated financial statements was RMB8,658 million.

III. BUSINESS OPERATION

(I) Business Development

1. Corporate financial services business

The Group's corporate financial services business is steadfastly dedicated to deepening customer management, with strategic emphasis on the "Five Major Financial Initiatives". By intensifying support for the real economy, we have cultivated a "Finance + Scenario-based" customer ecosystem, offering clients a broad spectrum of comprehensive financial solutions. As of the end of the Reporting Period, the Group's corporate deposit balance amounted to RMB200,638 million. The total balance of corporate loans (including bill discounting and re-discounting) reached RMB293,118 million.

(1) Empowering rural revitalization through "The High-Quality Development Project Covering Every County, Every Town and Every Village"

First, we proactively align with the key project pool of the "High-Quality Development Project", channeling financial momentum into areas such as urban renewal, industrial upgrading, and livelihood improvement, while providing integrated "financing solutions + financial advisory" services to support the transformation and development of the new-type collective economy. Second, based on the local conditions, we support the development of characteristic agriculture, and serve modern agriculture, rural areas and farmers.

(2) Focusing on key areas of industrial finance and cultivating new productive forces

Staying true to our guiding principle of "going back to original aspiration, and serving the real economy", we have developed a diversified product portfolio tailored to regional industrial planning and the growth trajectories of enterprises, with a strategic focus on supporting the development of technology-driven enterprises. As of the end of the Reporting Period, the loan balance for supporting manufacturing and related industries was RMB100,596 million, representing an increase of 7.84% compared to the end of the previous year. The proportion of loans in the manufacturing sector has consistently remained the highest among all industries.

(3) Providing comprehensive financial services and deepening customer management

We intensify the collaborative ecosystem among the government, banks, and enterprises, with deep integration into diverse application scenarios spanning government administration, fund oversight, and enterprise production and operation. By reinforcing an integrated operation model of "commercial banking + investment banking" and "onshore currency + foreign currency" services, we have cultivated a comprehensive corporate-banking ecosystem, continuously elevating our holistic operational excellence.

2. Retail financial services business

For the retail financial services business, the Group is consistently committed to the original aspiration of “rooting in the local area and serving the people’s livelihood”. In the new development stage of such business, the Group focuses on high-quality development. In line with economic trajectory, evolving market, and diversified demands of our clients, the Group has accelerated the transformation and elevation of our retail financial services, with strategic emphasis on major sectors including pension finance, consumption economy, channel infrastructure, and ecosystem-based services. Accordingly, our service quality and efficiency have been steadily enhanced. As of the end of the Reporting Period, the Group’s personal deposit balance was RMB332,803 million; personal loan balance was RMB123,667 million.

(1) Enhancing the quality and efficiency of wealth management business

Focusing on the diversified wealth management needs of customers, we adhere to the core service concept of “asset allocation” and matched their wealth management by continuously enriching the product structure. As of the end of the Reporting Period, the total assets under management (AUM) for individual customers was RMB419,447 million, representing an increase of RMB12,394 million compared to the end of the previous year.

(2) Ensuring the robust development of retail loans

Focusing on consumer and housing finance, we have actively implemented consumer interest subsidy policies at both the national and local government levels, and have enhanced the coverage and convenience of consumer financial services, meeting the housing demand of first-time and upgrade buyers. As of the end of the Reporting Period, the total balance of home mortgage loans was RMB42,896 million, and the total balance of personal consumption loans was RMB35,021 million.

(3) Deepening customer operation

We have established a customer stratification rights system, and implemented differentiated product configurations and value-added services, with an aim to enhance customer service quality and value creation capabilities. As of the end of the Reporting Period, the Group has provided comprehensive financial and non-financial services to 20.9124 million individual customers.

3. Inclusive finance business

The Group remains committed to its main business positioning of “supporting agriculture, supporting SMEs and supporting the real economy” for its inclusive finance business. Guided by the strategic approach of “reaching smaller and more widely dispersed customer segments”, we have expedited the digitalization of inclusive lending operations through online service models, broadening the reach and availability of inclusive financial services, and reinforcing our support for both the real economy and rural revitalization efforts. As of the end of the Reporting Period, the Group’s inclusive loans stood at RMB74,434 million, representing an increase of RMB1,909 million or 2.63% as compared to the end of the previous year.

(1) Empowering inclusive finance with technology to enhance efficiency

We have enhanced our capability to leverage both internal and external data, with a focus on serving key client segments. Guided by scenario-based needs, we have developed a rapid-iteration loan products comprising a “common foundation + scenario modules”. As of the end of the Reporting Period, the Group’s several inclusive finance products have enabled online operations. The outstanding loan balance reached RMB5,816 million, representing an increase of RMB875 million or 17.7% compared to the end of the previous year.

(2) Deepening the “Dual 100% Outreach & Full-Coverage Lending” Visit

We have fully integrated into the “Dual 100% Outreach & Full-Coverage Lending” initiative, establishing a direct financing connectivity channel. Through extensive on-the-ground visits to industrial parks and communities, we proactively identify the financing needs of small and micro business entities, striving to bridge the “last kilometer” between financial services and small and micro enterprises. As of the end of the Reporting Period, the Group has conducted a cumulative total of 174,800 outreach visits, with credit facilities amounting to RMB1,285 million extended.

(3) Enhancing the utilization of re-lending facilities

We have made full use of monetary policy instruments such as relending facilities. As of the end of the Reporting Period, the Group’s balance of re-lending funds for supporting agriculture and supporting SMEs stood at RMB23,949 million, representing an increase of RMB7,139 million or 42.47% as compared to the end of the previous year. Driven by policy instruments including re-lending funds for supporting agriculture and supporting SMEs, the interest rate for the Group’s inclusive small and micro enterprise loans for the year was 17 basis points less than the previous year’s interest rate.

4. Financial market business

The Group is committed to establishing a full-license financial market business. We have obtained the special membership qualification for gold in the Shanghai Gold Exchange, the general lead underwriter for non-financial enterprise debt financing instruments, the member of the national treasury bond underwriting group, the member of the Guangdong provincial government bond underwriting group, the member of the Fujian provincial government bond underwriting group, the member of the Anhui provincial government bond underwriting group, the member of the Jiangsu provincial government bond underwriting group, the member of the treasury cash deposit group, the ordinary derivative product trading business, the member bank of the medium-term lending facility (MLF), and the interbank foreign exchange deposit participant, etc. As of the end of the Reporting Period, the scale of the Group's financial market business was RMB336,740 million.

(1) Enhancing the activity of market transactions

We actively expand the customer chain, and the banks within the Group actively participate in the interbank market foreign and domestic currency business transactions. As of the end of the Reporting Period, the total transaction volume of the Group's interbank market foreign and domestic currency business exceeded RMB3 trillion, and the number of counterparties exceeded 1,000.

(2) Opening up multiple financing channels

The financing channels of the Group include, but are not limited to, issuing interbank certificates of deposit, absorbing interbank deposits, conducting positive bond repurchase transactions, borrowing from interbank institutions, issuing financial bonds, and absorbing funds from the central bank's MLF program, etc. We have obtained interbank credit lines of over RMB230,000 million from more than 80 key interbank clients. During the Reporting Period, the Group issued a total of RMB69,410 million in interbank certificates of deposit.

5. Asset management business

The asset management business division of the Group aims to achieve the development vision of "becoming strong product and service support for the Group's retail business". It is committed to optimizing investment strategies, enriching our product offerings, and strengthening risk control capabilities, so as to provide solid support for clients' asset allocation and wealth growth. As of the end of the Reporting Period, the outstanding scale of wealth management products issued by the Group reached RMB39,647 million, representing an increase of 6.36% compared to the end of the previous year.

(1) Strengthening investment research-driven efforts and enhancing equity investment capabilities

We continuously improve the macro analysis and investment strategy iteration mechanisms. Against the backdrop of low-yield conditions in the bond market, we actively optimize our equity investment strategies to improve portfolio returns while maintaining prudent drawdown controls.

(2) Enriching product offerings to meet clients' diversified allocation needs

We closely track market change and client preferences, continue to strengthen our core stable product suite including cash management and fixed-income offerings, while accelerating the expansion of our hybrid wealth management product lineup. This enables us to build a well-defined and risk-matching product matrix.

(3) Reinforcing risk controls to ensure steady operation of wealth management business

We strictly enforce investment eligibility standards for wealth management products and strengthen oversight of underlying asset quality. Our risk management framework was continuously enhanced through robust monitoring, asset classification, and early-warning response processes, further solidifying the risk defense line across our asset management operations.

(II) Digital Transformation and Fintech Development

1. Digital transformation development

The Group adheres to a data-driven and value-oriented approach, systematically advancing the data infrastructure, the improvement of governance systems, the deployment of intelligent applications, and multi-link data empowerment. We accelerate the scenario-based value conversion of data elements, and strengthen digital technology empowerment across multiple domains, comprehensively driving digital transformation to deeper levels.

(1) Consolidating the digital foundation and upgrading platform service capabilities

We continually improve the functionalities of the integrated data platform, systematically align business and technical basis, deepen the standardized integration of indicators and reports, and steadily deliver standardized data sources to build reusable data assets. We further advance full-chain standardized governance of the data lakehouse, effectively enhancing the standardization and efficiency of data processing and data flow.

(2) Deepening data governance and building a solid foundation for data quality

We have improved the data governance system to drive the in-depth implementation of mechanisms including metadata management, standards implementation, and closed-loop quality control, so as to steadily elevate data quality. We have strengthened data classification, grading, and security controls, accelerated the assetization of data, and improved the standardization and usability of data elements, thereby providing reliable data support for business operations and management.

(3) Expanding intelligent applications and fostering innovation momentum

We have built an AI smart tool matrix by introducing a range of mainstream foundational large models, and completed the development of high-frequency smart office scenarios to enhance intelligent office efficiency. We have systematically formulated an AI application scenario roadmap, accelerated the transformation of artificial intelligence from technology reserves to scenario-driven empowerment, and gradually embedded intelligent capabilities into financial business scenarios, cultivating new growth drivers for business innovation.

(4) Unleashing data value and empowering high-quality development

We take data as the core driving force to deepen the optimization of business models and the upgrading of risk prevention and control system. In terms of precision marketing, we leverage multi dimensional data insights to accurately match customer group demands and improve operational quality and efficiency. In terms of intelligent risk control, with a focus on the frontiers of anti-fraud, we have reshaped the risk control paradigm by elevating the risk identification to the relationship network dimension. In terms of model innovation, we have iterated upon the digital driven operation model, and collaboratively optimized customer outreach and business development mechanisms, leveraging digital innovation to enhance marketing effectiveness.

2. Fintech development

The Group closely follows the wave of digital economy development, positioning financial technology as a core driving force for high-quality development. We comprehensively promote the deep integration of technological capabilities with core business operations, and make coordinated efforts in optimizing technology governance, upgrading infrastructure, and implementing scenario-based ecosystems. Through technology-enabled product innovation, service enhancement, and risk prevention and control, we have built a solid technological foundation for steady business growth.

(1) Improving the technology governance system and enhancing refined management efficiency

Aligned with the Group's strategic technology plan, we have coordinated enterprise-level IT architecture management and improved mechanisms for strategic monitoring and review, architecture governance, and standardized project management. We have enhanced centralized management of IT assets and control over information technology outsourcing throughout the entire process, thereby raising the level of refined management. We have strengthened cross-functional collaboration through the adoption of demand front-loading, testing left-shift, and security left-shift practices, establishing a closed-loop link from requirements, research and development to production deployment. We have refined project testing standards, established a regular scanning mechanism for open-source components, and explored innovative AI-assisted testing applications to ensure project delivery quality at the source. Simultaneously, the Group has reinforced resource allocation for financial technology, and improved the technology talent pipeline, so as to effectively support and meet business development needs. During the Reporting Period, the Group's total investment in technology amounted to RMB268 million. As of the end of the Reporting Period, the Group had a total of 386 technology staff members.

(2) Upgrading digital infrastructure and strengthening the foundation for business continuity

The Group has continuously optimized its "Two Locations, Three Centers" disaster recovery architecture, improved a dual-active network architecture within the same city, built a dual-active storage resource pool within the same city, and completed the relocation and supporting construction of the new site for the disaster recovery center in a different location. We have established an AI computing power resource pool to support pilot AI scenarios such as intelligent Q&A and automated code generation. We have optimized the unified monitoring and alerting system, steadily improved the coverage rate of automated deployment, and launched a one-click disaster recovery switchover platform, comprehensively enhancing automated operations and maintenance capabilities. We refine key processes including change management and emergency response, and conduct routine business continuity drills to improve system stability and expedite the emergency response for information technology incidents.

(3) Deepening financial technology application scenarios to empower high-quality business development

The Group adheres to the development approach of "Financial Technology + Business Scenarios", strengthens business-technology collaboration, and systematically drives the implementation and launch of various digitalization initiatives. We carry out scenario-based development across key areas including inclusive corporate services, region-specific ecosystem operations, full-chain customer marketing, intelligent risk control and regulatory reporting, and internal operational management. We continuously iterate and upgrade our digital supporting capabilities, reinforcing the operational foundation of our businesses through technology empowerment, and fully unlocking the core value of financial technology in serving the real economy and driving the Group's high-quality development.

IV. RISK MANAGEMENT

The Group adheres strictly to the bottom line of compliant operations and upholds a robust and prudent risk appetite. Closely aligning with its strategic development plan, the Group continuously improves its risk management mechanisms, and advances the development of a comprehensive risk management system in depth. By focusing on key risk areas, safeguarding the bottom line of asset quality, and enhancing intelligent risk control capabilities, the Group continuously elevates the refinement and forward-looking nature of its risk management.

(I) Credit Risk Management

Credit risk refers to the risk of economic loss incurred by a bank due to a counterparty's failure to fulfill its obligations under the agreed terms.

In response to changes in the macroeconomic environment, national policies, and industry dynamics, the Group has implemented a range of measures centered on its asset quality management and control objectives, maintaining overall asset quality stability. First, we have deepened the development of the risk management framework. We have continued to optimize and iterate credit policies and risk management systems to enhance policy applicability; we have improved the risk control mechanisms for credit products throughout the entire process to elevate the refined management and differentiation of risk management. Second, we have strengthened asset quality control. We have continued to iterate risk resolution policies, optimize risk resolution and disposal procedures, strengthen risk screening in key sectors and among key client groups, and improve the construction of asset preservation mechanisms. Third, we have continued to promote the construction of an intelligent risk control system. We have advanced the development of the new credit system cluster, the intelligent risk control platform, and the new credit reference system to strengthen standardized management throughout the full life cycle of risk models. As of the end of the Reporting Period, the Group's credit risk was generally under control, with the Group's non-performing loan ratio within the control target.

For more details on the credit risk management, please see Note 43.1 "Credit risk" to the Consolidated Financial Statements in the chapter headed "Financial Report" in this Report.

(II) Liquidity Risk Management

Liquidity risk refers to the risk that a bank cannot obtain sufficient funds in a timely manner at a reasonable cost to repay debts due, perform other payment obligations and meet other capital needs for normal business operations.

The Group has established a liquidity risk management organizational structure comprising the Board of Directors, senior management, the Head Office Liquidity Risk Management Coordination Department and Executive Department, branches, and subsidiaries. During the Reporting Period, the Group's liquidity risk was generally controllable, and no major liquidity risk events occurred. The main liquidity risk regulatory indicators have met the standard every month. The stress test results also showed that the Group has sufficient risk mitigation capability under stressful scenarios to cope with the crises.

During the Reporting Period, the Group effectively implemented liquidity risk management policies and various liquidity risk management measures to strengthen liquidity risk management. The Bank formulated annual liquidity risk management strategies, appetite indicators and limit indicators based on macro-economy, market trends and business development requirement. The Bank continuously identified, measured, monitored and controlled liquidity risk. Through stress testing scenarios combining mild, moderate and severe stress, the Bank analyzed the ability to withstand liquidity events or liquidity crises, and reasonably allocated sufficient liquidity reserve assets to cope with liquidity risks. The Bank has established a limit management and alert monitoring mechanism to ensure that the liquidity risk indicators are controlled within an acceptable and reasonable range by regulating the daily asset-liability portfolio. The Bank conducted liquidity emergency drills to enhance the emergency response capabilities.

1. Liquidity coverage ratio

The Group calculates and discloses the liquidity coverage ratio in accordance with the relevant provisions of the Measures for Information Disclosure of Liquidity Coverage Ratio of Commercial Banks (《商業銀行流動性覆蓋率信息披露辦法》):

(Unit: RMB'000)

Item	As at 30 June 2026	As at 31 December 2025	Minimum Regulatory Requirement
Liquidity ratio	85.21%	98.49%	≥25%
Qualified high-quality liquid assets	140,302,797.60	160,773,128.00	—
Net cash outflows	72,260,549.70	77,939,759.90	—
Liquidity coverage ratio	194.16%	206.28%	≥100%

Note: The data in the above table are all based on the standards adopted under the “off-site regulatory report” of the NFRA on a group consolidated basis.

2. Net stable funding ratio

The Group calculates and discloses the net stable funding ratio in accordance with the relevant provisions of the Measures for Information Disclosure of Net Stable Funding Ratio of Commercial Banks (《商業銀行淨穩定資金比例信息披露辦法》):

(Unit: RMB'000)

Item	As at 30 June 2026	As at 31 March 2026	As at 31 December 2025
Available stable funding	544,285,727.62	563,775,566.06	563,664,036.90
Required stable funding	426,229,016.78	423,683,819.82	422,712,589.61
Net stable funding ratio	127.70%	133.07%	133.34%

Note: The data in the above table are all based on the standards adopted under the “off-site regulatory report” of the NFRA on a group consolidated basis.

(III) Market Risk Management

Market risks refer to the risk of losses in on- and off-balance sheet businesses from adverse changes in market prices (interest rate, exchange rate, stock prices and commodity prices).

The Group maintained an overall conservative market risk appetite, established and continuously improved the market risk management governance framework and took measures such as limit management, duration control, sensitivity analysis, scenario simulation and stress testing to adequately identify, accurately measure, continuously monitor, appropriately control, and promptly report all market risks in all business operations to ensure that market risks are controlled within a reasonable range. During the Reporting Period, the Group's overall market risk remained at a controllable level.

1. Trading book interest rate risk management

In terms of the trading accounts, the Group conducted measurement management of the interest rate risk of trading accounts by adopting various methods including change in fair value through profit and loss and floating profit and loss monitoring, gap analysis, value-at-risk (VaR), and interest rate sensitivity analysis (PVBP and duration). The Group further optimized the interest rate risk limit management system of trading accounts, continued to monitor interest rate risk limits, and reported and alerted risks in a timely manner. The Group continued to conduct stress tests on interest rate risk, and examined the impact of changes of market returns on the valuation of bond holdings and of revenue curves on the economic value of derivative portfolios. As of the end of the Reporting Period, all trading book interest rate risk indicators remained within the target range.

2. Exchange rate risk management

In the first half of 2026, the RMB exchange rate against the US dollar showed an overall appreciation trend, with the mid-price increasing by a cumulative 2,179 basis points to 6.8109. This was primarily influenced by the steady recovery of the domestic economy and the fluctuating operation of the US Dollar Index, and the central bank's exchange rate stabilization policies. As of the end of the Reporting Period, the Group's cumulative foreign exchange exposure ratio was 2.23%, in compliance with the regulatory requirement of $\leq 20\%$, with exchange rate risks overall under control.

(IV) Banking Book Interest Rate Risk Management

Banking book interest rate risk refers to the risk of losses to the economic value and overall returns of the banking book resulting from adverse changes in interest rate levels, term structures, and other factors.

The Group established a sound interest rate risk management system for the banking book in accordance with external regulatory regulations and internal management standards. It defined a clear interest rate risk governance framework and continuously optimized management processes for the identification, measurement, monitoring, control, and reporting of interest rate risk. The Group primarily employed methods such as repricing gap analysis, duration analysis, scenario simulation, and stress testing to measure and identify interest rate risk in the banking book, and regularly assessed the impact of different interest rate change scenarios on net interest income and economic value. In the principles of prudence, comprehensiveness, and independence, the Group closely monitored external policies and changes in market interest rates, continuously enhanced forward-looking forecasting and rapid response capabilities, optimized asset liability maturity structure, and strengthened refined management of interest rate pricing. As of the end of the Reporting Period, all interest rate risk indicators in the Group's books remained within the target.

(V) Compliance Risk Management

Compliance risk refers to the possibility that financial institutions or their employees may incur criminal, administrative, or civil legal liability, property losses, reputational damage, or other negative consequences as a result of violations of compliance regulations by financial institutions in their business operations or management activities, or by their employees in the performance of their duties.

The Group adhered to a prudent and stable compliance culture, and established a corresponding compliance management structure appropriate to its scope of operation, organizational structure and scale of business. Stick to the compliance strategy of system first, which aligned with laws, regulations and regulatory requirements, the Group strictly reviewed the compliance of system texts and new products and new businesses, and kept advance control of compliance risks. The Group established a three-level system featuring full coverage and whole process, and regularly organized the sorting, evaluation and review of the institutional system to ensure the compliance and applicability of the system. It regularly carried out dynamic promotion and supervision of regulatory policies to ensure the implementation of regulatory regulations. Through initiatives such as training, warning studies and anti-corruption texts, the Group strengthened employees' awareness of professional integrity and self-discipline. During the Reporting Period, the Group's compliance risk remained at a controllable level.

(VI) Operational Risk Management

Operational risks refer to the risks of losses resulting from faulty internal procedures, staff and IT systems, and external events.

The Group has established a sound operational risk organizational structure and management system to strengthen operational risk management, enhance its ability to respond to internal and external events, and ensure the stable operation. The Group has refined the supporting systems for operational risk, further clarified the standards, reporting procedures and handling methods for operational risk incidents, and standardized the management of operational risk incidents. The Group organized special investigations and compliance inspections targeting key areas and high-risk links, iterated the system supervision models to enhance the accuracy and intelligence of supervision, and strengthened the prevention and control of operational risks.

(VII) Large-scale Risk Exposure Management

Large-scale risk exposure refers to the credit risk exposure to a single customer or a group of related customers of a commercial bank that exceeds 2.5% of its net tier-one capital.

The Group actively improved the organizational structure and management system for large-scale risk exposure management, incorporated large-scale risk exposure management into a comprehensive risk management system, and actively promoted and perfected the system construction related to the large-scale risk exposure management, so as to strictly prevent concentration risks. As of the end of the Reporting Period, the Group's risk exposure indicators for non-interbank single customers, non-interbank group customers, interbank single customers and interbank group customers complied with regulatory requirements.

(VIII) Country Risk Management

Country risk refers to the risk incurred to a commercial bank arising from the inability or refusal by the debtor to repay its debt, losses suffered by it or its commercial presence in such country or region and other losses due to economic, political, social changes and events in a country or a region.

The Group maintained a prudent country risk appetite, continuously improved the country risk management policy system, strictly implemented the country risk monitoring and reporting mechanism, fully identified the risk conditions of a country or region as well as potential risks in business operations, and regularly assessed country risk levels. The Group adopted a risk avoidance strategy, and did not allow entry into high-risk countries or regions in principle. During the Reporting Period, the Group's business operations did not involve countries or regions which experienced significant deterioration in national sovereignty, political or economic conditions.

(IX) Reputational Risk Management

Reputational risks refer to the risks that may be caused by negative evaluations on bank by stakeholders, the public, the media and others due to the operation and management of bank, the behaviors of employees or external events, thereby damaging the brand value of bank, affecting the normal operations of bank, and even affecting market stability and social stability.

The Group has established an effective reputational risk monitoring and early warning and pre-assessment mechanism, aiming to promote the reputational risk control in advance by making full use of the intelligent reputation monitoring system and strengthening manual monitoring, implementing 24/7 hours omni-channel public opinion monitoring. The Group has established a sound mechanism for the hierarchical handling of reputational events and continued to strengthen the regular management of reputational risks and the whole-process management mechanism. Also, the Group conducted regular reputational risk management trainings, continuously improving the media public relations literacy and reputational risk response capabilities of relevant business personnel of various branches.

During the Reporting Period, the Group further strengthened the reputational risk screening of each branch, and regularly investigated major customer complaints as well as marketing and publicity behaviors that occurred in branches each quarter which may cause widespread public concern, etc. The Group also investigated and identified potential reputational risks, and promptly released reputational risk warnings. During the Reporting Period, the overall reputation of the Group was stable and good, and no major reputational events affecting the stability of the Bank's operations occurred.

(X) Information Technology Risk Management

Information technology risks refer to risks arising from natural factors, human factors, technology loopholes and management defects during the course of the application of information technology by a commercial bank, including operational, legal and reputational risks.

During the Reporting Period, the Group continued to enhance its information technology risk management capabilities, with stable operation of technology infrastructure and information systems. First, we established a sound information technology risk management and control mechanism. We continued to improve supporting systems and rules including network security, data security, development and testing management, outsourcing management, operation and maintenance, and embedding risk management and control into the whole process of technology planning, research and development, production, operation and maintenance. We deepened the management of shift left security, simultaneously carried out vulnerability scanning and open-source component detection during the software research and development stage, and established a risk review and rectification mechanism to prevent information technology risks at the source. Second, we reinforced safeguards for infrastructure and business continuity. We continuously optimised the “Two Locations, Three Centers” disaster recovery architecture, enhanced capabilities in automated monitoring, emergency response and disaster recovery failover, steadily conducted business continuity drills for critical information systems, improved the closed-loop handling mechanism for production issues and incidents, and consolidated the bottom line for stable system operation. Third, we deepened security and risk prevention and control. We established security management platforms for mainframes and mobile devices, upgraded the cybersecurity architecture and protection strategies, carried out regular work including penetration testing of information systems, classified protection assessment, privacy compliance inspection, security assessment on commercial cryptographic applications, risk investigation and security training, and implemented closed-loop rectification of vulnerabilities, continuously strengthening the capability to guard against information technology risks.

(XI) Strategic Risk Management

Strategic risk refers to the risk where the strategic goal deviates from the expected due to the failure of strategic behavior to effectively maintain the match between the enterprise and the environment.

The Group continued to pay attention to strategic risks. We have established a strategic risk management organizational framework with the Board of Directors and senior management as the core, to ensure the effectiveness of the implementation of the development strategic plan, to monitor the execution of the strategic plan on a regular basis to dynamically manage strategic planning in conjunction with internal and external environments, and to continuously improve the strategic risk management system.

During the Reporting Period, the Group strengthened strategic transmission, and promoted the in-depth integration of the Plan with annual key initiatives, business plans and performance appraisals, so as to ensure the steady execution of the strategy.

(XII) Anti-Money Laundering Management

The Group deeply practiced the “risk-based” work principle to carry out various anti-money laundering tasks. Taking the introduction of the new Anti-Money Laundering Law and supporting regulations as an opportunity, we promoted the revision of the anti-money laundering internal control system and continuously improved the anti-money laundering internal control governance system. We strengthened customer due diligence and beneficial owner management to establish a solid foundation for anti-money laundering work. We organized and carried out money laundering risk assessments and put forward risk management suggestions based on the assessment results. We focused on high-risk business scenarios of money laundering, regularly issued risk warnings, organized special risk investigation, and prevented money laundering risks at the source. We promoted the iterative upgrading of the anti-money laundering monitoring system, continuously improved the ability of anti-money laundering digital risk control, regularly organized employees to receive anti-money laundering training, and earnestly fulfilled the obligation of monitoring and reporting large and suspicious transactions.

(XIII) Internal Control

The Group attached great importance to the development of the internal control system, established a corporate governance structure featuring well-defined division of labour, clear rights and responsibilities and mutual checks and balances, and achieved the separation and mutual restraint of decision-making, execution and supervision. We promoted full lifecycle management of policies, continuously revised and improved the Group's various internal control policies, standardized internal and operational management procedures, and facilitated the Board of Directors, senior management, internal control functional departments, internal audit department and other departments to perform their respective duties in complying with internal control requirements. We strengthened risk prevention and control in key areas and verified the effective operation of the internal control system through special inspections, risk investigations, issue rectification and internal control evaluation.

(XIV) Internal Audit

The Group implemented an independent and vertical internal audit management system. The Board of Directors assumed ultimate responsibility for the independence and effectiveness of internal audit, considered and approved internal audit rules, mid-and long-term audit plans and annual audit plans, etc., provided necessary safeguards for independent and objective internal audit work, and assessed the independence and effectiveness of internal audit. The Audit Committee of the Board of Directors is responsible for reviewing important systems and reports such as internal audit rules, considering and approving mid-and long-term audit plans and annual audit plans as well as guiding, assessing and evaluating internal audit. The internal audit department specifically undertook internal audit responsibilities, and was responsible for reviewing, evaluating and urging for improvements in the Bank's business operation, risk management, internal control and compliance and corporate governance through the application of systematic and standardized methods, so as to promote stable operation and value enhancement of the Group.

The Group adhered to and strengthened the Party's leadership over audit work. The internal audit department adhered to the main line of work of "serving the overall situation based on the center", focused on the main responsibilities and main businesses of risk supervision, closely monitored the "key events", "key personnel" and "key behaviors", and conducted audit projects in the annual plans of proxy sale business, wealth management business, credit business, fund business, risk management, information technology, and subsidiaries (management) organs, as well as conducting audits on the performance of key personnel in certain positions. The Group established a long-term working mechanism for the rectification of problems revealed by audits, strengthened governance at the source, and effectively improved the quality and efficiency of rectification.

V. FUTURE BUSINESS OUTLOOK

In the second half of 2026, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group will further implement the strategic roadmap to advance the high-quality development across the Group, in line with the economic and financial policies and guidelines of the CPC and the State, as well as the decisions and instructions of the Municipal Party Committee, the Municipal Government and higher authorities.

First, business model innovation is a top priority. The Group will build more financial scenarios. Efforts will be made to enhance the refined management of assets and liabilities. Also, the Group will continuously optimize the income structure to activate business growth drivers.

Second, product innovation will be improved. With a focus on key customer segments, the Group will persistently strengthen the digital transformation of products and improve product innovation mechanisms to meet the diverse demands of customers.

Third, service innovation will be accelerated. The Group will deeply advance omni-channel integration by reshaping service processes through intelligent technologies and extend scenario-based services, in order to deepen the refined management of customer experience.

Fourth, management innovation will be implemented. The Group will continue to optimize internal processes, and move fast to fuel the agile transformation. Meantime, the Group will enhance centralized and intensive management as well as its management of consolidated entities.

Fifth, innovation in risk control and compliance will be strengthened. The Group will steadily advance the development of the new credit system project cluster, the construction of an intelligent risk control system, the standardization of credit granting, and the reform of the compliance management system. Furthermore, by strengthening source governance, the Group will further improve the consumer rights protection system.

Sixth, technological innovation will be deepened. The Group will accelerate the construction of artificial intelligence infrastructure and continue to enhance integration with external platforms to strengthen the application and empowerment of big data across all areas of operation and management.

Chapter IV

Changes in Share Capital and Information on Shareholders



I. CHANGES IN SHARES

(I) Share Capital

As of the end of the Reporting Period, the Bank had a total of 6,888,545,510 Shares, of which 5,740,454,510 Shares were Domestic Shares, representing 83.33% of the total share capital, while 1,148,091,000 Shares were overseas listed foreign Shares (H Shares), representing 16.67% of the total share capital. During the Reporting Period, the Bank did not have any changes in its share capital.

(II) Details of Changes in Shares

During the Reporting Period, the changes in the ordinary Shares of the Bank are as follows:

(Unit: Shares)

	As at 30 June 2026		Increase (decrease) during the period Number of changes	As at 31 December 2025	
	Number	Percentage (%)		Number	Percentage (%)
Domestic Shares	5,740,454,510	83.33	—	5,740,454,510	83.33
Domestic Shares held by legal persons	1,445,986,418	20.99	2,300,000	1,443,686,418	20.96
Domestic Shares held by natural persons	4,294,468,092	62.34	(2,300,000)	4,296,768,092	62.38
Including: Shares held by staff members	483,148,496	7.01	—	483,148,496	7.01
Overseas listed foreign Shares (H Shares)	1,148,091,000	16.67	—	1,148,091,000	16.67
Total	6,888,545,510	100.00		6,888,545,510	100.00

Notes:

- As of the end of the Reporting Period, there were 57,335 Domestic Shareholders. All Domestic Shares were deposited in China Securities Depository and Clearing Corporation Limited. The total number of registered H Shareholders was 25, of which HKSCC Nominees Limited, as a nominee, held the Shares on behalf of multiple Shareholders.
- As of the end of the Reporting Period, 6,855,708 Domestic Shares were involved in judicial freezing, representing 0.10% of the total Shares of the Bank.
- The Bank has applied to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the relevant requirements of the Listing Rules, pursuant to which the minimum public float of the Shares of the Bank shall be 16.67%. Based on publicly available information as of the latest practicable and to the best knowledge of the Directors, at least 16.67% of the issued Shares of the Bank has been held by the public during the Reporting Period, in compliance with the requirements under the Listing Rules as modified by the aforementioned waiver.

(III) Issuance of Securities

During the Reporting Period, the Bank did not issue any new Shares.

II. SHAREHOLDING STRUCTURE

(I) Number and Shareholdings of Shareholders

As of the end of the Reporting Period, the total number of Domestic Shareholders of the Bank was 57,335, including 137 Domestic Shares legal person Shareholders holding 1,445,986,418 Shares, representing 20.99% of the total share capital. There were 57,198 Domestic Shares natural person Shareholders holding 4,294,468,092 Shares, representing 62.34% of the total Shares. The total number of registered Shareholders of H shares was 25 (including HKSCC Nominees Limited acting as an agent on behalf of multiple Shareholders).

(II) Shareholding of Top Ten Shareholders

As of the end of the Reporting Period, the top ten Shareholders of the Bank together held 27.80% of the Bank's total shares. Among the top ten Shareholders, the shareholdings of all Domestic Shareholders did not exceed 5%. Among the Domestic Shareholders, the largest Shareholder was Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司), holding 2.91% of the total Shares; the second largest Shareholder was Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司), holding 2.05% of the total Shares; and the third largest Shareholder was Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司), holding 1.45% of the total Shares.

As of the end of the Reporting Period, shareholdings of the top ten Shareholders of the Bank are as follows:

No.	Name	Class of Shares	Nature of Shareholders	Number of Shares (Share)	Percentage of the Bank's Issued Shares ⁽²⁾ (%)	Changes of Shares during the Reporting Period (Share)
1	HKSCC Nominees Limited ⁽¹⁾	H Shares	Others	1,148,019,439	16.67	(29,751)
2	Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司)	Domestic Shares	Non-state-owned legal person	200,190,070	2.91	(44,059,200)
3	Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司)	Domestic Shares	Non-state-owned legal person	141,045,402	2.05	(5,059,200)
4	Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司)	Domestic Shares	Non-state-owned legal person	99,660,304	1.45	—
5	Dongguan City Haida Industrial Co., Ltd.* (東莞市海達實業有限公司)	Domestic Shares	Non-state-owned legal person	74,027,320	1.07	—
6	Guangdong Haide Group Co., Ltd.* (廣東海德集團有限公司)	Domestic Shares	Non-state-owned legal person	67,089,324	0.97	(2,695,200)
7	Dongguan City Fengjing Group Co., Ltd.* (東莞市峰景集團有限公司)	Domestic Shares	Non-state-owned legal person	57,978,360	0.84	—
8	Dongguan City Jianhua Paper Co., Ltd.* (東莞市建樺紙業股份有限公司)	Domestic Shares	Non-state-owned legal person	57,978,360	0.84	—
9	Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司)	Domestic Shares	Non-state-owned legal person	36,284,941	0.53	—
10	Dongguan City Commercial Center Development Co., Ltd.* (東莞市商業中心發展有限公司)	Domestic Shares	Non-state-owned legal person	32,716,472	0.47	(2,364,000)
Total				1,914,989,992	27.80	

Notes:

- (1) HKSCC Nominees Limited held a total of 1,148,019,439 H Shares of the Bank on behalf of various clients, representing 16.67% of the total issued Shares of the Bank. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System and provides registration and custody services for clients.
- (2) Based on the total issued Shares of the Bank of 6,888,545,510 Shares.

(III) Interest and Short Position of Directors and Chief Executives in the Shares, Underlying Shares and Debentures of the Bank or Any Associated Corporation

Please refer to the “Interests and Short Positions of Directors and Chief Executives” section in the chapter “Corporate Governance” of this Report.

(IV) Shareholding of Staff Members

As of the end of the Reporting Period, the Bank had a total of 3,024 employee Shareholders, holding 483,148,496 Shares (excluding H Shares), which accounted for 7.01% of the total Shares.

(V) Interests and Short Positions of Substantial Shareholders and Other Persons under Hong Kong Laws and Regulations

As of the end of the Reporting Period, according to the register of shareholders kept by the Bank pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities, other than a Director or chief executive of the Bank, had an interest or short position in the Shares, the underlying Shares or debentures of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange pursuant to divisions 2 and 3 of Part XV of the SFO.

Name of Shareholders	Capacity	Class of Shares	Number of Shares ⁽¹⁾ (Share)	Approximate Percentage of the Relevant Class of Shares (%)	Approximate Percentage of Interest in the Bank (%)
Cheung Pui Yin (張沛賢)	Interest in controlled corporation ⁽²⁾	H Shares	207,958,000(L)	18.11	3.02
Po Yin Development Limited	Interest in controlled corporation ⁽²⁾	H Shares	207,958,000(L)	18.11	3.02
Scoperto Limited	Beneficial owner	H Shares	207,958,000(L)	18.11	3.02
Caitong Securities Co., Ltd.* (財通證券股份有限公司)	Interest in controlled corporation ⁽³⁾	H Shares	170,811,000(L)	14.88	2.48
Caitong Fund Management Co., Ltd.* (財通基金管理有限公司)	Other ⁽⁴⁾	H Shares	170,811,000(L)	14.88	2.48
State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan (東莞市人民政府國有資產監督管理委員會)	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83
Dongguan Communications Investment Holding Group Co., Ltd. (東莞市交通投資控股集團有限公司)	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83

Chapter IV

Changes in Share Capital and Information on Shareholders

Name of Shareholders	Capacity	Class of Shares	Number of Shares ⁽¹⁾ (Share)	Approximate Percentage of the Relevant Class of Shares (%)	Approximate Percentage of Interest in the Bank (%)
Dongguan Port Group Co., Ltd.* (東莞港務集團有限公司)	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83
Dongguan City Fook Man Group Company* (東莞市福民集團公司)	Interest in controlled corporation ⁽⁵⁾	H Shares	126,262,000(L)	11.00	1.83
Fook Man Development Company Limited* (福民發展有限公司)	Beneficial owner	H Shares	126,262,000(L)	11.00	1.83
Lion Fund Management Co., Ltd. (諾安基金管理有限公司)	Investment manager	H Shares	68,325,000(L)	5.95	0.99
Central Huijin Investment Ltd. (中央匯金投資有限責任公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000(L)	5.23	0.87
Agricultural Bank of China Limited (中國農業銀行股份有限公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000(L)	5.23	0.87
ABC International Holdings Limited (農銀國際控股有限公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000(L)	5.23	0.87
ABCI Investment Management Limited (農銀國際投資管理有限公司)	Interest in controlled corporation ⁽⁶⁾	H Shares	60,000,000(L)	5.23	0.87
Cozy Pony Limited (駿熹有限公司)	Person having a security interest in shares	H Shares	60,000,000(L)	5.23	0.87

Notes:

- (1) The letter "L" denotes long position.
- (2) According to the information provided by Cheung Pui Yin (張沛賢), Cheung Pui Yin (張沛賢) has 100% control over Po Yin Development Limited; and Po Yin Development Limited has 100% control over Scoperto Limited. Accordingly, Cheung Pui Yin (張沛賢) and Po Yin Development Limited were deemed to be interested in the interest held by Scoperto Limited under the SFO.
- (3) According to the information provided by Caitong Securities Co., Ltd. ("Caitong Securities"), Caitong Securities has 40% control over Caitong Fund Management Co., Ltd.* ("Caitong Fund Management"). Accordingly, Caitong Securities was deemed to be interested in the interest held by Caitong Fund Management under the SFO.
- (4) According to the information provided by Caitong Fund Management, Caitong Fund Management is the asset manager of ten asset management plans and held the H Shares under such Qualified Domestic Institutional Investor (QDII) asset management plans to implement the investment plans of its clients.
- (5) According to the information provided by the State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan, Fook Man Development Company Limited is wholly-owned by Dongguan City Fook Man Group Company (東莞市福民集團公司), which is in turn wholly-owned by Dongguan Port Group Co., Ltd., a company wholly-owned by Dongguan Communications Investment Holding Group Co., Ltd. Dongguan Communications Investment Holding Group Co., Ltd. is wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan. Accordingly, each of State-owned Assets Supervision and Administration Commission of the People's Government of Dongguan, Dongguan Communications Investment Group Co., Ltd., Dongguan Port Group Co., Ltd. and Dongguan City Fook Man Group Company is deemed to be interested in all the Shares held by Fook Man Development Company Limited under the SFO.
- (6) According to the information provided by Central Huijin Investment Ltd., Cozy Pony Limited is wholly-owned by ABCI Investment Management Limited, which is in turn wholly-owned by ABC International Holdings Limited. ABC International Holdings Limited is wholly-owned by Agricultural Bank of China Limited, which is in turn owned as to 40.03% by Central Huijin Investment Ltd. Therefore, Central Huijin Investment Ltd., Agricultural Bank of China Limited, ABC International Holdings Limited and ABCI Investment Management Limited are deemed to be interested in the interest held by Cozy Pony Limited under the SFO.

(VI) Substantial Shareholders under the Interim Measures for Equity Management of Commercial Banks

According to the Interim Measures for Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) promulgated by the former CBRC, a substantial shareholder of a commercial bank refers to a shareholder who holds or controls more than 5% of the shares or voting rights of a commercial bank, or a shareholder who holds less than 5% of the total capital or total shares but has a significant impact on the operation and management of the commercial bank. The aforementioned significant influence includes, but not limited to, dispatching directors or senior management personnel to commercial banks, influencing the financial and operational management decisions of commercial banks through agreements or other means, and other circumstances recognized by the NFRA or its local offices.

1. Shareholders who hold 5% or above of the Shares of the Bank

As of the end of the Reporting Period, except HKSCC Nominees Limited, the Bank had no Shareholder holding 5% or above of the Shares of the Bank.

2. Other substantial Shareholders within the regulatory scope

As of the end of the Reporting Period, the Bank's other substantial Shareholders under regulatory criteria were as follows:

(1) Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司)

Guangdong Canvest Investment Co., Ltd. was established on 27 November 2002, its legal representative is Guo Huiqiang (郭惠強) and its registered capital is RMB100 million. Its business scope covers: investment in industrial enterprises, sales: steel, building materials, timber, construction machinery, hardware and electrical appliances.

Guangdong Canvest Investment Co., Ltd. was regarded as a substantial Shareholder as it recommended Li Huiqin (黎慧琴) to the Bank as a candidate for Director and she obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Guangdong Canvest Investment Co., Ltd. is Guo Huiqiang, while the actual controller is Lai Chun Tung (黎俊東). There is no party acting in concert. The ultimate beneficiary is the company itself. As of the end of the Reporting Period, the related parties of Guangdong Canvest Investment Co., Ltd. include Dongguan City Sanyang Shiye Development Co., Ltd.* (東莞市三陽實業發展有限公司), Lai Chun Tung and others; Guangdong Canvest Investment Co., Ltd. and its related parties held a total of 204,546,013 Shares of the Bank, accounting for 2.97% of the total Shares. During the Reporting Period, Guangdong Canvest Investment Co., Ltd. and its related parties did not pledge their equities in the Bank.

(2) Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司)

Dongguan City Kanghua Investment Group Co., Ltd. was established on 29 March 2002. Its legal representative is Wang Junyang (王君揚) and its registered capital is RMB268.88 million. Its business scope covers: business management consulting; investment in various infrastructure construction projects; domestic commerce and material supply and marketing (excluding projects controlled or operated exclusively by the state); investment in medical projects (excluding operations); investment in education projects; property leasing and property management.

Chapter IV

Changes in Share Capital and Information on Shareholders

Dongguan City Kanghua Investment Group Co., Ltd. was regarded as a substantial Shareholder as it recommended Wong Wai Hung (王偉雄) to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Dongguan City Kanghua Investment Group Co., Ltd. is Wang Junyang who is also the actual controller. There is no party acting in concert. The ultimate beneficiary is the company itself. As of the end of the Reporting Period, the related parties of Dongguan City Kanghua Investment Group Co., Ltd. include Dongguan City Xingye Group Co., Ltd.* (東莞市興業集團有限公司) and others; Dongguan City Kanghua Investment Group Co., Ltd. and its related parties held a total of 163,330,549 Shares of the Bank, accounting for 2.37% of the total Shares. During the Reporting Period, Dongguan City Kanghua Investment Group Co., Ltd. and its related parties did not pledge their equities in the Bank.

(3) Dongguan Hongyuan Hotel Co., Ltd.* (東莞市宏遠酒店有限公司)

Dongguan Hongyuan Hotel Co., Ltd. was established on 22 June 2000, its legal representative is Chen Jiangtao (陳江濤), and its registered capital is RMB10 million. Its business scope covers: licensed items: food and beverage services; accommodation services; singing and dancing entertainment activities; hairdressing services; retail sale of tobacco products; beauty services; food production; food sales; food sales via the Internet. General items: advertising design and agency services; advertising production; advertising publication; conference and exhibition services (exhibitions abroad must be approved by relevant departments); laundry and dyeing services; laundry and ironing services.

Dongguan Hongyuan Hotel Co., Ltd. was regarded as a substantial Shareholder as it recommended Chan Ho Fung (陳浩峰) to the Bank as a candidate for Director and he obtained a seat in the Board of Directors, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Dongguan Hongyuan Hotel Co., Ltd. is Chen Jiangtao, while the actual controller is Chen Haitao (陳海濤). There is no party acting in concert. The ultimate beneficiary is the company itself. As of the end of the Reporting Period, the related parties of Dongguan Hongyuan Hotel Co., Ltd. include Chen Haitao, Wu Wenjun (伍文軍) and others; Dongguan Hongyuan Hotel Co., Ltd. and its related parties held a total of 25,608,706 Shares of the Bank, accounting for 0.37% of the total Shares. During the Reporting Period, Dongguan Hongyuan Hotel Co., Ltd. and its related parties did not pledge their equities in the Bank.

(4) Fook Man Development Company Limited* (福民發展有限公司)

Fook Man Development Company Limited was established on 10 April 1984. The person in charge of this enterprise is Zhou Liang (周良), and its registered capital is HKD20.05 million.

Fook Man Development Company Limited was regarded as a substantial Shareholder as it recommended Tang Wencheng (唐聞成) to the Bank as a candidate for Director and he obtained a Board seat, which was in line with the circumstances of dispatching a Director to the Bank. The controlling shareholder of Fook Man Development Company Limited is Dongguan City Fook Man Group Company (東莞市福民集團公司), and the actual controller is Dongguan Communications Investment Holding Group Co., Ltd (東莞市交通投資控股集團有限公司). There is no party acting in concert, and the ultimate beneficiary is the company itself. As of the end of the Reporting Period, Fook Man Development Company Limited held a total of 126,262,000 Shares of the Bank, accounting for 1.83% of the total Shares, and there were no other related parties holding Shares. During the reporting period, Fook Man Development Company Limited and its related parties did not pledge their equities in the Bank.

(VII) Information on Controlling Shareholders and Actual Controllers

During the Reporting Period, there was no major change in the Bank's shareholding structure and, except HKSCC Nominees Limited, there is no individual Shareholder together with its related parties holding more than 10% of the Shares, and the Bank does not have any controlling Shareholder or actual controller.

(VIII) Pledge and Freezing of Shares

As of the end of the Reporting Period, there were no ordinary Shares held by Shareholders holding more than 5% (including 5%) of the total Shares being pledged or frozen. So far as the Bank was aware, there was no pledge of Domestic Shares of the Bank, and no Shareholders had pledged their Shares to the Bank. 6,855,708 Domestic Shares of the Bank were judicially frozen, representing 0.10% of the total Shares.

According to the Articles of Association of the Bank, if the equities of the Bank pledged by the Shareholders reach or exceed 50% of equities of the Bank held by such Shareholders, such Shareholders' voting right on the shareholders' meeting and the voting rights of the Directors nominated by such Shareholders on the Board meeting shall be restricted. During the Reporting Period, the Bank did not need to restrict the voting rights of relevant shares in shareholders' meetings or Board meetings.

(IX) Purchase, Sale or Redemption of Listed Securities or Redeemable Securities of the Bank

During the Reporting Period, the Bank did not purchase, sell or redeem any listed securities (including the sale of treasury shares, if any) or redeemable securities of the Bank.

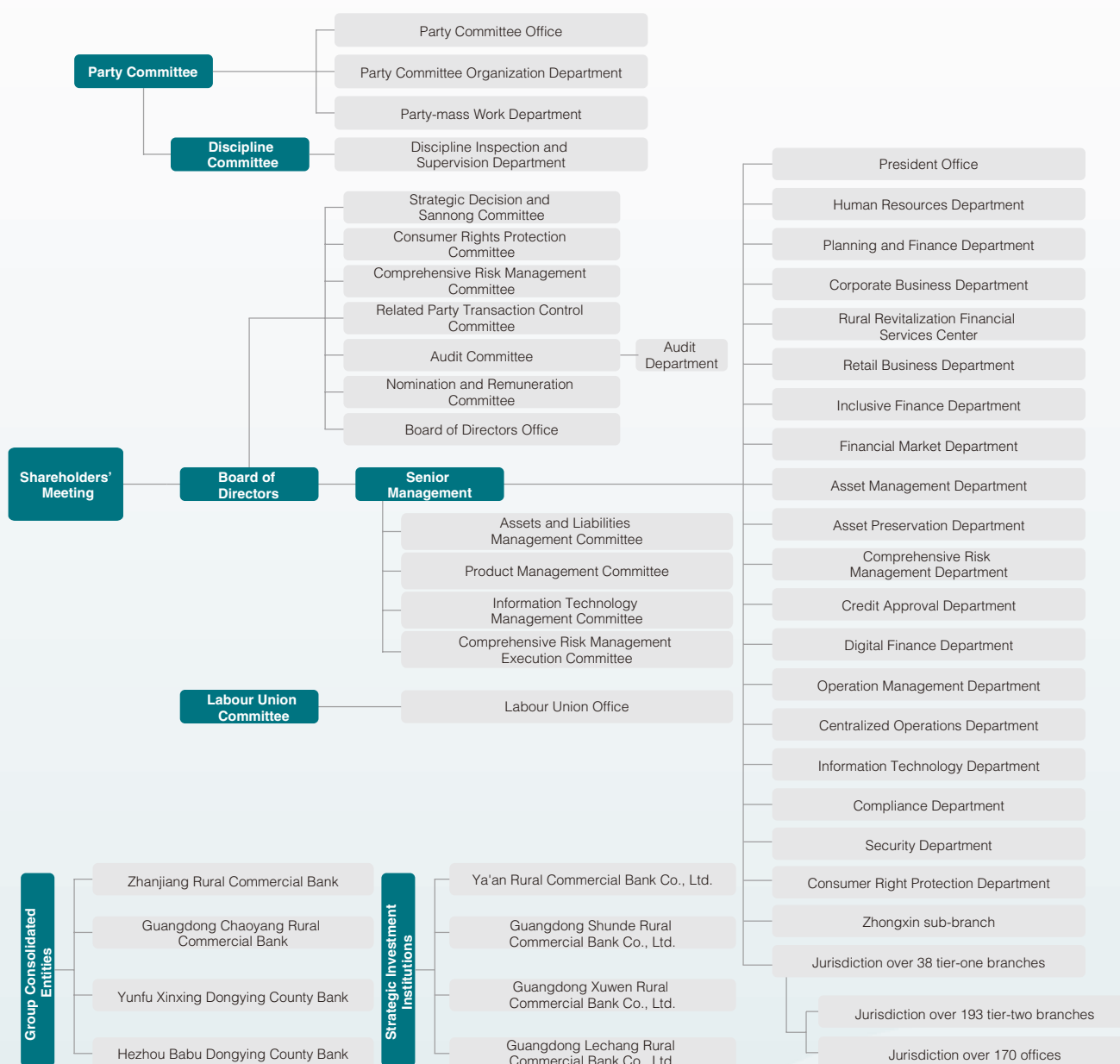
For the issuance and redemption of the Bank's bonds, please refer to "BONDS ISSUED AND REDEEMED" in the "Other Matters" chapter of this Report.

Chapter V

Corporate Governance



I. ORGANISATIONAL CHART



Note: The above is the organizational structure as of the end of the Reporting Period.

II. OVERVIEW OF CORPORATE GOVERNANCE

During the Reporting Period, according to the requirements of the Company Law of the People's Republic of China, the Corporate Governance Standards of Banking and Insurance Institutions of the former CBIRC, and the Listing Rules of the Hong Kong Stock Exchange, and adhering to the leadership of the Party, the Bank has established a corporate governance structure consisting of shareholders' meeting, the Board of Directors and the senior management, with the Audit Committee assuming the functions of the Board of Supervisors, improved all specialized committees under the Board of Directors and the senior management, continuously improved the corporate governance structure and enhanced the level of corporate governance.

The Bank strictly complied with the requirements of the Corporate Governance Code, as well as the relevant laws and regulations and the Listing Rules and other regulations on inside information management. Except as disclosed in the section headed "XIV. COMPLIANCE WITH CORPORATE GOVERNANCE CODE", as of the end of the Reporting Period, there was no material difference between the Bank's corporate governance and the requirements of the Company Law of the People's Republic of China and the Hong Kong Stock Exchange.

During the Reporting Period, the Bank convened 2 shareholders' meetings, 2 class meetings, 4 meetings of the Board of Directors and 1 special meeting of the independent Directors. The convening of such meetings is in compliance with the procedures stipulated in laws and regulations, regulatory requirements and the Articles of Association of the Bank.

III. SHAREHOLDERS' MEETINGS

During the Reporting Period, the Bank convened two shareholders' meetings and two class meetings, namely the 2026 First Extraordinary General Meeting, the 2026 First Domestic Shareholders Class Meeting and the 2026 First H Shareholders Class Meeting held at the conference room of Dongguan Rural Commercial Bank Building on 8 January 2026, and the 2025 Annual General Meeting held at the conference room of Dongguan Rural Commercial Bank Building on 21 May 2026. The convening, notice, holding and voting procedures of the meeting were in compliance with relevant laws and regulations and relevant provisions of the Articles of Association of the Bank. At the shareholders' meetings, 20 resolutions, including the Resolution in Relation to the Dissolution of the Board of Supervisors of the Bank(《關於不再設立監事會的議案》), and the Resolution in Relation to Work Report of the Board of Directors for 2025 (《關於董事會2025年度工作報告的議案》)were considered and approved, safeguarding the legitimate rights and interests of all shareholders, and ensuring that shareholders can exercise their powers in accordance with the law.

Please refer to the Circular for the shareholders' meeting dated 24 December 2025 and the poll results announcement dated 8 January 2026 of the Bank on the HKExnews website of the Hong Kong Stock Exchange and the official website of the Bank for details of the resolutions and specific voting results of the 2026 First Extraordinary General Meeting, the 2026 First Domestic Shareholders Class Meeting and the 2026 First H Shareholders Class Meeting; and please refer to the Circular for the shareholders' meeting dated 28 April 2026 and the poll results announcement dated 21 May 2026 of the Bank on the HKExnews website of the Hong Kong Stock Exchange and the official website of the Bank for details of the resolutions and specific voting results of the 2025 Annual General Meeting.

IV. Directors and Senior Management

(I) Basic Information

As of the end of the Reporting Period, the basic information of the Bank's Directors and senior management is as follows:

Name	Gender	Date of birth	Position	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period (share)	Increase/Decrease in the number of Shares held during the Reporting Period (share)	Number of Shares held as at the end of the Reporting Period (share)
Lu Guofeng	Male	September 1969	Secretary to the Party Committee	April 2023-present	—	—	—	—
			Chairman of the Board of Directors	December 2023-present				
			Executive Director	November 2023-present				
Fu Qiang ⁽¹⁾	Male	July 1970	Deputy Secretary to the Party Committee	November 2018-July 2026	Domestic Shares	500,000	—	500,000
			Executive Director	July 2019-August 2026				
			President	July 2019-August 2026				
Qian Hua ⁽¹⁾	Male	September 1973	Member of the Party Committee	November 2018-present	Domestic Shares	322,202	—	322,202
			Executive Director	October 2024-present				
			Vice President	October 2024-present				
Li Huiqin	Female	December 1978	Non-executive Director	March 2025-present	—	—	—	—
Wong Wai Hung	Male	August 1988	Non-executive Director	February 2025-present	—	—	—	—
Tang Wencheng ⁽²⁾	Male	May 1979	Non-executive Director	September 2022-August 2026	—	—	—	—
Chan Ho Fung	Male	May 1995	Non-executive Director	February 2025-present	—	—	—	—
Zeng Jianhua	Male	February 1958	Independent Non-executive Director	September 2022-present	—	—	—	—
Yip Tai Him ⁽³⁾	Male	August 1970	Independent Non-executive Director	March 2019-present	—	—	—	—
Xu Zhi ⁽⁴⁾	Male	June 1972	Independent Non-executive Director	December 2019-present	—	—	—	—
Tan Fulong ⁽⁴⁾	Male	June 1973	Independent Non-executive Director	December 2019-present	—	—	—	—
Liu Yuou ⁽⁴⁾	Female	August 1971	Independent Non-executive Director	December 2019-present	—	—	—	—

Name	Gender	Date of birth	Position	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period (share)	Increase/Decrease in the number of Shares held during the Reporting Period (share)	Number of Shares held as at the end of the Reporting Period (share)
Ye Jianguang ⁽⁵⁾	Male	October 1972	Vice President	December 2017-present	Domestic Shares	500,000	—	500,000
Ye Yunfei	Male	March 1977	Secretary to the Board Vice President	May 2021-present September 2025-present	Domestic Shares	360,707	—	360,707
			Chief Compliance Officer	February 2026-present				
Zhong Guobo	Male	June 1973	Assistant to the President	January 2023-present	Domestic Shares	500,000	—	500,000
Zheng Renhe	Male	October 1975	Chief Risk Officer	April 2025-present	Domestic Shares	500,000	—	500,000

Notes:

- (1) In order to comply with the regulatory requirements on the term of office for key positions of banks and pursuant to organizational arrangements, Mr. Fu Qiang resigned from his positions as the Executive Director, President and member of relevant committees of the Board of the Bank in August 2026. Since 17 August 2026, Mr. Qian Hua has been acting as the President; Ms. Xie Dan is appointed as the President of the Bank, subject to approval by the financial regulatory authority.
- (2) Mr. Tang Wencheng resigned from his positions as a non-executive Director and his relevant committee positions in the Bank in August 2026 due to his work adjustment.
- (3) Mr. Yip Tai Him resigned from his positions as independent non-executive Director and relevant Board committee position in March 2025 due to his term of office reaching the prescribed limit. Pursuant to the relevant provisions, he shall continue to perform his duties until the Bank appoints a new independent non-executive Director and the qualification of such newly appointed Director is approved by the financial regulatory authority.
- (4) Mr. Xu Zhi, Mr. Tan Fulong and Ms. Liu Yuou resigned from their positions as independent non-executive Directors of the Bank and relevant Board committee positions in November 2025 due to their terms of office reaching the prescribed limit. Pursuant to the relevant provisions, they shall continue to perform their duties until the Bank appoints new independent non-executive Directors and the qualifications of such newly appointed Directors are approved by the financial regulatory authority.
- (5) Mr. Ye Jianguang tendered his resignation from his role as the Secretary to the Board of Directors in May 2026. Pursuant to the relevant provisions, he shall continue to perform the functions of the Secretary to the Board of Directors until the Bank appoints a successor who obtains the qualification approval from the financial regulatory authority.
- (6) Mr. Chen Sheng was elected as the employee Director of the Bank in November 2025, subject to the approval by the financial regulatory authority.
- (7) Since 11 March 2026, the Bank has ceased to establish the Board of Supervisors and its specialized committees, and each Supervisor ceased to hold relevant positions as a Supervisor and member of relevant committees of the Bank.

(II) Changes in Directors and Senior Management

Mr. Chan Kwok Fung, Dennis, Mr. Li Yanwen, Ms. Zhang Shuangmei, and Ms. Wang Zhifang were appointed to serve as independent non-executive Directors, as approved at the 2026 first extraordinary general meeting of the Bank held in January 2026. Their appointments shall take effect only after their qualifications have been approved by the financial regulatory authority.

Mr. Ye Yunfei has concurrently served as the Bank's Chief Compliance Officer since February 2026.

Mr. Zhao Zhigang was appointed as the Chief Information Officer of the Bank in February 2026, subject to approval of his qualification by the financial regulatory authority.

Ms. Xu Tingting resigned from her positions as independent non-executive Director of the Bank and relevant Board committee position in November 2025 due to her term of office reaching the regulatory prescribed limit, with such resignation taking effect from 11 March 2026.

Mr. Ye Jianguang resigned from his positions as executive Director of the Bank and relevant Board committee positions in March 2026 pursuant to the provisions of the Bank's Articles of Association and the organizational work arrangements, with such resignation taking effect from 11 March 2026. Mr. Ye Jianguang tendered his resignation from his role as the Secretary to the Board of Directors in May 2026. Pursuant to relevant provisions, he shall continue to perform the functions of the Secretary to the Board of Directors until the Bank appoints a successor who obtains the related qualification approval from the financial regulatory authority.

Ms. Zhu Ying was appointed as the Secretary to the Board of Directors in May 2026, subject to approval of her qualification by the financial regulatory authority.

In order to comply with the regulatory requirements on the term of office for key positions of banks and pursuant to organizational arrangements, Mr. Fu Qiang has resigned from his positions as an executive Director, the President, a member of the Strategic Decision and Sannong Committee, and the Chairman of the Consumer Rights Protection Committee of the Board of the Bank in August 2026, of which his resignation as an executive Director, a member of the Strategic Decision and Sannong Committee and the Chairman of the Consumer Rights Protection Committee of the Board took effect on 14 August 2026; and his resignation as the President took effect on 17 August 2026. On 17 August 2026, the Bank held a meeting of the Board of Directors of the Bank and approved that Mr. Qian Hua shall act as the President until the Bank appoints a new President and obtains the approval of the qualification for appointment from the regulatory authority; proposed that Ms. Xie Dan be elected as an executive Director of the fifth session of the Board of Directors of the Bank, subject to and effective upon the approval by the shareholders' meeting and the approval of the qualification for appointment from the regulatory authority; and appointed Ms. Xie Dan as the President of the Bank, which shall take effect upon obtaining the qualification approval from the regulatory authority.

Mr. Tang Wencheng resigned from his positions as a non-executive Director, a member of the Nomination and Remuneration Committee of the Board and a member of the Consumer Rights Protection Committee of the Board of the Bank due to his work adjustment in August 2026, and with effect from 14 August 2026. At the Board meeting held on 17 August 2026, the Bank proposed to appoint Mr. Zhou Liang as a non-executive Director of the fifth session of the Board of Directors. The appointment is subject to the approval of the shareholders' meeting and the financial regulatory authority.

(III) Changes in Information of Directors

Mr. Tang Wencheng has ceased to serve as a director of Fook Man Development Company Limited with effect from May 2026.

(IV) Interests and Short Positions of Directors and Chief Executives

As of the end of the Reporting Period, the interests and short positions of the Directors and chief executives in the Shares, underlying Shares and debentures of the Bank or its associated corporations (within the meaning 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 deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register of interests or short positions kept by the Bank 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 as set out in Appendix C3 to the Listing Rules are as follows:

Interest in Shares or underlying Shares

Name	Position	Class of Shares	Long position/ short position	Capacity	Number of Shares directly or indirectly held (shares) ⁽¹⁾	Approximate % of the relevant class of Shares of the Bank ⁽¹⁾ (%)	Approximate % of total issued Shares of the Bank ⁽¹⁾ (%)
Fu Qiang ⁽²⁾	Executive Director	Domestic Shares	Long position	Beneficial owner	500,000	0.00871	0.00726
Qian Hua	Executive Director	Domestic Shares	Long position	Beneficial owner	322,202	0.00730	0.00608
		Domestic Shares	Long position	Interest of spouse	96,631		
Wong Wai Hung	Non-executive Director	Domestic Shares	Long position	Interest in controlled corporation ⁽³⁾	22,285,147	0.38821	0.32351

Notes:

- (1) As of the end of the Reporting Period, the total number of issued ordinary Shares of the Bank was 6,888,545,510, divided into 5,740,454,510 Domestic Shares and 1,148,091,000 H Shares.
- (2) Mr. Fu Qiang has resigned from his positions as an executive Director, the President, and a member of the relevant committees of the Board of the Bank in August 2026.
- (3) Such 22,285,147 Domestic Shares are held by Dongguan City Xingye Group Co., Ltd. * (東莞市興業集團有限公司), and i) Dongguan City Kangwei Industrial Investment Co., Ltd.* (東莞市康偉實業投資有限公司) holds a 48% interest in Dongguan City Xingye Group Co., Ltd.; ii) Dongguan City Kangwei Industrial Investment Co., Ltd. is wholly-owned by Dongguan City Weishun Property Investment Co., Ltd.* (東莞市偉順物業投資有限公司); iii) Dongguan City Weishun Property Investment Co., Ltd. is wholly-owned by HH International Investment Limited; iv) Mr. Wong Wai Hung holds a 34% interest in HH International Investment Limited. Accordingly, Mr. Wong Wai Hung is deemed to be interested in all the Domestic Shares held by Dongguan City Xingye Group Co., Ltd. under the SFO.

Save as disclosed above, none of the Directors or chief executives of the Bank had any interests or short positions in the Shares, underlying Shares and debentures of the Bank or its 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 and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register of interests or short positions referred to therein, or which were required pursuant to the Model Code to be notified to the Bank and the Stock Exchange.

(V) Securities Transactions by Directors

The Bank has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the standards of securities transactions by Directors since its listing. Having made specific enquiry to all Directors, all Directors have confirmed that they have complied with the Model Code during the Reporting Period.

(VI) Rights to Acquire Securities of the Bank

None of the Bank, or any of its holding companies (if any) or subsidiaries, or any fellow subsidiaries (if any), is a party to any arrangement that enables any Directors or chief executives of the Bank or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Bank or any of its associated corporations (as defined in the SFO) or to acquire benefits by means of acquisition of shares in, or debentures of, the Bank or any other body corporate.

(VII) Directors' Interests in Competing Business

Mr. Wong Wai Hung, a non-executive Director of the Bank, holds a 34% interest in HH International Investment Limited, which wholly owns Dongguan City Weishun Property Investment Co., Ltd., which wholly owns Dongguan City Kangwei Industrial Investment Co., Ltd., which holds a 48% interest in Dongguan City Xingye Group Co., Ltd., which holds a 20% interest in Dongguan City Dongshang Small Loans Co., Ltd. *(東莞市東商小額貸款有限公司) ("Dongshang Small Loans"). Dongshang Small Loans primarily engages in small loans business, with registered capital of RMB200.00 million. Given its involvement in small loans business, it may compete with the business of the Bank.

Given that the registered capital of the aforementioned competing business, amounting to RMB200.00 million, is relatively small compared to the Bank's registered capital, and considering the Bank's broad business scope, the potential competition between such competing business and the Bank is minimal. Since the relevant Director is a non-executive Director and does not participate in the Bank's daily management, the Bank believes that its business operations will not be affected by the interests held by such Director in the relevant competing business. Pursuant to the Bank's Articles of Association, if a Director has a material interest in any matter requiring approval by the Board of Directors, such Director shall abstain from voting on the relevant resolution.

(VIII) Financial, Business and Family Relationship between Directors and Senior Management

To the best of the Bank's knowledge, there is no financial, business, family or other material or relevant relationship between the Directors and senior management of the Bank.

(IX) Remaining Portion of Directors' and Supervisors' Pre-tax Emoluments

The remaining portions of the pre-tax emoluments of Directors and Supervisors who were remunerated at the Bank for 2025 were confirmed as required, and their emoluments for 2025 decreased compared with the previous year; among them, the remaining portions of the pre-tax emoluments of Mr. Lu Guofeng, Mr. Fu Qiang, Mr. Qian Hua, Mr. Ye Jianguang, Mr. Chen Sheng and Mr. Chen Huinan for 2025 amounted to RMB864,300, RMB864,300, RMB846,600, RMB846,600, RMB846,600 and RMB703,800, respectively. In accordance with the relevant regulations, the performance-based compensation of the aforesaid personnel is deferred. The total amount of deferred performance-based compensation before tax for the aforesaid personnel for 2025 was RMB4,412,700, and the deferred compensation has yet to be paid to individuals.

(X) Directors' Interests in Contracts, Transactions and Arrangements

Save for the continuing connected transactions exempted from the reporting, annual review, announcement and independent shareholders' approval under Chapter 14A of the Listing Rules, no Director or any entity connected with such persons has any interest, either directly or indirectly, in significant transactions, arrangements and contracts in relation to the Group's business to which the Bank, its holding company, subsidiaries or fellow subsidiaries were a party during the Reporting Period (excluding service contracts). No Director of the Bank has entered into any service contract with the Bank that requires compensation (other than statutory compensation) where the contract is terminated by the Bank within one year.

V. BOARD OF DIRECTORS

(I) Composition of the Board of Directors

As of the end of the Reporting Period, the Board of Directors of the Bank consisted of 12 Directors (including those who resigned and continued with their duties), including 3 executive Directors, namely Mr. Lu Guofeng, Mr. Fu Qiang and Mr. Qian Hua; 4 non-executive Directors, namely Ms. Li Huiqin, Mr. Wong Wai Hung, Mr. Tang Wencheng and Mr. Chan Ho Fung; 5 independent non-executive Directors, namely Mr. Zeng Jianhua, Mr. Yip Tai Him, Mr. Xu Zhi, Mr. Tan Fulong and Ms. Liu Yuou. In August 2026, Mr. Fu Qiang resigned from his roles as the executive Director and member of relevant committees of the Bank, and Mr. Tang Wencheng resigned as the non-executive Director of the Bank and from his roles on the relevant Board committees. The Board of Directors of the Bank has proposed to the shareholders' meeting that Ms. Xie Dan be elected as executive Director of the Bank and Mr. Zhou Liang as a non-executive Director of the Bank, which shall take effect upon approval by the shareholders' meeting and the financial regulatory authority. All communication documents of the Bank containing the names of Directors clearly state the categories of Directors in compliance with the requirements of the Listing Rules.

The roles and duties of the chairman and the President of the Bank are taken up by different individuals. There is a clear division of responsibilities in compliance with the requirements and recommendations of the regulatory provisions and the Listing Rules.

The Bank has formulated the Board diversity policy. In accordance with the position set out in the policy and its continuous adoption and implementation, the Bank is committed to ensuring that the Board of Directors achieves an appropriate balance in terms of diversity. The Bank considers the composition of the Board of Directors from various aspects in accordance with the Board diversity policy, including but not limited to directors' gender, age, educational background, professional experience, knowledge and skills, so as to ensure a balanced distribution of skills and experience combinations of Board members and to provide different perspectives, insights and questions, thereby enabling the Board to effectively perform its duties, enhancing its effective operation and maintaining high standards of corporate governance.

(II) Meetings of the Board of Directors and Committees under the Board of Directors

During the Reporting Period, the Bank convened 4 meetings of the Board of Directors, comprising 3 on-site meetings and 1 meeting by circulation of written resolutions. A total of 61 proposals, including the Resolution in relation to the Work Report of the Board of Directors of the Bank for 2025, the Resolution in relation to Operation and Management Work Report of the Bank for 2025, the Resolution in relation to Work Report of Independent Directors of the Bank for 2025, were considered and approved, and 8 reports were reviewed, including Report on Changes to Board Membership. The Board of Directors had six specialized committees including the Strategic Decision and Sannong Committee, the Comprehensive Risk Management Committee, the Nomination and Remuneration Committee, the Related Party Transaction Control Committee, the Audit Committee and the Consumer Rights Protection Committee. During the Reporting Period, the six specialized committees under the Board of Directors exercised their powers independently, compliantly and effectively in accordance with laws, and convened 17 meetings, at which the committees considered 69 resolutions including strategic decision, personnel appointment, comprehensive risk management, internal control, related party transactions and consumer rights protection. The committees maintained communication with the operational management, and fully played their roles in assisting the Board of Directors in making scientific decisions.

VI. THE BOARD OF SUPERVISORS

Since 11 March 2026, the Bank has ceased to establish the Board of Supervisors. The Audit Committee shall exercise the powers of the Board of Supervisors as stipulated by laws, regulations, and regulatory provisions such as the Company Law of the People's Republic of China. The audit department is reorganized from a branch of the senior management to the one of the Audit Committee.

During the Reporting Period, the Bank held a total of 2 meetings of the Board of Supervisors, including 1 on-site meeting and 1 meeting by circulation of written resolutions. The Board of Supervisors mainly considered and approved 19 proposals including the Resolution in relation to Work Report of the Board of Supervisors of Dongguan Rural Commercial Bank Co., Ltd. for 2025 and the Resolution in relation to the Report on the Performance Evaluation Results of Directors and Senior Management of Dongguan Rural Commercial Bank Co., Ltd. for 2025, and reviewed 24 proposals. The two specialized committees under the Board of Supervisors, namely the Nomination Committee and the Supervision Committee, convened a total of 4 meetings and considered and approved 31 proposals including the Resolution in relation to the Formulation of the 2026 Risk Limit Management Plan of Dongguan Rural Commercial Bank (Group) and the Resolution in relation to the Formulation of the Measures for Performance Accountability Management of the Chairman and Senior Management of Dongguan Rural Commercial Bank Co., Ltd. (Group).

VII. SENIOR MANAGEMENT

As of the end of the Reporting Period, the Bank's senior management consisted of 6 senior management personnel, including 1 president, namely Mr. Fu Qiang; 3 vice presidents, namely Mr. Qian Hua, Mr. Ye Jianguang and Mr. Ye Yunfei; 1 assistant to the president, namely Mr. Zhong Guobo; 1 Chief Risk Officer, namely Mr. Zheng Renhe; 1 Chief Compliance Officer, concurrently held by Mr. Ye Yunfei, vice president; and 1 Secretary to the Board of Directors, concurrently held by Mr. Ye Jianguang, vice president. In August 2026, Mr. Fu Qiang resigned as the President of the Bank, and Mr. Qian Hua has been acting as the president; the Board of Directors of the Bank has appointed Ms. Xie Dan as the President of the Bank, subject to qualification approval from the regulatory authority.

At the senior management level, the Bank has established Assets and Liabilities Management Committee, Product Management Committee, Information Technology Management Committee, and Comprehensive Risk Management Execution Committee. Each committee is under operation independently according to relevant functions.

VIII. EMPLOYEES

The Group strictly complies with relevant laws and regulations and strives to create a fairer employment environment and a diversified workplace atmosphere. The Bank places great emphasis on safeguarding the rights and interests of female employees. Through initiatives such as organizing activities for International Women's Day and establishing mother-and-baby care rooms, the Bank created a comfortable, equal and convenient environment for female employees and fully protected their rights and interests. As of the end of the Reporting Period, the Group had 7,717 employees, including 4,505 male employees and 3,212 female employees, with a male-to-female ratio of approximately 1.4:1. The specific details of the employees are as follows:

(I) Employees Functional Structure

Function type	Number	Percentage
Corporate banking business	885	11.47%
Personal banking business	3,224	41.78%
Treasury business	97	1.26%
Finance, accounting and operation	1,398	18.12%
Risk management, internal control and legal compliance	765	9.91%
Information technology	386	5.00%
Administrative management	709	9.19%
Others	253	3.28%
Total	7,717	100.00%

(II) Employee Educational Background Structure

Educational background type	Number	Percentage
Postgraduate and above	407	5.27%
Undergraduate	6,293	81.55%
Associate college	837	10.85%
Technical secondary school and below	180	2.33%
Total	7,717	100.00%

(III) Employee Title Structure

Title category	Number	Percentage
Senior title	129	1.67%
Intermediate title	1,759	22.79%
Assistant title	1,938	25.11%
Employee level and below	3,891	50.42%
Total	7,717	100.00%

Note: The number of employees mentioned above refers to the number of in-service employees who have signed labor contracts with the Group, excluding non-active personnel such as retired and early retired personnel, and personnel under labor dispatch or outsourcing arrangement.

(IV) Employee Remuneration Policy

The Bank's remuneration is based on risk compliance, follows the basic principles of total quantity control, distribution according to work volume, priority for efficiency, fairness and sustainable development, and fully reflects external competitiveness, internal fairness, individual incentives, corporate affordability and institutional flexibility, which is in line with the strategic development and operation management needs of the Bank.

The Bank continued to strengthen the construction of the remuneration system and performance incentive and restraint mechanism, and formulated the Dongguan Rural Commercial Bank Co., Ltd. Remuneration Management Measures and the performance appraisal plan for all levels of personnel. The performance-based compensation is mainly linked with the completion of the organization's business performance and the result of risk control.

The Bank continued to implement the mechanism of deferred payment and clawback mechanism for performance-based compensation. To that end, the scope of deferred payment of performance-based compensation included senior management of the Bank, employees in positions that have significant impact on risks, and other individuals who engage in credit and credit-like business. The Bank divided different provision ratios according to titles, ranks and positions of deferred payment subject, with a payment deferral period of 3 years.

(V) Staff Training

The Bank embodies the concept that "Talent is the First Resource" and continues to improve its training system that is tiered, well-articulated, systematic, science-based and results-oriented. It strives to build a high-caliber and professional talent pool, thereby strengthening the talent foundation to support the Group's high-quality development.

In terms of training of management teams, the Bank closely aligns its training programs with the core competency requirements of management positions at all levels, and systematically implements a series of "Evergreen Foundation(基業長青)" training courses. The Bank adheres to the principle of integrating theoretical learning with practical experience. The Bank broadens the managerial perspectives of its management teams through diverse approaches such as visiting leading enterprises and attending cutting-edge thematic seminars. Leveraging mechanisms such as action learning and project-based research, it promotes the translation of learning into practical application. Through the significant enhancement of management capabilities, the Bank provides solid support for the execution of its strategic initiatives.

In terms of professional capability enhancement, the Bank implements tiered and categorized training programs for different job functions, directing training resources toward front-line business units and deepening training in specialized areas. The Bank focuses on key positions, continuously enriches its proprietary course resource library, and consolidates the foundation for standardized training. By organizing foundational training programs on digital literacy and artificial intelligence awareness, the Bank helps employees smoothly adapt their capabilities to the new requirements of transformational development.

IX. BRANCHES AND SUBSIDIARIES

(I) Branches

As of the end of the Reporting Period, the Bank has established 38 tier-one branches and sub-branches, 193 tier-two sub-branches and 170 offices. Details of tier-one branches and sub-branches are as follows:

No.	Name of entity	Address	Telephone
1	Zhongxin sub-branch	No.2 Hongfu East Road, Dongcheng Street, Dongguan City	0769-22866666
2	Zhongtang sub-branch	No.101 Zhongxing Road, Zhongtang Town, Dongguan City	0769-88818522
3	Wangniudun sub-branch	Room 102, No. 25, Zhenzhong Road, Wangniudun Town, Dongguan City	0769-88851262
4	Daojiao sub-branch	No.120 Zhenxing Road North, Daojiao Town, Dongguan City	0769-88833111
5	Hongmei sub-branch	No. 69 Qiaodong Road, Hongmei Town, Dongguan City	0769-88841546
6	Machong sub-branch	No.5 Zhenxing Road, Machong Town, Dongguan City	0769-88821389
7	Wanjiang sub-branch	Room 135, No. 3 Wanjiang Road North, Wanjiang District, Dongguan City	0769-22288628
8	Humen sub-branch	No. 138 Humen Avenue, Humen Town, Dongguan City	0769-85123142
9	Chang'an sub-branch	No.286 Changqing South Street, Chang'an Town, Dongguan City	0769-85310223
10	Houjie sub-branch	No.16 Kangle North Road, Houjie Town, Dongguan City	0769-85588841
11	Shatian sub-branch	Room 101, Room 104, Room 117-122, Room 124, Room 125, Room 143, Room 153, Room 154, Room 203-207, Room 210, Room 211, No.59 Sha Tian Avenue, Shatian Town, Dongguan City	0769-88861903
12	Nancheng sub-branch	No.44 Nancheng Road Section, Guantai Road, Dongguan City	0769-22818522
13	Dongcheng sub-branch	No.7 Dongcheng East Road, Dongcheng District, Dongguan City	0769-22239029
14	Liaobu sub-branch	No.2 Jiaoyu Road, Liaobu Town, Dongguan City	0769-83329710
15	Dalingshan sub-branch	Room 101, No.460 Dalingshan Section, Guanchang Road, Dalingshan Town, Dongguan City	0769-83351158
16	Dalang sub-branch	No.568 Meijing Central Road, Dalang Town, Dongguan City	0769-83311102

No.	Name of entity	Address	Telephone
17	Huangjiang sub-branch	No.65 Huangjiang Avenue, Huangjiang Town, Dongguan City	0769-83365136
18	Zhangmutou sub-branch	No.105, Zhangmutou Section, Guanzhang Road, Zhangmutou Town, Dongguan City	0769-87719118
19	Qingxi sub-branch	No.2 Xiangmang Central Road, Qingxi Town, Dongguan City	0769-87730998
20	Tangxia sub-branch	No. 17 Yingbin Avenue, Tangxia Town, Dongguan City	0769-87728810
21	Fenggang sub-branch	No.69 Yongsheng Street, Fenggang Town, Dongguan City	0769-87750947
22	Xiegang sub-branch	Rooms 101-601, Building 1, No.72 Xiegang Garden Avenue, Xiegang Town, Dongguan City	0769-87765619
23	Changping sub-branch	Room 103, No. 36, Changping Avenue, Changping Town, Dongguan City	0769-83331409
24	Qiaotou sub-branch	No.197 Qiaoguang Avenue, Qiaotou Town, Dongguan City	0769-83342244
25	Hengli sub-branch	No.580 Zhongshan Road, Hengli Town, Dongguan City	0769-83371841
26	Dongkeng sub-branch	No.74 Dongkeng Avenue, Dongkeng Town, Dongguan City	0769-83880995
27	Qishi sub-branch	No.8 Jiangbin Road, Qishi Town, Dongguan City	0769-86665038
28	Shipai sub-branch	No.297 Shipai Avenue Central, Shipai Town, Dongguan City	0769-86657030
29	Chashan sub-branch	No.82, Caihong Road, Chashan Town, Dongguan City	0769-86641493
30	Shijie sub-branch	No.4 Dongfeng South Road, Shijie Town, Dongguan City	0769-86636495
31	Gaobu sub-branch	Office Building No. 13, New Century Yilongwan III, Xiansha Village, Gaobu Town, Dongguan City	0769-88871317
32	Donglian sub-branch	Room 108, Building 6, No.1 International, No. 200 Hongfu Road, Nancheng Street, Dongguan City	0769-22856679
33	Shilong sub-branch	No.8 Fangzheng Central Road, Shilong Town, Dongguan City	0769-86602831
34	Songshanhu Keji sub-branch	Building No.20, Songkeyuan, No.4 Libin Road, Songshan Lake Science and Technology Industrial Park, Dongguan City	0769-22891811
35	Binhai Bay New District sub-branch	Room 106, No. 1 Bay Area Avenue, Binhai Bay New District, Dongguan City	0769-88007788
36	Huizhou branch	No.8, Central Chenjiang Avenue, Chenjiang Street, Zhongkai High-tech Zone, Huizhou City	0752-3223810
37	Nansha branch in Guangdong Pilot Free Trade Zone	Room 311, 312, 313, 314, podium building, Block 17, Zhonghui Bilong Bay, No. 3 Wangjiang 2nd Street, Nansha District, Guangzhou City	020-39391183
38	Hengqin branch in Guangdong Pilot Free Trade Zone	Shop No. 104, Huitong 3rd Road, Shop No. 106, Huitong 3rd Road, and Shop No. 305, No. 83 Huitong 5th Road, Guangdong-Macao In-Depth Cooperation Zone, Hengqin	0756-2992623

Note: The list contains the tier-one branches and sub-branches only and subsidiaries are not included.

(II) Major Subsidiaries

As of the end of the Reporting Period, the Bank's major subsidiaries include Zhanjiang RCB, Guangdong Chaoyang RCB, Yunfu Xinxing Dongying County Bank and Hezhou Babu Dongying County Bank with a total of 37 tier-one branches and sub-branches, 65 tier-two sub-branches, and 63 offices. Details of tier-one branches and sub-branches of the Bank's major subsidiaries are as follows:

No.	Subsidiary	Name of entity	Address	Telephone
1	Zhanjiang Rural Commercial Bank	Economic and Technological Development Zone sub-branch	No. 119 Haibin Avenue Central, Zhanjiang	0759-2326990
2	Zhanjiang Rural Commercial Bank	Mazhang sub-branch	No. 14 Mazhi Road, Mazhang Town, Mazhang District, Zhanjiang	0759-2278377
3	Zhanjiang Rural Commercial Bank	Chikan sub-branch	1-8/F, No. 19, Haibin Sixth Road, Chikan District, Zhanjiang	0759-3205195
4	Zhanjiang Rural Commercial Bank	Donghai sub-branch	West of Zhanlin Road, Dongshan Town, Donghai Island, Zhanjiang	0759-2962057
5	Zhanjiang Rural Commercial Bank	Potou sub-branch	No. 7 Beishan Road, Potou District, Zhanjiang	0759-3950886
6	Zhanjiang Rural Commercial Bank	Xiashan sub-branch	Office No. A-7, Ground Floor, Xingfa Garden Commercial and Residential Building, No. 70 Haibin Avenue South, Development Zone, Zhanjiang	0759-2122381
7	Guangdong Chaoyang Rural Commercial Bank	Chengqu sub-branch	No. 38 (Ground Floor) Huancheng Road, West Wenguang Street, Chaoyang District, Shantou	0754-83820377
8	Guangdong Chaoyang Rural Commercial Bank	Wenguang sub-branch	Block E (1-3/F), Fudongzhuang, Shuimen Road, Wenguang Street, Chaoyang District, Shantou	0754-83845382
9	Guangdong Chaoyang Rural Commercial Bank	Chengdong sub-branch	No. 132 (1st and 2nd Floors) Zhongshan Middle Road, Wenguang Street, Chaoyang District, Shantou	0754-83816105
10	Guangdong Chaoyang Rural Commercial Bank	Jinpu sub-branch	Beside Jinmei Avenue, Sanbao Neighborhood Committee, Jinpu Street, Chaoyang District, Shantou	0754-86645440
11	Guangdong Chaoyang Rural Commercial Bank	Heping sub-branch	No. 305 Laohehui Road, Zhongzhai Neighborhood Committee, Heping Town, Chaoyang District, Shantou	0754-82251265
12	Guangdong Chaoyang Rural Commercial Bank	Runze sub-branch	Shops 01-05, 1st and 2nd Floors, Block 1, Runze Mountain Villa, Chengbei 1st Road, Wenguang Street, Chaoyang District, Shantou	0754-83821532
13	Guangdong Chaoyang Rural Commercial Bank	Miancheng sub-branch	Taoyuan Intersection, Chaohai Road, Chaoyang District, Shantou	0754-83835884
14	Guangdong Chaoyang Rural Commercial Bank	Pingbei sub-branch	Shop 98, Pingbei Market, Mianbei Street, Chaoyang District, Shantou	0754-88719271

No.	Subsidiary	Name of entity	Address	Telephone
15	Guangdong Chaoyang Rural Commercial Bank	Haimen sub-branch	No. 8-12, Building 1, Haian Garden, Haimen Town, Chaoyang District, Shantou	0754-86631170
16	Guangdong Chaoyang Rural Commercial Bank	Guiyu sub-branch	No. 118 Huamei Road section, Guojing Road, Guiyu Town, Chaoyang District, Shantou	0754-84448174
17	Guangdong Chaoyang Rural Commercial Bank	Tongyu sub-branch	No. 11 Xinxing Road, Tongboyu Village, Tongyu Town, Chaoyang District, Shantou	0754-87595696
18	Guangdong Chaoyang Rural Commercial Bank	Gurao sub-branch	No. 84 Lifeng Road, Shangbao Neighborhood Committee, Gurao Town, Chaoyang District, Shantou	0754-87610385
19	Guangdong Chaoyang Rural Commercial Bank	Jinyu sub-branch	Yupu Yuhua West Road, Jinzao Town, Chaoyang District, Shantou	0754-83391401
20	Guangdong Chaoyang Rural Commercial Bank	Xilu sub-branch	No. 2 Xinxing Road, Xiyi Neighborhood Committee, Xilu Town, Chaoyang District, Shantou	0754-83311907
21	Guangdong Chaoyang Rural Commercial Bank	Hexi sub-branch	Xitian Village Road, Xitian Village, Hexi Town, Chaoyang District, Shantou	0754-83422827
22	Guangdong Chaoyang Rural Commercial Bank	Guanbu sub-branch	Beside Guanjin Road, Guanbu Town, Chaoyang District, Shantou	0754-83361382
23	Guangdong Chaoyang Rural Commercial Bank	Xiashan sub-branch	Shops No. 42 to 48, 1st and 2nd Floors of Shop No. 50, and 2nd Floor of Shop No. 51 (Room 202, Building 13), Dijingyuan, Xiashan Road, Xiashan Street, Chaonan District, Shantou	0754-87761955
24	Guangdong Chaoyang Rural Commercial Bank	Simapu sub-branch	East Market, Simapu Town, Chaonan District, Shantou	0754-87732754
25	Guangdong Chaoyang Rural Commercial Bank	Lugang sub-branch	No. 228 Xihe Road, Lugang Town, Chaonan District, Shantou	0754-82281361
26	Guangdong Chaoyang Rural Commercial Bank	Shalong sub-branch	No. 12 Haoxi Road section, Shalong, Hehui Road, Chaonan District, Shantou	0754-82224606
27	Guangdong Chaoyang Rural Commercial Bank	Chengtian sub-branch	No. 89 Shencheng Road, Chengtian Town, Chaonan District, Shantou	0754-82231331
28	Guangdong Chaoyang Rural Commercial Bank	Jingdu sub-branch	Shenshan Neighborhood Committee, Jingdu Town, Chaonan District, Shantou	0754-86691239
29	Guangdong Chaoyang Rural Commercial Bank	Tianxin sub-branch	No. 69 (next to the Post and Telecommunications Bureau) Tianzhong Road, Tianxin Tian'er Village, Chaonan District, Shantou	0754-83511532

No.	Subsidiary	Name of entity	Address	Telephone
30	Guangdong Chaoyang Rural Commercial Bank	Liangying sub-branch	1-3/F of Shops 07 to 11, 2-3/F of Shops 05 to 06, A1 Block, Shengyue Haoting, No. 001 Dongying Road, Guxiyang, Chenku Neighborhood Committee, Liangying Town, Chaonan District, Shantou	0754-85571824
31	Guangdong Chaoyang Rural Commercial Bank	Chendian sub-branch	No. 30, Bei Si Street, Kewei Guanghe, Chendian Town, Chaonan District, Shantou	0754-84485394
32	Guangdong Chaoyang Rural Commercial Bank	Xiancheng sub-branch	No. 418 Chenxian Highway, Xiancheng Town, Chaonan District, Shantou	0754-84421743
33	Guangdong Chaoyang Rural Commercial Bank	Hongchang sub-branch	Left side of the Hongchang Town Government, Chaonan District, Shantou	0754-83752146
34	Guangdong Chaoyang Rural Commercial Bank	Leiling sub-branch	Chuandi, Leiling Town, Chaonan District, Shantou	0754-85521026
35	Yunfu Xinxing Dongying County Bank	Chengnan sub-branch	No. 6 Xinglong Road, Xincheng Town, Xinxing County	0766-2989811
36	Hezhou Babu Dongying County Bank	Xindu sub-branch	Xiangyun Road, Xindu Town, Babu District, Hezhou	0774-5081889
37	Hezhou Babu Dongying County Bank	Pinggui sub-branch	No. 15 Pinggui Avenue, Pinggui District, Hezhou	0774-8833001

For details about the major subsidiaries, please refer to the Note 19 “Subsidiaries” to the consolidated financial statements in the “Financial Report” chapter in this Report.

X. RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to the Guidelines for Comprehensive Risk Management of Financial Institutions in the Banking Industry (《銀行業金融機構全面風險管理指引》), the Bank continuously identifies and assesses the credit risk, liquidity risk, market risk, interest rate risk in the banking book, operational risk, compliance risk, legal risk, money laundering risk, information technology risk, reputational risk, strategic risk, country risk and other main risks which the Bank and its subsidiaries expose to, and prudently evaluates current risks and formulates corresponding management measures, and report regularly to senior management and the Board of Directors. Upon review by the Board of Directors, the established comprehensive risk management system of the Bank is sufficient and effective, and no significant risks requiring special attention have occurred in the Reporting Period. In addition, the comprehensive risk management system built by subsidiaries with the Bank’s assistance is also effective and complies with their respective own positioning.

In accordance with the Guidelines for Internal Control of Commercial Banks (《商業銀行內部控制指引》) and relevant regulations and under the guidance of the Board of Directors and the Audit Committee of the Board of Directors, the Bank organized and carried out the internal control evaluation. Upon review by the Board of Directors, the internal control system established by the Bank was sound and effective, and was capable of effectively identifying and controlling various risks, and no major deficiency in internal control were found during the Reporting Period.

Since the comprehensive risk management and internal control system is to manage rather than to eliminate the risk of failure to achieve business objectives, the Board of Directors can only make reasonable rather than absolute assurance that there would be no material misstatement or loss.

For details of the Bank's risk management and internal control, please refer to the "Risk Management" section in the "Management Discussion and Analysis" chapter of this Report.

XI. DIRECTORS' RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group. In preparing the interim financial statements of 2026, the International Financial Reporting Accounting Standards has been adopted, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made. The Board of Directors is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board of Directors has continued to adopt the going concern basis in preparing the financial statements.

XII. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Bank, based on the actual circumstances, proposed amendments to the Articles of Association of Dongguan Rural Commercial Bank Co., Ltd. in accordance with laws, regulations, and domestic and overseas regulatory requirements including the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the Hong Kong Stock Exchange's Consolidated Main Board Listing Rules (《香港聯交所綜合主板上市規則》), and the Administrative Measures on the Qualifications of Directors (Council Members) and Senior Management of Banking Financial Institutions (《銀行業金融機構董事(理事)和高級管理人員任職資格管理辦法》). The amended Articles of Association were considered and approved at the shareholders' meeting on 8 January 2026, and were approved by the financial regulatory authority on 11 March 2026.

XIII. CORPORATE CULTURE

The Bank has established a comprehensive core value system, clearly defining its mission, vision, values, and business philosophy as part of its corporate culture framework. This ensures that the Bank's corporate culture aligns with its strategic development goals and business development model. The Group promotes a culture of responsibility and dedication, a prudent and compliant culture, and a caring and harmonious family-like culture, all centered on the core values of joy and openness. This fosters an organizational atmosphere of equality, mutual trust, mutual assistance, mutual care, and shared progress, fully activating employees' intrinsic motivation and facilitating the joint realization of the Company's vision and employees' aspirations.

XIV.COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Reporting Period, the Bank adopted and complied with all code provisions set out in Part 2 of the Corporate Governance Code, save for the following circumstances:

On 11 March 2026, Mr. Ye Jianguang resigned from his positions of executive Director and the authorised representative under Rule 3.05 of the Listing Rules (the “Authorised Representative”) of the Bank, therefore, the Bank failed to comply with the requirement that an issuer shall appoint two authorised representatives under Rule 3.05 of the Listing Rules. On 27 March 2026, the Board of Directors appointed Mr. Qian Hua as an Authorised Representative, whereby the Bank has re-complied with the aforesaid requirement.

On 27 March 2026, following the adjustment to the composition of the Nomination and Remuneration Committee of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors failed to comply with the requirement under Rules 3.25 and 3.27A of the Listing Rules that independent non-executive Directors should constitute the majority of the members, as the newly appointed employee Director, Mr. Chen Sheng, and the newly appointed independent non-executive Directors, Ms. Wang Zhifang and Mr. Li Yanwen have not yet obtained their qualifications as directors. Upon approval of the qualifications of director for all the aforesaid newly appointed Directors, the Bank will comply with the relevant requirements under Rules 3.25 and 3.27A of the Listing Rules.

Chapter VI

Other Matters



I. 2026 INTERIM PROFIT DISTRIBUTION PLAN

The operating results during the Reporting Period and the financial position as of the end of the Reporting Period are set out in the chapter headed the Financial Report in this Report. No interim dividend will be distributed by the Bank for the Reporting Period.

II. BONDS ISSUED AND REDEEMED

During the Reporting Period, the Bank had no financial bonds issued or redeemed.

III. CONVERTIBLE SECURITIES, OPTIONS, WARRANTS AND OTHER SIMILAR RIGHTS

The Bank had no convertible security, option, warrant or other similar right during the Reporting Period.

IV. SHARE OPTION SCHEME AND EQUITY INCENTIVE PLAN

During the Reporting Period, the Bank does not have plans for share option nor plans for equity incentives.

V. MAJOR ASSET ACQUISITIONS, SALES AND BUSINESS MERGERS

During the Reporting Period, the Bank convened the 19th meeting of the fifth session of the Board of Directors on 21 May 2026. It considered and approved the merger of Yunfu Xinxing Dongying County Bank and on 31 July 2026, the Bank obtained the approval of the regulatory authority for the absorption and merger of Yunfu Xinxing Dongying County Bank. The Bank will carry out the relevant work in relation to the absorption and merger in compliance with applicable laws and regulations and in accordance with the relevant arrangements. During the Reporting Period, the Bank did not have any other major asset acquisitions, disposals, and corporate mergers, other than those disclosed in this Report.

VI. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS

During the Reporting Period, the Bank had no significant investments nor plans for significant investments.

VII. CONTRACTS OF SIGNIFICANCE AND THEIR PERFORMANCE

During the Reporting Period, the Bank had no other significant contractual matters requiring disclosure, other than those disclosed in this Report.

VIII. SIGNIFICANT LITIGATION AND ARBITRATION

The Bank involved in certain legal proceedings in the ordinary course of our business, most of which are initiated to recover non-performing loans. As of the end of the Reporting Period, the Bank's new loans with a principal amount of more than or equal to RMB10 million in the year involving RMB1,101.62 million as a plaintiff or applicant (including litigation and arbitration). The Bank had no outstanding cases (including litigations and arbitrations) as defendant or respondent with an additional target amount of more than or equal to RMB10 million for the year. The Bank will continue to follow up on the disposal of the above cases. The above litigations and arbitrations will not have any material adverse impact on the financial or operating results of the Bank.

IX. PUNISHMENT OF THE BANK AND THE DIRECTORS AND SENIOR MANAGEMENT OF THE BANK

During the Reporting Period, none of the Bank, or its Directors and senior management members had been subject to sanctions, and criticism by the CSRC, or had been subject to any penalty by other regulatory bodies that caused a significant impact on the Bank's operation.

X. SIGNIFICANT EVENTS OF SUBSIDIARIES

During the Reporting Period, there were no material matters in respect of the subsidiaries, other than those disclosed in this Report.

XI. SUBSEQUENT EVENTS

Subsequent to the Reporting Period, the Bank did not have any events or cases that had a significant impact on the Bank, other than those disclosed in this Report.

Chapter VII

Financial

Report



Review report to the Board of Directors of Dongguan Rural Commercial Bank Co., Ltd.

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

Introduction

We have reviewed the interim financial report set out on pages 96 to 186 which comprises the consolidated statement of financial position of Dongguan Rural Commercial Bank Co., Ltd. (the “Bank”) and its subsidiaries (together, the “Group”) as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34 *Interim Financial Reporting*.

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG

Certified Public Accountants

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

28 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

	Note	Six months ended 30 June	
		2026	2025
Interest income	4	9,896,787	9,973,080
Interest expense	4	(5,072,155)	(5,736,569)
Net interest income		4,824,632	4,236,511
Fee and commission income	5	342,158	374,560
Fee and commission expense	5	(107,407)	(140,353)
Net fee and commission income		234,751	234,207
Net trading gains	6	215,959	293,192
Net gains on financial instruments	7	759,283	701,920
Other operating income	8	26,543	35,103
Operating income		6,061,168	5,500,933
Operating expenses	9	(1,912,820)	(1,902,275)
Impairment losses on assets	11	(1,512,682)	(869,794)
Operating profit		2,635,666	2,728,864
Share of profits of associates	20	30,182	26,179
Profit before tax		2,665,848	2,755,043
Income tax expense	12	221,133	(127,137)
Net profit for the period		2,886,981	2,627,906
Net profit attributable to:			
Shareholders of the Bank		2,779,874	2,628,882
Non-controlling interests		107,107	(976)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

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

	Note	Six months ended 30 June	
		2026	2025
Other comprehensive income Items which may be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		206,746	(926,876)
Credit impairment provision for financial assets at fair value through other comprehensive income		(83,649)	6,658
Impact on income tax on changes in fair value and credit impairment provision of financial assets at fair value through other comprehensive income		(30,774)	230,055
Items will not be reclassified to profit or loss:			
Changes in fair value of equity instruments designated at fair value through other comprehensive income		(100,616)	2,676
Impact on income tax on changes in fair value of equity instruments designated at fair value through other comprehensive income		25,154	(669)
Other comprehensive income for the period, net of tax		16,861	(688,156)
Total comprehensive income for the period		2,903,842	1,939,750
Total comprehensive income for the period attributable to:			
Shareholders of the Bank		2,769,921	1,997,712
Non-controlling interests		133,921	(57,962)
Total comprehensive income for the period		2,903,842	1,939,750
Basic and diluted earnings per share for profit attributable to the shareholders of the Bank (expressed in RMB per share)	13	0.40	0.38

The notes on pages 103 to 186 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2026 – unaudited

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

	Notes	As at 30 June 2026	As at 31 December 2025
Assets			
Cash and balances with the central bank	14	37,616,601	37,340,992
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	15	23,066,083	17,212,818
Derivative financial assets	16	614,477	378,443
Loans and advances to customers	17	402,747,586	395,067,042
Financial investments	18	320,106,992	332,050,603
– Financial investments at fair value through profit or loss		48,499,368	51,543,670
– Financial investments at amortised cost		154,996,416	144,943,419
– Financial investments at fair value through other comprehensive income		116,611,208	135,563,514
Investment in associates	20	717,041	691,202
Property and equipment	21	2,209,717	2,274,308
Right-of-use assets	22	1,129,425	1,146,740
Goodwill	23	520,521	520,521
Deferred tax assets	24	6,009,557	5,755,405
Other assets	25	3,344,958	3,577,628
Total assets		798,082,958	796,015,702
Liabilities			
Borrowings from the central bank	26	61,154,502	43,658,994
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	27	10,852,177	12,697,542
Financial liabilities at fair value through profit or loss	28	2,661,725	2,122,696
Derivative financial liabilities	16	264,395	302,294
Deposits from customers	29	555,296,668	555,048,197
Debt securities issued	30	99,178,085	114,899,573
Taxes payable	31	491,848	387,011
Lease liabilities	22	463,154	476,532
Other liabilities	32	3,369,239	3,398,922
Total liabilities		733,731,793	732,991,761

Consolidated Statement of Financial Position *(Continued)*

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

	Notes	As at 30 June 2026	As at 31 December 2025
Equity			
Share capital	33	6,888,546	6,888,546
Capital reserve	34	6,330,831	6,333,920
Revaluation reserve	35	1,630,232	1,640,185
Surplus reserve	36	9,663,899	9,663,899
General reserve	36	9,042,500	9,042,500
Retained earnings		27,990,187	26,725,791
Total equity attributable to shareholders of the Bank		61,546,195	60,294,841
Non-controlling interests		2,804,970	2,729,100
Total equity		64,351,165	63,023,941
Total liabilities and equity		798,082,958	796,015,702

Approved and authorised for issue by the Board of Directors 28 August 2026.

Lu Guofeng
Chairman

Qian Hua
Acting President

Ye Jianguang
Person-in-charge
of Accounting

Zhong Xuemei
Head of the Accounting
Department

The notes on pages 103 to 186 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026 – unaudited

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

Note	Equity attributable to shareholders of the Bank						Non-controlling interests	Total
	Share capital (Note 33)	Capital reserve (Note 34)	Revaluation reserve (Note 35)	Surplus reserve (Note 36)	General reserve (Note 36)	Retained earnings		
As at 1 January 2026	6,888,546	6,333,920	1,640,185	9,663,899	9,042,500	26,725,791	2,729,100	63,023,941
Net profit for the period	—	—	—	—	—	2,779,874	107,107	2,886,981
Other comprehensive income	—	—	(9,953)	—	—	—	26,814	16,861
Total comprehensive income	—	—	(9,953)	—	—	2,779,874	133,921	2,903,842
Appropriation to surplus reserve	—	—	—	—	—	—	—	—
Appropriation to general reserve	—	—	—	—	—	—	—	—
Acquisition of subsidiary with non-controlling interests	—	(3,089)	—	—	—	—	(45,911)	(49,000)
Dividend distribution	37	—	—	—	—	(1,515,478)	(12,140)	(1,527,618)
As at 30 June 2026	6,888,546	6,330,831	1,630,232	9,663,899	9,042,500	27,990,187	2,804,970	64,351,165
As at 1 January 2025	6,888,546	6,323,045	3,039,444	9,273,110	7,867,224	26,160,083	2,914,448	62,465,900
Net profit for the period	—	—	—	—	—	2,628,882	(976)	2,627,906
Other comprehensive income	—	—	(631,170)	—	—	—	(56,986)	(688,156)
Total comprehensive income	—	—	(631,170)	—	—	2,628,882	(57,962)	1,939,750
Appropriation to surplus reserve	—	—	—	—	—	—	—	—
Appropriation to general reserve	—	—	—	—	—	—	—	—
Dividend distribution	37	—	—	—	—	(1,722,135)	(52,748)	(1,774,883)
As at 30 June 2025	6,888,546	6,323,045	2,408,274	9,273,110	7,867,224	27,066,830	2,803,738	62,630,767

The notes on pages 103 to 186 form part of these financial statements.

Consolidated Statement of Cash Flows

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

		Six months ended 30 June	
	Notes	2026	2025
Cash flows from operating activities:			
Profit before tax		2,665,848	2,755,043
Adjust for:			
Impairment losses on assets	11	1,512,682	869,794
Interest income from financial investments	4	(3,167,162)	(3,125,201)
Interest expense on debt securities issued	4	984,106	1,000,856
Interest expense on lease liabilities	4	6,857	7,490
Net trading gains	6	(319,487)	(207,053)
Net gains on financial instruments	7	(759,283)	(701,920)
Net gains on disposal of property, equipment and other long-term assets	8	(6,536)	(482)
Depreciation and amortisation	9	234,028	222,480
Share of profits of associates	20	(30,182)	(26,179)
Unrealized foreign exchange losses		395,685	20,927
Others		(12,795)	(31,621)
		1,503,761	784,134
Net increase in operating assets:			
Net increase in balances with the central bank		(133,883)	(200,399)
Net increase in financial assets held under resale agreements and deposits and placements with banks and other financial institutions		(3,840,775)	(2,035,143)
Net increase in loans and advances to customers		(5,678,829)	(14,388,633)
Net increase in other operating assets		(528,452)	(746,171)
		(10,181,939)	(17,370,346)
Net increase/(decrease) in operating liabilities:			
Net increase/(decrease) in borrowings from the central bank		17,316,891	(5,757,030)
Net decrease in financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions		(5,051,828)	(13,758,209)
Net increase in deposits from customers		852,498	12,129,719
Net decrease in other operating liabilities		(269,994)	(172,945)
		12,847,567	(7,558,465)
Cash generated from/(used in) from operating activities		4,169,389	(24,144,677)
Income tax paid		(105,418)	(119,508)
Net cash generated from/(used in) from operating activities		4,063,971	(24,264,185)

Consolidated Statement of Cash Flows (Continued)

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

	Notes	Six months ended 30 June	
		2026	2025
Cash flows from investing activities:			
Cash received from investment income and disposal of financial investments		161,318,662	161,331,771
Net cash received from disposal of property, equipment and other long-term assets		8,676	390
Cash dividends received		32,093	39,084
Cash paid to acquire financial investments		(144,739,024)	(154,678,836)
Cash paid to acquire property, equipment and other long-term assets		(146,631)	(132,812)
Net cash generated from investing activities		16,473,776	6,559,597
Cash flows from financing activities:			
Cash received for debt securities issued		68,735,106	80,082,518
Cash payments for debt securities issued		(85,440,700)	(59,780,700)
Cash payments for distribution of dividends		(1,530,947)	(1,769,754)
Cash payments for leases		(63,872)	(64,032)
Cash paid for acquisition of non-controlling interests		(49,000)	—
Net cash (used in)/generated from financing activities		(18,349,413)	18,468,032
Effect of foreign exchange rate changes on cash and cash equivalents		(40,389)	(7,450)
Net increase in cash and cash equivalents		2,147,945	755,994
Cash and cash equivalents at the beginning of the period		15,067,669	16,950,135
Cash and cash equivalents at the end of the period	38	17,215,614	17,706,129

The notes on pages 103 to 186 form part of these financial statements.

Notes to the Consolidated Interim Financial Report

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

1 General information

Dongguan Rural Commercial Bank Co., Ltd. (“the Bank”) primary established in 1952, formerly known as Dongguan Rural Credit Cooperative Union (“Dongguan Cooperative Union”). Subsequently, as per the approval by China Banking and Insurance Regulatory Commission (In 2023, the regulator was renamed the National Financial Regulatory Administration, hereinafter referred to as the “NFRA”), Dongguan Cooperative Union was restructured into a joint-stock commercial bank, and officially changed its name to Dongguan Rural Commercial Bank Co., Ltd. on 22 December 2009.

The Bank operates under financial services certificate NO. B1054H344190001 issued by Dongguan Office of the NFRA, and the Business License issued by the Dongguan Administration for Market Regulation (registration ID: 914419007829859746). The registered address is Hongfu East Road No. 2, Dongcheng Street, Dongguan, Guangdong. On 29 September 2021, the Bank was listed on The Stock Exchange of Hong Kong Limited with the stock code of 09889.

The Bank and its subsidiaries (collectively referred to as “the Group”) operate in the People’s Republic of China (the “PRC”), with business scope covering banking services.

2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorized for issue on 28 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

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

The interim financial report is unaudited but has been reviewed by KPMG 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 (“IAASB”).

Notes to the Consolidated Interim Financial Report *(Continued)*

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

2 Basis of preparation *(Continued)*

The financial information relating to the financial year ended 31 December 2025, that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

3 Changes in accounting policies

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting year:

- Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*

The amendments cover three main aspects:

The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance ("ESG")-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.

The amendments introduce new disclosures for disposals of investments in equity instruments designated at FVOCI, and for financial instruments not measured at FVPL which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

The amendments above have not had a material effect on how the Group's results and financial position for the current or prior year have been prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting year.

Notes to the Consolidated Interim Financial Report (Continued)

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

4 Net interest income

	Six months ended 30 June	
	2026	2025
Interest income		
Balances with the central bank	227,195	218,063
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	237,149	235,849
Loans and advances to customers	6,265,281	6,393,967
Financial investments	3,167,162	3,125,201
Sub-total	9,896,787	9,973,080
Interest expense		
Borrowings from the central bank	(423,963)	(238,324)
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	(156,492)	(296,398)
Deposits from customers	(3,500,737)	(4,193,501)
Debt securities issued	(984,106)	(1,000,856)
Lease liabilities	(6,857)	(7,490)
Sub-total	(5,072,155)	(5,736,569)
Net interest income	4,824,632	4,236,511

Notes to the Consolidated Interim Financial Report (Continued)

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

5 Net fee and commission income

	Six months ended 30 June	
	2026	2025
Fee and commission income		
Custodian and other fiduciary	116,610	107,708
Wealth management agency services	101,544	109,902
Bank cards	64,459	93,173
Settlement and clearing services	31,458	34,238
Others	28,087	29,539
Sub-total	342,158	374,560
Fee and commission expense		
Transaction services	(74,851)	(78,387)
Settlement and clearing services	(21,134)	(47,451)
Platform cooperation services	(10,868)	(14,107)
Others	(554)	(408)
Sub-total	(107,407)	(140,353)
Net fee and commission income	234,751	234,207

6 Net trading gains

	Six months ended 30 June	
	2026	2025
Net gains on financial assets held for trading	694,132	208,048
Exchange (losses)/gains	(374,449)	22,302
(Losses)/gains on precious metal	(101,571)	63,837
Financial liabilities at fair value through profit or loss	(2,153)	(995)
Total	215,959	293,192

Notes to the Consolidated Interim Financial Report (Continued)

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7 Net gains on financial instruments

	Six months ended 30 June	
	2026	2025
Net gains on financial assets at fair value through other comprehensive income	375,352	527,186
Net gains on financial assets at fair value through profit or loss	396,792	125,959
Net gains on derecognition of financial investments measured at amortised cost	37,215	151,395
Dividend income from equity instruments	27,750	34,103
Others	(77,826)	(136,723)
Total	759,283	701,920

8 Other operating income

	Note	Six months ended 30 June	
		2026	2025
Rental income		13,837	13,284
Gains on disposal of property, equipment and other long-term assets		6,536	482
Government grants	(a)	208	17,284
Others		5,962	4,053
Total		26,543	35,103

(a) Government grants mainly comprise subsidy incentives for entrepreneurial guaranteed loans and job stabilization subsidies.

9 Operating expenses

	Note	Six months ended 30 June	
		2026	2025
Staff costs	10	1,277,606	1,300,973
General and administrative expenses		353,415	326,694
Depreciation and amortisation		234,028	222,480
Taxes and surcharges		45,546	50,154
Auditors' remuneration		2,225	1,974
— Audit service		2,059	1,974
— Non-audit service		166	—
Total		1,912,820	1,902,275

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 – unaudited
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10 Staff costs

	Six months ended 30 June	
	2026	2025
Salaries, bonuses, allowances and subsidies	872,945	916,888
Social benefits and others	324,146	304,833
Enterprise annuity scheme	63,145	61,053
Labour union funds and employee education funds	17,370	18,199
Total	1,277,606	1,300,973

11 Impairment losses on assets

	Six months ended 30 June	
	2026	2025
Loans and advances to customers		
— Measured at amortised cost	1,582,847	767,035
— Measured at fair value through other comprehensive income	4,953	4,996
Financial investments		
— Measured at amortised cost	(26,628)	26,323
— Measured at fair value through other comprehensive income	(22,403)	22,969
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	(1,610)	4,859
Loan commitments and guarantee contracts	(10,663)	8,847
Other assets	(13,814)	34,765
Total	1,512,682	869,794

12 Income tax expense

	Note	Six months ended 30 June	
		2026	2025
Current income tax		38,032	49,180
Deferred income tax	24	(259,772)	(141,524)
Tax filing differences		607	219,481
Total		(221,133)	127,137

Notes to the Consolidated Interim Financial Report (Continued)

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

12 Income tax expense (Continued)

The actual amount of tax paid by the Group is different from the amount calculated based on the profit before tax of the Group and statutory tax rate applicable to the Group. The major adjustments are as follows:

	Notes	Six months ended 30 June	
		2026	2025
Profit before tax		2,665,848	2,755,043
Income tax calculated at statutory tax rate of 25%		666,462	688,761
Tax effect of income non-taxable for tax purpose	(a)	(732,172)	(770,828)
Share of profits of associates		(7,546)	(6,545)
Non-deductible expenses		17,752	17,208
Changes in estimates on temporary differences related to prior years		(204,962)	(25,067)
Current-year losses for which no deferred tax asset is recognised		36,295	2,929
Effect of preferential tax rate applicable to a subsidiary	(b)	1,801	1,198
Adjustments for current tax of prior periods		607	219,481
Income tax expense		(221,133)	127,137

- (a) The non-taxable income of the Group mainly includes interest income from PRC treasury bonds, municipal government bonds and dividend income.
- (b) According to Announcement on the Continuation of the Enterprise Income Tax Policy for the Western Development (Cai Shui Fa [2020] No. 23), Hezhou Babu Dongying County Bank Co., Ltd., the Group's subsidiary, is entitled to a preferential income tax rate of 15% from 1 January 2021 to 31 December 2030.

Notes to the Consolidated Interim Financial Report (Continued)

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

13 Basic and diluted earnings per share

- (a) Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the Bank by the weighted average number of ordinary shares issued by the Bank during the period.

	Six months ended 30 June	
	2026	2025
Net profit attributable to the shareholders of the Bank (RMB'000)	2,779,874	2,628,882
Weighted average number of ordinary shares (thousand shares)	6,888,546	6,888,546
Basic earnings per share (RMB)	0.40	0.38

- (b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding during the current and prior periods. Accordingly, diluted earnings per share were same as basic earnings per share.

14 Cash and balances with the central bank

	Notes	As at 30 June 2026	As at 31 December 2025
Cash		2,292,916	2,830,505
Mandatory reserve deposits with the central bank	(a)	27,075,945	26,892,077
Surplus reserve deposits	(b)	8,137,463	7,453,994
Other deposits with the central bank	(c)	97,766	150,634
Sub-total		37,604,090	37,327,210
Accrued interest		12,511	13,782
Total		37,616,601	37,340,992

Notes to the Consolidated Interim Financial Report *(Continued)*

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

14 Cash and balances with the central bank *(Continued)*

- (a) Mandatory reserve deposits with the central bank represent the general reserve that the Group maintains with the People's Bank of China ("PBOC") in accordance with relevant regulations. As at each of the balance sheet dates, the deposit ratios for the reserve of the Bank were as follows, respectively:

	As at 30 June 2026	As at 31 December 2025
Mandatory reserve rate for deposits denominated in RMB	5.00%	5.00%
Mandatory reserve rate for deposits denominated in foreign currencies	4.00%	4.00%

The aforementioned mandatory reserve deposits with the central bank cannot be used for daily operating activities. The ratios for RMB deposits in the reserve of the Bank's subsidiaries are in accordance with regulations of the PBOC.

- (b) Surplus reserve deposits with the central bank are mainly for the purpose of clearing and settlement.
- (c) Other deposits with the central bank primarily represent fiscal deposits that are not available for use in the Group's daily operations.

Notes to the Consolidated Interim Financial Report (*Continued*)

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

15 Financial assets held under resale agreements and deposits and placements with banks and other financial institutions

	Note	As at 30 June 2026	As at 31 December 2025
Deposits with domestic banks and other financial institutions		3,656,956	2,975,370
Deposits with overseas banks and other financial institutions		926,215	1,202,063
Placements with domestic banks and other financial institutions		16,630,978	12,040,000
Bonds held under resale agreements	(a)	1,845,944	996,000
Sub-total		23,060,093	17,213,433
Accrued interest		26,778	19,267
Provision for impairment losses		(20,788)	(19,882)
Total		23,066,083	17,212,818

- (a) As at the end of the reporting period, the Group did not use financial assets held under resale agreements as mortgaged or pledged assets for repurchase agreements with other financial institutions.

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 – unaudited
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16 Derivative financial instruments

	As at 30 June 2026		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate swap	36,610,000	189,473	(164,730)
Structured deposits	141,956	70,468	(70,468)
Foreign exchange swap	53,159,125	344,187	(19,900)
Others	2,058,513	10,349	(9,297)
Total	91,969,594	614,477	(264,395)

	As at 31 December 2025		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate swap	28,570,000	199,401	(182,521)
Structured deposits	192,209	113,802	(113,802)
Foreign exchange swap	16,728,544	63,827	(5,290)
Others	1,992,253	1,413	(681)
Total	47,483,006	378,443	(302,294)

Notes to the Consolidated Interim Financial Report (Continued)

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

17 Loans and advances to customers

(a) Loans and advances to customers are summarised as follows:

	As at 30 June 2026	As at 31 December 2025
Loans and advances to customers measured at amortised cost		
Corporate loans and advances		
— Corporate loans	256,054,426	239,938,429
— Discounted bills	—	6,703,771
Sub-total	256,054,426	246,642,200
Personal loans and advances		
— Business loans	43,036,043	44,552,066
— Property mortgages	42,895,864	42,575,975
— Personal consumption loans	35,021,359	36,070,928
— Credit cards	2,713,451	3,328,317
Sub-total	123,666,717	126,527,286
Accrued interest	1,418,859	1,145,799
Total loans and advances to customers measured at amortised cost	381,140,002	374,315,285
Impairment provision for loans and advances measured at amortised cost	(15,455,662)	(15,109,982)
Net book value of loans and advances to customers at amortised cost	(365,684,340)	359,205,303
Loans and advances to customers at fair value through other comprehensive income		
Corporate loans and advances		
— Inter-bank discounted bills	15,192,118	20,317,900
— Forfaiting	7,775,122	6,615,522
— Discounted bills	10,399,060	991,405
Loans and advances to customers at fair value through profit or loss		
Corporate loans and advances		
— Inter-bank discounted bills	3,696,946	7,936,912
Net loans and advances to customers	(402,747,586)	395,067,042

As at 30 June 2026, the credit impairment losses rate for loans and advances to customers at amortised cost of the Group was 4.06% (31 December 2025: 4.04%).

Notes to the Consolidated Interim Financial Report (Continued)

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

17 Loans and advances to customers (Continued)

(b) Changes in provision for impairment losses of loans and advances to customers by assessment type:

Loans and advances to customers measured at amortised cost	Notes	Stage 1	Stage 2	Stage 3	Total
		12-month ECL	Lifetime ECL	Lifetime ECL	
As at 1 January 2026		3,653,317	4,716,680	6,739,985	15,109,982
Net transfers in:					
— Stage 1		650,509	—	—	650,509
— Stage 2		—	(1,031,411)	—	(1,031,411)
— Stage 3		—	—	380,902	380,902
Originated or purchased		967,757	—	—	967,757
Remeasurement	(i)	(540,761)	1,500,886	2,002,044	2,962,169
Repayment or transfer out		(930,642)	(1,050,575)	(157,445)	(2,138,662)
Write-off	(ii)	—	—	(1,445,584)	(1,445,584)
As at 30 June 2026		<u>3,800,180</u>	<u>4,135,580</u>	<u>7,519,902</u>	<u>15,455,662</u>
As at 1 January 2025		4,340,672	3,799,070	6,275,162	14,414,904
Net transfers in:					
— Stage 1		(149,444)	—	—	(149,444)
— Stage 2		—	(679,406)	—	(679,406)
— Stage 3		—	—	828,850	828,850
Originated or purchased		1,854,631	—	—	1,854,631
Remeasurement	(i)	(371,208)	2,128,117	3,266,890	5,023,799
Repayment or transfer out		(2,021,334)	(531,101)	(1,018,773)	(3,571,208)
Write-off	(ii)	—	—	(2,612,144)	(2,612,144)
As at 31 December 2025		<u>3,653,317</u>	<u>4,716,680</u>	<u>6,739,985</u>	<u>15,109,982</u>

For the period ended 30 June 2026 and the year ended 31 December 2025, all the movements in expected credit losses allowance on loans and advances to customers at fair value through other comprehensive income are in stage 1.

- (i) Remeasurement are caused by parameter changes or transfers between stages.
- (ii) The contractual amount outstanding on loans and advances to customers that were written off during the period ended 30 June 2026 that are still subject to enforcement activity is RMB1,446 million (31 December 2025: RMB2,612 million).

Notes to the Consolidated Interim Financial Report (Continued)

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17 Loans and advances to customers (Continued)

(c) Loans and advances to customers by assessment type:

As at 30 June 2026	Carrying amounts			Not Applicable	Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
Total loans and advances to customers measured at amortised cost	356,193,641	16,726,600	8,219,761	—	381,140,002
Provision for impairment losses	(3,800,180)	(4,135,580)	(7,519,902)	—	(15,455,662)
Net loans and advances to customers measured at amortised cost	352,393,461	12,591,020	699,859	—	365,684,340
Total loans and advances to customers at fair value through other comprehensive income	33,366,300	—	—	—	33,366,300
Total loans and advances to customers at fair value through profit or loss	—	—	—	3,696,946	3,696,946
Net loans and advances to customers	385,759,761	12,591,020	699,859	3,696,946	402,747,586

As at 31 December 2025	Carrying amounts			Not Applicable	Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
Total loans and advances to customers measured at amortised cost	350,099,106	16,655,342	7,560,837	—	374,315,285
Provision for impairment losses	(3,653,317)	(4,716,680)	(6,739,985)	—	(15,109,982)
Net loans and advances to customers measured at amortised cost	346,445,789	11,938,662	820,852	—	359,205,303
Total loans and advances to customers at fair value through other comprehensive income	27,924,827	—	—	—	27,924,827
Total loans and advances to customers at fair value through profit or loss	—	—	—	7,936,912	7,936,912
Net loans and advances to customers	374,370,616	11,938,662	820,852	7,936,912	395,067,042

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 – unaudited
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18 Financial investments

	Notes	As at 30 June 2026	As at 31 December 2025
Financial investments at fair value through profit or loss	(a)	48,499,368	51,543,670
Financial investments at amortised cost	(b)	154,996,416	144,943,419
Financial investments at fair value through other comprehensive income	(c)	116,611,208	135,563,514
Total		320,106,992	332,050,603

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

	Notes	As at 30 June 2026	As at 31 December 2025
Debt securities			
— Government bonds		7,602,262	4,996,690
— Financial institution bonds		6,492,935	13,345,514
— Corporate bonds		678,089	778,681
— Interbank certificates of deposits		3,026,942	3,226,991
Sub-total		17,800,228	22,347,876
Fund investments		29,483,686	27,849,548
Trust beneficiary rights	(i)	1,215,454	1,346,246
Sub-total		30,699,140	29,195,794
Total		48,499,368	51,543,670
Listed	(ii)	17,800,228	22,347,876
Unlisted		30,699,140	29,195,794
Total		48,499,368	51,543,670

(i) As at the end of the reporting period, trust beneficiary rights primarily invest in loan and foreclosed assets.

(ii) Debt securities traded on the China Domestic Interbank Bond Market are classified as "Listed".

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18 Financial investments (Continued)

(b) Financial investments at amortised cost

	As at 30 June 2026	As at 31 December 2025
Debt securities		
— Government bonds	125,169,610	106,842,088
— Financial institution bonds	27,785,439	35,061,325
— Corporate bonds	20,000	60,125
— Interbank certificates of deposits	—	998,601
Sub-total	152,975,049	142,962,139
Certificate treasury bonds	519,865	529,901
Accrued interest	1,686,200	1,662,778
Provision for impairment losses	(184,698)	(211,399)
Total	154,996,416	144,943,419
Listed	154,443,500	144,383,192
Unlisted	552,916	560,227
Total	154,996,416	144,943,419

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18 Financial investments (Continued)

(b) Financial investments at amortised cost (Continued)

(i) Analyzed by movements in loss allowance:

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2026		211,399	—	—	211,399
Net transfers in:					
— Stage 1		—	—	—	—
— Stage 2		—	—	—	—
— Stage 3		—	—	—	—
Originated or purchased		34,462	—	—	34,462
Remeasurement	(1)	(33,065)	—	—	(33,065)
Repayment or transfer out		(28,098)	—	—	(28,098)
As at 30 June 2026		184,698	—	—	184,698
As at 1 January 2025		176,970	—	—	176,970
Net transfers in:					
— Stage 1		—	—	—	—
— Stage 2		—	—	—	—
— Stage 3		—	—	—	—
Originated or purchased		36,302	—	—	36,302
Remeasurement	(1)	15,831	—	—	15,831
Repayment or transfer out		(17,704)	—	—	(17,704)
As at 31 December 2025		211,399	—	—	211,399

(1) Remeasurement are caused by parameter changes.

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18 Financial investments (Continued)

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

	As at 30 June 2026	As at 31 December 2025
Debt securities		
— Government bonds	91,884,459	79,266,466
— Financial institution bonds	19,460,307	52,532,950
— Corporate bonds	207,136	469,131
— Interbank certificates of deposit	2,832,465	871,407
Sub-total	114,384,367	133,139,954
Equity instruments designated at fair value through other comprehensive income	981,431	1,081,935
Accrued interest	1,245,410	1,341,625
Total	116,611,208	135,563,514
Listed	115,666,165	134,514,672
Unlisted	945,043	1,048,842
Total	116,611,208	135,563,514

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18 Financial investments (Continued)

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

(i) Analyzed by movements in loss allowance:

	Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2026		134,020	—	999,680	1,133,700
Net transfers in:					
— Stage 1		—	—	—	—
— Stage 2		—	—	—	—
— Stage 3		—	—	—	—
Originated or purchased		20,014	—	—	20,014
Remeasurement	(1)	(11,465)	—	(18,555)	(30,020)
Repayment or transfer out		(58,016)	—	(829)	(58,845)
Write-off		—	—	(19,752)	(19,752)
As at 30 June 2026		84,553	—	960,544	1,045,097
As at 1 January 2025		84,251	1,091	1,036,444	1,121,786
Net transfers in:					
— Stage 1		—	—	—	—
— Stage 2		—	—	—	—
— Stage 3		—	—	—	—
Originated or purchased		78,017	—	—	78,017
Remeasurement	(1)	3,149	—	(14,895)	(11,746)
Repayment or transfer out		(31,397)	(1,091)	(2,127)	(34,615)
Write-off		—	—	(19,742)	(19,742)
As at 31 December 2025		134,020	—	999,680	1,133,700

(1) Remeasurement are caused by parameter changes.

Notes to the Consolidated Interim Financial Report (Continued)

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19 Subsidiaries

	As at 30 June 2026	As at 31 December 2025
Investment cost	3,649,314	3,600,314

Subsidiaries invested by the Bank are set out below:

Name of entity	Notes	Date and place of incorporation/ establishment	Authorized/ paid-in capital	Percentage of equity interest		Percentage of voting rights		Principal activities
				30 June 2026	31 December 2025	30 June 2026	31 December 2025	
Yunfu Xinxing Dongying County Bank Co., Ltd.	(a)	23 December 2011 Yunfu, Guangdong	RMB100,000,000	100.00%	51.00%	100.00%	51.00%	Banking
Hezhou Babu Dongying County Bank Co., Ltd.		8 August 2012 Hezhou, Guangxi	RMB100,000,000	95.00%	95.00%	95.00%	95.00%	Banking
Zhanjiang Rural Commercial Bank Co., Ltd.	(b)	26 October 2019 Zhanjiang, Guangdong	RMB1,655,000,000	49.41%	49.41%	49.41%	49.41%	Banking
Guangdong Chaoyang Rural Commercial Bank Co., Ltd.		27 December 2020 Shantou, Guangdong	RMB1,202,000,000	67.03%	67.03%	67.03%	67.03%	Banking

- (a) On 29 December 2025, NFRA Guangdong Regulator Bureau issued “The Approval from NFRA Guangdong Regulator Bureau on Transfer of Yunfu Xinxing Dongying County Bank’s Equity” (Yue Jin Fu [2025] No. 454), approving the Bank’s acquisition of 49 million shares, equivalent to 49% of the total equity of Yunfu Xinxing Dongying County Bank Co., Ltd. (“Yunfu Dongying”). The equity transfer was completed on 20 January 2026. Following the completion of the transaction, the Bank holds 100% of the equity of Yunfu Dongying.
- (b) The business combination of Zhanjiang Rural Commercial Bank Co., Ltd. (“Zhanjiang RCB”) was completed on 26 October 2019. Upon the acquisition, the Bank holds 49.41% shares and the remaining shareholdings are widely dispersed. Therefore, the Bank controls Zhanjiang RCB.

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20 Investment in associates

	Six months ended 30 June 2026	Year ended 31 December 2025
Opening balance	691,202	644,456
Share of changes of other reserves	—	16,062
Share of net profits	30,182	45,001
Dividends received	(4,343)	(14,317)
Ending balance	717,041	691,202

The Group's investments in associates are ordinary shares of non-listed companies, and the results of these associates and their assets and liabilities are summarised below:

Investee	Notes	Place of registration	Assets	Net assets	Revenue for the current period/year	Net profit for the current period/year	Shareholding
As at 30 June 2026							
Ya'an Rural Commercial Bank Co., Ltd.	(a)	Ya'an, Sichuan	91,812,880	6,785,096	829,377	308,136	7.45%
Guangdong Lechang Rural Commercial Bank Co., Ltd.	(b)	Lechang, Guangdong	12,353,805	1,146,850	151,763	68,138	8.00%
Guangdong Xuwen Rural Commercial Bank Co., Ltd.	(c)	Xuwen, Guangdong	13,060,344	1,085,618	205,002	22,357	7.94%
As at 31 December 2025							
Ya'an Rural Commercial Bank Co., Ltd.	(a)	Ya'an, Sichuan	86,299,856	6,533,280	1,367,875	420,648	7.45%
Guangdong Lechang Rural Commercial Bank Co., Ltd.	(b)	Lechang, Guangdong	12,192,009	1,103,332	289,936	90,269	8.00%
Guangdong Xuwen Rural Commercial Bank Co., Ltd.	(c)	Xuwen, Guangdong	12,633,128	1,088,823	416,320	81,128	7.94%

- (a) One of the eight members of the board of directors of Ya'an Rural Commercial Bank Co., Ltd. ("Ya'an RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Ya'an RCB and accounts for Ya'an RCB as an associate.
- (b) One of the eight members of the board of directors of Guangdong Lechang Rural Commercial Bank Co., Ltd. ("Lechang RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Lechang RCB and accounts for Lechang RCB as an associate.
- (c) One of the eight members of the board of directors of Guangdong Xuwen Rural Commercial Bank Co., Ltd. ("Xuwen RCB") is a representative of the Group, therefore the Group is able to exercise significant influence over Xuwen RCB and accounts for Xuwen RCB as an associate.

Notes to the Consolidated Interim Financial Report (Continued)

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21 Property and equipment

	Buildings	Motor vehicles	Machinery and equipment	Construction in progress	Total
Cost					
As at 1 January 2026	3,372,368	35,217	1,157,663	412,892	4,978,140
Addition	1,469	86	7,538	47,382	56,475
Transfers in/(out)	—	—	32,639	(33,634)	(995)
Disposal	(3,718)	(3,745)	(37,087)	—	(44,550)
As at 30 June 2026	3,370,119	31,558	1,160,753	426,640	4,989,070
Accumulated depreciation					
As at 1 January 2026	(1,639,737)	(33,836)	(1,029,402)	—	(2,702,975)
Depreciation	(82,030)	(400)	(37,304)	—	(119,734)
Disposal	3,718	3,745	36,750	—	44,213
As at 30 June 2026	(1,718,049)	(30,491)	(1,029,956)	—	(2,778,496)
Provision for impairment losses					
As at 1 January 2026	(857)	—	—	—	(857)
Charge for the period	—	—	—	—	—
As at 30 June 2026	(857)	—	—	—	(857)
Net book value					
As at 30 June 2026	1,651,213	1,067	130,797	426,640	2,209,717

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 – unaudited
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21 Property and equipment (Continued)

	Buildings	Motor vehicles	Machinery and equipment	Construction in progress	Total
Cost					
As at 1 January 2025	3,156,152	40,695	1,151,010	506,019	4,853,876
Addition	35,352	59	89,324	100,353	225,088
Transfers in/(out)	180,864	—	7,064	(193,480)	(5,552)
Disposal	—	(5,537)	(89,735)	—	(95,272)
As at 31 December 2025	3,372,368	35,217	1,157,663	412,892	4,978,140
Accumulated depreciation					
As at 1 January 2025	(1,477,748)	(38,109)	(1,048,415)	—	(2,564,272)
Depreciation	(161,989)	(1,217)	(70,703)	—	(233,909)
Disposal	—	5,490	89,716	—	95,206
As at 31 December 2025	(1,639,737)	(33,836)	(1,029,402)	—	(2,702,975)
Provision for impairment losses					
As at 1 January 2025	(857)	—	—	—	(857)
Charge for the year	—	—	—	—	—
As at 31 December 2025	(857)	—	—	—	(857)
Net book value					
As at 31 December 2025	1,731,774	1,381	128,261	412,892	2,274,308

As at 30 June 2026, The property rights of buildings in the Group with original costs of RMB483 million and net values at RMB56 million are defective. (31 December 2025: original costs of RMB495 million and net values at RMB73 million).

All properties of the Group are located in the mainland of China.

Notes to the Consolidated Interim Financial Report (Continued)

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22 Right-of-use assets and lease liabilities

	Property	Equipment	Land use rights	Total
Right-of-use assets				
Cost				
As at 1 January 2026	685,110	5,253	965,962	1,656,325
Increase	48,483	—	430	48,913
Decrease	(27,561)	(3,081)	(83)	(30,725)
As at 30 June 2026	706,032	2,172	966,309	1,674,513
Accumulated depreciation				
As at 1 January 2026	(246,854)	(4,161)	(256,215)	(507,230)
Increase	(49,407)	(516)	(12,015)	(61,938)
Decrease	23,276	3,076	83	26,435
As at 30 June 2026	(272,985)	(1,601)	(268,147)	(542,733)
Provision for impairment losses				
As at 1 January 2026	—	—	(2,355)	(2,355)
Increase	—	—	—	—
Decrease	—	—	—	—
As at 30 June 2026	—	—	(2,355)	(2,355)
Net book value				
As at 30 June 2026	433,047	571	695,807	1,129,425
Lease liabilities				
Net book value				
As at 30 June 2026	462,557	597	—	463,154

Notes to the Consolidated Interim Financial Report (Continued)

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22 Right-of-use assets and lease liabilities (Continued)

	Property	Equipment	Land use rights	Total
Right-of-use assets				
Cost				
As at 1 January 2025	671,969	5,350	967,612	1,644,931
Increase	131,964	213	114	132,291
Decrease	(118,823)	(310)	(1,764)	(120,897)
As at 31 December 2025	685,110	5,253	965,962	1,656,325
Accumulated depreciation				
As at 1 January 2025	(229,248)	(2,405)	(234,740)	(466,393)
Increase	(101,438)	(2,064)	(23,239)	(126,741)
Decrease	83,832	308	1,764	85,904
As at 31 December 2025	(246,854)	(4,161)	(256,215)	(507,230)
Provision for impairment losses				
As at 1 January 2025	—	—	(2,355)	(2,355)
Increase	—	—	—	—
Decrease	—	—	—	—
As at 31 December 2025	—	—	(2,355)	(2,355)
Net book value				
As at 31 December 2025	438,256	1,092	707,392	1,146,740
Lease liabilities				
Net book value				
As at 31 December 2025	475,403	1,129	—	476,532

Notes to the Consolidated Interim Financial Report (Continued)

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23 Goodwill

	Note	As at 30 June 2026	As at 31 December 2025
Zhanjiang Rural Commercial Bank Co., Ltd. ("Zhanjiang RCB")		181,381	181,381
Guangdong Chaoyang Rural Commercial Bank Co., Ltd. ("Chaoyang RCB")		339,140	339,140
Impairment allowance	(i)	—	—
		520,521	520,521

(i) Impairment assessment

For the business combination of Zhanjiang RCB and Chaoyang RCB, the recoverable amount of the asset group is based on the six-year budget and ten-year budget approved by the management respectively, which is then estimated based on a fixed growth rate (as described in the table below) and calculated using the cash flow forecast method.

Cash flow projections periods of the Group are determined based on the forecast of the local economic situation, the banking industry, and with reference to the Group's past operating experience. The Group estimated that Zhanjiang City and Shantou City, where the two banks are located, will experience a stable growth for a period more than 5 years until the economic growths of these two cities reach a stable level. In addition, the development of the banking industry is highly in line with the local economic development. Accordingly, the Group has incorporating the aforementioned factors into the cash projection by using six and ten years for Zhanjiang RCB and Chaoyang RCB respectively to reflect management's estimation of the future local economic forecasts and the related banking business growth.

	Zhanjiang RCB		Chaoyang RCB	
	As at 30 June 2026	As at 31 December 2025	As at 30 June 2026	As at 31 December 2025
Stable period growth rate	2.00%	2.00%	2.00%	2.00%
Pre-tax discount rate	13.52%	13.52%	14.80%	14.80%

The growth rate is the weighted average growth rate used by the Group to forecast the cash flow after six years for Zhanjiang RCB and ten years for Chaoyang RCB respectively. The management uses the cost of equity as the discount rate which can reflect the specific risks of the relevant asset group. The above assumptions are used to analyse the recoverable amounts of the asset group within the business division.

The Directors and management have considered and assessed reasonably possible changes for key assumptions and have not identified other instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

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24 Deferred income tax

Deferred tax assets and liabilities can be offset only when the Group has the right to offset income tax assets and liabilities within the Group and the deferred tax assets and liabilities are associated with the same tax authority.

(a) Main items of deferred tax assets and liabilities and their movements are as follows:

	Allowance for impairment losses	Changes in fair value of financial assets	Employee benefits payable	Accelerated depreciation of property and equipment	Deductible tax losses	Fair value gain from business combination	Lease liabilities/ Right-of-use assets	Total
As at 1 January 2026	4,491,108	618,057	275,312	(4,765)	426,153	(59,696)	9,236	5,755,405
Recognised in profit or loss	162,209	(51,113)	(61,793)	1,460	204,962	5,958	(1,911)	259,772
Recognised in other comprehensive income	20,912	(26,532)	—	—	—	—	—	(5,620)
As at 30 June 2026	<u>4,674,229</u>	<u>540,412</u>	<u>213,519</u>	<u>(3,305)</u>	<u>631,115</u>	<u>(53,738)</u>	<u>7,325</u>	<u>6,009,557</u>
As at 1 January 2025	3,902,975	14,872	334,278	(10,109)	549,343	(71,710)	13,039	4,732,688
Recognised in profit or loss	592,175	96,764	(58,966)	5,344	(123,190)	12,014	(3,803)	520,338
Recognised in other comprehensive income	(4,042)	506,421	—	—	—	—	—	502,379
As at 31 December 2025	<u>4,491,108</u>	<u>618,057</u>	<u>275,312</u>	<u>(4,765)</u>	<u>426,153</u>	<u>(59,696)</u>	<u>9,236</u>	<u>5,755,405</u>

Notes to the Consolidated Interim Financial Report (Continued)

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24 Deferred income tax (Continued)

(b) The deferred tax assets and liabilities before offsetting and the corresponding temporary differences are as follows:

	As at 30 June 2026		As at 31 December 2025	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Allowance for impairment losses	18,728,250	4,674,229	17,995,678	4,491,108
Changes in fair value of financial assets	2,161,647	540,412	2,472,227	618,057
Employee benefits payable	855,626	213,519	1,102,799	275,312
Deductible tax losses	2,525,101	631,115	1,705,255	426,153
Lease liabilities	463,154	114,927	476,532	118,136
Sub-total	24,733,778	6,174,202	23,752,491	5,928,766
Deferred tax liabilities:				
Fair value gain from business combination	(214,953)	(53,738)	(238,784)	(59,696)
Accelerated depreciation of property and equipment	(13,218)	(3,305)	(19,060)	(4,765)
Right-of-use assets	(433,618)	(107,602)	(439,348)	(108,900)
Sub-total	(661,789)	(164,645)	(697,192)	(173,361)
Total	24,071,989	6,009,557	23,055,299	5,755,405

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For the six months ended 30 June 2026 – unaudited
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25 Other assets

	Notes	As at 30 June 2026	As at 31 December 2025
Precious metals		1,652,564	2,063,569
Intangible assets — software	(a)	349,364	159,326
Prepayments		325,848	158,646
Long-term deferred expenses		231,063	196,355
Research and development expenditure		189,701	351,972
Foreclosed assets	(b)	145,682	145,682
Receivables from disposal of long-term assets		106,049	106,049
Interest receivable	(c)	111,304	79,219
Clearing and settlement		18,449	2,882
Investment properties	(d)	4,695	5,600
Others		210,239	308,328
Total		3,344,958	3,577,628

(a) Intangible assets — software

	As at 30 June 2026	As at 31 December 2025
Cost		
Opening balance	409,868	307,065
Addition	218,390	102,803
Decrease	—	—
Ending balance	628,258	409,868
Accumulated amortisation		
Opening balance	(250,542)	(213,906)
Amortisation	(28,352)	(36,636)
Decrease	—	—
Ending balance	(278,894)	(250,542)
Net book value		
Ending balance	349,364	159,326

Notes to the Consolidated Interim Financial Report (Continued)

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

25 Other assets (Continued)

(b) Foreclosed assets

	As at 30 June 2026	As at 31 December 2025
Property and equipment	361,781	363,049
Land use rights	107,461	107,461
Sub-total	469,242	470,510
Provision for impairment losses	(323,560)	(324,828)
Total	145,682	145,682

(c) Interest receivable

	As at 30 June 2026	As at 31 December 2025
Loans and advances to customers	116,547	103,374
Financial investments	90,187	92,506
Provision for impairment losses	(95,430)	(116,661)
Total	111,304	79,219

(d) Investment properties

	As at 30 June 2026	As at 31 December 2025
Cost		
Opening balance	64,928	64,928
Disposal	(2,674)	—
Ending balance	62,254	64,928
Accumulated depreciation		
Opening balance	(59,328)	(57,697)
Depreciation	(770)	(1,631)
Decrease	2,539	—
Ending balance	(57,559)	(59,328)
Net book value		
Ending balance	4,695	5,600

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26 Borrowings from the central bank

	As at 30 June 2026	As at 31 December 2025
Medium-term lending facility	36,420,000	26,490,000
Refinancing loans	24,075,829	16,685,774
Re-discounted bills	275,331	278,495
Sub-total	60,771,160	43,454,269
Accrued interest	383,342	204,725
Total	61,154,502	43,658,994

As at the end of the reporting period, borrowings from the central bank were refinancing loans, re-discounted bills and medium-term lending facility. The collateral provided by the Group under borrowing agreements are disclosed in Note 40 to this report.

27 Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions

	Note	As at 30 June 2026	As at 31 December 2025
Deposits from domestic banks		592,477	2,139,329
Deposits from other domestic financial institutions		744,186	453,504
Placements from domestic banks		2,279,373	757,051
Bonds sold under repurchase agreements	(a)	7,214,498	7,321,221
Bills sold under repurchase agreements	(a)	—	2,003,891
Sub-total		10,830,534	12,674,996
Accrued interest		21,643	22,546
Total		10,852,177	12,697,542

(a) The securities provided by the Group as collateral under repurchase agreements are disclosed in Note 40 to this report.

Notes to the Consolidated Interim Financial Report (Continued)

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28 Financial liabilities at fair value through profit or loss

	Note	As at 30 June 2026	As at 31 December 2025
Gold deposit		751,853	440,029
Sold financing bonds	(a)	203,373	—
Others	(b)	1,706,499	1,682,667
Total		2,661,725	2,122,696

- (a) The securities provided by the Group as collateral under financing bonds are disclosed in Note 40 to this report.
- (b) On 20 December 2022, the Group has worked with Guangdong Utrust Investment Holdings Co., Ltd. ("Utrust Holdings") in using the small and medium banks development supporting Special Bonds issued by Guangdong Provincial Government to replenish capital of Guangdong Puning Rural Commercial Bank Co., Ltd. ("Puning RCB"), and entered into transaction agreements in relation to the transfer of the shares of Puning RCB ("Subject Shares") and the trust beneficial interest ("Subject Beneficial Interest") with Utrust Holdings. Based on the transaction agreements, the Group shall acquire, by tranches, Subject Shares and the Subject Beneficial Interest held by Utrust Holdings. The total consideration payable by the Group to Utrust Holdings for the acquisition of the Subject Shares and the Subject Beneficial Interest should in any event be capped at the Special Bonds principal and interest plus the corresponding taxes and fees, less the disposal proceeds received. As at 30 June 2026, the shortfall in the discounted value of the future cash flows of Special Bonds Fund that shall be obliged to pay under the transaction agreement less the corresponding asset values of Subject Beneficial Interest and the value of Subject Shares is RMB1,706 million (31 December 2025: RMB1,683 million).

29 Deposits from customers

	As at 30 June 2026	As at 31 December 2025
Corporate demand deposits	94,350,369	96,345,805
Corporate time deposits	106,287,131	108,857,549
Individual demand deposits	119,299,870	116,734,188
Individual time deposits	213,502,844	210,886,864
Pledged deposits	11,337,477	11,205,614
Other deposits	218,595	181,822
Sub-total	544,996,286	544,211,842
Accrued interest	10,300,382	10,836,355
Total	555,296,668	555,048,197

Notes to the Consolidated Interim Financial Report (Continued)

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30 Debt securities issued

	Notes	As at 30 June 2026	As at 31 December 2025
Fix-rated financial bonds	(a)	8,999,692	8,999,645
Financial bonds for small and micro enterprise	(b)	5,999,942	5,999,910
Tier-2 capital bond	(c)	3,999,048	3,999,054
Green financial bond	(d)	1,499,996	1,499,960
Sci-tech innovation bonds	(e)	1,499,956	1,499,959
Sannong financial bond	(f)	999,999	999,990
Interbank certificates of deposit	(g)	75,821,297	91,738,660
Sub-total		98,819,930	114,737,178
Accrued interest		358,155	162,395
Total		99,178,085	114,899,573

- (a) In November 2023, the Bank issued a 3-year fixed rate financial bond amounting to RMB1.50 billion with nominal annual interest rate of 2.83%, and the bond pays interest annually.

In May 2024, the Bank issued a 3-year fixed rate financial bond amounting to RMB3 billion with nominal annual interest rate of 2.25%, and the bond pays interest annually.

In August 2025, the Bank issued a 3-year fixed rate financial bond amounting to RMB2.50 billion with nominal annual interest rate of 1.90%, and the bond pays interest annually.

In November 2025, the Bank issued a 3-year fixed rate financial bond amounting to RMB2 billion with nominal annual interest rate of 1.91%, and the bond pays interest annually.

- (b) In September and October 2023, the Bank issued the first phase and second phase of 3-year fixed rate financial bonds for small and micro enterprise amounting to RMB2.50 billion and RMB1.50 billion with nominal annual interest rate of 2.73% and 2.80%, respectively, and these bonds pays interest annually.

In June 2024, the Bank issued a 3-year fixed rate financial bonds for small and micro enterprise amounting to RMB2 billion with nominal annual interest rate of 2.16%, and the bond pays interest annually.

- (c) In December 2022, the Bank issued a 10-year fixed rate Tier-2 capital bond amounting to RMB4 billion with nominal annual interest rate of 4.30%, and the bond pays interest annually.

- (d) In July 2023, the Bank issued a 3-year fixed rate green financial bond amounting to RMB1.50 billion with nominal annual interest rate of 2.66%, and the bond pays interest annually.

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

30 Debt securities issued (Continued)

- (e) In September 2025, the Bank issued a 5-year fixed rate Sci-tech innovation bonds amounting to RMB1.50 billion with nominal annual interest rate of 1.98%, and these bonds pays interest annually.
- (f) In July 2023, the Bank issued a 3-year fixed rate Sannong financial bond amounting to RMB1 billion with nominal annual interest rate of 2.73%, and the bond pays interest annually.
- (g) Interbank certificates of deposit are as follows:

	As at 30 June 2026	As at 31 December 2025
Reference rates of return	1.40%–1.68%	1.60%–1.99%
Original maturity	6 to 12 months	1 to 12 months

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

31 Taxes payable

	As at 30 June 2026	As at 31 December 2025
Income tax	19,404	86,183
VAT and others	472,444	300,828
Total	491,848	387,011

Notes to the Consolidated Interim Financial Report *(Continued)*

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32 Other liabilities

	Notes	As at 30 June 2026	As at 31 December 2025
Employee benefits payable	(a)	1,514,453	1,910,379
Accrued expenses		545,516	551,832
Clearing and settlement		507,028	291,509
Purchases payable		319,063	350,442
Provisions	(b)	120,989	131,655
Dividends payable		3,056	6,385
Others		359,134	156,720
Total		3,369,239	3,398,922

(a) Employee benefits payable

	As at 30 June 2026	As at 31 December 2025
Wages and salaries, bonuses, allowances and subsidies	1,281,575	1,641,912
Labour union funds and employee education funds	110,858	112,428
Social benefits and others	86,686	111,282
Enterprise annuity scheme	35,334	44,757
Total	1,514,453	1,910,379

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32 Other liabilities (Continued)

(b) Provisions

	Note	As at 30 June 2026	As at 31 December 2025
Loan commitments and financial guarantee contracts	(1)	120,989	131,655

(1) Analysis of movements in provisions of loan commitments and financial guarantee contracts measured using the ECL model.

Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2026	128,245	745	2,665	131,655
Net transfers in:				
— Stage 1	438	—	—	438
— Stage 2	—	(581)	—	(581)
— Stage 3	—	—	143	143
Originated or purchased	106,692	—	—	106,692
Remeasurement	1,661	541	775	2,977
Decrease	(118,490)	(264)	(1,581)	(120,335)
As at 30 June 2026	118,546	441	2,002	120,989

Note	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	83,931	533	21,921	106,385
Net transfers in:				
— Stage 1	319	—	—	319
— Stage 2	—	(180)	—	(180)
— Stage 3	—	—	(139)	(139)
Originated or purchased	115,723	398	2,580	118,701
Remeasurement	5,039	718	1,753	7,510
Decrease	(76,767)	(724)	(23,450)	(100,941)
As at 31 December 2025	128,245	745	2,665	131,655

(i) Remeasurement are caused by parameter changes or transfers between stages.

Notes to the Consolidated Interim Financial Report (Continued)

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33 Share capital

	Number of shares (in thousands)	Nominal amount
As at 30 June 2026 and 31 December 2025	6,888,546	6,888,546

The share capital of the Bank consists of authorised share capital issued and fully paid, with par value of RMB1 per share.

34 Capital reserve

	1 January 2026	Increase	Decrease	30 June 2026
Share premium	6,230,429	—	—	6,230,429
Other capital reserve	103,491	—	(3,089)	100,402
Total	6,333,920	—	(3,089)	6,330,831

	1 January 2025	Increase	Decrease	31 December 2025
Share premium	6,230,429	—	—	6,230,429
Other capital reserve	92,616	16,062	(5,187)	103,491
Total	6,323,045	16,062	(5,187)	6,333,920

35 Revaluation reserve

	As at 30 June 2026	As at 31 December 2025
As at January 1	1,640,185	3,039,444
Changes in fair value recognized in other comprehensive income	381,906	(1,024,289)
Transfer to profit or loss upon disposal	(359,401)	(877,512)
Changes in impairment losses recognized in other comprehensive income	(35,775)	36,122
Less: Deferred income tax	3,317	466,420
At the end of the reporting period/year	1,630,232	1,640,185

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36 Surplus reserves and general reserve

	Surplus reserves (a)	General reserve (b)
1 January 2026	9,663,899	9,042,500
Appropriation to surplus reserves	—	—
Appropriation to general reserve	—	—
30 June 2026	9,663,899	9,042,500
1 January 2025	9,273,110	7,867,224
Appropriation to surplus reserves	390,789	—
Appropriation to general reserve	—	1,175,276
31 December 2025	9,663,899	9,042,500

(a) Surplus reserves

The surplus reserve at the end of each of the periods represented statutory surplus reserve and discretionary surplus reserve.

Pursuant to the PRC Company Law and the Articles of Association of the Bank, the Bank is required to appropriate 10% of its net profit as on an annual basis determined under the PRC Generally Accepted Accounting Principles (“GAAP”) until the balance reaches 50% of its registered capital as statutory surplus reserve. The Bank may also appropriate to the discretionary surplus reserve in accordance with the resolution of the shareholders.

(b) General reserve

Pursuant to Caijin [2012] No. 20 “Requirements on Impairment Allowance for Financial Institutions” (the “Requirement”) issued by the MOF, effective 1 July 2012, in addition to impairment allowances, the Group are required to establish and maintain a general reserve within equity through the appropriation of profit to address unidentified potential impairment risks. The general reserve should not be less than 1.5% of the aggregate amount of risk assets on an annual basis as defined by the Requirement.

37 Dividends

	Notes	Six months ended 30 June	
		2026	2025
Dividends on ordinary shares declared			
Cash dividend related to 2025	(a)	1,515,478	—
Cash dividend related to 2024	(b)	—	1,722,135

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 - unaudited
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37 Dividends (Continued)

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

- Making up prior year's cumulative losses, if any;
- Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank.

(a) Distribution of final dividend for 2025

A dividend of RMB0.22 per share (tax inclusive) in respect of the year ended 31 December 2025, with a total of RMB1,515 million was approved in the annual general meeting on 21 May 2026.

(b) Distribution of final dividend for 2024

A dividend of RMB0.25 per share (tax inclusive) in respect of the year ended 31 December 2024, with a total of RMB1,722 million was approved in the annual general meeting on 30 May 2025.

38 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise the following amounts which have original maturities of less than three months and are used to meet short-term cash commitments:

	As at 30 June 2026	As at 31 December 2025
Cash	2,292,916	2,830,505
Surplus reserve deposits with the central bank	8,137,463	7,453,994
Deposits with banks and other financial institutions	3,848,313	3,537,170
Placements with banks and other financial institutions	1,090,978	250,000
Financial assets held under resale agreements	1,845,944	996,000
Total	17,215,614	15,067,669

Notes to the Consolidated Interim Financial Report *(Continued)*

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39 Structured entities

(a) Consolidated structured entities

Structured entities consolidated by the Group are asset management plans, which were invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

As at 30 June 2026, the total consolidated structured entities were RMB8,658 million (31 December 2025: RMB8,799 million).

(b) Non-principal-guaranteed Wealth-Management Products ("WMPs") issued by the Group

Non-principal-guaranteed WMPs are not subject to any guarantee by the Group of the principal invested or interest to be paid.

The WMPs invest in a range of primarily fixed rate assets, most typically money market instruments, debt securities and other debt assets. As the manager of these WMPs, the Group invests, on behalf of the investors in these WMPs, the funds raised as described in the investment plan related to each WMP and receives fee and commission income.

As at 30 June 2026 and 31 December 2025, there were no non-principal-guaranteed WMPs consolidated and the unconsolidated non-principal-guaranteed WMPs amounted to RMB39,647 million and RMB37,277 million, respectively.

For the period ended 30 June 2026 and 30 June 2025, the Group's interest in WMPs included fee and commission income of RMB102 million and RMB110 million, respectively.

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 - unaudited
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39 Structured entities (Continued)

(c) Unconsolidated structured entities set up in third-party organisations

The Group invests in other unconsolidated structured entities which are sponsored and managed by other entities for investment returns, and records trading gains or losses and interest income therefrom. As at 30 June 2026 and 31 December 2025, the carrying amounts of the Group's interests in structured entities set up in third-party organisations by directly holding the investment were as follows:

	Note	As at 30 June 2026	As at 31 December 2025
Financial investments at fair value through profit or loss	18(a)		
— Fund investments		29,483,686	27,849,548
— Trust beneficiary rights		1,215,454	1,346,246
Total		30,699,140	29,195,794

For the period ended 30 June 2026 and the year ended 31 December 2025, the maximum exposures of the above structured entities were their carrying amount.

40 Contingent liabilities and commitments

(a) Financial guarantees and other credit commitments

	As at 30 June 2026	As at 31 December 2025
Bank acceptances	15,825,165	14,512,813
Unused limit of credit cards	5,943,781	6,296,763
Guarantees	1,296,005	2,090,757
Letters of credit	952,191	932,847
Total	24,017,142	23,833,180

Notes to the Consolidated Interim Financial Report (Continued)

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40 Contingent liabilities and commitments (Continued)

(b) Credit risk weighted amounts of financial guarantees and credit commitments

	As at 30 June 2026	As at 31 December 2025
Financial guarantees and credit commitments	11,123,501	11,269,149

Credit risk weighted amounts refer to amounts which depend on the status of counterparties and the maturity characteristics, and are calculated in accordance with the NFRA guidance. Risk weightings used for contingent liabilities and credit commitments range from 0% to 100%.

(c) Capital commitments

	As at 30 June 2026	As at 31 December 2025
Contracted, but not provided for	181,022	61,587

(d) Legal proceedings

The litigation cases of the Group are not expected to have a significant impact on the Group.

(e) Collateral

Assets as collateral

The fair value of the Group's assets pledged as collateral under borrowings from the central bank are as follows:

	As at 30 June 2026	As at 31 December 2025
Debt securities	76,936,418	50,690,998
Loans	—	4,719,742
Bills	275,331	278,495
Total	77,211,749	55,689,235

Notes to the Consolidated Interim Financial Report (Continued)

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40 Contingent liabilities and commitments (Continued)

(e) Collateral (Continued)

Assets as collateral (Continued)

The liabilities of above collateral were presented in Note 26.

The fair value of the Group's assets pledged as collateral under repurchase agreements are as follows:

	As at 30 June 2026	As at 31 December 2025
Debt securities	8,040,178	8,426,665
Bills	—	2,001,434
Total	8,040,178	10,428,099

The liabilities of above collateral were presented in Notes 27. All repurchase agreements are due within 12 months from their effective dates.

The fair value of the Group's assets pledged as collateral under financing bonds are follows:

	As at 30 June 2026	As at 31 December 2025
Debt securities	450,271	—

The liabilities of above collateral were presented in Note 28.

Collateral accepted

The Group accepts bonds and bills as collateral in relevant securities borrowing and lending and resale agreement businesses. As at 30 June 2026 and 31 December 2025, the Group did not hold any collateral that can be resold or re-pledged.

Notes to the Consolidated Interim Financial Report *(Continued)*

*For the six months ended 30 June 2026 - unaudited
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40 Contingent liabilities and commitments *(Continued)*

(f) Redemption commitments of PRC government savings bonds (in certificate form)

The Group is entrusted by the MOF to underwrite certain PRC government savings bonds (in certificate form). The investors of the bonds have a right to redeem the bonds they hold at any time before their maturities, while the Group is obligated to meet redemption requests. The early redemption proceeds for these PRC government savings bonds (in certificate form) are the principal of the bonds plus unpaid interest accrued in accordance with the early redemption agreement.

As at 30 June 2026, the balance of the principals of the Group's PRC government savings bonds (in certificate form) with early redemption obligations was RMB2,458 million (31 December 2025: RMB2,207 million). The original maturities of these bonds are 3 and 5 years. Management expects the Group's exposure to early redemptions of these bonds will not be material. The MOF will not provide funding for the early redemptions of these bonds on a back-to-back basis but will settle the principal and interest upon maturity.

Notes to the Consolidated Interim Financial Report (Continued)

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

41 Related party transactions

(a) Related parties of the Bank

Related parties of the Bank include subsidiaries, associates and other related parties. Other related parties could be natural persons or legal persons, including directors, supervisors, senior managers of the Bank and their close family members; Entities controlled or jointly controlled by directors, supervisors, senior managers of the Bank and their closely related family members, etc.

(b) Related party transactions and balances

(i) Transactions and balances with subsidiaries

As at each of the balance sheet dates, the Bank had the following transactions and balances with subsidiaries:

	As at 30 June 2026	As at 31 December 2025
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	51,954	60,096
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	134,645	88,782
	Six months ended 30 June	
	2026	2025
Interest income	472	410
Interest expense	277	227
	Six months ended 30 June	
Range of rates	2026	2025
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	0.05%–1.60%	0.05%–1.64%
Financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions	0.72%	0.72%

The transactions with related parties are based on normal commercial terms and market price.

Notes to the Consolidated Interim Financial Report (Continued)

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

41 Related party transactions (Continued)

(b) Related party transactions and balances (Continued)

(ii) Transactions and balances with associates

As at each of the balance sheet dates, the Group had the following transactions and balances with associates:

	As at 30 June 2026	As at 31 December 2025
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	2,220	4
	Six months ended 30 June	
	2026	2025
Interest income	31	18
	Six months ended 30 June	
Range of rates	2026	2025
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions	0.28%–0.31%	0.28%–0.31%

The transactions with related parties are based on normal commercial terms and market price.

Notes to the Consolidated Interim Financial Report (Continued)

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

41 Related party transactions (Continued)

(b) Related party transactions and balances (Continued)

(iii) Transactions and balances with other related parties

As at each of the balance sheet dates, the Group had the following transactions and balances with other related parties:

	As at 30 June 2026	As at 31 December 2025
Loans and advances to customers	7,120,853	7,330,732
Deposits from customers	3,101,301	2,883,617
Non-principal-guaranteed WMPs issued by the Bank	126,921	142,131
Right-of-use assets	1,981	2,792
Lease liabilities	2,004	2,819
Off-balance sheet items		
Credit Commitment	33,165	5,000
	Six months ended 30 June	
	2026	2025
Interest income	139,476	137,726
Interest expense	5,604	4,826
Fee and commission income	73	84
Leasing expenses	840	940

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 - unaudited
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41 Related party transactions (Continued)

(b) Related party transactions and balances (Continued)

(iii) Transactions and balances with other related parties (Continued)

Range of rates	Six months ended 30 June	
	2026	2025
Loans and advances to customers	2.13%–5.35%	2.45%–5.45%
Deposits from customers	0.05%–4.05%	0.00%–5.15%
Management fee rate of non-principal-guaranteed WMPs issued by the Bank	0.01%–0.50%	0.01%–0.50%

The transactions with related parties are based on normal commercial terms and market price.

(c) Remuneration of key management personnel

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

The remuneration of key management personnel in each of the reporting periods is as follows:

	Six months ended 30 June	
	2026	2025
Salaries and fees	4,935	6,736
Subsidies and physical benefits	487	627
Discretionary bonuses	1,579	3,389
Pension plan contributions	469	594
Total	7,470	11,346

The Group has implemented the deferred emoluments regulation. The deferred emoluments have not been paid.

Notes to the Consolidated Interim Financial Report (Continued)

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

41 Related party transactions (Continued)

- (d) **Loans and advances with directors, supervisors and entities that are controlled, jointly controlled or significantly influenced by either such directors, supervisors or their close relatives**

	As at 30 June 2026	As at 31 December 2025
Certain controlled body corporates and connected entities of the directors	7,080,539	7,059,316
Certain controlled body corporates and connected entities of the supervisors	—	226,511
Total	7,080,539	7,285,827

42 Segmental analysis

(a) Business segments

The Group manages its operations from both business and regional perspectives. From a business perspective, the Group mainly provides financial services through four business segments, which are listed below:

- Corporate banking: Corporate banking business segment covers financial products and services to corporate customers, governments and financial institutions. These products and services include corporate loans and advances, trade finance, deposits, and various other corporate intermediary businesses.
- Personal banking: Personal banking business segment covers financial products and services to individual customers. These products and services include personal loans and advances, deposits, bank cards, and various other individual intermediary businesses.
- Treasury: Treasury segment covers the Group's money market transactions, repurchase transactions, debt instrument investments, wealth management products and precious metals.
- Others: The others segment covers the remaining businesses of the Group that cannot be directly attributable to the above segments, and some assets, liabilities, income or expenses of the Head Office that have not been properly allocated.

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 - unaudited
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42 Segmental analysis (Continued)

(a) Business segments (Continued)

From a regional perspective, all businesses of the Group are conducted in Mainland China.

	Six months ended 30 June 2026				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	4,802,583	1,419,278	3,674,926	—	9,896,787
External interest expense	(1,498,886)	(2,108,378)	(1,464,891)	—	(5,072,155)
Inter-segment net interest income or expense	(690,864)	2,671,337	(1,980,473)	—	—
Net interest income	2,612,833	1,982,237	229,562	—	4,824,632
Net fee and commission income	46,554	176,135	10,825	1,237	234,751
Net trading gains or losses	22,973	760	192,226	—	215,959
Net gains or losses on financial investments	16,925	—	831,475	(89,117)	759,283
Other operating income	45	67	4,539	21,892	26,543
Operating income	2,699,330	2,159,199	1,268,627	(65,988)	6,061,168
Operating expense	(635,217)	(896,095)	(180,668)	(200,840)	(1,912,820)
— Depreciation and amortisation	(65,817)	(97,264)	(34,051)	(36,896)	(234,028)
Impairment losses on assets	(1,763,210)	186,072	64,456	—	(1,512,682)
Share of profits of associates	—	—	—	30,182	30,182
Profit before tax	300,903	1,449,176	1,152,415	(236,646)	2,665,848
Capital expenditure	87,587	129,436	45,314	49,099	311,436

	As at 30 June 2026				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	287,135,827	120,232,302	379,596,321	5,108,951	792,073,401
Unallocated assets					6,009,557
Total assets					798,082,958
Segment liabilities	210,343,165	347,998,742	174,345,589	1,044,297	733,731,793

Notes to the Consolidated Interim Financial Report (Continued)

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42 Segmental analysis (Continued)

(a) Business segments (Continued)

	Six months ended 30 June 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	4,823,025	1,527,048	3,623,007	—	9,973,080
External interest expense	(1,868,215)	(2,455,794)	(1,412,560)	—	(5,736,569)
Inter-segment net interest income or expense	(674,020)	2,588,503	(1,914,483)	—	—
Net interest income	2,280,790	1,659,757	295,964	—	4,236,511
Net fee and commission income	35,231	171,763	13,770	13,443	234,207
Net trading gains or losses	41,479	787	250,926	—	293,192
Net gains or losses on financial investments	(193)	—	861,175	(159,062)	701,920
Other operating income	11,275	41	546	23,241	35,103
Operating income	2,368,582	1,832,348	1,422,381	(122,378)	5,500,933
Operating expense	(635,868)	(848,916)	(167,611)	(249,880)	(1,902,275)
— Depreciation and amortisation	(65,083)	(98,042)	(35,798)	(23,557)	(222,480)
Impairment losses on assets	(582,216)	(198,662)	(88,916)	—	(869,794)
Share of profits of associates	—	—	—	26,179	26,179
Profit before tax	1,150,498	784,770	1,165,854	(346,079)	2,755,043
Capital expenditure	62,671	94,408	34,471	22,683	214,233

	As at 30 June 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	262,974,530	123,185,494	365,314,871	3,866,787	755,341,682
Unallocated assets					5,103,598
Total assets					760,445,280
Segment liabilities	206,030,888	339,754,944	151,209,242	819,439	697,814,513

Notes to the Consolidated Interim Financial Report *(Continued)*

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43 Financial risk management

Overview

The Group's activities expose it to a variety of financial risks. The Group analyses and evaluates its risk exposures and accepts and manages a certain level of such risks or combined risks. Financial risk management is critical to the financial industry in which the Group operates, and business operations inevitably involve financial risks. The Group's aim is to achieve an appropriate balance between risk and return to minimise potential adverse effects on the Group's financial statements.

The Group's risk management policies are designed to identify and analyse related risks, so as to set appropriate risk limits and control processes, and to monitor risks and their limits through reliable processes.

The Board of Directors of the Group is responsible for setting out the overall risk preference, reviewing and approving the Group's risk management objectives and strategies. Senior management is responsible for developing and implementing appropriate risk management policies and procedures based on risk management objectives and strategies. The Audit Committee of the Board of Directors is responsible for supervising and examining the performance of duties by the Board of Directors and senior management in respect of risk management and urging rectification.

The major financial risks faced by the Group are credit risk, market risk and liquidity risk, and market risk mainly comprises interest rate risk and foreign exchange risk.

43.1 Credit risk

43.1.1 Credit risk management

The Group is exposed to credit risk, which is the risk that a customer or counterparty will be unable or unwilling to meet its obligations under a contract. The concentrations of credit risk will increase when counterparties are within similar industry distribution or geographical regions. On-balance-sheet credit exposure includes loans and advances to customers, financial investments, deposits and placements with banks and certain other financial assets. There is also off-balance-sheet credit exposure, such as credit commitments, letters of credit, guarantees, and acceptance notes. Currently, the Group's principal business is primarily concentrated in Dongguan City of Guangdong Province in China, which indicates that the Group is more susceptible to changes in regional economic conditions. As a result, the management monitors its credit risk prudently. The Risk Management Department at Head Office of the Group is responsible for the daily management of the Group's overall credit risk, and reports to the Group's senior management timely.

Notes to the Consolidated Interim Financial Report (*Continued*)

*For the six months ended 30 June 2026 - unaudited
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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.1 Credit risk management (*Continued*)

The Group adopts standardised management for the whole business procedure of credit business, including credit investigation and declaration, credit review and approval, loan issuance, post-lending monitoring and non-performing loans (NPL) management. It comprehensively improves the credit risk management level by strictly regulating credit operation procedures, strengthening end-to-end loan management from prelending investigation, rating and assigning credit limits, review and approval, loan drawdown review, to post-lending monitoring, improving the risk mitigation effect of collateral, accelerating the recovering and disposal of NPLs, and promoting the upgrading of credit management system.

For the period ended 30 June 2026 and the year ended 31 December 2025, the domestic economy was hit by various unexpected factors, and as a result, negative impact on the asset quality of the Group's credit assets and investments. In response to the government's policies, the Group delivered timely solutions to assist existing customers who had been affected by economic downswing, including relief measures, and at the same time, further enhanced its credit risk monitoring and early warning management system to step up credit risk monitoring. The Group and the Bank actively respond to the change of the credit environment by conducting regular analysis on credit risk situations and matters and taking precautionary risk control measures with a forward-looking vision.

The Comprehensive Risk Management Execution Committee is responsible for supervising the recovery and disposal of NPLs. The Group manages its NPLs mainly by the following methods: (1) collection; (2) restructuring; (3) disposal of collateral or seeking recourse against guarantors; (4) litigation or arbitration; and (5) write-off according to regulatory requirements, to minimise its losses from credit risks. If the Group, after executing all necessary procedures, still considers that it is not reasonably possible to expect to recover the whole or part of a loan, it shall be written off. For the period ended 30 June 2026 and the year ended 31 December 2025, the loans and advances to customers written off by the Group amounted to RMB1,446 million and RMB2,612 million respectively.

In addition to risks arising from credit assets, the Group manages the credit risk of treasury operations by carefully selecting banks and other financial institutions with appropriate credit levels as counterparties, balancing credit risk and investment return, comprehensively referring to internal and external credit rating information, grading credit, and using a timely credit line management system to review and adjust the credit line. In addition, the Group provides off-balance-sheet commitments and guarantees for customers. There is a possibility that the Group will make payments on behalf of customers due to their default, and bear the risk similar to loans. Therefore, the Group adopts risk control procedures and policies similar to the credit business to reduce the credit risk.

Notes to the Consolidated Interim Financial Report (*Continued*)

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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.2 Measurement of credit risk

(a) Loans

According to the Rules on Risk Classification of Financial Assets of Commercial Banks issued by the NFRA and the People's Bank of China, the Group establishes a management system regarding to the classification of loan risks, and implements five-level classification management. Loans are classified into five categories based on their risk levels, namely pass, special-mention, sub-standard, doubtful and loss, the latter three of which are regarded as non-performing loans. The primary factors considered in impairment assessment for loans include probability of loan repayment and recoverability of principal and interest, which reflect borrowers' repayment ability, repayment record and intention, profitability, guarantees or collateral and legal responsibility of repayment.

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

- Pass: Borrowers can fulfil the contract without objective evidence that the principal, interest, or income cannot be paid in full on a timely basis.
- Special-mention: Although there are some factors that may have an adverse impact on the performance of the contract, borrowers currently has the ability to repay the principal, interest, or income.
- Sub-standard: Borrowers cannot fully repay the loan principal and interest or income, or the financial assets have experienced credit impairment.
- Doubtful: Borrowers have been no longer able to fully repay the loan principal and interest or income, and the financial assets have experienced significant credit impairment.
- Loss: After taking all possible measures, only a very small portion of financial assets can be recovered, or all financial assets can be lost.

(b) Bonds and other notes

The Group manages its credit risk exposures to bonds and other notes by setting restriction of investment size, issuer profile and rating and also post-investment management.

Notes to the Consolidated Interim Financial Report (*Continued*)

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

43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.2 Measurement of credit risk (*Continued*)

(c) *Other financial investments*

Other financial investments mainly comprise trust beneficiary rights, fund investments and direct financing instruments for WMPs. The Group has rating-based access policies in place towards the cooperating trust companies, securities companies and fund companies. Subsequent risk management is carried out on a regular basis.

(d) *Interbank transactions*

The Group reviews and monitors credit risk of individual financial institutions periodically and credit quota has been maintained for each bank and other institutions that have transactions with the Group.

(e) *Financial guarantees and credit commitments*

The primary purpose of financial guarantees and credit commitments is to ensure that customers can acquire the funds needed. Guarantees, acceptances of bills and letters of credit represent irrevocable commitments of the Group to fulfil the obligations of payment to a third party when the customers are unable to do so, with the same credit risk as loans. The amount of potential credit risk faced by the Group is equal to the total amount of its financial guarantees and credit commitments.

43.1.3 Risk limit control and mitigation measures

The Group prudently manages and controls the concentration of credit risk, including single borrower, group, industry and region. The Group has established related mechanism to set up credit risk limit which is bearable for single borrower, and makes an assessment on credit risk limit at least once a year.

The Group has established a series of policies and taken various measures to mitigate the credit risk. Obtaining collateral, deposits and corporates' or individuals' guarantee are important means for the Group to control the credit risk.

The collateral policy established by the Group stipulates the type of specific collateral that is acceptable, mainly including:

- Housing;
- Business assets such as premises, inventory and accounts receivable;
- Financial instruments such as debt securities and stocks.

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.3 Risk limit control and mitigation measures (Continued)

The fair value of collateral or pledge is generally determined with the help of specialised valuation agencies recognized by the Group. In order to reduce the credit risk, the Group has defined the maximum loan-to-value ratio (the ratio of the loan amount to the fair value of collateral or pledge) for different collateral or pledge. The main types of collateral or pledge for loans and advances and the corresponding maximum loan-to-value ratio are as follows:

Collateral	Maximum loan-to-value ratio	Pledge	Maximum loan-to-value ratio
Real estate — residential	80%	Wealth Management Products	95%
Real estate — commercial	60%	Certificates of deposit	100%
Machineries and Equipment	30%	Treasury bonds (certificate bonds and saving bonds)	95%
Mining right	40%	Bank acceptance bills	90%
Forest rights	40%	Precious metal	80%
Rural land use rights	50%	Inventories	50%
		Shares of public company listed on main boards	60%
		Intellectual properties	20%

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.

Notes to the Consolidated Interim Financial Report (*Continued*)

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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.4 Policies on provision for expected credit loss

The Group uses the “ECL model” to make provision for the impairment of financial assets measured at amortised cost and those measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

(a) Division of stages

For financial instruments included in the measurement of ECL, the Group applies the “three-stage” impairment model to measure the loss allowance and recognise the ECL in assessing whether the credit risk on a financial instrument has increased significantly since initial recognition.

- Stage 1: Financial instruments where credit risk has not significantly increased since initial recognition are classified as Stage 1.
- Stage 2: Financial instruments where credit risk has significantly increased since initial recognition but have not been considered to have incurred credit impairment are classified as Stage 2.
- Stage 3: Financial instruments that have incurred credit impairment are classified as Stage 3.

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

Various factors, such as five-level classification, number of overdue days and changes in credit ratings, will be taken into account when the credit risk increases significantly during assessment. These three stages are transferable. Financial instruments in the Stage 1 should be downgraded into Stage 2 in case of significant deterioration of credit risk.

Notes to the Consolidated Interim Financial Report (*Continued*)

For the six months ended 30 June 2026 - unaudited
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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.4 Policies on provision for expected credit loss (*Continued*)

(b) Judgement criteria for significant increase in credit risk

When one or more of the following quantitative and qualitative criteria or limit indicators are triggered, the Group considers that the credit risk of financial instrument has been significantly increased:

- The debtor breaches the contract and the principal or interest of the contract was overdue for more than 30 days.
- The significant negative influences appears in business, financing or economic position and indication for cash flow or liquidity problems for debtor.
- The principal or interest of bills, financial investments and financial assets with banks and other financial institutions was overdue for not more than 30 days.
- The debtor's external credit rating (issuer rating) is lower than the AA and higher than the CCC investment grade, comparing with its initial recognition date.
- There are significant changes in the economic, technical or legal environment in which the debtor is located in the current period or in the near future, and the Group will be affected adversely.

Notes to the Consolidated Interim Financial Report (*Continued*)

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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.4 Policies on provision for expected credit loss (*Continued*)

(c) Definition of default and incurred loss

A financial asset will be defined as defaulted if it meets one or more of the following quantitative and qualitative criteria or limit indicators. These criteria are consistent with the definition of incurred loss:

- The debtor breached the contract and the principal or interest of the contract was overdue for more than 90 days.
- The principal or interest of bills, financial investments and financial assets with banks and other financial institutions was overdue for more than 30 days.
- The debtor's external credit rating (issuer rating) is lower than the CCC (inclusive) investment grade, or a default has occurred, comparing with its initial recognition date.
- The debtor is likely to go bankrupt or face other financial restructuring.
- The issuer of the financial instruments held by the Group is experiencing significant financial difficulty.
- The Group, for economic or legal reasons, grants a concession to the debtor who has financial difficulty.
- The active market for relevant financial assets disappears due to the financial difficulty of the borrower.

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

When a financial instrument does not qualify for default for six consecutive months, the Group no longer considers it as an asset in default (it has been reversed). The Group adopts an observation period of six months based on relevant analyses in which the Group has considered the possibility of a financial instrument being reclassified as the default status in various scenarios after it has been reversed.

Notes to the Consolidated Interim Financial Report (*Continued*)

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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.4 Policies on provision for expected credit loss (*Continued*)

- (d) *Calculation of expected credit loss: description of parameters, assumptions, and estimation techniques*

The Group calculates the provision for impairment losses of different types of assets as 12-month ECL or lifetime ECL based on whether there was significant increase in credit risk and whether credit impairment occurred for assets. ECL is the product of exposure at default (EAD), probability of default (PD) and loss given default (LGD) after term adjustment and discount. Relevant definitions are as follows:

PD refers to the possibility that borrowers are unable to perform their repayment obligation in the next 12 months or during the rest of the lifetime.

LGD refers to the percentage of the risk exposure loss in the event of default. LGD varies with the type of the counterparty in the transaction, and the accessibility of collateral and other credit supports.

EAD refers to the repayment due to the Group when default occurs in the next 12 months or during the rest of the lifetime. The Group's EAD is determined based on the expected repayment arrangements and different types of products will have different EAD. For loans repaid on an instalment basis or in a lump sum, the Group determines the EAD based on the repayment plan as agreed in the contract.

The Group determines the ECL by estimating the PD, LGD and EAD of an individual loan in each period. It multiplies these three values and adjusts their existence (in case of no early repayment or default). This approach can effectively calculate the ECL of each future period. The calculation results of all periods are then discounted to the reporting date and summed up. Discount rates used to calculate the ECL are the actual interest rate or the approximation thereof.

In reporting periods, there was no significant change in the above estimation techniques or key assumptions.

Notes to the Consolidated Interim Financial Report (*Continued*)

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43 Financial risk management (*Continued*)

43.1 Credit risk (*Continued*)

43.1.4 Policies on provision for expected credit loss (*Continued*)

(e) *Forward-looking information in the expected credit loss model*

The Group considers internal and external data, expert forecasts and statistical analysis to determine the relationship between these economic indicators and PD. The Group regularly conducts the forecast on three types of domestic macro scenarios and macro-economic indicators such as optimistic, basic and pessimistic for asset impairment model.

Through historical data analysis, the Group identifies key economic indicators that affect the credit risk and ECL of each business types, such as banking industry climate index, total export-import volume, year-on-year (YOY) growth rate of currency in circulation (M0), consumer price index (CPI), quarterly year-on-year (YOY) growth rate of real gross domestic product (GDP).

(f) *Grouping for ECL provision*

The Group classified the exposures with similar characteristics when collectively assessing the ECL provision.

The characteristics for grouping are as follows:

Personal loans

- Product types (for instance, personal business loans, personal consumption loans, personal property mortgages, credit cards)

Corporate loans

- Industry

Exposures evaluated by impairment assessment

- Corporate loans in Stage 3

Credit risk team monitors and reviews the grouping appropriateness regularly.

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.5 Maximum exposures to credit risk before considering collateral held or other credit enhancements

		As at 30 June 2026				
	Note	Stage 1	Stage 2	Stage 3	Not Applicable	Total
Assets						
Balances with the central bank		35,323,685	—	—	—	35,323,685
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions		23,066,083	—	—	—	23,066,083
Derivative financial assets		—	—	—	614,477	614,477
Loans and advances to customers		385,759,761	12,591,020	699,859	3,696,946	402,747,586
Financial investments						
— Financial investments at fair value through profit or loss		—	—	—	48,499,368	48,499,368
— Financial investments at amortised cost		154,996,416	—	—	—	154,996,416
— Financial investments at fair value through other comprehensive income		115,539,340	—	90,437	981,431	116,611,208
Other financial assets	(i)	279,358	83,690	99,523	—	462,571
Sub-total		714,964,643	12,674,710	889,819	53,792,222	782,321,394
Off-balance sheet items						
Bank acceptances		15,825,025	—	140	—	15,825,165
Letters of credit		952,191	—	—	—	952,191
Guarantees		1,296,005	—	—	—	1,296,005
Unused limit of credit cards		5,943,781	—	—	—	5,943,781
Sub-total		24,017,002	—	140	—	24,017,142
Total		738,981,645	12,674,710	889,959	53,792,222	806,338,536

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.5 Maximum exposures to credit risk before considering collateral held or other credit enhancements (Continued)

		As at 31 December 2025				
	Note	Stage 1	Stage 2	Stage 3	Not Applicable	Total
Assets						
Balances with the central bank		34,510,487	—	—	—	34,510,487
Financial assets held under resale agreements and deposits and placements with banks and other financial institutions		17,212,818	—	—	—	17,212,818
Derivative financial assets		—	—	—	378,443	378,443
Loans and advances to customers		374,370,616	11,938,662	820,852	7,936,912	395,067,042
Financial investments						
— Financial investments at fair value through profit or loss		—	—	—	51,543,670	51,543,670
— Financial investments at amortised cost		144,943,419	—	—	—	144,943,419
— Financial investments at fair value through other comprehensive income		134,407,400	—	74,179	1,081,935	135,563,514
Other financial assets	(i)	133,238	64,626	74,583	—	272,447
Sub-total		705,577,978	12,003,288	969,614	60,940,960	779,491,840
Off-balance sheet items						
Bank acceptances		14,512,813	—	—	—	14,512,813
Letters of credit		932,847	—	—	—	932,847
Guarantees		2,090,757	—	—	—	2,090,757
Unused limit of credit cards		6,296,763	—	—	—	6,296,763
Sub-total		23,833,180	—	—	—	23,833,180
Total		729,411,158	12,003,288	969,614	60,940,960	803,325,020

(i) Other financial assets include interest receivable and other receivables.

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.6 Loans and advances to customers

(a) Industry analysis

	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage	Amount	Percentage
Corporate loans and advances				
Manufacturing	88,280,593	21.12%	81,341,965	19.84%
Leasing and commercial services	64,960,148	15.53%	57,085,351	13.92%
Wholesale and retail	33,494,731	8.01%	32,421,874	7.90%
Construction	22,506,634	5.38%	22,606,473	5.52%
Real estate	18,827,795	4.50%	19,021,818	4.64%
Transportation, logistics and postal services	7,762,774	1.86%	6,975,148	1.70%
Production and supply of power, gas and water	6,681,830	1.60%	6,626,474	1.62%
Scientific research and technical services and geological prospecting	4,653,896	1.11%	4,110,430	1.00%
Finance	2,834,389	0.68%	2,671,195	0.65%
Water, environment and public utilities management	2,807,934	0.67%	2,942,724	0.72%
Education	2,739,862	0.66%	2,632,040	0.64%
Hotels and catering industries	2,499,623	0.60%	2,548,234	0.62%
Agriculture, forestry, animal husbandry and fishery	2,060,890	0.49%	2,299,578	0.56%
Information transmission, software and IT services	1,469,914	0.35%	1,238,850	0.30%
Health, social security and welfare	1,348,767	0.32%	1,455,865	0.35%
Residential services and other services	518,212	0.12%	395,874	0.10%
Culture, sports and entertainment	237,142	0.06%	141,734	0.03%
Mining	144,414	0.03%	38,324	0.01%
Sub-total	263,829,548	63.09%	246,553,951	60.12%

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.6 Loans and advances to customers (Continued)

(a) Industry analysis (Continued)

	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage	Amount	Percentage
Personal loans and advances				
Business loans	43,036,043	10.29%	44,552,066	10.86%
Property mortgages	42,895,864	10.26%	42,575,975	10.38%
Personal consumption loans	35,021,359	8.37%	36,070,928	8.79%
Credit cards	2,713,451	0.65%	3,328,317	0.81%
Sub-total	123,666,717	29.57%	126,527,286	30.84%
Discounted bills	29,288,124	7.00%	35,949,988	8.76%
Accrued interest	1,418,859	0.34%	1,145,799	0.28%
Total loans and advances to customers	418,203,248	100.00%	410,177,024	100.00%

(b) Type of collateral analysis

	As at 30 June 2026	As at 31 December 2025
Collateralised loans	192,034,623	189,490,844
Guaranteed loans	111,440,435	108,807,540
Unsecured loans	77,156,619	67,469,400
Pledged loans	36,152,712	43,263,441
Sub-total	416,784,389	409,031,225
Accrued interest	1,418,859	1,145,799
Total	418,203,248	410,177,024

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.6 Loans and advances to customers (Continued)

(c) Concentration analysis by geographical regions

	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage	Amount	Percentage
Dongguan	351,765,401	84.11%	344,594,913	84.01%
Zhanjiang	19,606,698	4.69%	19,516,749	4.76%
Others	45,412,290	10.86%	44,919,563	10.95%
Accrued interest	1,418,859	0.34%	1,145,799	0.28%
Total	418,203,248	100.00%	410,177,024	100.00%

Concentration analysis of overdue loans and advances to customers by geographical regions

	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage	Amount	Percentage
Dongguan	7,613,187	79.93%	7,291,056	78.15%
Zhanjiang	711,308	7.47%	654,852	7.02%
Others	1,200,516	12.60%	1,383,693	14.83%
Total	9,525,011	100.00%	9,329,601	100.00%

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.6 Loans and advances to customers (Continued)

(d) Analysis by overdue days and impairment evaluation

- (1) The maximum credit risk exposures of loans and advances are analysed by overdue days as follows:

Loans and advances	As at 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Overdue days				
Not overdue	389,484,523	15,057,230	439,538	404,981,291
Between 0 and 30 days	75,418	685,216	9,956	770,590
Between 30 and 60 days	—	628,761	62,068	690,829
Between 60 and 90 days	—	355,393	70,035	425,428
More than 90 days/Default	—	—	7,638,164	7,638,164
Total	389,559,941	16,726,600	8,219,761	414,506,302
Provision for ECL	(3,800,180)	(4,135,580)	(7,519,902)	(15,455,662)
Net amount	385,759,761	12,591,020	699,859	399,050,640

Loans and advances	As at 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Overdue days				
Not overdue	377,903,413	14,653,708	353,390	392,910,511
Between 0 and 30 days	120,520	926,183	61,974	1,108,677
Between 30 and 60 days	—	576,598	25,569	602,167
Between 60 and 90 days	—	498,853	134,153	633,006
More than 90 days/Default	—	—	6,985,751	6,985,751
Total	378,023,933	16,655,342	7,560,837	402,240,112
Provision for ECL	(3,653,317)	(4,716,680)	(6,739,985)	(15,109,982)
Net amount	374,370,616	11,938,662	820,852	387,130,130

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.6 Loans and advances to customers (Continued)

(d) Analysis by overdue days and impairment evaluation (Continued)

(2) Overdue loans and advances to customers are set out by collateral type and overdue days as follows:

	As at 30 June 2026				Total
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and 1 year (inclusive)	Overdue between 1 and 3 years (inclusive)	Overdue for more than 3 years	
Collateralised loans	1,037,339	1,842,324	1,705,241	178,819	4,763,723
Guaranteed loans	423,675	1,095,837	1,607,524	70,206	3,197,242
Unsecured loans	422,223	427,884	503,767	96,054	1,449,928
Pledged loans	3,610	88,257	21,884	367	114,118
Total	<u>1,886,847</u>	<u>3,454,302</u>	<u>3,838,416</u>	<u>345,446</u>	<u>9,525,011</u>

	As at 31 December 2025				Total
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and 1 year (inclusive)	Overdue between 1 and 3 years (inclusive)	Overdue for more than 3 years	
Collateralised loans	956,053	1,200,832	1,473,815	153,774	3,784,474
Guaranteed loans	862,653	719,400	1,588,669	63,837	3,234,559
Unsecured loans	524,919	614,074	907,742	152,101	2,198,836
Pledged loans	225	88,257	21,912	1,338	111,732
Total	<u>2,343,850</u>	<u>2,622,563</u>	<u>3,992,138</u>	<u>371,050</u>	<u>9,329,601</u>

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.6 Loans and advances to customers (Continued)

(e) Loans and advances to customers impaired/at Stage 3

The total amounts of loans and advances to customers impaired/at Stage 3 are set out as follows:

	As at 30 June 2026	As at 31 December 2025
Corporate loans and advances	4,859,116	3,791,056
Personal loans and advances	3,360,645	3,769,781
Total	8,219,761	7,560,837
Fair value of collateral		
— Corporate loans and advances	3,155,390	2,686,940
— Personal loans and advances	1,616,057	1,581,372
Total	4,771,447	4,268,312

The fair value of collateral is determined based on the latest available external valuation prices, adjusted for the current experiences of collateral realisation and market conditions.

Concentration of loans and advances to customers impaired/at Stage 3 by geographical regions

	As at 30 June 2026		As at 31 December 2025	
	Amount	Percentage	Amount	Percentage
Dongguan	6,967,889	84.77%	6,109,443	80.80%
Zhanjiang	354,690	4.32%	356,017	4.71%
Others	897,182	10.91%	1,095,377	14.49%
Total	8,219,761	100.00%	7,560,837	100.00%

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.7 Foreclosed assets

Foreclosed assets are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Usually the Group does not use recovered foreclosed assets for business activities. As at the end of the reporting period, foreclosed assets were listed under other assets.

43.1.8 Debt instrument investments

The credit risks of debt instrument investments are classified mainly based on their external credit ratings.

(a) Debt instrument investments classified by borrower credit ratings

The exposures of financial investments at amortised cost are analysed as follows:

		As at 30 June 2026			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		23,941,137	—	—	23,941,137
Unrated	(i)	131,239,977	—	—	131,239,977
Total		155,181,114	—	—	155,181,114
Provision for ECL		(184,698)	—	—	(184,698)
Net book value		154,996,416	—	—	154,996,416

		As at 31 December 2025			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		21,365,936	—	—	21,365,936
Unrated	(i)	123,788,882	—	—	123,788,882
Total		145,154,818	—	—	145,154,818
Provision for ECL		(211,399)	—	—	(211,399)
Net book value		144,943,419	—	—	144,943,419

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43 Financial risk management (Continued)

43.1 Credit risk (Continued)

43.1.8 Debt instrument investments (Continued)

(b) The exposures of financial investments at fair value through other comprehensive income are analysed as follows:

		As at 30 June 2026			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		29,403,558	—	—	29,403,558
CCC+ to AA-		—	—	—	—
Default		—	—	90,437	90,437
Unrated	(i)	86,135,782	—	—	86,135,782
Net book value		115,539,340	—	90,437	115,629,777

		As at 31 December 2025			
	Note	Stage 1	Stage 2	Stage 3	Total
Credit ratings					
AA to AAA		46,261,655	—	—	46,261,655
CCC+ to AA-		—	—	—	—
Default		—	—	74,179	74,179
Unrated	(i)	88,145,745	—	—	88,145,745
Net book value		134,407,400	—	74,179	134,481,579

(i) The Group's unrated debt instrument investments comprise mainly of treasury bonds, local government bonds, financial bonds issued by policy banks, and trust beneficiary rights.

43.2 Fair value of financial assets and liabilities

(a) Fair value hierarchy

The Group classifies financial assets and financial liabilities into the following three levels based on the extent to which inputs to valuation techniques used to measure fair value of the financial assets and financial liabilities are observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: fair value measurements are not based on observable market data.

Notes to the Consolidated Interim Financial Report (Continued)

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43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(b) Financial instruments not measured at fair value

The tables below summarise the carrying amount and fair values of financial assets and liabilities not measured at fair value. Financial assets and liabilities with similar carrying amount and fair values, such as balances with the central bank, financial assets held under resale agreements and deposits and placements with banks and other financial institutions, loans and advances to customers, borrowings from the central bank, due to customers, financial assets sold under repurchase agreements and deposits and placements from banks and other financial institutions, and certificates of interbank deposit, are not included.

	As at 30 June 2026				
	Carrying amount	Fair value	Including:		
			Level 1	Level 2	Level 3
Financial asset					
Financial investments at amortised cost	<u>154,996,416</u>	<u>146,872,464</u>	<u>—</u>	<u>146,319,548</u>	<u>552,916</u>
Financial liability					
Debt securities issued	<u>99,178,085</u>	<u>99,447,962</u>	<u>—</u>	<u>99,447,962</u>	<u>—</u>
	As at 31 December 2025				
	Carrying amount	Fair value	Including:		
			Level 1	Level 2	Level 3
Financial asset					
Financial investments at amortised cost	<u>144,943,419</u>	<u>147,153,681</u>	<u>—</u>	<u>146,593,454</u>	<u>560,227</u>
Financial liability					
Debt securities issued	<u>114,899,573</u>	<u>115,188,976</u>	<u>—</u>	<u>115,188,976</u>	<u>—</u>

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43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value

		As at 30 June 2026			
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative financial assets	16	—	614,477	—	614,477
Loans and advances to customers at fair value through other comprehensive income	17(c)	—	—	33,366,300	33,366,300
Loans and advances to customers at fair value through profit or loss	17(c)	—	—	3,696,946	3,696,946
Financial investments at fair value through profit or loss	18(a)				
— Debt securities		—	17,800,228	—	17,800,228
— Fund investments		—	29,483,686	—	29,483,686
— Trust beneficiary rights		—	—	1,215,454	1,215,454
Financial investments at fair value through other comprehensive income	18(c)				
— Debt securities		—	115,539,340	90,437	115,629,777
— Equity investments		461	35,927	945,043	981,431
Total		461	163,473,658	39,314,180	202,788,299
Financial liabilities					
Financial liabilities at fair value through profit or loss	28	—	955,226	1,706,499	2,661,725
Derivative financial liabilities	16	—	264,395	—	264,395
Total		—	1,219,621	1,706,499	2,926,120

Notes to the Consolidated Interim Financial Report (Continued)

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

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

		As at 31 December 2025			
	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative financial assets	16	—	378,443	—	378,443
Loans and advances to customers at fair value through other comprehensive income	17(c)	—	—	27,924,827	27,924,827
Loans and advances to customers at fair value through profit or loss	17(c)	—	—	7,936,912	7,936,912
Financial investments at fair value through profit or loss	18(a)				
— Debt securities		—	22,347,876	—	22,347,876
— Fund investments		—	27,849,548	—	27,849,548
— Trust beneficiary rights		—	—	1,346,246	1,346,246
Financial investments at fair value through other comprehensive income	18(c)				
— Debt securities		—	134,407,400	74,179	134,481,579
— Equity investments		183	32,910	1,048,842	1,081,935
Total		183	185,016,177	38,331,006	223,347,366
Financial liabilities					
Financial liabilities at fair value through profit or loss	28	—	440,029	1,682,667	2,122,696
Derivative financial liabilities	16	—	302,294	—	302,294
Total		—	742,323	1,682,667	2,424,990

Notes to the Consolidated Interim Financial Report (*Continued*)

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

43 Financial risk management (*Continued*)

43.2 Fair value of financial assets and liabilities (*Continued*)

(c) **Financial instruments measured at fair value** (*Continued*)

The fair values of financial assets and liabilities are determined as follows:

- If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively;
- If not traded in active markets, fair values of financial assets and financial liabilities are determined by using valuation techniques. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models.

The Group has established an independent valuation process for financial assets and liabilities. Financial Market Department is responsible for carrying out the valuation of financial assets and financial liabilities. Valuation methods, parameters, assumptions and results are independently verified by Comprehensive Risk Management and Compliance Department; valuation results are obtained following the valuation process and accounted for in accordance with the accounting rules by the Centralized Operations Department; information on financial assets and liabilities for disclosure purposes is prepared by Planning and Finance Department based on the independently reviewed valuation results. Valuation policies and procedures for various kinds of financial instruments are approved by the Group's Risk Management Committee. Any changes in valuation policies and procedures are required to be submitted to the Risk Management Committee for approval before being put into practice. For the period ended 30 June 2026 and the year ended 31 December 2025, there were no significant transfers between the fair value levels.

Notes to the Consolidated Interim Financial Report (Continued)

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

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

Information about the Level 3 fair value measurement using material unobservable inputs is as follows:

	Notes	As at 30 June 2026		
		Fair value	Valuation technique	Unobservable inputs Item
Loans and advances to customers at fair value through other comprehensive income	17(c)	33,366,300	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Loans and advances to customers at fair value through profit or loss	17(c)	3,696,946	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	18(a)	1,215,454	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Financial investments at fair value through other comprehensive income				
— Debt securities		90,437	Discounted cash flow	Risk-adjusted discount rate/Cash flow
— Equity investments		945,043	Market approach/Net assets method	Price to book ratio (P/B)/Haircuts for low liquidity
Financial liabilities at fair value through profit or loss	28	1,706,499	Discounted cash flow	Risk-adjusted discount rate/Cash flow

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 - unaudited
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43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

	Notes	As at 31 December 2025		
		Fair value	Valuation technique	Unobservable inputs Item
Loans and advances to customers at fair value through other comprehensive income	17(c)	27,924,827	Discounted cash flow	Risk-adjusted discount rate/Cash flow
Loans and advances to customers at fair value through profit or loss	17(c)	<u>7,936,912</u>	<u>Discounted cash flow</u>	<u>Risk-adjusted discount rate/Cash flow</u>
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	18(a)	<u>1,346,246</u>	<u>Discounted cash flow</u>	<u>Risk-adjusted discount rate/Cash flow</u>
Financial investments at fair value through other comprehensive income				
— Debt securities		74,179	Discounted cash flow	Risk-adjusted discount rate/Cash flow
— Equity investments		<u>1,048,842</u>	<u>Market approach/Net assets method</u>	<u>Price to book ratio (P/B)/Haircuts for low liquidity</u>
Financial liabilities at fair value through profit or loss	28	<u>1,682,667</u>	<u>Discounted cash flow</u>	<u>Risk-adjusted discount rate/Cash flow</u>

The sensitivity of the fair value on changes in unobservable inputs for Level 3 financial instruments is measured at fair value on an ongoing basis.

Notes to the Consolidated Interim Financial Report (Continued)

For the six months ended 30 June 2026 - unaudited

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

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

The fair value of financial instruments is, in certain circumstances, measured using valuation models which incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the sensitivity of fair value due to parallel movement of plus or minus 1 percent of change in fair value to reasonably possible alternative assumptions.

	As at 30 June 2026			
	Effect on net profit		Effect on revaluation reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Loans and advances to customers at fair value through other comprehensive income	—	—	78,166	(77,435)
Loans and advances to customers at fair value through profit or loss	5,853	(5,819)	—	—
Financial investments at fair value through profit or loss — Trust beneficiary rights	1,363	(1,336)	—	—
Financial investments at fair value through other comprehensive income — Debt securities	—	—	967	(934)
— Equity investments	—	—	4,955	(4,955)
Financial liabilities at fair value through profit or loss	66,863	(69,632)	—	—

Notes to the Consolidated Interim Financial Report (Continued)

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

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

	As at 31 December 2025			
	Effect on net profit		Effect on revaluation reserve	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Loans and advances to customers at fair value through other comprehensive income	—	—	65,221	(64,611)
Loans and advances to customers at fair value through profit or loss	12,630	(12,555)	—	—
Financial investments at fair value through profit or loss				
— Trust beneficiary rights	1,693	(1,660)	—	—
Financial investments at fair value through other comprehensive income				
— Debt securities	—	—	632	(619)
— Equity investments	—	—	5,955	(5,955)
Financial liabilities at fair value through profit or loss	79,451	(83,022)	—	—

Notes to the Consolidated Interim Financial Report (Continued)

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

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

The movement of Level 3 fair value measurements is as follows:

			Purchases, sales and settlements		Total gains or losses			Unrealised gains or losses included in profit or loss for assets and liabilities held at the end of the period
	Notes	1 January 2026	Transfer into Level 3	Purchases	Sales and settlements	Recorded in profit or loss	Recorded in other comprehensive income	30 June 2026
Assets								
Loans and advances to customers at fair value through other comprehensive income	17(c)	27,924,827	—	25,642,711	(20,181,252)	(17,249)	(2,737)	33,366,300
Loans and advances to customers at fair value through profit or loss	17(c)	7,936,912	—	3,702,067	(7,927,436)	(14,597)	—	3,696,946
Financial investments at fair value through profit or loss — Trust beneficiary rights	18(a)	1,346,246	—	—	(143,768)	12,976	—	1,215,454
Financial investments at fair value through other comprehensive income — Debt securities		74,179	—	—	(2,926)	17,156	2,028	90,437
— Equity investments		1,048,842	—	—	—	—	(103,799)	945,043
Sub-total		38,331,006	—	29,344,778	(28,255,382)	(1,714)	(104,508)	39,314,180
Liabilities								
Financial liabilities at fair value through profit or loss	28	(1,682,667)	—	—	53,994	(77,826)	—	(1,706,499)
Total		36,648,339	—	29,344,778	(28,201,388)	(79,540)	(104,508)	37,607,681

Notes to the Consolidated Interim Financial Report (Continued)

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

43 Financial risk management (Continued)

43.2 Fair value of financial assets and liabilities (Continued)

(c) Financial instruments measured at fair value (Continued)

				Purchases, sales and settlements		Total gains or losses			Unrealised gains or losses included in profit or loss for assets and liabilities held at the end of the year
	Notes	1 January 2025	Transfer into Level 3	Purchases	Sales and settlements	Recorded in profit or loss	Recorded in other comprehensive income	31 December 2025	
Assets									
Loans and advances to customers at fair value through other comprehensive income	17(c)	23,320,169	—	27,999,889	(23,391,913)	15,447	(18,765)	27,924,827	—
Loans and advances to customers at fair value through profit or loss	17(c)	6,755,902	—	7,933,706	(6,690,668)	(62,028)	—	7,936,912	3,205
Financial investments at fair value through profit or loss — Trust beneficiary rights	18(a)	1,558,017	—	—	(231,930)	20,159	—	1,346,246	20,159
Financial investments at fair value through other comprehensive income — Debt securities		62,913	—	—	(5,133)	17,022	(623)	74,179	—
— Equity investments		1,114,834	—	—	—	—	(65,992)	1,048,842	—
Sub-total		32,811,835	—	35,933,595	(30,319,644)	(9,400)	(85,380)	38,331,006	23,364
Liabilities									
Financial liabilities at fair value through profit or loss	28	(1,524,546)	—	—	20,891	(179,012)	—	(1,682,667)	(179,012)
Total		31,287,289	—	35,933,595	(30,298,753)	(188,412)	(85,380)	36,648,339	(155,648)

Notes to the Consolidated Interim Financial Report *(Continued)*

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

43 Financial risk management *(Continued)*

43.3 Capital management

The Group's capital management objectives are as follows:

- maintain an adequate capital base to support the development of its business;
- support the Group's financial stability and profitable growth;
- allocate capital through an efficient and risk based approach to optimize risk-adjusted return to shareholders; and
- safeguard the long-term sustainability of the Group's franchise so that it can continue to provide sufficient owner returns and benefits for other stakeholders.

Capital adequacy ratio and the use of regulatory capital are monitored quarterly by the Bank's management with employing techniques based on the guidelines developed by the Basel Committee, as implemented by the NFRA, for supervisory purposes. The required information is filed with the NFRA on a quarterly basis.

The Bank calculated the capital adequacy ratio based on the Rules for Regulating the Capital Adequacy of Commercial Banks issued by the NFRA in October 2023. According to the approach, the Bank calculated the credit risk-weighted assets measurement by the weighted method, market risk-weighted assets measurement by the simplified standard method, and operation risk-weighted assets measurement by the standard method.

In accordance with "Rules for Regulating the Capital Adequacy of Commercial Banks", for non-systemically important banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50%, respectively. At present, the Bank fully complies with all statutory and regulatory requirements.

Notes to the Consolidated Interim Financial Report (Continued)

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

43 Financial risk management (Continued)

43.3 Capital management (Continued)

The capital adequacy ratio of 30 June 2026 and 31 December 2025 under the Rules for Regulating the Capital Adequacy of Commercial Banks are as follows:

	As at 30 June 2026	As at 31 December 2025
Core tier 1 capital	62,549,949	61,274,728
Core tier 1 capital deductions	(869,885)	(679,847)
Net core tier 1 capital	61,680,064	60,594,881
Other tier 1 capital	133,834	130,652
Net tier 1 capital	61,813,898	60,725,533
Tier 2 capital	9,639,123	9,482,953
Net capital	71,453,021	70,208,486
Total risk-weighted assets	465,766,811	455,643,201
Core tier 1 capital adequacy ratio	13.24%	13.30%
Tier 1 capital adequacy ratio	13.27%	13.33%
Capital adequacy ratio	15.34%	15.41%

44 Subsequent event

On 31 July 2026, the Group obtained “the Approval of Guangdong Office of The National Financial Regulatory Administration on Yunfu Xinxing Dongying County Bank Co., Ltd. merged by Dongguan Rural Commercial Bank Co., Ltd.” (Yue Jin Fu [2026] No.290). The Group will carry out the relevant work in relation to the absorption merger in compliance with applicable laws and regulations and in accordance with the relevant arrangements.

Notes to the Consolidated Interim Financial Report (*Continued*)

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

45 Possible impact of amendments, new standards and interpretations issued but not yet effective for the six months ended 30 June 2026

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the six months ended 30 June 2026, and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Effective for accounting periods beginning on or after		
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	(i)	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	(ii)	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture</i>	(ii)	To be determined

(i) IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1, Presentation of financial statements, and is first effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The Group is assessing the expected impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The Group expects that the adoption of IFRS 18 will not change the Group's net assets or net profit. However, it is expected to affect the presentation of the Group's consolidated statement of profit or loss and related note disclosures.

(ii) Other developments

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Unreviewed Supplementary Information

INFORMATION ON LEVERAGE RATIO

Accounting Items Corresponding to Leverage Regulatory Items and Differences between Regulatory Items and Accounting Items

Unit: RMB'000

Item	30 June 2026
Consolidated total assets	798,576,955
Consolidated adjustments	—
Adjustments on client assets	—
Derivatives adjustments	130,121
Securities financing transaction adjustments	321,519
Off-balance sheet item adjustments	23,938,820
Asset securitization transaction adjustments	—
Unsettled financial asset adjustments	—
Cash pool adjustments	—
Deposit reserves adjustments (if applicable)	—
Prudent valuation and impairment allowance adjustments	—
Other adjustments	(869,885)
Adjusted balance of on-balance and off-balance sheet assets	822,097,530

Notes:

- (1) This table is calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).
- (2) Adjusted balance of on- and off-balance sheet assets = consolidated total assets + consolidated adjustments + adjustments on client assets + derivatives adjustments + securities financing transaction adjustments + off-balance sheet item adjustments + other adjustments.

Unreviewed Supplementary Information (Continued)

Leverage Ratio Level, Net Tier 1 Capital, Adjusted On-Balance and Off-Balance Sheet Assets and Related Details

Unit: RMB'000

Item	30 June 2026
Balance of on-balance sheet assets	
On-balance sheet assets (except derivatives instruments and securities financing transactions)	810,995,806
Less: impairment allowance	(16,083,350)
Less: Tier 1 capital deductions	(869,885)
Adjusted balance of on-balance sheet assets (excluding derivatives instruments and securities financing transactions)	794,042,571
Balance of derivative instrument asset	
Replacement cost of various derivatives instruments (net of qualifying margin, considering the impact of the bilateral netting agreement)	423,690
Potential exposures of various derivatives instruments	332,183
Total collateral been deducted from the balance sheet	—
Less: Assets receivable due to provision of qualified margin	—
Less: Derivative instrument asset balance formed from transactions with central counterparties when providing clearing services to clients	—
Notional principal for selling credit derivatives instruments	—
Less: Deductible balance of sold credit derivatives instruments assets	—
Balance of derivative instrument asset	755,873
Asset balance of securities financing transactions	
Balance of accounting asset for securities financing transactions	3,360,267
Less: balance of securities financing transaction assets that can be deducted	—
Counterparty credit exposure for securities financing transactions	—
Asset balance of securities financing transactions formed by agency securities financing transactions	—
Asset balance of securities financing transactions	3,360,267
Balance of off-balance sheet assets	
Balance of off-balance sheet assets	141,659,036
Less: Balance of off-balance sheet items adjusted due to credit conversion	(117,599,184)
Less: impairment allowance	(121,031)
Adjusted off-balance sheet item balance	23,938,820
Net Tier 1 capital and adjusted balance of on- and off-balance sheet assets	
Net Tier 1 capital	61,813,898
Adjusted balance of on- and off-balance sheet assets	822,097,530
Leverage ratio	
Leverage ratio	7.52%
Leverage ratio a	7.52%
Minimum leverage ratio requirement	4.00%

Notes:

- (1) This table is calculated in accordance with relevant requirements of the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》).
- (2) The leverage ratio is calculated by dividing the net Tier 1 capital by the adjusted balance of on- and off-balance sheet assets.

