

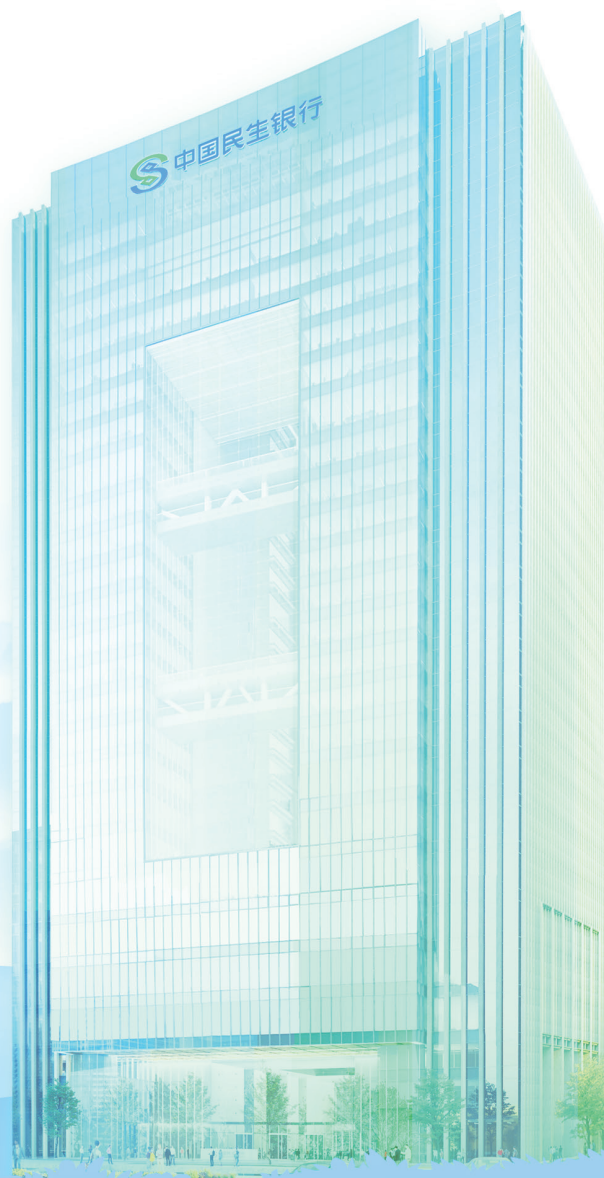


中国民生银行
CHINA MINSHENG BANK



(a joint stock limited company incorporated in the People's Republic of China)

Stock Code: 01988



2026
INTERIM REPORT

IMPORTANT NOTICE

The Board of Directors, the Directors, and the Senior Management of the Bank warrant the truthfulness, accuracy and completeness of the contents of this Interim Report and there are no misstatements, misleading representations or material omissions in this Interim Report, and shall assume several and joint liability.

This Interim Report was considered and approved on 28 August 2026 at the 24th meeting of the 9th session of the Board of Directors of the Bank. Of the 15 Directors who were entitled to attend the meeting, 8 Directors attended the meeting in person, and 7 Directors attended the meeting by teleconference or video conference.

The interim financial reports of 2026 prepared by the Bank in accordance with the Chinese Accounting Standards (“CAS”) and the IFRS Accounting Standards have been reviewed by KPMG Huazhen LLP and KPMG in accordance with the PRC and international standards on review engagements, respectively.

GAO Yingxin (Chairman), WANG Xiaoyong (President), LI Bin (Executive Vice President in charge of finance and accounting), and ZHANG Lanbo (person in charge of the accounting department) declare that they warrant the truthfulness, accuracy and completeness of the financial reports included in this Interim Report.

Pursuant to the resolutions and authorisations of the 2025 Annual Shareholders’ Meeting, the interim profit distribution plan for 2026 has been considered and approved by the Board of Directors: On the basis of the total number of shares of the Bank as at the record dates of profit distribution, a cash dividend of RMB1.18 (tax inclusive) would be distributed to all shareholders of the Bank for every 10 shares held.

Unless otherwise specified, the financial data and indicators contained in this Interim Report are the consolidated data of the Group and all amounts are denominated in RMB.

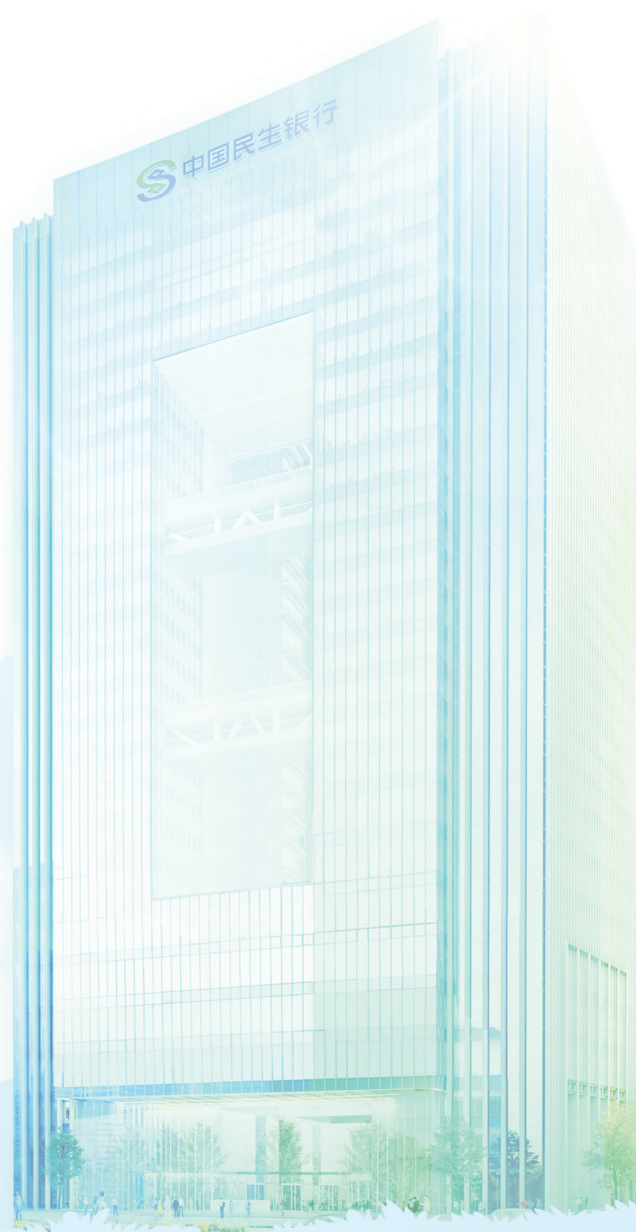
The forward-looking statements about matters such as future plans in this Interim Report do not constitute substantive commitments of the Bank to the investors, and the investors and related persons shall maintain sufficient risk awareness in this regard, and shall understand the difference among plans, forecasts and commitments.

Material Risk Warning: The Bank has not found any material risks that will adversely affect the Bank’s future development strategy and business objectives. The Bank has taken active measures to effectively manage various risks. For details, please refer to the relevant contents under “Chapter 3 Management Discussion and Analysis” of this Report.

This Report is prepared in Chinese and English, respectively. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

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DEFINITIONS

In this Report, unless the context otherwise requires, the following terms shall have the meanings set out below.

Bank, the Bank, Company, China Minsheng Bank, Minsheng Bank	China Minsheng Banking Corp., Ltd.
Group	the Bank and its subsidiaries
Minsheng Financial Leasing	Minsheng Financial Leasing Co., Ltd.
Minsheng Royal Fund	Minsheng Royal Fund Management Co., Ltd.
CMBC International	CMBC International Holdings Limited
CMBC Wealth Management	CMBC Wealth Management Co., Ltd.
NFRA	National Financial Regulatory Administration
PBOC	The People's Bank of China
CSRC	China Securities Regulatory Commission
former CBIRC	former China Banking and Insurance Regulatory Commission
former CBRC	former China Banking Regulatory Commission
former CIRC	former China Insurance Regulatory Commission
SSE	Shanghai Stock Exchange
SEHK	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on SEHK
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
Articles of Association	the Articles of Association of China Minsheng Banking Corp., Ltd.
Reporting Period	the period from 1 January 2026 to 30 June 2026

CHAPTER 1 BANK PROFILE

1. Registered Chinese Name: 中國民生銀行股份有限公司
(Abbreviation: 中國民生銀行)
Registered English Name: CHINA MINSHENG BANKING CORP., LTD.
(Abbreviation: CMBC)
2. Legal Representative: GAO Yingxin
3. Authorised Representatives: YEUNG Chi Wai, Jason, WANG Honggang
4. Board Secretary: LI Bin
Company Secretary: WANG Honggang
Representative of Securities Affairs: WANG Honggang
Mailing Address: No. 2 Fuxingmennei Avenue, Xicheng District, Beijing, China
IR Hotline: 86-10-58560975; 86-10-58560824
Facsimile: 86-10-58560720
Email: cmbc@cmbc.com.cn
5. Registered and Office Address: No. 2 Fuxingmennei Avenue, Xicheng District, Beijing, China
Postal Code: 100031
Website: www.cmbc.com.cn
Email: cmbc@cmbc.com.cn
Hotline for Customer Service: 86-95568
Hotline for Credit Card Service Supervision: 86-400 66 95568
6. Branch Office and Place of Business in Hong Kong SAR: Flat 3701-02, 3712-16, 37/F and 40/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong SAR, China
7. Newspapers and Websites for Publishing Interim Report: China Securities Journal (www.cs.com.cn), Shanghai Securities News (www.cnstock.com) and Securities Times (www.stcn.com)
SSE Website for Publishing A Share Interim Report: www.sse.com.cn
SEHK Website for Publishing H Share Interim Report: www.hkexnews.hk
Place for Collection of the Interim Reports: Office of the Board of Directors of the Bank

CHAPTER 1 BANK PROFILE

- | | | |
|-----|---|--|
| 8. | Legal Adviser as to PRC Law: | Grandall Law Firm, Beijing Office |
| | Legal Adviser as to Hong Kong Law: | Clifford Chance |
| 9. | Domestic Accounting Firm: | KPMG Huazhen LLP |
| | Office Address: | 8/F, Office Tower E2, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing, China |
| | Signing Accountants: | SHI Jian, ZHANG Luyang |
| | International Accounting Firm: | KPMG |
| | Office Address: | 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong SAR, China |
| | Signing Accountant: | LEUNG Tat Ming |
| 10. | A Share Registrar: | China Securities Depository and Clearing Corporation Limited (Shanghai Branch) |
| | Office Address: | No. 188 Yanggao Nan Road, Pudong New Area, Shanghai, China |
| | H Share Registrar: | Computershare Hong Kong Investor Services Limited |
| | Office Address: | Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong SAR, China |
| | Domestic Preference Share Registrar: | China Securities Depository and Clearing Corporation Limited (Shanghai Branch) |
| 11. | Places of Listing, Stock Names and Stock Codes: | |
| | A Shares: SSE | Stock Name: MINSHENG BANK;
Stock Code: 600016 |
| | H Shares: SEHK | Stock Name: MINSHENG BANK;
Stock Code: 01988 |
| | Domestic Preference Shares: SSE | Stock Name: Minsheng Preference 1;
Stock Code: 360037 |
| 12. | Initial Date of Registration: | 7 February 1996 |
| | Initial Place of Registration: | No. 4 Zhengyi Road, Dongcheng District, Beijing, China |
| 13. | Date of Registration for Subsequent Change: | 20 November 2007 |
| | Place of Registration: | No. 2 Fuxingmennei Avenue, Xicheng District, Beijing, China |
| 14. | Unified Social Credit Code: | 91110000100018988F |

CHAPTER 1 BANK PROFILE

15. Development Strategy and Business Summary

Formally established in Beijing in 1996, the Bank is the first national joint-stock commercial bank in China primarily initiated and founded by non-state-owned enterprises (NSOEs).

Strategic development goals:

A first-class commercial bank with distinctive features, continuous innovation, increasing value and steady operation

Strategic positionings:

A bank for NSOEs. Sticking to the customer positioning and the strategic choice it has been following over the years, the Bank keeps its distinctive features unchanged. The Bank continues to leverage the advantages of market-oriented system and mechanism, takes “accompanying growth and development, empowering industrial ecosystem, and fulfilling entrepreneurs’ dreams” as the guidance, keeps developing the distinctive service model for NSOEs with strong market competitiveness, and strives to become the preferred bank of NSOEs and to build a golden brand of China Minsheng Bank in the field of financial services to micro-, small- and medium-sized enterprises (MSMEs), so as to truly implement the mission of “serving the public, caring about people’s livelihood”.

An agile and open bank. Following the development trend of digital economy, the Bank promotes continuous innovation and optimises comprehensive services such as scenario integration and ecosystem co-construction driven by technology and data, so as to empower the whole production process and life journey of small-, medium- and large-sized enterprises as well as individual customers. The Bank strengthens AI+ application and elevates the digital and intelligent level of operation and management in all aspects, in a bid to improve the experience of customers and employees, create value for customers and grow together with them.

A bank with considerate services. The Bank stays customer-centric, creates value through service, and puts special emphasis on its origins of service and business and compliance and steadiness. Based on the deep understanding of customer needs, the Bank strives to build up trust through professional services, enhance customer experience through optimised procedures, strengthen customer stickiness through value creation, and maintain security through risk management and control, so as to unite with customers and partners, become customers of each other, grow together and achieve common prosperity.

Upon the approval of the relevant regulatory authorities, the Bank operates the following commercial banking businesses: taking deposits from the public; granting short-, mid- to long-term loans; handling domestic and foreign settlements; accepting and discounting negotiable instruments, and issuing financial bonds; issuing, settling and underwriting government bonds as an agent; buying and selling government bonds and financial bonds; operating interbank borrowing and lending; buying and selling foreign exchange, and buying and selling foreign exchange as an agent; settling and selling foreign exchange; operating bank card business; providing letter of credit services and guaranty; receiving and paying funds as an agent; providing safe deposit box service; operating other businesses approved by the banking regulatory authority of the State Council; operating insurance business as a sideline agent; selling securities investment funds and providing custody services for securities investment funds. (The market entity independently chooses and operates businesses in accordance with laws. Operations of sideline insurance agency, sales of securities investment funds, custody of securities investment funds, and businesses subject to approvals according to laws shall be carried out upon approvals of relevant authorities and within the approved scopes. It is not allowed to operate businesses prohibited or restricted by national or municipal industry policies.)

For the main changes in the Bank’s business philosophy during the Reporting Period, please refer to “Chapter 3 Management Discussion and Analysis”.

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

I. Major Accounting Data and Financial Indicators

	January to June 2026	January to June 2025	Changes of the Reporting Period over the corresponding period of the previous year	January to June 2024
			Increase/decrease (%)	
Operating results (RMB million)				
Operating income	73,695	70,701	4.23	65,589
Net interest income	52,584	49,203	6.87	48,582
Net non-interest income	21,111	21,498	-1.80	17,007
Of which: Net fee and commission income	9,809	9,685	1.28	9,645
Operating expenses	21,357	21,522	-0.77	21,453
Impairment losses on credit	31,457	26,039	20.81	20,551
Profit before income tax	20,620	22,794	-9.54	23,476
Net profit attributable to holders of equity shares of the Bank	19,537	21,380	-8.62	22,474
Net cash flow from operating activities	184,168	-219,043	Negative for the previous period	-283,843
Data per share (RMB)				
Basic earnings per share	0.40	0.45	-11.11	0.43
Diluted earnings per share	0.40	0.45	-11.11	0.43
Net cash flow per share from operating activities	4.21	-5.00	Negative for the previous period	-6.48
Profitability indicators (%)			Changes in percentage points	
Return on average assets (annualised)	0.49	0.55	-0.06	0.60
Return on weighted average equity (annualised)	6.05	7.14	-1.09	7.04
Cost-to-income ratio	27.80	29.22	-1.42	31.36
Net fee and commission income to operating income ratio	13.31	13.70	-0.39	14.71
Net interest spread (annualised)	1.39	1.30	0.09	1.26
Net interest margin (annualised)	1.47	1.39	0.08	1.38

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

	30 June 2026	31 December 2025	Changes from the end of the previous year to the end of the Reporting Period	31 December 2024
			Increase/decrease (%)	
Scale indicators (RMB million)				
Total assets	7,794,531	7,832,567	-0.49	7,814,969
Total loans and advances to customers	4,509,997	4,430,610	1.79	4,450,480
Of which: Corporate loans and advances	2,906,925	2,751,726	5.64	2,679,921
Personal loans and advances	1,603,072	1,678,884	-4.52	1,770,559
Allowance for impairment losses on loans	94,305	93,966	0.36	93,129
Total liabilities	7,076,982	7,129,370	-0.73	7,158,401
Total deposits from customers	4,392,555	4,277,238	2.70	4,249,095
Of which: Corporate deposits	2,949,121	2,885,374	2.21	2,946,810
Personal deposits	1,441,898	1,390,217	3.72	1,298,353
Share capital	43,782	43,782	–	43,782
Total equity attributable to holders of equity shares of the Bank	704,800	689,637	2.20	642,859
Total equity attributable to holders of ordinary shares of the Bank	579,800	564,637	2.69	547,859
Net assets per share attributable to holders of ordinary shares of the Bank (RMB)	13.24	12.90	2.64	12.51
			Changes in percentage points	
Asset quality indicators (%)				
NPL ratio	1.47	1.49	-0.02	1.47
Allowance to NPLs	142.19	142.04	0.15	141.94
Allowance to total loans	2.09	2.12	-0.03	2.09
			Increase/decrease (%)	
Capital adequacy ratio indicators (RMB million)				
Net capital base	820,830	784,943	4.57	752,993
Of which: Net core tier-1 capital	578,300	563,554	2.62	546,689
Net other tier-1 capital	125,792	125,810	-0.01	95,814
Net tier-2 capital	116,738	95,579	22.14	110,490
Risk-weighted assets	6,142,309	6,011,048	2.18	5,842,716
			Changes in percentage points	
Core tier-1 capital adequacy ratio (%)	9.42	9.38	0.04	9.36
Tier-1 capital adequacy ratio (%)	11.46	11.47	-0.01	11.00
Capital adequacy ratio (%)	13.36	13.06	0.30	12.89
Total equity to total assets ratio (%)	9.21	8.98	0.23	8.40

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

Notes:

1. Return on average assets = net profit/average balance of total assets at the beginning and the end of the period.
2. Earnings per share and return on weighted average equity: calculated according to the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (2010 Revision) 《公開發行證券的公司信息披露編報規則第 9 號 – 淨資產收益率和每股收益的計算及披露》(2010 年修訂)) and other regulations. The effect of the distribution of dividends for preference shares and perpetual bond interest was taken into account in calculating the above indicators.
3. Cost-to-income ratio = (operating expenses and other operating expenses – tax and surcharges)/operating income.
4. Net interest spread = average return ratio on interest-earning assets – average cost ratio of interest-bearing liabilities.
5. Net interest margin = net interest income/average balance of interest-earning assets.
6. Total loans and advances to customers, total deposits from customers and the compositions of which do not include accrued interests.
7. Allowance for impairment losses on loans includes allowance for impairment losses on loans measured at amortised cost, and allowance for impairment losses on loans at fair value through other comprehensive income.
8. Total deposits from customers include corporate deposits, personal deposits and other deposits.
9. NPL ratio = total NPLs/total loans and advances to customers.
10. Allowance to NPLs and allowance to total loans were calculated according to the Notice on Adjusting the Regulatory Requirements on Allowance for Impairment Losses on Loans of Commercial Banks (Yin Jian Fa [2018] No. 7) 《關於調整商業銀行貸款損失準備監管要求的通知》(銀監發〔2018〕7號)) of the former CBIRC. As at the end of the Reporting Period, the regulatory standards for allowance to NPLs and allowance to total loans applicable to the Group and the Bank were 130% and 1.8%, respectively. Allowance to NPLs = allowance for impairment losses on loans/total NPLs; allowance to total loans = allowance for impairment losses on loans/total loans and advances to customers.

CHAPTER 2 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

II. Supplementary Accounting Data and Financial Indicators

Important indicators (%)	Benchmark	30 June 2026	31 December 2025	31 December 2024
Liquidity ratio (RMB and foreign currency)	≥25	72.14	75.23	82.95
Liquidity ratio (RMB)	≥25	65.78	71.23	80.74
Liquidity ratio (Foreign currency)	≥25	193.33	153.90	123.49
Liquidity coverage ratio	≥100	134.11	135.60	161.99
Net stable funding ratio	≥100	105.94	104.85	108.31
Leverage ratio	≥4.125	7.55	7.51	7.18
Percentage of loans to the single largest loan customer	≤10	1.86	1.42	2.42
Percentage of loans to the top ten loan customers	≤50	8.81	8.34	10.17

Notes:

1. The above data were calculated based on the relevant regulations of China's banking regulatory authorities.
2. Percentage of loans to the single largest loan customer = total loans to the single largest loan customer/net capital base.
3. Percentage of loans to the top ten loan customers = total loans to the top ten loan customers/net capital base.

Migration ratio of loans (%)	30 June 2026	31 December 2025	31 December 2024
Pass	1.88	1.52	1.56
Special-mentioned	29.51	27.82	28.93
Substandard	160.95	90.11	86.85
Doubtful	170.08	89.55	79.02

Note: The migration ratio of loans was the information of the Bank and was calculated according to the Notice of China Banking and Insurance Regulatory Commission on Revising the Definition and Calculation Formula for the Basic Indicators of Offsite Supervision of the Banking Industry (Yin Bao Jian Fa [2022] No. 2) 《中國銀保監會關於修訂銀行業非現場監管基礎指標定義及計算公式的通知》(銀保監發〔2022〕2號)). The data of 30 June 2026 was the annualised data.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

I. Overview of Operations

During the Reporting Period, the Group thoroughly implemented national strategic deployments and regulatory requirements, remained focused on the strategic priorities of “stabilising growth, optimising structure, strengthening foundation, and enhancing quality and effectiveness”, and continued to consolidate its customer base, iterate basic products and services, and strengthen foundational management capabilities. Adhering to the customer-centric philosophy, the Group optimised its customer structure by deepening engagement with existing customer groups and optimising new customer groups; it deepened layered and classified customer group management, and created value through service enhancement; it strengthened the development of high-quality customer acquisition channels, fulfilled operating responsibilities, and effectively promoted new customer growth. The Group enhanced liability management by prioritising the growth of low-cost deposits. Leveraging its enterprise-level funds service system, it deepened closed-loop fund management across all customer groups, all scenarios and all processes, thereby promoting the growth of low-cost liabilities. The Group insisted on high-quality credit growth, proactively integrated itself into the national development, served the real economy, and increased support for key areas such as the “five major sectors” of finance, manufacturing, and the NSOE economy. The Group thoroughly implemented the philosophy that “compliant operation is the core competitiveness” and regarded risk and compliance management as an important means of value creation. The Group comprehensively enhanced risk control and compliance capabilities, and strengthened the management and control of new risks and the mitigation of existing risks. The Group deepened digital and intelligent empowerment for operation, and drove the upgrading of key business scenarios and management models through the dual wheels of digital technology and data factor. The Group achieved reasonable growth in credit scale, continuous optimisation of business structure and effective prevention and control of risks, with overall operations demonstrating a sound trend of making progress and enhancing quality in stability.

The scale of assets and liabilities remained steady with continuously optimised structure. On the asset side, the Group continued to increase credit placement by focusing on key areas and weak links of the real economy. As at the end of the Reporting Period, total assets of the Group amounted to RMB7,794,531 million, representing a decrease of RMB38,036 million, or 0.49%, as compared with the end of the previous year. Of which, general loans continued to increase. The balance of general loans amounted to RMB4,375,540 million at the end of the period, representing an increase of RMB71,180 million, or 1.65%, as compared with the end of the previous year, and accounted for 56.14% of total assets, representing an increase of 1.19 percentage points as compared with the end of the previous year. On the liability side, the Group strengthened customer management and products and services, enhanced the full life-cycle management of customer funds with a transaction flow-oriented mindset, and expanded deposit accumulation and optimised liability structure through closed-loop settlement, product continuation and service enhancement. As at the end of the Reporting Period, total liabilities of the Group amounted to RMB7,076,982 million, representing a decrease of RMB52,388 million, or 0.73%, as compared with the end of the previous year. Of which, total deposits from customers amounted to RMB4,392,555 million, representing an increase of RMB115,317 million, or 2.70%, as compared with the end of the previous year, and accounted for 62.07% of total liabilities, representing an increase of 2.08 percentage points as compared with the end of the previous year. Personal deposits maintained steady growth. The balance of personal deposits at the end of the period increased by RMB51,681 million as compared with the end of the previous year, and the proportion rose by 0.33 percentage points.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

The net interest margin increased as compared with the corresponding period of the previous year and the operating income maintained growth. The Group continued to deepen reform and transformation, focused on optimising liability structure, stabilised net interest margin, and promoted the continuous improvement in business performance. During the Reporting Period, the net interest margin of the Group was 1.47%, representing an increase of 8BP as compared with the corresponding period of the previous year. Meanwhile, the daily average scale of interest-earning assets of the Group increased by RMB78,115 million, or 1.10%, as compared with the corresponding period of the previous year. Improvement in interest margin and expansion in scale contributed to the increase in operating income. During the Reporting Period, the operating income of the Group amounted to RMB73,695 million, representing an increase of RMB2,994 million, or 4.23%, as compared with the corresponding period of the previous year. Of which, the net interest income amounted to RMB52,584 million, representing an increase of RMB3,381 million, or 6.87%, as compared with the corresponding period of the previous year. The net fee and commission income of the Group amounted to RMB9,809 million, representing an increase of RMB124 million, or 1.28%, as compared with the corresponding period of the previous year. During the Reporting Period, the Group intensified the disposal of non-performing assets, and the impairment losses on credit increased as compared with the corresponding period of the previous year. The net profit attributable to holders of equity shares of the Bank amounted to RMB19,537 million, representing a decrease of RMB1,843 million, or 8.62%, as compared with the corresponding period of the previous year.

The integrated risk management system of the Group was consolidated and the asset quality was kept generally stable. During the Reporting Period, the Group consistently practised the risk preference of “seeking progress in stability, optimising structure, and improving quality and effectiveness”, and took “comprehensive, refined and proactive management” as the core objective of risk management, thereby strengthening support for the high-quality development of the whole bank. The Group launched the “Year of Deepening Post-Lending and Post-Investment Management” initiative, deepened the development of the coordinated management system of three lines of defence, and realised deep integration of business development and risk management. It also enhanced risk prevention and control capabilities in key areas, and intensified the collection and disposal of non-performing assets to maintain overall stability of the asset quality. As at the end of the Reporting Period, total NPLs of the Group amounted to RMB66,323 million, representing an increase of RMB169 million as compared with the end of the previous year. The NPL ratio was 1.47%, representing a decrease of 0.02 percentage points as compared with the end of the previous year. The allowance to NPLs was 142.19%, representing an increase of 0.15 percentage points as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

II. Review of Businesses

(I) Vigorously supporting the “five major sectors”

1. Sci-tech finance

The Bank incorporated sci-tech finance as a strategic business into its mid- to long-term development plan, and continued to improve the quality and effectiveness of financial services for sci-tech innovation enterprises. Firstly, the Bank closely aligned with the national 15th Five-Year Plan. It continued to deepen its engagement with key segments of strategic emerging industries and future industries, focused on strategic clients, conducted chain-based development, and enhanced industrial empowerment capabilities. It also improved customer service models to increase operating quality and effectiveness. Secondly, the Bank optimised its service mechanisms. It enhanced the service quality and effectiveness of featured sub-branches/dedicated sub-branches of sci-tech finance, upgraded the sci-tech innovation finance model 2.0, established a three-in-one service system combining “private equity institutions ecosystem-based customer acquisition + full life-cycle services + professional risk control”, and strengthened dynamic evaluation and review of the operating performance of the featured sub-branches/dedicated sub-branches. Thirdly, the Bank continued to deepen ecosystem development. It promoted the launching and implementation of the investment-linked lending business model, deepened cooperation with professional investment institutions, and provided comprehensive financial services for sci-tech innovation enterprises throughout their life cycles. It strengthened close coordination with ecosystem partners including government agencies, research institutions, industry participants and capital providers, and integrated the Group’s commercial banking, investment banking and domestic and overseas resources to provide sci-tech innovation enterprises with one-stop services covering equity, bonds, credit and guarantees. Fourthly, the Bank strengthened digital and intelligent service capabilities. Leveraging AI, it continued to iterate the “Sparks Platform for Sci-Tech Finance (科技金融萤火平台)”, promoted functional integration with other tools, and developed one-stop smart marketing tool. As at the end of the Reporting Period, the Bank provided services for 129.8 thousand sci-tech enterprises.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Green finance

The Bank incorporated green finance into its core strategy, continuously improved green finance product and service system, consistently strengthened business innovation, and achieved positive results in business development. Firstly, the Bank recorded rapid growth in green credit. As at the end of the Reporting Period, the balance of green loans of the Bank amounted to RMB389,199 million, representing an increase of RMB35,770 million, or 10.12%, as compared with the end of the previous year, providing strong credit support for the development of green and low-carbon industries. Secondly, the Bank actively prepared for the issuance of green financial bonds. On the basis of its breakthrough in green financial bond issuance in 2025, the Bank actively advanced green financial bond issuance in the first half of 2026 and has basically completed the preparation¹, with all proceeds to be invested in green real economy projects. Thirdly, the Bank continued to improve the green finance product and service system. Guided by the brand of “Minsheng Carbon Peak and Carbon Neutrality (民生峰和)”, the Bank continuously enhanced its product series of “investment (Green Investment Express), financing (Green Financing Express), supply chain (Green Supply Chain Express), and operation (Green Operation Express)”, and focused on key industries such as energy and steel to develop a full life-cycle service system for green development. During the Reporting Period, based on customer needs and market trends, the Bank developed comprehensive financial service solutions for areas such as intelligent energy and green factories, which received positive feedback. Fourthly, the Bank advanced carbon finance and green innovation in an in-depth manner. The Bank deeply participated in the development of the national carbon market and widely supported the trading and settlement needs of emission-control enterprises in high-carbon industries. It strengthened the promotion of businesses including “Minsheng E-Carbon Loan (民生碳e贷)”, environmental rights pledge and “Carbon Inclusive Bonus (碳普惠红包)”, and promoted the launching of innovative businesses such as sustainable development-linked loans and transition loans. Fifthly, the Bank’s sustainable development was highly recognised. Through years of dedicated efforts in green and low-carbon development, the Bank’s sustainability philosophy and practices have been widely recognised, and its MSCI ESG rating has remained at AAA consecutively.

¹ The “2026 Green Financial Bonds (First Tranche) of China Minsheng Banking Corp., Ltd.” was book-built and recorded on 16 July 2026, and the issuance was completed on 20 July 2026. The Bonds were issued in an amount of RMB15 billion with a 3-year fixed coupon rate of 1.50%.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

3. Inclusive finance

The Bank thoroughly implemented the spirit of the Central Financial Work Conference and solidly supported the development of inclusive finance. In line with national financial regulatory guidance and the overall requirements of “stabilising placement, optimising structure, improving quality and ensuring sustainability” concerning financial services for micro- and small-sized enterprises (MSEs), the Bank remained committed to pursuing high-quality and sustainable development of inclusive finance. It placed greater emphasis on matching financial resources with the needs of the real economy and pursued both effective improvement in credit quality and reasonable growth in credit scale. Firstly, the Bank continued to deepen engagement with small business customer group and expanded service coverage for micro-, small- and medium-sized business entities. During the Reporting Period, the Bank established a layered and classified service system for small business customers of different types and at different stages of development, and maintained long-term and stable connections with a broad range of business entities through high-frequency basic financial services. It increased financial support for sci-tech innovation MSEs, and established and improved a service system covering enterprises’ full life cycle. Focusing on distinctive customer groups such as foreign trade MSEs, the Bank strengthened cross-border settlement and basic financial service capabilities, creating financial support channels throughout the full operating process of MSEs engaged in foreign trade-related business. During the Reporting Period, the accumulated settlement volume of settlement and acceptance business for small business merchants and MSEs amounted to RMB35,330 million, and the international settlement volume for MSMEs amounted to USD12,000 million. Secondly, the Bank optimised credit resource allocation and provided targeted credit support for key areas. During the Reporting Period, the Bank continued to adjust the placement structure of inclusive credit, established a precise reach mechanism based on the whitelist of high-quality customer groups, and prioritised customer groups aligned with national strategic orientation, including chains of group customers, upstream and downstream entities of industrial chains, operational wealth management customer groups, sci-tech innovation MSEs, and regionally distinctive industrial clusters. In response to the differentiated financing needs of business entities in various locally distinctive industries, the Bank implemented 357 exclusive and comprehensive financial solutions under the “Honeycomb Plan (蜂巢計劃)”, achieving precise customer reach through the “one industry, one policy” approach. The Bank continued to upgrade its smart risk control platform for MSMEs, iterated and optimised the product series of “Minsheng Benefits” unsecured loans (“民生惠”信用貸), and enhanced the accuracy of risk identification and the efficiency of approval processes. As at the end of the Reporting Period, the balance of “Minsheng Benefits” unsecured loans reached RMB36,220 million, achieving a balance between reasonable profit concessions and sound asset quality. Thirdly, leveraging digital capabilities, the Bank upgraded comprehensive financial products and improved service efficiency for MSEs. The Bank continued to iterate the online service platform of “E-Minsheng Family (民生e家)”, providing MSEs with one-stop digital operation tools covering personnel management, payroll and tax agency services, financial bookkeeping, invoice management and expense reimbursement. The platform had served more than 20 thousand MSEs cumulatively, helping them reduce daily operation and management costs. The Bank continued to optimise processes for online financing businesses such as bills and letters of guarantee (L/Gs), enabling the issuance of bank acceptances for MSEs within seconds and reducing the processing time for small business L/Gs to less than four hours. Through digital and smart approaches, the Bank simplified business processes and effectively enhanced financing convenience for MSEs.

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As at the end of the Reporting Period, the balance of inclusive small business loans of the Bank amounted to RMB675,935 million, and the number of customers of inclusive small business loans was 401.3 thousand. During the Reporting Period, the average interest rate of inclusive small business loans disbursed by the Bank was 3.14%, and the NPL ratio of inclusive small business loans was 1.45%. 2,376 business outlets of the Bank continued to provide professional inclusive financial services to MSEs.

4. Ageing finance

The Bank actively responded to the national strategic deployments for addressing population aging, upheld the long-term vision of “becoming the preferred bank for ageing finance”, and took “Minsheng Enjoyment (民生悦享)” as the unified brand to enhance its comprehensive service capabilities in ageing finance. Firstly, the Bank deeply integrated into the development of a multi-level and multi-pillar pension insurance system. With respect to the first pillar, the Bank strengthened basic services such as social security card renewal and pension payment agency. With respect to the second pillar, it strengthened the promotion of coverage expansion of corporate annuities and enhanced capabilities in serving annuity customers. With respect to the third pillar, it launched electronic government savings bonds and enriched the asset allocation instruments for individual pension account. Secondly, the Bank enhanced the quality and effectiveness of financial services for the elderly care industry. It made effective use of policy instruments such as re-lending and interest subsidies to actively support elderly care institutions, nursing institutions, and other related sectors. Thirdly, the Bank continued to improve the service experience for elderly customers across all channels. It optimised standardised procedures for age-friendly services at offline outlets and upgraded the functions of mobile banking and 95568 customer service hotline for serving elderly customers. Fourthly, the Bank consolidated the line of defence for financial safety of the elderly group. It introduced specific verification rules for risk assessments of the elderly and continued to conduct anti-fraud publicity.

As at the end of the Reporting Period, the number of individual pension accounts of the Bank amounted to 2,648.9 thousand, representing an increase of 60.9 thousand, or 2.35%, as compared with the end of the previous year. The number of personal accounts of the corporate annuity account management business amounted to 327.1 thousand, representing an increase of 4.67% as compared with the end of the previous year.

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5. Digital finance

During the Reporting Period, the Bank seized the opportunities presented by the AI technological revolution, responded to national policies and regulatory guidance, formulated the five-year action plan for digital finance in a coordinated manner, and developed blueprints for technology, data, and AI infrastructure, thereby systematically advancing the development of a digital and intelligent Minsheng. The Bank further enhanced the research and development system, continued to promote the development management model for value delivery of digital products across a broader range of business lines, and strengthened talent cultivation. The special work of data governance of the restructuring of rural banks advanced in an orderly manner with focus on the development of indicator standards and indicator management. The Bank successfully completed restructuring system switchover and data migration for the seven rural banks. The Bank established an AI-enhanced enterprise architecture (AEA) governance system to improve the quality and effectiveness of architecture management. Through the application of weight quantisation and speculative decoding technologies, the Bank increased the inference speed of large models by 40%. It has built an enterprise-level agent platform supporting Skill and MCP protocols, and realised agent identity authentication and prevention and control of unauthorised operations through gateway technology. The Bank also developed an AI agent for security vulnerability detection, enhancing its capability to identify vulnerabilities and potential security risks. In addition, the Bank has established a technical framework and service system for unstructured data ingesting into the data lake, and upgraded the capabilities in unified storage and value extraction for unstructured data. The Bank continued to advance the full-process smart evolution of software engineering, developed a lightweight application approach combining CLI with “specification-driven development”, expanded the scope of adaptation, and advanced multi-agent collaboration, so as to improve the efficiency and quality of end-to-end delivery.

Digital and intelligent marketing continued to enhance operating experience and effectiveness. The platform supported efficient analysis of individual and legal person customer groups, intelligently interpreted customer portraits, and provided targeted marketing recommendations. The Bank has established a marketing strategy decision-making mechanism, enabled unified strategy decision-making across multiple dimensions, and developed a tracking and iteration mechanism for strategy execution, thereby improving the customer acquisition and service efficiency of frontline employees. Digital and intelligent risk control continued to strengthen analysis and judgment capabilities. The Bank launched the credit policy knowledge base and smart credit policy comparison, and utilised large models to optimise scenario-based applications such as financial analysis and smart review, thereby shortening the credit approval turnaround time. It also established standardised operating procedures for credit monitoring and analysis and unified credit analysis benchmarks across the whole bank, in order to support comprehensive credit asset analysis and effective risk early-warning. The Bank implemented the requirements for targeted governance of “capital chains”, and optimised fraud-related risk assessments and prevention and control mechanisms for key scenarios such as acceptance and utility payments, thereby safeguarding customer funds. The digital and intelligent channels improved service efficiency and experience. The Bank launched smart assistant service on personal mobile banking, supporting customers to handle businesses through conversations. It also upgraded foreign exchange settlement and sales process, enabling transactions to be completed in four steps and within one minute. The Bank introduced asset overview function on corporate online banking and expanded payment

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scenarios. It also launched contracting centre and cross-screen authentication services on corporate mobile banking, improving the convenience of online contracting and transaction authentication. Digital and intelligent operations continued to advance. The Bank further differentiated services for corporate accounts, optimised fee-charging processes, expanded QR-code-based payment scenarios, and improved the corporate account opening functions of mobile operations, in order to provide customers with more convenient service experience through innovation in fee-charging models. The Bank deepened the application of large models on “remote banking”, with a focus on enhancing the precision and scenario coverage of smart assistance.

As at the end of the Reporting Period, the number of online retail platform users amounted to 131,691.2 thousand, representing an increase of 2.75% as compared with the end of the previous year; the number of bank-enterprise direct connect customers amounted to 11,324, representing an increase of 23.56% as compared with the end of the previous year.

(II) Review of main businesses

1. Corporate banking business

(1) Strategic measures

The Bank took corporate finance as an important approach for promoting the high-quality development of the real economy. It continued to implement the strategy of “3 (operating systems: command system, execution system and responsibility system) + 3 (management supports: digital and intelligent support, team support and policy support) + N (business growth drivers: SME customer groups, corporate wealth management, integrated settlement, supply chain finance, cross-border business, institutional business, listed companies, etc.)”. The Bank consistently optimised the layered and classified customer management system, strengthened the development of high-quality customer acquisition channels, consolidated customer management responsibilities, and improved the quality and effectiveness of integrated services for MSMEs, large enterprises and individual customers. The Bank strengthened settlement expansion, stuck to optimising liability structure, and significantly reduced the cost of liabilities. Focusing on the “five major sectors”, the Bank provided more credit support for key areas. The Bank improved the risk management system and mechanism for corporate banking business and comprehensively consolidated the first line of defence. The Bank also improved digital marketing and system support capabilities and empowerment mechanisms such as “Business Express (業務直通車)” in a steady manner, in order to promote the sustainable development of corporate business.

During the Reporting Period, the corporate banking business of the Bank maintained steady development. As at the end of the Reporting Period, the balance of corporate deposits of the Bank amounted to RMB2,939,102 million, representing an increase of RMB64,937 million, or 2.26%, as compared with the end of the previous year. The balance of general corporate loans amounted to RMB2,774,245 million, representing an increase of RMB146,910 million, or 5.59%, as compared with the end of the previous year.

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(2) Customer groups

The Bank deepened engagement with high-quality customer groups, and fully enforced the primary responsibilities of customer management. It implemented layered and classified customer management from both performance appraisal and market expansion perspectives. The Bank categorised customers into four groups, namely excellent, value, growth and potential, based on overall development results, and provided exclusive marketing and service solutions accordingly, in order to effectively enhance the quality of customer acquisition from channels and facilitate customer upgrading. Focusing on customers with strong growth potential such as sci-tech enterprises, listed and pre-IPO companies, and high-quality bond-issuing enterprises, the Bank leveraged the coordinated marketing system between the Head Office and branches to further explore customers' comprehensive financial needs across multiple scenarios, develop differentiated service solutions, and continuously enhance customer cooperation stickiness.

The Bank continued to optimise the management of strategic clients, intensified the driving force of strategic clients, and further enhanced the effectiveness of comprehensive development of MSMEs, large enterprises and individual customers. As at the end of the Reporting Period, the balance of corporate loans (including discounted bills) of strategic clients both at head office and branch levels² amounted to RMB1,599,087 million, representing an increase of RMB89,672 million as compared with the end of the previous year, the balance of corporate deposits amounted to RMB1,177,664 million, representing an increase of RMB24,231 million as compared with the end of the previous year. During the Reporting Period, total disbursement of supply chain financing driven by strategic clients amounted to RMB226,765 million; the number of corporate clients of payroll agency increased by 393, bringing in 95.9 thousand new individual customers of payroll agency.

In terms of institutional business, the Bank thoroughly implemented national strategies and deepened the integration of technology and business. Through coordination with government authorities, enterprises and residents, the Bank developed professional, distinctive and ecosystem-based settlement service scenarios for the institutional business, steadily accompanied customers on their growth journey, and realised mutually beneficial development. As at the end of the Reporting Period, the number of institutional customers of the Bank was 62,470, and the balance of deposits amounted to RMB507,396 million. During the Reporting Period, the Bank obtained 149 qualifications in key foundational areas, including fiscal funds, social security, housing and urban development, housing provident funds, agriculture and rural areas, medical insurance and pension funds.

² In accordance with the overall arrangement of the customer boundary for corporate banking segment, strategic clients adopted a new customer group boundary starting from the second quarter of 2026, with corresponding adjustments made to the comparative period data.

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(3) Businesses and products

Centring on customer needs, the Bank deepened comprehensive empowerment. The Bank conducted in-depth analysis of corporate settlement service needs and established an agile settlement business organisation across the Bank (the “Settlement+” task force) with focus on enterprises’ daily operating scenarios and funding needs. By horizontally connecting business lines and vertically integrating the Head Office, the branches and sub-branches, the Bank promoted comprehensive business integration across multiple dimensions, including international and domestic markets, settlement and financing, corporate and retail banking, and financial and non-financial services, providing customers with one-stop and full-chain comprehensive solutions. During the Reporting Period, the transaction volume of Tax and Fee Express (稅費通), Easy Supervised Account Express (易管通), Fund Collection Express (收款通) and Minsheng Treasury Cloud (民生財資雲) increased by 1.5 times as compared with the corresponding period of the previous year, the transaction volume of the payroll agency business increased by nearly 4% as compared with the corresponding period of the previous year, and the transaction volume of agency foreign exchange settlement and sales business increased by more than 30% as compared with the corresponding period of the previous year. As at the end of the Reporting Period, Minsheng Treasury Cloud provided services to 38 thousand customers and their member units at various levels.

The Bank continued to expand supply chain finance services and supported the real economy in reducing costs and improving efficiency. The Bank further enhanced the coordinated business development model of “one access for bank-wide services”. Leveraging scenario-based services of the “Minsheng E-Chain (民生E鏈)”, the Bank provided targeted financial support to SMEs in supply chains, and enhanced coordination efficiency across the entire industrial chain. As at the end of the Reporting Period, the supply chain finance cumulatively served more than 70 thousand customers in supply chains.

The Bank innovated cross-border coordination service mechanisms and practised high-level opening-up. The Bank implemented national deployments such as stabilising foreign trade, stabilising foreign investment and promoting RMB internationalisation, and comprehensively improved and promoted the “1+6” coordinated cross-border service mechanism comprising six major platforms, namely the Shanghai Pilot Free Trade Zone Branch, the Haikou Branch, the Hong Kong Branch, the London Branch, CMBC International, and Minsheng Financial Leasing. Leveraging the regional advantages and distinctive service capabilities of each platform, the Bank provided customers with comprehensive and multi-level cross-border financial solutions featuring “one access for global services”. During the Reporting Period, the volume of cross-border RMB business, cross-border asset placement and the number of customers served by cross-border businesses increased by 213.89%, 29.92% and 13.18%, respectively, as compared with the corresponding period of the previous year.

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The Bank continued to advance services in key areas, and improved its mid- to long-term loan product system. The Bank consistently enhanced resource allocation in key areas supported by the State, served the development of the real economy, and realised steady growth of syndicated loan business. As at the end of the Reporting Period, the balance of syndicated loans to domestic institutions amounted to RMB369,178 million, representing an increase of 3.42% as compared with the end of the previous year. Focusing on serving national strategic priorities, the Bank supported customers in direct financing. It actively underwrote sci-tech innovation bonds, green bonds, and rural revitalisation notes, etc. During the Reporting Period, RMB135,393 million bonds were issued, serving 262 customers. Of which, total number of debt financing instruments underwritten for non-financial enterprises was 350 with an amount of RMB134,393 million.

(4) Risk management

The Bank's corporate banking segment adhered to the principle of taking risk prevention and control capabilities as business development boundaries, resolutely implemented the risk preference of "seeking progress in stability, optimising structure, and improving quality and effectiveness", and coordinated development with security. By integrating business strategies, risk policies and comprehensive business planning into its annual development strategy, and focusing on the overall goal of high-quality development, the Bank continued to increase the allocation of credit resources to key areas such as the "five major sectors", while optimising the business structure. The Bank comprehensively consolidated the risk management system of the "first line of defence", enhanced proactive and forward-looking risk management, improved independent risk control capabilities, and effectively prevented and mitigated risks in key areas. Upholding the philosophy that "compliant operation is the core competitiveness", the Bank strictly safeguarded the bottom line of law-abiding and compliant operation, strengthened the management of compliance inspections, and continuously enhanced the quality and effectiveness of serving the real economy.

2. Retail banking business

(1) Strategic measures

The Bank took retail business as a long-term and fundamental strategic business, deepened the construction of system and mechanism for integrated coordination, focused on the development of digital and intelligent systems, continued to optimise the customer group management system, and enhanced the refined management capability of retail business.

As at the end of the Reporting Period, total retail AUM of the Bank amounted to RMB3,535,053 million, representing an increase of RMB251,205 million, or 7.65%, as compared with the end of the previous year. Of which, the financial assets of customers holding gold and higher-level cards amounted to RMB3,052,470 million, representing an increase of RMB228,495 million, or 8.09%, as compared with the end of the previous year, and accounted for 86.35% of total retail AUM of the Bank. Retail savings deposits amounted to RMB1,424,355 million, representing an increase of RMB56,398 million, or 4.12%, as compared with the end of the previous year. The intermediary income from wealth management business maintained rapid growth. During the Reporting Period, the intermediary income from wealth management business amounted to RMB3,013 million, representing an increase of RMB973 million, or 47.66%, as compared with the corresponding period of the previous year.

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As at the end of the Reporting Period, total retail loans (including credit card overdraft business) of the Bank amounted to RMB1,590,572 million, representing a decrease of RMB70,410 million, or 4.24%, as compared with the end of the previous year. Of which, credit card overdrafts amounted to RMB406,457 million, representing a decrease of RMB26,003 million as compared with the end of the previous year. The balance of mortgage loans amounted to RMB562,799 million, representing a decrease of RMB8,304 million as compared with the end of the previous year.

(2) Customer groups

As at the end of the Reporting Period, the number of retail customers of the Bank was 146,632.5 thousand, representing an increase of 2.56% as compared with the end of the previous year. The number of VIP customers was 5,103.5 thousand, representing an increase of 319.5 thousand, or 6.68% as compared with the end of the previous year.

During the Reporting Period, the Bank continued to advance the development of customer group management system. Firstly, the Bank reinforced the direct management model of the basic customer group and enhanced the capabilities of direct management managers. Secondly, the Bank improved the quality of dedicated management of the wealth management customer group and advanced the full-process and closed-loop marketing management. Thirdly, the Bank delivered private banking service with ultimate experience and provided comprehensive solutions based on customers' needs.

The Bank has built a high-quality customer acquisition system, and consolidated the foundation of the retail customer group. Firstly, as the Bank further enhanced the business and life cycle synergy mechanism, the quality of payroll agency customers continued to improve. Secondly, the Bank strengthened integrated coordination of credit card and established long-term and steady cooperation with Sam's Club to attract high-quality wealth management customers. Thirdly, the Bank promoted grid-based marketing and joined hands with collaborative partners around business outlets to co-build community finance ecosystem. Fourthly, focusing on high-frequency lifestyle scenarios, the Bank has established a diversified ecosystem-based customer acquisition system covering UnionPay, supermarkets, etc.

The Bank refined the management of the wealth management customer group and continuously enhanced customer service experience. Firstly, the Bank comprehensively optimised the customer management system, and focused on key business scenarios to achieve broader customer coverage. Secondly, the Bank launched integrated solutions to meet customers' diversified wealth management objectives. During the Reporting Period, the number of private banking customers upgraded from the wealth management customer group increased by 8.98% as compared with the corresponding period of the previous year. Thirdly, the Bank promoted customer experience upgrading by optimising online service interfaces, product purchase processes and compliant operation procedures.

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The Bank upgraded the digital and intelligent management system and deepened the development of comprehensive management platform for the individual customer group. Firstly, the Bank unified customer insight system and continuously iterated customer tagging and modelling capabilities. Secondly, the Bank unified strategy decision-making and has established a unified decision-making mechanism centred on customer experience and value contribution. Thirdly, the Bank unified content management and upgraded the content operation platform. Fourthly, the Bank unified channel allocation and has established standardised operating procedures across both online and offline channels. Fifthly, the Bank unified monitoring and assessment, and has developed a closed-loop monitoring mechanism covering “monitoring, early-warning, optimisation and validation”.

(3) Businesses and products

The Bank strove to enhance the market competitiveness of retail products and services, and stuck to providing warm and high-quality financial services to customers. The Bank enriched the shelves of steady wealth management products, optimised consumer credit services, and deepened the development of payment ecosystem to consistently enhance the quality and effectiveness of customer service.

Focusing on customers’ investment needs, the Bank comprehensively upgraded its shelves of wealth management products. Firstly, the Bank stabilised and strengthened wealth management products, increased the supply of wealth management products with high liquidity and steady yields and products with customised holding-period, while enhancing the quality management of the closed-end products of Assured Wealth Management and Sound Selection series. Secondly, the Bank enhanced the competitiveness of deposit products, and expanded the range of underlying assets linked to structured deposits. Thirdly, the Bank optimised insurance product portfolio by deploying participating insurance and commercial pension products. Fourthly, the Bank enriched its shelves of private equity products by adding multi-asset and multi-strategy products from the customer perspective.

Adhering to the objective of high-quality development, the Bank continued to optimise the structure of consumer credit placement. Firstly, the Bank deepened channel cooperation in terms of mortgage business. During the Reporting Period, the proportion of credit placement to key regions increased by 2.67 percentage points as compared with the corresponding period of the previous year, the proportion of credit placement to key real estate enterprises in the first-hand housing mortgage loans increased by 14.54 percentage points as compared with the corresponding period of the previous year, and the proportion of credit placement to leading intermediary agencies in the second-hand housing mortgage loans increased by 9.08 percentage points as compared with the corresponding period of the previous year. Secondly, the Bank steadily increased the coverage of Minsheng Easy Loan (民易贷), a personal unsecured consumer loan product, among key high-quality customer groups. During the Reporting Period, the proportion of contracted Minsheng Easy Loan customers among individual customers under high-quality institutions and high-quality existing customers of the Bank increased by 23.16 percentage points as compared with the corresponding period of the previous year.

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The Bank advanced the development of credit card ecosystem to drive the upgrading of consumer services. Firstly, the Bank actively responded to the government interest subsidy policy by launching a series of consumption promotion activities such as “government interest subsidies + instalment discount”. Secondly, the Bank further developed payment and settlement ecosystems, strengthened acceptance and settlement service capabilities in distinctive scenarios, including chain stores, government subsidies and cultural tourism, and has built high-quality consumer service brands such as “Preferential Minsheng Day (聚惠民生日)”. Thirdly, the Bank expanded digital consumption scenarios and continuously enhanced capabilities in online card application, card usage, instalment, payment and customer services. During the Reporting Period, the transaction volume of credit card electronic payment reached RMB369,157 million, representing an increase of 18.40% as compared with the corresponding period of the previous year; the number of transactions was 825 million, representing an increase of 10.29% as compared with the corresponding period of the previous year.

Physical distribution channels. The Bank has established an efficient domestic distribution network that covered all provinces in the Chinese mainland with a focus on the Yangtze River Delta, the Pearl River Delta, the Bohai Economic Rim and other regions. As at the end of the Reporting Period, the sales network of the Bank covered 142 cities in the Chinese mainland, including 148 branch-level institutions (including 41 tier-1 branches (excluding the Hong Kong Branch and the London Branch) and 107 tier-2 branches (including remote sub-branches)) and 2,376 business outlets of sub-branches, including 1,268 general sub-branches (including business departments), 970 community sub-branches, and 138 small business sub-branches.

Feature: Minsheng Bedrock 3.0 — From Steady Investment to Full Life-Cycle Companionship

The product series of Minsheng Bedrock (民生磐石) is one of the Bank’s core product systems for practising steady wealth management. As a flagship wealth management product, it fully embraced the “multi-asset and multi-strategy” investment philosophy, and targeted relatively clear return and drawdown control to meet customers’ needs for steady wealth management.

The Bank launched the Bedrock brand in 2019 to meet customers’ demand for steady returns, and provide a low-maintenance choice of steady wealth management products. In 2023, the Bank introduced the Bedrock 2.0 product series, further enhancing return flexibility to achieve the objective of “stability + enhancement”. In 2026, the Bank upgraded the Bedrock 3.0 product series by integrating the resources of CMBC Wealth Management, public funds, securities firms and other partner institutions. It expanded the coverage of diversified assets, enriched the investment strategy matrix and optimised product structure design. By reducing volatility through low-correlation assets and enhancing returns through complementary strategies, the Bank has transformed the product shelf philosophy from “single product” to “products + full life-cycle companionship”, continuously enhancing customers’ investment experience.

Going forward, the Bank will continue to enrich the Minsheng Bedrock 3.0 product system, promote the upgrading of the business model from product management to platform development, fully integrate the professional strengths of various partner institutions, and develop market-leading asset allocation solutions.

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(4) Risk management

The Bank continued to improve its smart risk control system and strengthened the full-process and closed-loop risk management. Firstly, the Bank iterated and optimised risk control strategies of mortgage business, advanced development of standardised and smart credit review and approval, and upgraded the full-process digital and smart risk control for Minsheng Easy Loan. Secondly, the Bank continuously upgraded its multi-platform monitoring and early-warning system, and enriched the means for mitigating and disposing potential risks and non-performing assets. Thirdly, the Bank comprehensively optimised its internal rating models for retail business, strengthened anti-fraud capabilities, unified credit limit management and control standards, and reinforced the lines of defence of risk management of asset business.

3. Treasury business

(1) Strategic measures

The Bank has consistently adhered to the core philosophy of “customer-centric,” closely focused on strategic deployments, and promoted the high-quality development of various financial markets businesses. Firstly, the Bank deepened the comprehensive management of financial institution customers, focused on “adjusting structure and controlling costs” of interbank liabilities, and comprehensively implemented the integrated marketing coordination, so as to promote the steady development of financial institutions business. Secondly, the Bank adhered to the two-wheel driving strategy of “investment trading + product marketing,” further strengthened its capabilities in the three core areas of fixed income, foreign exchange and precious metals, and continuously enhanced capabilities in market investment research and portfolio management. Thirdly, the Bank continued to develop the core customer group of custody business, deepened the business coordination model, and promoted the transformation of service model for strategic custody clients, and achieved high-quality development of custody and pension businesses.

(2) Customer groups

The Bank earnestly implemented the philosophy of “comprehensive management of strategic financial institution customers,” continued to deepen layered and classified management, enhanced risk control and sci-tech empowerment, and improved comprehensive services. Firstly, the Bank optimised the management system for the financial institution customer group, developed layered, classified and differentiated service strategies by centring on segmented customer groups and focusing on key products, and enhanced the comprehensive value contribution of the financial institution customer group. Secondly, the Bank practised the “One Minsheng” strategy, promoted the coordination and synergy between the financial institution customer group and the corporate banking department, the retail banking department and the subsidiaries of the Bank, and deepened the integrated management of interbank ecosystem.

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(3) Businesses and products

In terms of interbank treasury business, the Bank continued to optimise the structure of treasury business, and realised steady operation of assets and liabilities. Firstly, the Bank strengthened liability cost management, expanded low-cost interbank demand deposits, and lowered the cost of interbank liabilities. Secondly, the Bank optimised the structure of interbank liabilities, stuck to the development strategy of balancing scale and cost, and enhanced the stability of interbank liabilities. Thirdly, the Bank effectively seized market opportunities to arrange asset placement in a reasonable manner.

In terms of fixed-income business, the Bank remained closely aligned with national strategic orientation, focused on the core objective of serving the real economy, and steadily enhanced portfolio yield and risk control capabilities. On the one hand, the Bank precisely responded to the financing needs of the real economy, and effectively covered key areas, including NSOEs, sci-tech and green development, thereby supporting macroeconomic growth. On the other hand, the Bank dynamically optimised the structure of bond portfolios, iterated and upgraded intelligent investment analysis platform, and leveraged digital tools to empower the high-quality development of fixed-income business. As at the end of the Reporting Period, total bond assets of the Bank amounted to RMB2.09 trillion, of which, the bond assets denominated in RMB amounted to RMB1.95 trillion, and those in foreign currencies amounted to USD21,699 million.

In terms of foreign exchange business, the Bank adhered to the origin of serving the real economy, and further advocated the philosophy of exchange rate risk neutrality. On the one hand, the Bank continuously optimised foreign exchange service processes, enriched the product shelves of foreign exchange agency business, and enhanced the suitability of exchange rate risk hedging products. On the other hand, the Bank carried out regular market analysis and practical training, guided enterprises to proactively manage exchange rate risks, and comprehensively satisfied the diversified hedging needs of MSMEs. During the Reporting Period, the Bank ranked among the top in the comprehensive ranking of market-makers in the interbank foreign exchange market.

In terms of precious metals business, the Bank continued to deepen the distinctive precious metal brand of “Minsheng Gold (民生金)”, and has established a diversified product supply system covering both retail customers and corporate clients. On the one hand, the Bank continued to expand retail service channels through technological means, optimised customers’ asset allocation solutions, and enhanced the gold investment experience. On the other hand, based on the needs of real-economy entities, the Bank provided products and services for price risk hedging, in order to empower upstream and downstream enterprises. In the meantime, the Bank continued to fulfill its market-making responsibilities for gold futures contracts at the Shanghai Gold Exchange and the Shanghai Futures Exchange, ensuring liquidity supply in the exchange-traded markets. During the Reporting Period, both the trading volume and trading value of precious metals of the Bank increased steadily.

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In terms of asset custody business, the Bank continuously strengthened the coordination of “customer groups and products”, deepened business coordination and synergy around core customer groups, promoted the transformation of service model for strategic custody clients, and reinforced refined business management. During the Reporting Period, the Bank leveraged sci-tech empowerment to improve the quality and effectiveness of custody services, continued to enrich the custody service system of “i+(!i+)”, and launched distinctive custody services for custody customers, such as the “Custody Confirmation Express (託管函證通)”, which enhanced customer service experience. Total assets under custody of the whole bank maintained steady growth. As at the end of the Reporting Period, the scale of securities investment funds under the custody of the Bank amounted to RMB1.49 trillion, representing an increase of 8.76% as compared with the end of the previous year; the scale of wealth management products issued by banks under the custody of the Bank amounted to RMB1.22 trillion, representing an increase of 4.27% as compared with the end of the previous year; the scale of trust property under the custody of the Bank amounted to RMB1.37 trillion, representing an increase of 2.24% as compared with the end of the previous year.

(4) Risk management

The Bank took prudent compliance and value coordination as the objectives of the risk management of financial institutions business. Focusing on the three key links of access management, process management and exit management, and backed by the five mechanisms covering institutional framework, technical support, organisational guarantee, training and guidance, and supervision and evaluation, the Bank promoted the sustained and sound development of financial institutions business. During the Reporting Period, the Bank continued to optimise the mechanisms for credit granting management and post-lending and post-investment management of financial institution customers, strengthened the responsibilities of the first line of defence of risk prevention, and advanced risk management of financial institutions business in an orderly manner by improving the list-based management mechanism, enhancing the quality and effectiveness of post-lending and post-investment management, and strengthening the application of smart risk control tools, so as to achieve effective risk control.

According to the risk preferences and the business plans of the Board of Directors, the Bank set annual market risk limits, strengthened the management of interest rate, exchange rate and commodity risks, and improved the risk monitoring and reporting mechanisms. The Bank enhanced its capabilities in the risk assessment and early-warning of credit bond issuers, strictly controlled credit risk, and improved the unified bond management system. Meanwhile, following the principle of being prudent and steady, the Bank optimised bond portfolios denominated in RMB and foreign currencies, and reasonably allocated high-liquidity bonds. During the Reporting Period, the credit qualifications of bond investments remained excellent.

The Bank advanced the risk compliance management of asset custody and pension businesses in a comprehensive and steady manner. By optimising policy systems, deepening compliance inspections and strengthening system development, the Bank has established a full-process risk prevention and control system encompassing pre-event prevention, in-process control and post-event supervision, thereby effectively enhancing its comprehensive risk management capabilities. During the Reporting Period, risk control of the asset custody business of the Bank remained excellent, and no material risk incidents occurred.

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4. Business of branches outside the Chinese mainland

(1) Hong Kong Branch

Aligned with the Group's "One Minsheng" development strategy, the Hong Kong Branch fully leveraged its role as a key hub for business outside the Chinese mainland. Through refined management of customer groups and application of diversified products, the Hong Kong Branch promoted the coordinated development of its three core business segments including corporate banking, financial markets, and private banking and wealth management, while maintaining sustained growth in operating performance. As at the end of the Reporting Period, total assets of the Hong Kong Branch amounted to HKD251,461 million, representing an increase of 3.12% as compared with the end of the previous year. Of which, total loans and advances to customers amounted to HKD146,682 million, representing an increase of 18.49% as compared with the end of the previous year, and accounted for 58.33% of total assets. Total deposits from customers amounted to HKD189,090 million, representing an increase of 7.00% as compared with the end of the previous year. During the Reporting Period, the net income amounted to HKD2,058 million, representing an increase of 24.88% as compared with the corresponding period of the previous year.

The Hong Kong Branch drove business growth by deepening customer group management. As at the end of the Reporting Period, the scale of credit assets of corporate strategic clients amounted to HKD68,432 million, representing an increase of 19.69% as compared with the end of the previous year. Focusing on strategic clients, the Branch enhanced cross-border synergy, bringing in 131 new accounts, representing an increase of 8.26% as compared with the corresponding period of the previous year. The AUM of the private banking and wealth management customer group amounted to HKD52,713 million, representing an increase of 18.73% as compared with the end of the previous year. The Hong Kong Branch developed distinctive products, and consolidated its service system. The Branch expanded the product matrix of financial markets business and maintained a sound level of transaction volume of agency business. During the Reporting Period, the transaction volume of agency business reached USD10,200 million. The Branch also optimised the product and service system of private banking and wealth management, and maintained a leading position in overseas insurance and Cross-Border Wealth Management Connect (跨境理財通) business among comparable Chinese joint-stock banks in the Hong Kong SAR. Leveraging the strengths of a custody platform outside the Chinese mainland, the Branch promoted steady growth in assets under custody. As at the end of the Reporting Period, total assets under custody amounted to HKD267,823 million, representing an increase of 31.03% as compared with the end of the previous year. The Hong Kong Branch strengthened risk management and operated in a compliant and steady manner. During the Reporting Period, the Branch consolidated the comprehensive risk management system, insisted on paying equal attention to business development and risk constraint, optimised and adjusted credit asset portfolio, and strengthened asset quality management. In addition, the Branch proactively identified and responded to changes, enhanced forward-looking prediction and risk early-warning, strictly upheld the bottom line of liquidity management, promoted innovation in liability and settlement products, and effectively managed the concentration of liability sources. During the Reporting Period, the Hong Kong Branch kept all liquidity indicators at a sound and steady level.

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(2) London Branch

During the Reporting Period, guided by the commitment to serving national strategies and closely aligned with the three positionings, the London Branch actively responded to the complex and evolving international economic and financial environment, adhered to the general principle of seeking progress in stability, and continuously enhanced cross-border financial service capabilities and internationalised operations. As at the end of the Reporting Period, total assets of the Branch amounted to USD1,067 million. During the Reporting Period, new loans of the Branch amounted to USD169 million.

Leveraging its location in London, an international financial centre, the London Branch continued to enhance platform value creation capability. The Branch continued the marketing efforts in the United Kingdom and the Europe, actively played the role of a bridge and bond, focused on supporting globally competitive Chinese enterprises in sectors including new energy, advanced manufacturing, digital infrastructure and clean energy, and actively participated in cross-border coordination projects to inject new momentum into businesses within the Chinese mainland. The Branch comprehensively enhanced its cross-time-zone service capabilities. The night trading volume on behalf of the Head Office continued to grow rapidly, increasing by 3.4 times as compared with the corresponding period of the previous year during the Reporting Period. The Branch also successfully issued RMB certificates of deposit through the Central Moneymarkets Unit (CMU) for the first time, marking a solid step forward in the RMB internationalisation business. In addition, the Branch adopted multiple measures to strengthen the quality and effectiveness of risk compliance management. The Branch reinforced dynamic monitoring, focused on key risks, further enhanced risk identification, assessment and response capabilities, and refined long-term compliance management mechanism, providing a solid guarantee for its steady operation and high-quality development.

5. Major equity investments and management of consolidated financial statements

As at the end of the Reporting Period, the Bank had long-term equity investments of RMB13,550 million. For details, please refer to the notes to the financial statements.

(1) Minsheng Financial Leasing

Minsheng Financial Leasing, one of the first five financial leasing companies with banking background approved by the former CBRC, was established in April 2008 with a registered capital of RMB5,095 million. 54.96% of equity interest of Minsheng Financial Leasing was held by the Bank. The main business scope of Minsheng Financial Leasing includes financing of vehicles, vessels, commercial aircraft, business jets and large equipment, and inclusive leasing of equipment.

During the Reporting Period, Minsheng Financial Leasing closely aligned with the central government's requirements of "seeking progress in stability and improving quality and effectiveness", focused on the goal of high-quality development, and comprehensively supported the "five major sectors" of finance. It seized policy opportunities arising from large-scale renewal of equipment and the trade-in of consumer goods, and leveraged innovation-driven approaches to unlock business potential. While ensuring steady business growth, it accelerated the development of a sustainable business model, continuously enhanced the quality and effectiveness of serving the real economy, and fully practised the political and people-oriented nature of financial work.

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As at the end of the Reporting Period, total assets of Minsheng Financial Leasing amounted to RMB175,053 million, and its net assets amounted to RMB23,233 million. During the Reporting Period, the operating income amounted to RMB2,325 million.

(2) Minsheng Royal Fund

Minsheng Royal Fund is a sino-foreign fund management joint venture established in November 2008 under the approval of the CSRC, with a registered capital of RMB300 million. 63.33% of equity interest of Minsheng Royal Fund was held by the Bank. The main business scope of Minsheng Royal Fund includes fund management, fund sales, specific customer asset management and other businesses approved by the CSRC.

During the Reporting Period, Minsheng Royal Fund fully implemented the requirements of the Action Plan for Promoting the High-Quality Development of Public Funds, adhered to the investor-centric approach, and continued to strengthen the development of core investment research capabilities. It focused on the development and creation of low- to medium-volatility hybrid products with a primary allocation to bonds and a moderate allocation to equity assets, as well as multi-asset allocation products, to align with the needs of investors with different risk preferences. Through balanced and prudent asset management, it consistently delivered sustainable investment returns to product holders, and strove to enhance the long-term holding experience for investors.

As at the end of the Reporting Period, Minsheng Royal Fund had total assets of RMB2,471 million, and its net assets amounted to RMB2,083 million. During the Reporting Period, the operating income amounted to RMB334 million.

(3) CMBC International

CMBC International is a wholly-owned subsidiary of the Bank established on 11 February 2015 in Hong Kong under the approval of the former CBRC, with a registered capital of HKD4,207 million. The main business scope of CMBC International includes sponsorship of listing in Hong Kong, financial advisory, underwriting and issuance of bonds, asset management and wealth management, stock brokerage, direct investment and structured financing. CMBC International is an important strategic platform for the comprehensive development and international expansion of the Bank.

During the Reporting Period, CMBC International thoroughly implemented the Group's strategic deployment for supporting the "five major sectors", stuck to the "One Minsheng" strategy, and actively promoted strategic transformation. It fully leveraged its advantage of international operations and the service functions of a full-licence investment bank in the Hong Kong SAR, advanced cross-border business synergy and coordination with the parent bank, and met the diversified financial service demands of customers of the Group. It continued to optimise its risk preference, expanded the investment banking business through multiple channels, and gave full play to its licence and platform advantages to comprehensively serve national financial strategies and support the development of the real economy.

As at the end of the Reporting Period, CMBC International had total assets of HKD25,565 million and its net assets amounted to HKD4,061 million. During the Reporting Period, the operating income amounted to HKD266 million.

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(4) CMBC Wealth Management

CMBC Wealth Management is a wealth management company established on 24 June 2022 under the approval of the former CBIRC. With a registered capital of RMB5 billion, CMBC Wealth Management is a wholly-owned subsidiary of the Bank. Its main business scope includes issuance and investment management of publicly offered wealth management products, issuance and investment management of private equity wealth management products, wealth management advisory and consultancy services, and other businesses approved by the former CBIRC.

During the Reporting Period, CMBC Wealth Management proactively implemented the national policy directions, facilitated the high-quality development of the Group, fully served the real economy, and supported the “five major sectors”. CMBC Wealth Management responded to the policy call of regulators for advancing the entry of mid- to long-term capital into the market, innovated product strategies and enriched its “Fixed Income+” themed product series. Adhering to the customer-centric approach, it expanded the coverage of morning clearing products, further improved the arrival speed of redemption proceeds, and continuously enhanced customers’ holding experience. It actively cultivated investors’ long-term investment philosophy, vigorously advanced the deployment of mid- to long-term investment products, and met customers’ diversified financial service needs.

As at the end of the Reporting Period, total assets of CMBC Wealth Management amounted to RMB10,175 million, and the net assets amounted to RMB9,891 million. During the Reporting Period, its operating income amounted to RMB921 million.

(5) Minsheng rural banks

Minsheng rural banks represent the rural banks with the Bank as the main initiator. As at the end of the Reporting Period, the Bank had 29 rural banks, of which, 7 had been restructured into branches and sub-branches of the Bank. Affected by objective factors such as the incorporation of rural banks, total assets of rural banks amounted to RMB33,082 million, representing a decrease of RMB7,741 million as compared with the end of the previous year. The balance of all deposits amounted to RMB28,963 million, representing a decrease of RMB6,500 million as compared with the end of the previous year. The balance of all loans amounted to RMB17,474 million, representing a decrease of RMB6,361 million as compared with the end of the previous year.

During the Reporting Period, the Bank actively responded to the requirements of regulatory policies, and pushed forward with the initiative of reducing the number and improving the quality of rural banks in an orderly manner. The Bank earnestly fulfilled its responsibility as the initiating bank, and continued to propel rural banks to adhere to the positioning of supporting agriculture-related business and small business, solidly serve rural revitalisation and inclusive finance, enhance customer services, constantly consolidate asset quality, improve risk absorption capability, and reinforce liquidity management. Minsheng rural banks maintained sound and steady operation on the whole.

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(6) Consolidated structured entities

The structured entities which the Group issued, managed and invested in mainly consisted of wealth management products, asset-backed securities, funds, trust plans and asset management plans. Of which, as at the end of the Reporting Period, the asset size of consolidated structured entities of the Group was RMB73,864 million. For details, please refer to Note 7 “Interests in Structured Entities” to the Financial Statements.

(7) Consolidated management

During the Reporting Period, the Bank managed its subsidiaries in strict accordance with the accounting standards and regulatory requirements for consolidated management. With the goal of achieving high-quality development of the Group, the Bank continued to strengthen the Group-wide deployment of the “One Minsheng” strategy, optimised subsidiary management mechanisms, improved corporate governance frameworks, further strengthened the duty performance and management of dispatched directors, intensified professional guidance for subsidiaries, and enhanced key areas including corporate governance, risk management and capital management. Meanwhile, the Bank enhanced parent bank-subsidiary coordination, improved business coordination, and promoted the subsidiaries to “focus on core businesses, improve governance and pursue differentiated development”, so as to continuously enhance the Group’s consolidated management capabilities and facilitate integrated coordination and sound and steady development of the Group.

III. Conditions of the Industry

In the first half of 2026, China’s economy maintained the sound development trend with progress toward new growth drivers and higher quality, and demonstrated strong resilience despite a complex and volatile external environment and the ongoing transition between old and new growth drivers domestically. Internationally, geopolitical tensions escalated, driving significant fluctuations in international crude oil prices and disrupting global supply chains. Market expectations of interest rate hikes by the Federal Reserve remained strong, making US dollar index fluctuating at high levels. Domestically, production and supply continued to improve while maintaining stability, employment and prices remained generally stable, the resilience of foreign trade continued to remain evident, and new drivers of development grew and expanded. Meanwhile, structural imbalances still existed in economic operations, including relatively obvious issue of strong supply and weak demand, operating pressure on certain market entities, and the need for continued efforts to unleash household consumption potential.

In view of internal and external challenges, China implemented precise macroeconomic regulation and control, with coordinated fiscal and monetary policy efforts to enhance policy effectiveness. China maintained a more proactive orientation of fiscal policy with focus on key areas such as improving people’s livelihood and promoting consumption. China front-loaded the issuance of government bonds, while balancing risk prevention with development promotion. China maintained a moderately loose monetary policy, enabled it to continue to leverage the integrated effect of existing and incremental policies, and strengthened counter-cyclical and cross-cyclical adjustments, creating an appropriate monetary and financial environment for sustained and higher-quality economic development. China further improved the interest rate regulation

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framework, optimised the mechanisms for temporary overnight repo and reverse-repo operations in the open market by the central bank, and enriched the range of overnight reverse-repo tools. China smoothed out the market-oriented interest rate formation and transmission mechanism, promoted the optimisation of interest rate management of interbank negotiable certificates of deposit (IBNCD), large-amount certificates of deposit and RMB deposits and loans. China gave play to the role of the self-discipline mechanism for market-based interest rate pricing, strengthened interest rate policy implementation and supervision, reduced banks' liability costs, guided financial institutions to enhance interest rate pricing capabilities, and facilitated overall social financing costs to remain at low levels. China optimised and innovated structural monetary policy tools, appropriately increased scale, improved implementation methods, and provided targeted support to key areas such as domestic demand expansion, sci-tech innovation and MSMEs, supporting economic structural transformation and the recovery of endogenous growth momentum. China kept the RMB exchange rate broadly stable at a reasonable and balanced level, and encouraged financial institutions to enhance their exchange rate risk hedging services.

During the Reporting Period, the banking industry closely followed national policies and guidelines, supported the "five major sectors" of finance, optimised the structure of capital supply, and provided stronger support for the development of new quality productive forces. In the first half of the year, credit growth remained at a reasonable pace with continued optimisation of credit structure. The growth rate of loans to key areas such as sci-tech finance, green finance and inclusive finance was significantly higher than the average growth rate of various loans. Mid- to long-term industrial loans maintained relatively rapid growth, while mid- to long-term loans to infrastructure-related industries grew steadily. The role of direct financing channels, including government bonds, corporate bonds and equity financing, was further exerted, effectively supporting major national strategies and the development of key areas. Although pressure remained, net interest margin showed marginal improvement trend due to the decrease in liability costs. Asset quality remained stable, risks in key areas continued to be mitigated, and provision remained at a reasonable level. Banks generally accelerated the deployment of AI applications and sped up the development of new system of digital and intelligent financial services.

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IV. Analysis of Major Items of Statement of Profit or Loss

(I) Changes in major items of statement of profit or loss

During the Reporting Period, the Group recorded a net profit attributable to holders of equity shares of the Bank of RMB19,537 million, representing a decrease of RMB1,843 million, or 8.62%, as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026	January to June 2025	Change (%)
Operating income	73,695	70,701	4.23
Of which: Net interest income	52,584	49,203	6.87
Net non-interest income	21,111	21,498	-1.80
Operating expenses	21,357	21,522	-0.77
Impairment losses on credit	31,457	26,039	20.81
Impairment losses on other assets	261	346	-24.57
Profit before income tax	20,620	22,794	-9.54
Less: Income tax expenses	1,367	1,318	3.72
Net profit	19,253	21,476	-10.35
Of which: Net profit attributable to holders of equity shares of the Bank	19,537	21,380	-8.62
Profit or loss attributable to non-controlling interests	-284	96	Negative for this period

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(II) Operating income

During the Reporting Period, the operating income of the Group amounted to RMB73,695 million, representing an increase of RMB2,994 million, or 4.23%, as compared with the corresponding period of the previous year. The amounts, proportions and changes of major items of the operating income of the Group are as follows:

Item (RMB million)	January to June 2026		January to June 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Change (%)
Net interest income	52,584	71.35	49,203	69.59	6.87
Interest income	104,547	141.86	113,980	161.22	-8.28
Of which: Interest income from loans and advances to customers	72,265	98.06	78,305	110.76	-7.71
Interest income from financial investments	24,687	33.50	27,307	38.62	-9.59
Interest income from long-term receivables	2,667	3.62	2,988	4.23	-10.74
Interest income from placements with banks and other financial institutions	2,236	3.03	2,389	3.38	-6.40
Interest income from balances with central bank	1,820	2.47	1,929	2.73	-5.65
Interest income from balances with banks and other financial institutions	565	0.76	750	1.06	-24.67
Interest income from financial assets held under resale agreements	307	0.42	312	0.44	-1.60
Interest expenses	-51,963	-70.51	-64,777	-91.63	-19.78
Net non-interest income	21,111	28.65	21,498	30.41	-1.80
Net fee and commission income	9,809	13.31	9,685	13.70	1.28
Other net non-interest income	11,302	15.34	11,813	16.71	-4.33
Total	73,695	100.00	70,701	100.00	4.23

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(III) Net interest income and net interest margin

During the Reporting Period, the net interest income of the Group amounted to RMB52,584 million, representing an increase of RMB3,381 million, or 6.87%, as compared with the corresponding period of the previous year. The net interest margin of the Group was 1.47%, representing an increase of 8BP as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026			January to June 2025		
	Average balance	Interest income	Average return ratio (%)	Average balance	Interest income	Average return ratio (%)
Interest-earning assets						
Total loans and advances to customers	4,494,408	72,265	3.24	4,462,070	78,305	3.54
By type of loans						
Of which: Corporate loans and advances	2,857,500	41,746	2.95	2,702,375	42,287	3.16
Personal loans and advances	1,636,908	30,519	3.76	1,759,695	36,018	4.13
By term of loans						
Of which: Short-term loans	1,842,939	30,666	3.36	1,887,880	33,691	3.60
Mid- to long-term loans	2,651,469	41,599	3.16	2,574,190	44,614	3.49
Financial investments	2,012,365	24,687	2.47	1,996,355	27,307	2.76
Balances with central bank	242,888	1,820	1.51	257,261	1,929	1.51
Placements with banks and other financial institutions	208,653	2,236	2.16	156,716	2,389	3.07
Balances with banks and other financial institutions	109,381	565	1.04	108,334	750	1.40
Long-term receivables	89,393	2,667	6.02	107,794	2,988	5.59
Financial assets held under resale agreements	43,474	307	1.42	33,917	312	1.86
Total	7,200,562	104,547	2.93	7,122,447	113,980	3.23

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Item (RMB million)	January to June 2026			January to June 2025		
	Average balance	Interest expenses	Average cost ratio (%)	Average balance	Interest expenses	Average cost ratio (%)
Interest-bearing liabilities						
Deposits from customers	4,291,015	31,089	1.46	4,230,373	39,015	1.86
Of which: Corporate deposits	2,882,428	20,681	1.45	2,900,535	26,584	1.85
Demand	1,015,028	1,820	0.36	975,250	3,009	0.62
Time	1,867,400	18,861	2.04	1,925,285	23,575	2.47
Personal deposits	1,408,587	10,408	1.49	1,329,838	12,431	1.89
Demand	437,772	95	0.04	400,751	93	0.05
Time	970,815	10,313	2.14	929,087	12,338	2.68
Debt securities issued	899,357	7,907	1.77	989,196	10,123	2.06
Deposits from banks and other financial institutions	933,201	6,802	1.47	835,389	7,529	1.82
Borrowings from central bank and other financial institutions and others	377,650	3,694	1.97	363,315	4,437	2.46
Financial assets sold under repurchase agreements	207,744	1,604	1.56	273,323	2,584	1.91
Placements from banks and other financial institutions	75,031	867	2.33	71,857	1,089	3.06
Total	6,783,998	51,963	1.54	6,763,453	64,777	1.93
Net interest income		52,584			49,203	
Net interest spread			1.39			1.30
Net interest margin			1.47			1.39

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The impacts of changes in scale and in interest rate on interest income and interest expenses of the Group are as follows:

Item (RMB million)	Changes in scale from the corresponding period of the previous year to January to June 2026	Changes in interest rate from the corresponding period of the previous year to January to June 2026	Net increase/decrease
Changes in interest income:			
Total loans and advances to customers	568	-6,608	-6,040
Financial investments	219	-2,839	-2,620
Balances with central bank	-108	-1	-109
Placements with banks and other financial institutions	792	-945	-153
Balances with banks and other financial institutions	7	-192	-185
Long-term receivables	-510	189	-321
Financial assets held under resale agreements	88	-93	-5
Subtotal	1,056	-10,489	-9,433
Changes in interest expenses:			
Deposits from customers	559	-8,485	-7,926
Debt securities issued	-919	-1,297	-2,216
Deposits from banks and other financial institutions	882	-1,609	-727
Borrowings from central bank and other financial institutions and others	175	-918	-743
Financial assets sold under repurchase agreements	-620	-360	-980
Placements from banks and other financial institutions	48	-270	-222
Subtotal	125	-12,939	-12,814
Changes in net interest income	931	2,450	3,381

Note: Change in scale is measured by the change of average balance; change in interest rate is measured by the change of average interest rate.

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1. Interest income

During the Reporting Period, the interest income of the Group amounted to RMB104,547 million, representing a decrease of RMB9,433 million, or 8.28%, as compared with the corresponding period of the previous year.

(1) Interest income from loans and advances to customers

During the Reporting Period, the interest income from loans and advances to customers of the Group amounted to RMB72,265 million, representing a decrease of RMB6,040 million, or 7.71%, as compared with the corresponding period of the previous year, mainly due to the decrease of RMB6,608 million in interest income as compared with the corresponding period of the previous year as a result of the decrease of 30BP in the average return ratio of total loans and advances to customers as compared with the corresponding period of the previous year.

(2) Interest income from financial investments

During the Reporting Period, the interest income from financial investments of the Group amounted to RMB24,687 million, representing a decrease of RMB2,620 million, or 9.59%, as compared with the corresponding period of the previous year.

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

During the Reporting Period, the interest income from balances and placements with banks and other financial institutions and financial assets held under resale agreements of the Group amounted to RMB3,108 million, representing a decrease of RMB343 million, or 9.94%, as compared with the corresponding period of the previous year.

(4) Interest income from long-term receivables

During the Reporting Period, the interest income from long-term receivables of the Group amounted to RMB2,667 million, representing a decrease of RMB321 million, or 10.74%, as compared with the corresponding period of the previous year.

(5) Interest income from balances with central bank

During the Reporting Period, the interest income from balances with central bank of the Group amounted to RMB1,820 million, representing a decrease of RMB109 million, or 5.65%, as compared with the corresponding period of the previous year.

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2. Interest expenses

During the Reporting Period, the interest expenses of the Group amounted to RMB51,963 million, representing a decrease of RMB12,814 million, or 19.78%, as compared with the corresponding period of the previous year.

(1) Interest expenses on deposits from customers

During the Reporting Period, the interest expenses on deposits from customers of the Group amounted to RMB31,089 million, representing a decrease of RMB7,926 million, or 20.32%, as compared with the corresponding period of the previous year, mainly due to the decrease of RMB8,485 million in interest expenses as a result of the decrease of 40BP in the average cost ratio of deposits from customers as compared with the corresponding period of the previous year.

(2) Interest expenses on deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements

During the Reporting Period, the interest expenses on deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements of the Group amounted to RMB9,273 million, representing a decrease of RMB1,929 million, or 17.22%, as compared with the corresponding period of the previous year, mainly due to the decrease of RMB2,239 million in interest expenses as a result of the decrease in the average cost ratio.

(3) Interest expenses on debt securities issued

During the Reporting Period, the interest expenses on debt securities issued by the Group amounted to RMB7,907 million, representing a decrease of RMB2,216 million, or 21.89%, as compared with the corresponding period of the previous year, mainly due to the combined influence of decreases in the daily average scale and average cost ratio.

(4) Interest expenses on borrowings from central bank and other financial institutions and other interest expenses

During the Reporting Period, the interest expenses on borrowings from central bank and other financial institutions and other interest expenses of the Group amounted to RMB3,694 million, representing a decrease of RMB743 million, or 16.75%, as compared with the corresponding period of the previous year, mainly due to the decrease of RMB918 million in interest expenses as a result of the decrease of 49BP in the average cost ratio.

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(IV) Net non-interest income

During the Reporting Period, the net non-interest income of the Group amounted to RMB21,111 million, representing a decrease of RMB387 million, or 1.80%, as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026	January to June 2025	Change (%)
Net fee and commission income	9,809	9,685	1.28
Other net non-interest income	11,302	11,813	-4.33
Total	21,111	21,498	-1.80

1. Net fee and commission income

During the Reporting Period, the net fee and commission income of the Group was RMB9,809 million, representing an increase of RMB124 million, or 1.28%, as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026	January to June 2025	Change (%)
Fee and commission income	11,848	11,225	5.55
Of which: Bank card services	4,329	4,832	-10.41
Agency services	2,713	1,645	64.92
Custodian and other fiduciary services	2,061	2,025	1.78
Settlement and clearance services	1,515	1,433	5.72
Credit commitments	537	556	-3.42
Others	693	734	-5.59
Fee and commission expense	2,039	1,540	32.40
Net fee and commission income	9,809	9,685	1.28

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2. Other net non-interest income

During the Reporting Period, the Group realised other net non-interest income of RMB11,302 million, representing a decrease of RMB511 million, or 4.33%, as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026	January to June 2025	Change (%)
Net trading gain	1,315	2,203	-40.31
Net gain from investment securities	9,710	8,883	9.31
Other net operating income	277	727	-61.90
Total	11,302	11,813	-4.33

(V) Operating expenses

During the Reporting Period, the operating expenses of the Group amounted to RMB21,357 million, representing a decrease of RMB165 million, or 0.77%, as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026	January to June 2025	Change (%)
Staff costs (including Directors' emoluments)	12,597	12,429	1.35
Depreciation and amortisation	3,438	3,460	-0.64
Tax and surcharges	867	865	0.23
Short-term lease expenses, low-value lease expenses and property management expenses	489	472	3.60
Business/office expenses and others	3,966	4,296	-7.68
Total	21,357	21,522	-0.77

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Impairment losses on credit

During the Reporting Period, the impairment losses on credit of the Group amounted to RMB31,457 million, representing an increase of RMB5,418 million, or 20.81%, as compared with the corresponding period of the previous year.

Item (RMB million)	January to June 2026	January to June 2025	Change (%)
Loans and advances to customers	29,363	23,452	25.20
Financial assets measured at amortised cost	1,467	1,534	-4.37
Long-term receivables	997	540	84.63
Financial assets at fair value through other comprehensive income	-198	307	Negative for this period
Others	-172	206	Negative for this period
Total	31,457	26,039	20.81

(VII) Income tax expenses

During the Reporting Period, the income tax expenses of the Group amounted to RMB1,367 million, representing an increase of RMB49 million, or 3.72%, as compared with the corresponding period of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

V. Analysis of Major Items of Statement of Financial Position

(I) Assets

As at the end of the Reporting Period, total assets of the Group amounted to RMB7,794,531 million, representing a decrease of RMB38,036 million, or 0.49%, as compared with the end of the previous year.

Item (RMB million)	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Total loans and advances to customers	4,509,997	57.86	4,430,610	56.57
Add: Accrued interests on loans	37,917	0.49	36,916	0.47
Less: Allowance for impairment losses on loans at amortised cost	93,557	1.20	93,295	1.19
Net loans and advances to customers	4,454,357	57.15	4,374,231	55.85
Net financial investments	2,374,914	30.47	2,424,329	30.95
Balances and placements with banks and other financial institutions and financial assets held under resale agreements	289,424	3.71	408,752	5.22
Cash and balances with central bank	262,100	3.36	254,754	3.25
Long-term receivables	90,812	1.17	98,066	1.25
Property and equipment	54,588	0.70	54,865	0.70
Others	268,336	3.44	217,570	2.78
Total	7,794,531	100.00	7,832,567	100.00

1. Loans and advances to customers

As at the end of the Reporting Period, total loans and advances to customers of the Group amounted to RMB4,509,997 million, representing an increase of RMB79,387 million, or 1.79%, as compared with the end of the previous year, and accounted for 57.86% of total assets, representing an increase of 1.29 percentage points as compared with the end of the previous year, mainly because the Group focused on the “five major sectors”, intensified efforts in key areas supported by the State, increased credit placement, and optimised business structure.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

2. Financial investments

As at the end of the Reporting Period, total financial investments of the Group amounted to RMB2,364,580 million, representing a decrease of RMB47,570 million, or 1.97%, as compared with the end of the previous year, and accounted for 30.34% of total assets, representing a decrease of 0.46 percentage points as compared with the end of the previous year.

Item (RMB million)	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Financial assets measured at amortised cost	1,265,325	53.51	1,334,093	55.31
Of which: Bonds	1,229,807	52.01	1,294,314	53.66
Trust and asset management plans	24,934	1.05	28,806	1.19
Other investments	10,584	0.45	10,973	0.46
Financial assets at fair value through profit and loss	288,891	12.22	371,581	15.40
Of which: Bonds	144,018	6.09	188,668	7.82
Trust and asset management plans	9,013	0.38	19,730	0.82
Investment funds	103,822	4.39	134,647	5.58
Equity instruments	26,969	1.14	22,921	0.95
Other investments	5,069	0.22	5,615	0.23
Financial assets at fair value through other comprehensive income	810,364	34.27	706,476	29.29
Of which: Bonds	802,037	33.92	698,395	28.95
Equity instruments	8,327	0.35	8,081	0.34
Total	2,364,580	100.00	2,412,150	100.00

Note: Other investments include debt financing plan and others.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

The bonds held by the Group in terms of issuers are as follows:

Item (RMB million)	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Government	1,188,725	54.63	1,249,118	57.26
Policy banks	334,847	15.39	247,394	11.34
Banks and non-banking financial institutions	360,971	16.59	353,059	16.19
Corporates	291,319	13.39	331,806	15.21
Total	2,175,862	100.00	2,181,377	100.00

Financial bonds held by the Bank were mainly policy financial bonds and financial bonds of commercial banks. The top ten financial bonds in terms of par value are as follows:

Item (RMB million)	Par value	Coupon rate (%)	Maturity	Allowance for impairment losses
2025 financial bonds	20,460	1.82	7 August 2035	2.87
2022 financial bonds	17,780	2.69	16 June 2027	2.07
2025 financial bonds	11,040	1.52	28 May 2027	1.14
2024 financial bonds	9,430	2.63	8 January 2034	1.35
2024 financial bonds	8,980	2.00	12 April 2027	0.91
2023 financial bonds	8,160	2.52	25 May 2028	0.98
2025 financial bonds	7,570	1.39	3 September 2026	0.26
2022 financial bonds	7,450	2.77	24 October 2032	1.11
2021 financial bonds	7,350	2.83	10 September 2026	0.35
2023 financial bonds	5,380	3.02	6 March 2033	0.77
Total	103,600			11.81

3. Balances and placements with banks and other financial institutions and financial assets held under resale agreements

As at the end of the Reporting Period, the balances and placements with banks and other financial institutions and the financial assets held under resale agreements of the Group amounted to RMB289,424 million, representing a decrease of RMB119,328 million, or 29.19%, as compared with the end of the previous year, and accounted for 3.71% of total assets, representing a decrease of 1.51 percentage points as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

4. Derivative financial instruments

Item (RMB million)	30 June 2026			31 December 2025		
	Nominal amount	Fair value		Nominal amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives	1,834,048	12,093	12,066	2,873,260	10,543	10,032
Interest rate derivatives	4,038,380	1,135	987	2,979,895	977	857
Precious metal derivatives	54,901	2,590	4,231	85,064	5,811	13,635
Others	2,111	26	–	2,470	31	3
Total		15,844	17,284		17,362	24,527

(II) Liabilities

As at the end of the Reporting Period, total liabilities of the Group amounted to RMB7,076,982 million, representing a decrease of RMB52,388 million, or 0.73%, as compared with the end of the previous year.

Item (RMB million)	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Deposits from customers	4,450,387	62.89	4,347,799	60.98
Of which: Total deposits from customers (excluding accrued interest)	4,392,555	62.07	4,277,238	59.99
Deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements	1,228,007	17.35	1,232,533	17.29
Debt securities issued	790,058	11.16	1,012,008	14.19
Borrowings from central bank and other financial institutions	375,577	5.31	340,967	4.78
Others	232,953	3.29	196,063	2.76
Total	7,076,982	100.00	7,129,370	100.00

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

1. Deposits from customers

As at the end of the Reporting Period, total deposits from customers of the Group amounted to RMB4,392,555 million, representing an increase of RMB115,317 million, or 2.70%, as compared with the end of the previous year. In respect of customer structure, the proportions of corporate deposits and personal deposits in total deposits were 67.14% and 32.83%, respectively. In respect of maturity structure, the proportions of demand deposits and time deposits in total deposits were 35.08% and 64.89%, respectively.

Item (RMB million)	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Corporate deposits	2,949,121	67.14	2,885,374	67.46
Of which: Demand deposits	1,081,647	24.63	1,048,098	24.50
Time deposits	1,867,474	42.51	1,837,276	42.96
Personal deposits	1,441,898	32.83	1,390,217	32.50
Of which: Demand deposits	459,089	10.45	432,823	10.12
Time deposits	982,809	22.38	957,394	22.38
Others	1,536	0.03	1,647	0.04
Total	4,392,555	100.00	4,277,238	100.00

2. Deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements

As at the end of the Reporting Period, the deposits and placements from banks and other financial institutions and the financial assets sold under repurchase agreements of the Group amounted to RMB1,228,007 million, representing a decrease of RMB4,526 million, or 0.37%, as compared with the end of the previous year.

3. Debt securities issued

As at the end of the Reporting Period, the debt securities issued by the Group amounted to RMB790,058 million, representing a decrease of RMB221,950 million, or 21.93%, as compared with the end of the previous year, mainly because the Group optimised liability structure, and reduced the scale of IBNCD on the basis of increase in various deposits.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis of liability quality

The Bank comprehensively implemented regulatory requirements, continued to strengthen liability quality management, established the liability quality management system in line with the scale and complexity of its liabilities, and clarified responsibilities of the Board, the Senior Management, the relevant departments and all institutions in liability quality management. The Board and the Senior Management of the Bank implemented effective management of and monitoring on liability quality. The Board undertook the ultimate responsibility for liability quality management while the Senior Management took on specific management duties.

During the Reporting Period, the Bank adhered to prudent and steady operating philosophy, and enhanced liability quality through refined management. Firstly, the Bank deepened the development of customer group system and strengthened classified and layered management. Through high-quality products and services, the Bank forged close relationships with customers, consolidated business foundation, and enhanced the stability of liability sources and the diversity of liability structure. Secondly, the Bank strengthened liability cost management and continued to optimise the liability structure. The Bank advanced the settlement+ projects, deepened operations across all customer groups, all scenarios and all processes, and reinforced full-cycle management of customers' total funds to promote the accumulation of low-cost funds. At the same time, the Bank reasonably controlled the scale of high-cost liabilities, striving for an effective balance between scale and cost. Thirdly, the Bank closely monitored changes in both internal and external environment, and dynamically adjusted liability management strategies. The Bank arranged the scale and structure of various funds attracted in a reasonable manner, ensuring the stable source, sound structure and appropriate cost of liabilities.

During the Reporting Period, the Group maintained safe and steady liability quality, and relevant indicators all met internal and external management requirements. As at the end of the Reporting Period, the net stable funding ratio of the Group was 105.94%, and the liquidity coverage ratio was 134.11%. During the Reporting Period, the cost ratio of interest-bearing liabilities of the Group was 1.54%.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Shareholders' equity

As at the end of the Reporting Period, total shareholders' equity of the Group amounted to RMB717,549 million, representing an increase of RMB14,352 million, or 2.04%, as compared with the end of the previous year. Of which, total equity attributable to holders of equity shares of the Bank amounted to RMB704,800 million, representing an increase of RMB15,163 million, or 2.20%, as compared with the end of the previous year.

Item (RMB million)	30 June 2026	31 December 2025	Change (%)
Share capital	43,782	43,782	–
Other equity instruments	125,000	125,000	–
Of which: Preference shares	20,000	20,000	–
Perpetual bonds	105,000	105,000	–
Reserves	230,441	229,857	0.25
Capital reserve	58,474	58,141	0.57
Surplus reserve	64,829	64,829	–
General reserve	101,830	101,642	0.18
Other reserves	5,308	5,245	1.20
Retained earnings	305,577	290,998	5.01
Total equity attributable to holders of equity shares of the Bank	704,800	689,637	2.20
Non-controlling interests	12,749	13,560	-5.98
Total	717,549	703,197	2.04

(V) Off-balance sheet items

Item (RMB million)	30 June 2026	31 December 2025	Change (%)
Bank acceptances	626,975	569,052	10.18
Unused credit card commitments	520,260	506,953	2.62
Letters of credit	225,484	200,237	12.61
Guarantees	127,481	128,926	-1.12
Irrevocable loan commitments	14,288	18,243	-21.68
Capital commitments	16,560	11,862	39.61
Leasing commitments	156	126	23.81

Note: Leasing commitments refer to leasing payments related to leasing contracts already signed by the Group but not yet commenced in implementation.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

VI. Qualitative Analysis of Loans

(I) Loan distribution by five-category classification

As at the end of the Reporting Period, total NPLs of the Group amounted to RMB66,323 million, representing an increase of RMB169 million as compared with the end of the previous year. The NPL ratio was 1.47%, representing a decrease of 0.02 percentage points as compared with the end of the previous year. Total special-mentioned loans amounted to RMB121,499 million, representing an increase of RMB304 million as compared with the end of the previous year. The proportion of special-mentioned loans was 2.69%, representing a decrease of 0.05 percentage points as compared with the end of the previous year.

Item (RMB million)	30 June 2026		31 December 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Change (%)
Performing loans	4,443,674	98.53	4,364,456	98.51	1.82
Of which: Pass	4,322,175	95.84	4,243,261	95.77	1.86
Special-mentioned	121,499	2.69	121,195	2.74	0.25
NPLs	66,323	1.47	66,154	1.49	0.26
Of which: Substandard	12,964	0.29	13,879	0.31	-6.59
Doubtful	10,919	0.24	10,939	0.25	-0.18
Loss	42,440	0.94	41,336	0.93	2.67
Total	4,509,997	100.00	4,430,610	100.00	1.79

(II) Loan distribution by product types

As at the end of the Reporting Period, total corporate loans (including discounted bills) of the Group amounted to RMB2,906,925 million, representing an increase of RMB155,199 million as compared with the end of the previous year, accounting for 64.46% of total loans, representing an increase of 2.35 percentage points as compared with the end of the previous year. Total personal loans amounted to RMB1,603,072 million, representing a decrease of RMB75,812 million as compared with the end of the previous year, accounting for 35.54% of total loans, representing a decrease of 2.35 percentage points as compared with the end of the previous year.

As at the end of the Reporting Period, total corporate NPLs (including discounted bills) of the Group amounted to RMB34,098 million, representing an increase of RMB97 million as compared with the end of the previous year, and the NPL ratio was 1.17%, representing a decrease of 0.07 percentage points as compared with the end of the previous year. Total personal NPLs amounted to RMB32,225 million, representing an increase of RMB72 million as compared with the end of the previous year, and the NPL ratio was 2.01%, representing an increase of 0.09 percentage points as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

Item (RMB million)	30 June 2026				31 December 2025			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Corporate loans and advances	2,906,925	64.46	34,098	1.17	2,751,726	62.11	34,001	1.24
Of which: Discounted bills	134,457	2.98	–	–	126,250	2.85	–	–
Personal loans and advances	1,603,072	35.54	32,225	2.01	1,678,884	37.89	32,153	1.92
Of which: Loans to MSEs	556,592	12.34	9,108	1.64	587,672	13.26	9,591	1.63
Residential mortgage	564,682	12.52	4,343	0.77	573,393	12.94	4,397	0.77
Credit card overdraft	406,457	9.01	17,164	4.22	432,460	9.76	16,735	3.87
Others	75,341	1.67	1,610	2.14	85,359	1.93	1,430	1.68
Total	4,509,997	100.00	66,323	1.47	4,430,610	100.00	66,154	1.49

Note: Others include comprehensive consumer loans, automobile loans and other personal loans.

(III) Loan distribution by industries

The Group strictly implemented its risk preference, proactively seized development opportunities during the “15th Five-Year Plan” period, provided solid credit support to key areas such as the “five major sectors”, achieved moderate growth in scale while ensuring quality, and further consolidated and enhanced the whole bank’s distinctive advantages in high-quality development. The Group effectively supported the transformation and upgrading of traditional industries, concentrated on the two main themes of intelligent manufacturing and domestic substitution, and constantly increased the proportion of credit to advanced manufacturing. The Group reasonably seized long-duration infrastructure projects, and strengthened credit placement in new infrastructure areas such as computing power and digital infrastructure. The Group actively supported key projects in the energy sector, and focused on high-quality new energy power stations and high-quality projects of coal-fired and hydroelectric power in key regions. As at the end of the Reporting Period, the corporate loans of the Group were mainly concentrated in the industries of leasing and commercial services, manufacturing, and real estate. Of which, total loans to the leasing and commercial services industry amounted to RMB626,728 million, representing an increase of RMB26,738 million as compared with the end of the previous year. Total loans to the manufacturing industry amounted to RMB547,378 million, representing an increase of RMB47,345 million as compared with the end of the previous year. Total loans to the real estate sector amounted to RMB317,040 million, representing a decrease of RMB8,403 million as compared with the end of the previous year.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

As at the end of the Reporting Period, the corporate NPLs of the Group were mainly concentrated in the industries of real estate, wholesale and retail, and manufacturing. Total NPLs of the three major industries amounted to RMB23,941 million, accounting for 70.21% of total corporate NPLs. In terms of changes in NPLs, mainly due to the impact of the pace of consumption recovery and the fluctuations in the operations of MSMEs in the wholesale and retail industry, the amount of NPLs saw an increase of RMB849 million as compared with the end of the previous year. Due to the impact of risk spillover of the real estate industry in the construction industry, the amount of NPLs saw an increase of RMB491 million as compared with the end of the previous year. Due to the intensified efforts in NPL disposal in the real estate sector, the amount of NPLs saw a decrease of RMB1,115 million as compared with the end of the previous year.

Item (RMB million)	30 June 2026				31 December 2025			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Corporate loans and advances								
Leasing and commercial services	626,728	13.90	4,544	0.73	599,990	13.54	4,894	0.82
Manufacturing	547,378	12.14	5,848	1.07	500,033	11.29	6,041	1.21
Real estate	317,040	7.03	10,621	3.35	325,443	7.35	11,736	3.61
Wholesale and retail	306,941	6.81	7,472	2.43	291,287	6.57	6,623	2.27
Transportation, storage and postal services	225,248	4.99	326	0.14	202,730	4.58	330	0.16
Water, environment and public utilities management	183,729	4.07	343	0.19	174,004	3.93	336	0.19
Production and supply of electric power, heat, gas and water	159,713	3.54	11	0.01	151,199	3.41	11	0.01
Financial services	154,656	3.43	954	0.62	138,243	3.12	540	0.39
Construction	95,189	2.11	1,343	1.41	103,877	2.34	852	0.82
Mining	83,559	1.85	1,589	1.90	72,224	1.63	1,638	2.27
Information transmission, software and information technology services	65,326	1.45	391	0.60	57,706	1.30	452	0.78
Scientific research and technical services	52,576	1.17	353	0.67	47,350	1.07	259	0.55
Agriculture, forestry, animal husbandry and fishery	26,200	0.58	45	0.17	26,871	0.61	51	0.19
Others	62,642	1.39	258	0.41	60,769	1.37	238	0.39
Subtotal	2,906,925	64.46	34,098	1.17	2,751,726	62.11	34,001	1.24
Personal loans and advances	1,603,072	35.54	32,225	2.01	1,678,884	37.89	32,153	1.92
Total	4,509,997	100.00	66,323	1.47	4,430,610	100.00	66,154	1.49

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Loan distribution by geographical regions

In line with the principle of “adapting to local conditions, highlighting key priorities and strengthening risk control”, the Group actively responded to national regional development strategies, and supported differentiated development of various regions. For economically developed regions, the Group fully leveraged the resource advantages in infrastructure, advanced manufacturing, sci-tech innovation, and retail and small business customer groups, pursued all-round development and played a “leading” role. For western regions with favourable resource endowments, the Group proactively seized opportunities arising from the national energy strategy and industrial relocation, and rationally increased credit placement in energy, infrastructure and chemical industries. As at the end of the Reporting Period, total loans of the Group to the Yangtze River Delta, the Pearl River Delta and the Western Region ranked top three, being RMB1,252,596 million, RMB717,984 million and RMB697,961 million, respectively, accounting for 27.77%, 15.92% and 15.48% of total loans, respectively, and representing increases of RMB49,635 million, RMB12,567 million and RMB10,949 million, respectively, as compared with the end of the previous year.

As at the end of the Reporting Period, the NPLs of the Group were mainly concentrated in the Head Office, the Yangtze River Delta and the Western Region, total NPLs of which amounted to RMB18,425 million, RMB13,852 million and RMB9,723 million, respectively, accounting for 63.33% of total NPLs. Of which, the NPLs of the Head Office mainly came from credit card business. In terms of increase in NPLs, the NPLs of the Pearl River Delta increased by RMB1,337 million as compared with the end of the previous year, and the NPL ratio increased by 0.17 percentage points as compared with the end of the previous year.

Item (RMB million)	30 June 2026				31 December 2025			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Head Office	426,741	9.46	18,425	4.32	443,405	10.01	18,036	4.07
Yangtze River Delta	1,252,596	27.77	13,852	1.11	1,202,961	27.15	13,666	1.14
Pearl River Delta	717,984	15.92	9,111	1.27	705,417	15.92	7,774	1.10
Bohai Rim	674,945	14.97	6,928	1.03	668,332	15.08	7,401	1.11
Northeastern Region	96,309	2.14	1,654	1.72	98,223	2.22	1,463	1.49
Central Region	502,541	11.14	4,719	0.94	495,201	11.18	5,932	1.20
Western Region	697,961	15.48	9,723	1.39	687,012	15.51	10,550	1.54
Institutions outside the Chinese mainland and subsidiaries	140,920	3.12	1,911	1.36	130,059	2.93	1,332	1.02
Total	4,509,997	100.00	66,323	1.47	4,430,610	100.00	66,154	1.49

Note: For details of the geographical distribution of institutions of the Group, please refer to Note 5 “Segment Information” to the Financial Statements.

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(V) Loan distribution by types of collateral

As at the end of the Reporting Period, total secured loans of the Group amounted to RMB2,037,460 million, representing a decrease of RMB36,068 million as compared with the end of the previous year, accounting for 45.18% of total loans. Total unsecured loans amounted to RMB1,503,354 million, representing an increase of RMB60,013 million as compared with the end of the previous year, accounting for 33.33% of total loans. Total guaranteed loans amounted to RMB969,183 million, representing an increase of RMB55,442 million as compared with the end of the previous year, accounting for 21.49% of total loans. In terms of the NPLs, total non-performing unsecured loans increased by RMB916 million as compared with the end of the previous year, mainly due to the increase in NPLs of credit card business. The NPL ratios of loans under various types of collateral remained broadly unchanged as compared with the end of the previous year.

Item (RMB million)	30 June 2026				31 December 2025			
	Total loans	% of total	Total NPLs	NPL ratio (%)	Total loans	% of total	Total NPLs	NPL ratio (%)
Unsecured loans	1,503,354	33.33	23,268	1.55	1,443,341	32.58	22,352	1.55
Guaranteed loans	969,183	21.49	8,847	0.91	913,741	20.62	8,814	0.96
Secured loans	2,037,460	45.18	34,208	1.68	2,073,528	46.80	34,988	1.69
Of which: Secured by tangible assets other than monetary assets	1,665,669	36.94	28,585	1.72	1,713,165	38.67	29,412	1.72
Secured by monetary assets	371,791	8.24	5,623	1.51	360,363	8.13	5,576	1.55
Total	4,509,997	100.00	66,323	1.47	4,430,610	100.00	66,154	1.49

(VI) Top ten loan customers

As at the end of the Reporting Period, the aggregate amount of total loans to the top ten loan customers of the Group was RMB72,355 million, accounting for 1.60% of total loans and advances to customers. The top ten loan customers are as follows:

Item (RMB million)	Amount	% of total loans	% of net capital base
Customer A	15,300	0.34	1.86
Customer B	12,148	0.27	1.48
Customer C	8,150	0.18	0.99
Customer D	6,622	0.15	0.81
Customer E	5,754	0.13	0.70
Customer F	5,638	0.12	0.69
Customer G	5,214	0.11	0.63
Customer H	5,020	0.11	0.61
Customer I	4,324	0.10	0.53
Customer J	4,185	0.09	0.51
Total	72,355	1.60	8.81

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(VII) Restructured loans and overdue loans

As at the end of the Reporting Period, total restructured loans of the Group amounted to RMB24,949 million, representing a decrease of RMB4,058 million as compared with the end of the previous year, accounting for 0.55% of total loans and advances to customers, representing a decrease of 0.10 percentage points as compared with the end of the previous year. Total overdue loans amounted to RMB101,358 million, representing an increase of RMB5,555 million as compared with the end of the previous year, accounting for 2.25% of total loans and advances to customers, representing an increase of 0.09 percentage points as compared with the end of the previous year.

Item (RMB million)	30 June 2026		31 December 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Restructured loans	24,949	0.55	29,007	0.65
Of which: Restructured loans overdue for more than 90 days	9,806	0.22	8,496	0.19
Overdue loans	101,358	2.25	95,803	2.16
Of which: Overdue within 3 months	34,021	0.76	27,463	0.62
Overdue from 3 months up to 1 year	25,778	0.57	29,072	0.66
Overdue from 1 year up to 3 years	33,985	0.75	31,660	0.71
Overdue more than 3 years	7,574	0.17	7,608	0.17

Notes:

1. Restructured loans are loans that the loan agreement has been adjusted by the Group in favour of the debtor, or provision of refinancing for the debtor's existing debts, including granting new loans for repayment of previous debts, new debt financing, etc., in order to enable the debtor who has financial difficulty to repay.
2. Overdue loans are loans that the repayment of principal or interest is overdue for one or more days.

(VIII) Repossessed assets

Item (RMB million)	30 June 2026	31 December 2025
Reposessed assets	4,163	4,408
Of which: Real estate and land use right	1,318	1,314
Motor vehicles	2,643	2,931
Others	202	163
Allowance for impairment losses	669	625

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(IX) Changes in allowance for impairment losses on loans

Item (RMB million)	30 June 2026	31 December 2025
Opening balance	93,966	93,129
Charge for the period, net	29,363	47,901
Write-offs and transfer out during the period	-29,433	-52,477
Recoveries	1,744	7,759
Others	-1,335	-2,346
Ending balance	94,305	93,966

Method for calculating allowance for impairment losses on loans:

According to the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments 《企業會計準則第22號——金融工具確認和計量》, the Bank calculates the allowance for impairment losses on loans with the expected credit loss model as the basis and the forward-looking information as reference. Of which, for retail loans and corporate loans in phase 1 and phase 2, the allowance for impairment losses is calculated based on risk parameters such as probability of default of customers and loss given default. For corporate loans in phase 3, the allowance for impairment losses is calculated based on the expected recovery of cash flow. In line with the requirements of the Implementation Rules for Expected Credit Loss Approach of Commercial Banks (Yin Bao Jian Gui [2022] No. 10) 《商業銀行預期信用損失法實施管理辦法》(銀保監規〔2022〕10號)), the Bank reviewed and optimised the expected credit loss model on a regular basis, and updated forward-looking information and relevant parameters in a timely manner.

VII. Analysis of Capital Adequacy Ratio

(I) Capital adequacy ratio

The Group calculated its capital adequacy ratio (the “CAR”) in accordance with the Capital Rules for Commercial Banks 《商業銀行資本管理辦法》 (the “Capital Rules”) and other relevant regulatory provisions. The calculation of CAR covers the Bank and the financial institutions directly or indirectly invested by the Bank in accordance with the requirements of the Capital Rules. During the Reporting Period, the minimum requirements of the NFRA on the Group and the Bank’s core tier-1 CAR, tier-1 CAR and CAR were 5%, 6%, and 8%, respectively. Based on the aforesaid minimum capital requirements, provisions of reserve capital, counter-cyclical capital and additional paid-in capital should also be made at the ratios of 2.5%, 0%, and 0.25%, respectively. During the Reporting Period, the core tier-1 CAR, tier-1 CAR, and the CAR of the Group and the Bank should be no less than 7.75%, 8.75%, and 10.75%, respectively.

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As at the end of the Reporting Period, the core tier-1 CAR, tier-1 CAR and the CAR of the Group were 9.42%, 11.46% and 13.36%, respectively, representing an increase of 0.04 percentage points, a decrease of 0.01 percentage points and an increase of 0.30 percentage points, respectively, as compared with the end of the previous year. The table below sets out the CAR of the Group and the Bank:

Item (RMB million)	30 June 2026		31 December 2025	
	The Group	The Bank	The Group	The Bank
Net core tier-1 capital	578,300	544,369	563,554	528,829
Net tier-1 capital	704,092	669,367	689,364	653,829
Total net capital base	820,830	783,173	784,943	745,515
Core tier-1 capital	586,384	565,769	571,634	550,085
Core tier-1 capital deductions	-8,084	-21,400	-8,080	-21,256
Other tier-1 capital	125,792	125,000	125,810	125,000
Other tier-1 capital deductions	–	-2	–	–
Tier-2 capital	116,805	113,806	95,635	91,686
Tier-2 capital deductions	-67	–	-56	–
Total risk-weighted assets	6,142,309	5,859,529	6,011,048	5,728,815
Of which: Credit risk-weighted assets	5,791,319	5,530,884	5,669,106	5,411,255
Market risk-weighted assets	96,007	83,366	86,959	72,281
Operational risk-weighted assets	254,983	245,279	254,983	245,279
Core tier-1 CAR (%)	9.42	9.29	9.38	9.23
Tier-1 CAR (%)	11.46	11.42	11.47	11.41
CAR (%)	13.36	13.37	13.06	13.01

(II) Leverage ratio

As at the end of the Reporting Period, the leverage ratio of the Group was 7.55%, representing a decrease of 0.08 percentage points as compared with the end of the previous quarter. The leverage ratio of the Group is as follows:

Item (RMB million)	30 June 2026	31 March 2026	31 December 2025	30 September 2025
Leverage ratio (%)	7.55	7.63	7.51	7.43
Net tier-1 capital	704,092	699,622	689,364	686,328
On- and off-balance sheet assets after adjustment	9,321,665	9,169,417	9,174,691	9,235,790

For details of the regulatory capital indicators, please refer to the 2026 Interim Report on Pillar 3 Information Disclosure of China Minsheng Banking Corp., Ltd. 《中國民生銀行股份有限公司2026年半年度第三支柱信息披露報告》 in the section headed “Investors Relations – Announcements and Disclosures – Regulatory Capital” on the Bank’s website (www.cmbc.com.cn).

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VIII. Liquidity Indicators

(I) Liquidity coverage ratio

As at the end of the Reporting Period, the liquidity coverage ratio of the Group was 134.11%, 34.11 percentage points higher than the regulatory requirement, indicating that the Group had an adequate reserve of high-quality current assets and maintained its liquidity stability.

Item (RMB million)	30 June 2026	31 December 2025
Liquidity coverage ratio (%)	134.11	135.60
High-quality current assets	957,375	958,739
Net cash outflow in 30 days	713,878	707,036

(II) Net stable funding ratio

As at the end of the Reporting Period, the net stable funding ratio of the Group was 105.94%, 5.94 percentage points higher than the regulatory requirement, indicating that the available stable funding sources of the Group was capable of supporting the sustainable and stable business development.

Item (RMB million)	30 June 2026	31 March 2026	31 December 2025
Net stable funding ratio (%)	105.94	105.76	104.85
Stable funding available	4,637,954	4,680,002	4,572,514
Stable funding required	4,378,042	4,425,220	4,361,021

IX. Segment Report

The business segments of the Group are categorised as corporate banking, retail banking and others for the purposes of management, reporting and evaluation. The geographical segments are categorised into eight sections including the Head Office, the Yangtze River Delta, the Pearl River Delta, the Bohai Rim, Northeastern Region, Central Region, Western Region, and the institutions outside the Chinese mainland and subsidiaries for the purposes of management, reporting and evaluation.

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(I) Segment operating results by business line

Item (RMB million)	30 June 2026	January to June 2026	
	Total assets	Operating income	Profit before income tax
Corporate banking	5,415,887	36,815	22,451
Retail banking	1,675,162	27,465	-1,856
Others	642,803	9,415	25
Total	7,733,852	73,695	20,620

Item (RMB million)	31 December 2025	January to June 2025	
	Total assets	Operating income	Profit before income tax
Corporate banking	5,328,944	35,340	14,560
Retail banking	1,723,662	28,565	6,485
Others	721,288	6,796	1,749
Total	7,773,894	70,701	22,794

Note: Total assets exclude deferred income tax assets.

(II) Segment operating results by geographical region

Item (RMB million)	30 June 2026	January to June 2026	
	Total assets	Operating income	Profit before income tax
Head Office	3,311,772	29,315	6,036
Yangtze River Delta	1,287,616	12,298	6,652
Pearl River Delta	807,238	7,326	2,019
Bohai Rim	1,398,757	8,065	3,738
Northeastern Region	139,817	1,151	357
Central Region	623,252	4,932	-879
Western Region	707,447	5,890	1,141
Institutions outside the Chinese mainland and subsidiaries	449,727	4,718	1,556
Inter-regional adjustments	-991,774	–	–
Total	7,733,852	73,695	20,620

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Item (RMB million)	31 December 2025	January to June 2025	
	Total assets	Operating income	Profit before income tax
Head Office	3,400,109	27,677	8,931
Yangtze River Delta	1,233,555	11,855	5,061
Pearl River Delta	807,513	7,555	3,079
Bohai Rim	1,384,929	6,562	-2,034
Northeastern Region	139,143	1,231	1,411
Central Region	588,810	5,094	1,603
Western Region	695,289	5,816	2,374
Institutions outside the Chinese mainland and subsidiaries	459,489	4,911	2,369
Inter-regional adjustments	-934,943	—	—
Total	7,773,894	70,701	22,794

Note: Total assets exclude deferred income tax assets.

X. Other Financial Information

(I) Items relating to fair value measurement

1. Internal control system relating to fair value measurement

In order to regulate fair value measurement, improve the quality of financial information, strengthen risk control and protect the legitimate rights and interests of investors and all relevant parties, the Bank has formulated the Administrative Measures Regarding Account Valuation of Financial Instruments at Fair Value of China Minsheng Bank 《中國民生銀行金融工具公允價值入賬估值管理辦法》 according to the Accounting Standards for Business Enterprises 《企業會計準則》, established a clear and effective governance structure and internal control procedures, expanded the scope of fair value measurement to cover certain financial assets and financial liabilities, and clarified and refined the policies, methods and procedures for fair value measurement. To enhance the rationality and reliability of fair value measurement, the Bank has assigned specific working responsibilities for the management of fair value measurement to the Board, the Senior Management and execution bodies at various levels, strengthened research on the fair value measurement of asset and liability businesses, improved internal valuation capabilities, gradually optimised the valuation models and systems, and strengthened the verification of parameters obtained externally. Moreover, the Bank has taken corresponding internal control measures over the fair value measurement process, conducted double-checking system for the measurement of fair value, and adopted a valuation procedure of fair value featuring multiple checks and early-warning and monitoring on valuation results. In the meantime, by supervising and checking the scope, methodology and procedures of fair value measurement, the audit departments have constantly improved internal control of the Bank.

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The Bank has adopted new accounting standards including the International Financial Reporting Standard 9: Financial Instruments 《國際財務報告準則第9號：金融工具》 (IFRS 9) and the Accounting Standards for Business Enterprises No. 22—Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23—Transfer of Financial Assets 《企業會計準則第23號－金融資產轉移》, the Accounting Standards for Business Enterprises No. 24—Hedge Accounting 《企業會計準則第24號－套期會計》 and the Accounting Standards for Business Enterprises No. 39—Fair Value Measurement 《企業會計準則第39號－公允價值計量》 promulgated by the Ministry of Finance. During the Reporting Period, the Bank completed the solely payments of principal and interest (SPPI) test, product classification, valuation, and impairment calculation of financial instruments, and conducted fair value measurement in accordance with the new accounting standards.

2. Financial instruments measured at fair value

For details of the scope, methodologies and relevant parameters of the financial instruments measured at fair value of the Bank, please refer to Note 11 “Fair Value of Financial Instruments” to the Financial Statements.

(II) Overdue and outstanding liabilities

As at the end of the Reporting Period, the Group had no material outstanding liabilities that were overdue.

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(III) Cash flow

During the Reporting Period, the Group's net cash flow from operating activities was RMB184,168 million, and the net outflow decreased by RMB403,211 million as compared with the corresponding period of the previous year, mainly due to that the cash flow from deposits and placements from banks and other financial institutions changed from net outflow to net inflow. The net cash flow from investment activities amounted to RMB35,433 million, and the net inflow decreased by RMB72,084 million as compared with the corresponding period of the previous year, mainly due to the increase in cash paid for investments. The net cash flow from financing activities amounted to RMB-242,141 million, and the net inflow decreased by RMB367,331 million as compared with the corresponding period of the previous year, mainly due to the decrease in cash received from issuance of debt securities.

Item (RMB million)	January to June 2026	January to June 2025	Change
Net cash flow from operating activities	184,168	-219,043	Net outflow decreasing by 403,211
Of which: Net cash flow from loans and advances to customers	-107,734	-39,249	Net outflow increasing by 68,485
Net cash flow from deposits from customers	115,317	61,907	Net inflow increasing by 53,410
Net cash flow from deposits and placements from banks and other financial institutions	85,649	-268,160	Net outflow decreasing by 353,809
Net cash flow from investment activities	35,433	107,517	Net inflow decreasing by 72,084
Of which: Cash received from recovery of investments and investment income	1,935,111	1,597,954	Inflow increasing by 337,157
Cash paid for investments	-1,897,214	-1,491,545	Outflow increasing by 405,669
Net cash flow from financing activities	-242,141	125,190	Net inflow decreasing by 367,331
Of which: Cash received from issuance of debt securities	403,620	715,531	Inflow decreasing by 311,911
Cash paid for repayment of debts	-628,896	-615,507	Outflow increasing by 13,389

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XI. Operational Concerns

(I) Net interest margin

During the Reporting Period, the net interest margin of the Group was 1.47%, representing an increase of 8BP as compared with the corresponding period of the previous year. The decrease in liability costs provided strong support for the improvement of interest margin. On the liability side, the Bank continued to improve its products and services, took “Settlement+” as a core driver to effectively increase the proportion of demand deposits, and facilitated the significant decrease in the interbank funding costs through refined management. During the Reporting Period, the cost ratio of deposits of the Group was 1.46%, representing a decrease of 40BP as compared with the corresponding period of the previous year. The average cost ratio of interbank liabilities was 1.54%, representing a decrease of 37BP as compared with the corresponding period of the previous year. On the asset side, the Bank strengthened coordinated management of scale and cost, improved asset operation efficiency, continuously optimised asset structure, and increased the proportion of general loans.

In the next stage, the Group will proactively respond to changes in the market, promote the optimisation of the asset-liability structure, enhance refined management, and strive to maintain the improving trend in net interest margin. On the liability side, the Bank will deepen all funds management, continue to strengthen the management of all customer groups, all scenarios and all processes, drive fund accumulation and further reduce liability costs. On the asset side, it will focus on areas with new momentum, accelerate the optimisation of credit structure, further advance the “five major sectors” of finance, while enhancing its capabilities in loan risk-based pricing and comprehensive services for the real economy.

(II) Net non-interest income

The Group adhered to the customer-centric philosophy, enhanced service quality and value creation of intermediary business, and increased the contribution of intermediary business income. By focusing on wealth management and payment and settlement businesses, the Bank continuously enhanced the capability in asset allocation, improved the development of payment scenarios, and promoted the steady scale expansion of financial assets under management and the increase in intermediary business income. During the Reporting Period, the net fee and commission income of the Group amounted to RMB9,809 million, representing an increase of RMB124 million, or 1.28%, as compared with the corresponding period of the previous year. Of which, the income from agency services, custodian and other fiduciary services, and settlement and clearance services increased by RMB1,068 million, RMB36 million and RMB82 million, respectively, as compared with the corresponding period of the previous year.

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(III) Formation, collection and disposal of non-performing assets

The Bank continued to optimise the full-process credit management mechanism, deepened the guiding role of credit policy and industry research, and adjusted and refined credit asset structure through a combined approach of expansion and exit. The Bank carried out the “Year of Deepening Post-Lending and Post-Investment Management” initiative to improve the effectiveness of post-lending management by consolidating result enhancement mechanism, closely monitoring and controlling new risks, and strengthening closed-loop institutional management. The Bank also optimised the risk management and monitoring system for retail loans, implemented full-process standardised operating procedures, continuously intensified centralised management and control capabilities, and improved the efficiency of closed-loop risk monitoring and resolution. During the Reporting Period, the formation rate of NPLs³ of the Bank was 1.68%, representing an increase of 0.17 percentage points as compared with the corresponding period of the previous year, mainly due to the increase in the newly formed non-performing retail loans as compared with the corresponding period of the previous year.

The Bank continued to advance the collection and disposal of non-performing assets, adhered to the philosophy of managing non-performing assets, strengthened classified strategy implementation, and adopted multiple measures on a selective basis. During the Reporting Period, the Bank collected and disposed a total of RMB38,986 million non-performing assets, including RMB35,958 million NPLs. Divided by disposal method, RMB4,078 million were collected in cash, RMB2,234 million were transferred, RMB8,418 million were securitised, RMB19,961 million were written off, and RMB1,267 million were collected and disposed through other methods such as repossession. RMB3,028 million non-credit non-performing assets were also collected and disposed. Meanwhile, the Bank continued to identify the recovery clues of written-off assets to effectively reduce losses. During the Reporting Period, the Bank recovered RMB2,284 million written-off assets.

In the next stage, the Bank will proactively respond to changes in external risk situations, continuously improve the full-process credit risk management mechanism, maintain stringent credit access standards, effectively strengthen post-lending and post-investment management, strictly prevent new large-amount risks, establish centralised post-lending management model of retail loans, enhance the precision and timeliness of risk early-warning, and further intensify the collection and disposal of non-performing assets to comprehensively improve the effectiveness of risk disposal and mitigation.

³ Formation rate of NPLs = New NPLs of the period/total loans and advances to customers at the beginning of the period × annualised coefficient.

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(IV) Risk management and control of the real estate sector

The Group attached great importance to the risk prevention in the real estate sector, adhered to the overall strategy of “controlling total amount, revitalising existing business and optimising incremental business”, earnestly implemented relevant national policies and regulatory requirements concerning the real estate sector, and continuously advanced the implementation of the “16 financial measures” and the urban real estate financing coordination mechanism, etc. On the one hand, the Group applied layered and classified management of projects throughout their duration, and accelerated the mitigation of existing risks. On the other hand, the Group proactively responded to national policies, adhered to the origin of project financing, focused on prime locations and quality housing projects, gave priority to meeting the reasonable financing needs of high-quality regions and high-quality real estate enterprises, continued to support financial services for affordable housing and rental housing, optimised business structure, and developed incremental business in an appropriate and orderly manner, thus promoting the steady and healthy development of real estate business of the Group.

As at the end of the Reporting Period, the balance of the Group’s corporate credit business assuming credit risks in relation to the real estate sector, such as loans, off-balance sheet credit, and bond investment, amounted to RMB363,627 million, representing a decrease of RMB18,238 million, or 4.78%, as compared with the end of the previous year. Of which, the balance of loans to the real estate sector amounted to RMB317,040 million, representing a decrease of RMB8,403 million, or 2.58%, as compared with the end of the previous year, and accounted for 87.19%. As at the end of the Reporting Period, the balance of NPLs of corporate real estate business amounted to RMB10,621 million, representing a decrease of RMB1,115 million as compared with the end of the previous year. The NPL ratio was 3.35%, representing a decrease of 0.26 percentage points as compared with the end of the previous year. In addition, as at the end of the Reporting Period, the balance of businesses not assuming credit risks in relation to the real estate sector of the Group, such as net-value wealth management, entrusted loans, and debt financing instruments with the Bank as the leading underwriter, amounted to RMB49,538 million, representing an increase of RMB246 million as compared with the end of the previous year. The business scale was small on the whole.

In the next stage, the Group will continue to strictly implement the national decisions, deployments and regulatory requirements concerning the real estate sector, improve the asset quality of existing business, promote the high-quality development of incremental business, and maintain steady development of businesses in relation to the real estate sector.

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XII. Risk Management

(I) Comprehensive risk management

The Bank adhered to a risk culture of “soundness, prudence, comprehensiveness and proactivity”, continuously improved comprehensive risk management system, and enhanced refined risk management. The Bank continued to strengthen risk governance, strove to improve the operating mechanism of the Risk Management and Internal Control Committee, improved the management framework of “Chief Compliance Officer – Compliance Officer – Risk Compliance Officer – Compliance Commissioner”, consolidated the chain of risk management responsibilities, and established a management system with vertical integration and comprehensive horizontal coverage, thereby enabling professional and efficient decision-making on major risk management matters. The Bank strengthened the guiding role of plans and policies, prepared a draft five-year comprehensive risk management plan, issued the 2026 risk preference statement and the management policies of major special risks, and continuously enhanced industry research on national major strategies and key areas receiving support to improve the efficiency of credit resource allocation. The Bank steadily advanced application preparations for the compliant implementation of the advanced capital measurement approach, continuously improved the internal rating system for credit risks, enhanced loss data management mechanism of operational risks, and carried out the “Year of Compliant Application of the Advanced Capital Measurement Approach” initiative, so as to further consolidate the foundation for compliant implementation. The Bank refined the development of system tools, and accelerated the launching of tools including the agent of “Corporate Information Lookup (企調一頁通)”, the digital and intelligent post-lending management platform, the project of integrated collection, disposal and recovery of retail business, and the risk portrait of employee behaviour. The application of AI+ across the entire credit management process and the development of regulatory agents also progressed steadily, comprehensively empowering quality and effectiveness enhancement of risk management.

(II) Credit risk management

Credit risk is the risk that a borrower or a counterparty fails to make repayments in a timely manner in full amount for whatever reasons.

During the Reporting Period, the Bank coordinated development and security, took the “Year of Deepening Post-Lending and Post-Investment Management” initiative as the main focus, concentrated on the effectiveness of credit management, continued to improve credit risk governance framework, and facilitated the comprehensive transformation of credit risk management from system building to effectiveness release with focus on consolidating mechanism results, strictly controlling new risks, reinforcing closed-loop management of rules and system deployment, and implementing list-based progression, thereby maintaining overall stability of the asset quality. The Bank strengthened risk cost management, strictly implemented the provision of virtual allowances for new risks, rigidly linked risk costs with resource allocation of institutions and disclosed them on a quarterly basis, and guided the fostering of the philosophy of prudent operation. The Bank adhered to a credit policy featuring selective expansion and exit, strengthened policy guidance and transmission, formulated adjustment plans for mid- to long-term credit structure, and continuously enhanced the strategic foresight and market adaptability of credit resource allocation. The Bank increased support for key areas and weak links, implemented list-based management and differentiated reduction and exit for

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high-risk areas, and promoted the orderly reduction of risk exposure. The Bank comprehensively advanced the development of risk control system for big retail banking, strengthened centralised control and unified strategy decision-making by the risk management hub, deepened layered management of MSME customer groups, and improved the closed-loop mechanism of risk monitoring, screening and resolution. The Bank optimised credit approval system and mechanism, reshaped project evaluation mechanism, established the parallel operating model of “simultaneous performance of due diligence and assessment” and the “cloud-based approval” mechanism, and deepened the promotion and application of “smart post-lending supervision”. The Bank focused on enhancing the awareness of managing non-performing assets, optimised the operation and management model, strengthened layered and classified management, prudently resolved risks in key areas, continued to explore the potential value of written-off assets, and comprehensively improved the effectiveness of risk resolution and mitigation. The Bank rapidly advanced digital and intelligent credit risk management and control, launched core functions of the enterprise-level digital and intelligent post-lending management platform, and accelerated the development of the digital analysis platform of credit management and initiated pilot application.

(III) Large-amount exposure

Large-amount exposure refers to the credit risk exposure of a commercial bank exceeding 2.5% of its net tier-1 capital (including various kinds of credit risk exposures arising in the banking book and the trading book) to a single customer or a group of related party customers. The Bank proactively established and improved the management mechanism for large-amount exposures, clarified large-amount exposure management limit in annual risk preference, and orderly implemented the measurement, monitoring and reporting of large-amount exposures, thus ensuring the compliance and effectiveness of management.

As at the end of the Reporting Period, except for customers exempted by regulatory rules, the non-interbank single customers, non-interbank related party customers, interbank single customers, and interbank group customers of the Bank meeting large-amount exposure standards all satisfied the regulatory requirements.

(IV) Market risk management

Market risk refers to the risk of adverse changes in market prices (interest rates, exchange rates, stock prices and commodity prices) inflicting losses in on- and off-balance sheet businesses of commercial banks.

During the Reporting Period, the Bank continued to improve the measurement and allocation mechanism for market risk capital, and maintained general stability in the capital occupation of market risk. The Bank refined the development of market risk management system by revising and issuing multiple policies, including the Administrative Measures on Market Risk Limit (2026 Revision). The Bank comprehensively deepened the integrated management of risk limit, trading strategy and risk monitoring of financial transactions. By adopting limit management mechanism, multi-layer limit system and dynamic limit adjustment mechanism, the Bank supported the improvement of business flexibility of market-making, agency and other businesses with risks under control, thus realising steady business development. The Bank expanded the promotion of unified views for market risk across the whole bank, and supported the application of smart market risk control results in monitoring, analysis and decision-making processes. The

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Bank promoted the comprehensive integration of capital measurement tools into business management scenarios. Through the verification, reconciliation and allocation mechanisms for exposure and capital, the Bank ensured accurate reporting of market risk capital and strengthened the guidance and assessment of capital decomposition results in the performance of different institutions and trading desks. Additionally, the Bank continuously iterated the early-warning and monitoring system for credit bonds, optimised quantitative analysis of the multi-dimensional risk portfolio of credit bond holdings, and achieved coordinated management of market risk and credit risk driven by high frequency data. The Bank dynamically improved the closed-loop management of investment transaction products covering all risks, entire process and full life-cycle, and strengthened cross-cycle risk assessment for bond investments.

(V) Operational risk management

Operational risk refers to the risk of loss arising from problems with internal procedures, personnel and IT system or external events, including legal risk but excluding strategic risk and reputation risk.

During the Reporting Period, the Bank continued to advance the development of the operational risk (including legal risk) management system, and controlled the loss ratio of operational risks within the risk preference limit. It comprehensively reviewed the operational risk management framework, prepared application materials for compliant implementation of the standard approach for operational risk capital measurement in accordance with the regulatory requirements, and steadily advanced preparations for regulatory review and acceptance. The Bank introduced AI technologies to empower operational risk identification, optimised the functions of the operational risk management system, and established data coordination among the three tools of risk self-assessment, key risk indicators and loss data. The Bank strengthened publicity and implementation of the culture of operational risk management, and organised dedicated operational risk management training programmes to systematically enhance the awareness and capabilities of operational risk management. The Bank continued to strengthen its legal risk management system, optimised legal risk management policies, advanced the internalisation of key laws and regulations, strengthened legal services for strategic and innovative businesses, advanced training on the enhancement of business-related legal risk prevention and control and response and resolution skills, and strengthened the development and application of platforms such as smart legal review, smart litigation and blockchain-based digital evidence preservation, in a bid to consolidate the defence lines for legal and compliant operation and management. The Bank closely monitored changes in the external judicial environment and internal litigation risks, conducted forward-looking early-warning and prevention and control of business risks, optimised the development of smart litigation system, and continuously enhanced the capabilities in law-abiding and compliant operation.

(VI) Liquidity risk management

Liquidity risk refers to the risk that a commercial bank is unable to promptly obtain sufficient funds at reasonable cost to repay maturing liabilities, discharge other payment obligations and meet other funding needs in the course of normal operations. The Bank has established a scientific and comprehensive liquidity risk governance framework and formulated effective rules, procedures, strategies and policies of liquidity risk management, so as to continuously enhance its capabilities in the identification, measurement, monitoring, control and reporting of liquidity risk.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Bank safeguarded the bottom line of liquidity risk, adhered to prudent risk preference, closely monitored the changes in macro-economic, monetary and regulatory policies, market liquidity and price level, and strengthened monitoring and active management around core risk factors. The regulatory indicators of liquidity risk remained sound, and the daytime liquidity risk stayed safe and controllable. Firstly, the Bank optimised the Group's consolidated management system, and reinforced management supervision and indicator monitoring of subsidiaries. Secondly, the Bank improved the risk monitoring and limit management system based on factors such as asset-liability maturity mismatch, liability structure stability, high-quality current assets, cash flow gap distribution, and customer and industry concentration level. Thirdly, the Bank optimised the asset-liability structure, expanded liability source channels to diversify the liability sources, and properly conducted management of high-quality current assets. Fourthly, the Bank carried out high-frequency risk early-warning management, improved the stress test scenario and parameter system, and used system tools to increase the frequency and efficiency of stress tests. The Bank regularly conducted emergency drills for liquidity risk and improved its capabilities in risk identification and emergency response. Fifthly, the Bank strictly implemented the pillar 3 information disclosure requirements of the Capital Rules, strengthened the liquidity risk data governance at both legal person and consolidated Group levels, and advanced the development of the asset-liability risk management system.

(VII) Country risk management

Country risk refers to the risk of debtor in a certain country or region failing or unwilling to repay debts to the financial institutions in the banking industry, or the financial institutions in the banking industry suffering from commercial losses in a country or region or incurring other losses due to economic, political and social changes and incidents in such country or region. In accordance with regulatory requirements, the Bank incorporated country risk management into the comprehensive risk management system. Through the formulation of country risk management policies and procedures, the Bank clarified management responsibilities and working processes, and managed and controlled country risk through management tools including country risk ratings, limit management, stress tests, and exposure measurement and monitoring.

During the Reporting Period, the Bank continued to improve its country risk management system in response to business development needs and changes in the global political and economic landscape. The Bank strengthened monitoring and early-warning, closely followed changes in the external environment, promptly initiated emergency responses to unexpected country risk events, dynamically adjusted country risk strategies for relevant countries, and reduced the adverse impact of external events on the Bank's overseas assets. The Bank promoted the digital and intelligent transformation of country risk management, developed the country risk management system, and elevated the automation level of the identification, measurement, monitoring and control of country risk. The Bank optimised management tools such as ratings and limits, and updated country risk ratings and limits by fully leveraging internal and external data and comprehensively considering the Bank's risk preference and placement plan. As at the end of the Reporting Period, the country risk exposures of the Bank mainly concentrated in countries and regions with relatively low risks, and the risks were controllable in general.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(VIII) Management of interest rate risk in banking book

Interest rate risk in banking book refers to the adverse changes in the level of interest rate, maturity structure and other factors which lead to losses on the economic value and overall revenue of banking book. It can be primarily classified into gap risk, benchmark risk and option risk.

During the Reporting Period, the Bank optimised and improved the governance and management system of interest rate risk in banking book, strengthened the management of mismatch of asset and liability repricing, and conducted interest rate sensitivity analysis and stress tests on a regular basis, in a bid to ensure the steady operation of regulatory indicators and internal management indicators of interest rate risk in banking book. The Bank continued to improve the Group's consolidated management system of interest rate risk in banking book, and supervised and guided subsidiaries to improve their risk management. The Bank continuously enhanced the identification, measurement, monitoring and control system for interest rate risk in banking book, closely followed changes in external market environment and internal business structure, enhanced forward-looking judgment, and dynamically adjusted the term structure of assets and liabilities and business management strategies. The Bank optimised the limit system, appraisal and supervision and early-warning alert of interest rate risk in banking book, and practised strict and effective management in terms of repricing gap, maturity mismatch, duration and valuation fluctuation, so as to ensure that all risk factors were kept at a prudent and healthy level. The Bank enhanced the early-warning management of interest rate risk in banking book, constantly updated and enriched scenario assumption and parameter system for stress tests, used systematic tools to frequently carry out stress tests, and strengthened its capability in risk identification, early-warning and emergency response. The Bank continued to optimise the functions of the asset-liability risk management system, improved management models and database, increased the automatic measurement and monitoring frequency of indicators of interest rate risk in banking book, and enhanced the levels of risk data analysis and monitoring.

(IX) Reputation risk management

Reputation risk of a bank refers to the risk that stakeholders, the public, media and other parties negatively evaluate banking institutions due to the operation and management behaviours, behaviours of employees or external events, etc., which then undermines the brand value, goes against normal operation, and even affects industry image, market stability and social stability. The Bank regards effective reputation risk management as one of the important means and necessary measures to safeguard normal business development, create a harmonious public opinion environment, safeguard its sound image in the industry and fulfill responsibilities of corporate citizens.

During the Reporting Period, the Bank comprehensively implemented the Administrative Measures on Reputation Risk of Banking and Insurance Institutions (Trial) and the Administrative Measures on Reputation Risk of China Minsheng Bank (2024 Revision), further optimised mechanisms and processes, improved response strategies, accumulated reputation capital, and improved the foresight, timeliness and effectiveness of reputation risk management. The Bank implemented the philosophy of steady and prudent development, shifted risk management further upstream, strengthened governance from the source, and reviewed potential risks in internal processes and key links. Under the framework of comprehensive risk management, the Bank assessed the potential threats of overlapping and spreading of various risks in a timely manner, precisely predicted public opinion development trend, and deployed special monitoring and early-warning in a targeted manner. Through multiple measures, the Bank prudently addressed and mitigated anticipated potential reputation risk, and strictly prevented the cross-business and cross-institution contagion and spread of reputation risk across the Group. The Bank also accumulated reputation capital, enhanced corporate reputation, and created a favourable public opinion environment for the high-quality development of the Bank.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(X) IT risk management

IT risk refers to the operational, legal and reputation risk and other risks due to natural factors, human factors, technical flaws and management defects in relation to the IT application in the commercial banks.

During the Reporting Period, the Bank focused on business strategies and operating objectives, took the advancement of digital finance as the guidance, continuously optimised risk governance framework, iterated security protection system, and constantly improved management frameworks for data security, algorithm security and AI security, so as to enhance IT risk management capabilities. The Bank continued to conduct risk governance in key technology areas, improved the closed-loop mechanism for the monitoring, identification, assessment and control of technology risk, advanced classified and graded data management as well as the implementation of rules related to regulatory data statistics, improved regular monitoring and early-warning systems, and conducted periodic re-inspections of technology risk monitoring indicators. The Bank optimised information system disaster recovery architecture, conducted business continuity drills for information systems under practical scenarios, and enhanced the efficiency of emergency response and operational resilience of information systems. The Bank strengthened the development of cybersecurity offence-and-defence system, and enhanced capabilities in cybersecurity monitoring and rapid response and resolution of security vulnerabilities. The Bank maintained “zero data leakage and zero information security incident”, its external attack defence capabilities successfully withstood practical challenges, change management remained resilient under high-load operations, and the information systems operated smoothly.

(XI) Compliance risk management

Compliance risk refers to the potential for a financial institution or its employees to face criminal, administrative, or civil legal liability, financial loss, reputation loss, or other adverse consequences due to violations of compliance regulations in operation and management activities of the financial institution or duty performance behaviours of its employees.

During the Reporting Period, the Bank continued to improve compliance management system, continuously enhanced the effectiveness of compliance management, and promoted the profound transformation from “passive regulatory compliance” to “proactive and efficient governance”. It closely monitored changes in the economic and financial environment, strengthened the transmission and implementation of regulatory policies, enhanced the intelligence level of institutional management, and advanced systematic pilot application of compliance duty performance. The Bank conducted legal compliance reviews for key businesses and innovative projects to safeguard their high-quality development. The Bank continued to improve the compliance monitoring platform, enriched off-site inspection model library, and promoted the effective operation of its compliance risk monitoring system. The Bank strengthened warnings through circular on typical cases, improved employee behavioural risk portraits across business lines, and intensified employee behaviour management. The Bank conducted compliance inspections with focus on key areas, and achieved a virtuous cycle of inspection, rectification, assessment and enhancement by taking strengthening the source-tracing and rectification of problems as the starting point. It deepened the application of AI-based Q&As on laws and regulations, and vigorously promoted layered and classified legal compliance publicity and education covering all employees, in order to continuously improve employees’ awareness of law-abiding and compliant business operation and their compliant duty performance capabilities.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

(XII) Money laundering risk management

Money laundering risk refers to the risk that the Bank may be utilised by “money laundering activity” during business development and operating management.

During the Reporting Period, the Bank fully identified, analysed and evaluated money laundering risks, further improved the group-based money laundering risk management system, constantly strengthened the quality and effectiveness of money laundering risk management, and was rated good in the latest annual regulatory assessment. The Bank thoroughly implemented the new anti-money laundering (AML) laws and supporting regulations, further improved institutional system and management mechanism, and promoted the implementation of new policies, including AML due diligence, beneficial owner identification and special preventive measures for AML purposes. The Bank solidly advanced self-assessments of money laundering risk, terrorist financing risk and risk of evasion of targeted financial sanctions related to counter-proliferation, which fully and objectively reflected its achievements in performing AML duties. The Bank accelerated the development of digital and intelligent AML capabilities, launched a smart money laundering risk monitoring model based on graph neural networks, and continuously applied AI technologies to improve the quality of suspicious transaction reporting. It further strengthened money laundering risk monitoring and management, and conducted special governance concerning the quality of suspicious transaction reporting with focus on high-risk businesses and specific customer groups. The Bank also continued to strengthen AML publicity and training, and enhanced the AML-related duty performance awareness and capabilities of institutions at all levels and financial subsidiaries.

XIII. Prospects

In the second half of 2026, the operation of commercial banks will continue to maintain steady development, structural optimisation and controllable risks. There are several trends deserve close attention. Firstly, “slower but higher-quality” loan growth may become the new normal. The shift from old to new growth drivers in the macro economy will pick up pace, and direct financing channels will continue to expand, driving banks to optimise product and service models and serve the real economy in a high-quality manner. Secondly, pressures on interest margins in the banking industry will persist. On the asset side, interest rates of new loans will continue to face downward pressure, while returns from financial investments and other non-credit businesses will remain low. On the liability side, as households diversify the allocation of maturing deposits, deposit funds may flow toward non-bank institutions, leaving limited room for further decrease in deposit costs. Thirdly, asset quality will remain generally stable, of which, assets of corporate business will demonstrate relatively better quality while retail business will face relatively greater risk pressure. Fourthly, the financial industry will continue to deepen supply-side structural reform, with small and medium-sized financial institutions undergoing quantity reduction and quality improvement process, accelerating the restructuring of the competition landscape of the industry.

The Bank will remain firmly committed to its strategic direction and closely follow the work priorities of “stabilising growth, optimising structure, strengthening foundation and enhancing quality and effectiveness”, deepen the development of “basic customers, basic products, basic services and basic management”, consolidate the operating foundation through enhanced service capabilities and management efficiency, and fully promote high-quality and sustainable development.

CHAPTER 3 MANAGEMENT DISCUSSION AND ANALYSIS

Firstly, the Bank will further advance the integrated management of MSMEs, large enterprises and individual customers, and solidify customer base and value creation capabilities. The Bank will adhere to the customer-centric approach and the core philosophy of “integration of customer acquisition and customer management”, and continue to explore customers’ financial service needs through high-quality customer acquisition and efficient customer management.

Secondly, the Bank will optimise the asset and liability structure, and enhance development quality and effectiveness as well as capital return efficiency. On the asset side, the Bank will focus on key areas including the “five major sectors” of finance, adhere to the principle of “stabilising total amount and optimising structure”, and enhance risk-based pricing capabilities and capital return efficiency. On the liability side, the Bank will adhere to the philosophy of “taking liability structure optimisation as the cornerstone”, take the growth of low-cost deposits as the core starting point, and continue to reduce liability costs.

Thirdly, the Bank will accelerate digital and intelligent transformation, and reshape business processes and customer experiences through technology empowerment. The Bank will further advance the development of enterprise-level business architecture, and strengthen the scenario empowerment of AI large models in key areas including marketing, risk control, operation and decision-making. The Bank will deepen the ecosystem development of the digital and intelligent butler for enterprises of “E-Minsheng Family”, enrich scenario-based digital products, and support the digital transformation of MSMEs.

Fourthly, the Bank will reinforce the bottom line of risk compliance, and advance steady and long-term operation and development. The Bank will continue to improve the risk management system covering all risk categories, all employees and all processes. The Bank will strengthen coordinated prevention and control of the “three lines of defence”, strengthen forward-looking risk management and control and process management in key areas, adhere to the philosophy of managing non-performing assets, and comprehensively improve the effectiveness of non-performing asset collection and disposal.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

I. Ordinary Shares

(I) Changes in ordinary shares

	30 June 2026		Changes over the Reporting Period	31 December 2025	
	Number of shares (share)	Percentage (%)	Number of shares (share)	Number of shares (share)	Percentage (%)
I. Shares subject to restriction on sales	-	-	-	-	-
II. Shares not subject to restriction on sales	43,782,418,502	100.00	-	43,782,418,502	100.00
1. Ordinary shares in RMB	35,462,123,213	81.00	-	35,462,123,213	81.00
2. Domestic listed foreign invested shares	-	-	-	-	-
3. Offshore listed foreign invested shares	8,320,295,289	19.00	-	8,320,295,289	19.00
4. Others	-	-	-	-	-
III. Total number of ordinary shares	43,782,418,502	100.00	-	43,782,418,502	100.00

(II) Shares subject to restriction on sales and restrictions

During the Reporting Period, no shareholder of the Bank held shares subject to restriction on sales.

II. Issuance and Listing of Securities

During the Reporting Period, the Bank did not issue new ordinary shares, there were no changes in the total number and structure of ordinary shares, and the Bank had no employee shares.

For details of bond issuance of the Bank, please refer to Note 4 "Notes to the Condensed Consolidated Financial Statements" to the Financial Statements.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

III. Shareholders

(I) Total number of holders of ordinary shares and shareholdings of the top 10 shareholders

As at the end of the Reporting Period, the total number of holders of ordinary shares of the Bank was 391,636, of which, 375,438 were holders of A shares and 16,198 were holders of H shares. There was no holder of preference shares whose voting rights had been restored.

Particulars of shareholding of the top 10 holders of ordinary shares (excluding shares lent for refinancing)

Name of shareholder	Type of shareholder	Shareholding percentage (%)	Number of shares held as at the end of the Reporting Period (share)	Changes over the Reporting Period (share)	Class of shares	Shares pledged/frozen/marked	
						Status	Number (share)
HKSCC Nominees Limited	Other	18.93	8,289,435,741	489,674	H Shares		Unknown
Dajia Life Insurance Co., Ltd. – Universal Product	Domestic legal person	10.30	4,508,984,567	–	A Shares		Nil
Dajia Life Insurance Co., Ltd. – Traditional Product	Domestic legal person	6.49	2,843,300,122	–	A Shares		Nil
Shenzhen Liye Group Co., Ltd.	Domestic non-state-owned legal person	4.49	1,966,999,113	–	A Shares	Pledged	826,000,000
New Hope Liuhe Investment Co., Ltd.	Domestic non-state-owned legal person	4.18	1,828,327,362	–	A Shares		Nil
China Great Wall Asset Management Co., Ltd.	State-owned legal person	3.66	1,601,401,174	–	A Shares		Nil
Tongfang Guoxin Investment Holding Co., Ltd.	Domestic legal person	3.36	1,469,608,873	–	A Shares	Pledged Frozen	723,550,000 47,796,949
Shanghai Giant Lifetech Co., Ltd.	Domestic non-state-owned legal person	3.15	1,379,679,587	–	A Shares	Pledged	1,379,678,400
China Shipowners Mutual Assurance Association	Domestic non-state-owned legal person	3.02	1,324,284,453	–	A Shares		Nil
DAI Siyuan	Domestic natural person	2.36	1,035,067,936	1,035,067,936	A Shares		Nil

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Statement on the special accounts for repurchase of the top 10 shareholders	Uninvolved
Statement on entrusting, being entrusted with and waiving the voting rights of the aforesaid shareholders	Uninvolved
Statement on the related relationship or concerted actions among the aforesaid shareholders	1. Dajia Life Insurance Co., Ltd. – Universal Product and Dajia Life Insurance Co., Ltd. – Traditional Product have the same legal person; 2. Save as mentioned above, the Bank is not aware of any related relationship or concerted action among the above shareholders.
Statement on margin trading, short selling and refinancing engaged by the top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to restriction on sales	1. The margin accounts of Shenzhen Liye Group Co., Ltd., Tongfang Guoxin Investment Holding Co., Ltd. and DAI Siyuan hold 313,808,367 shares, 606,291,000 shares and 1,035,067,936 shares of the Bank, respectively, representing 0.72%, 1.38% and 2.36% of the total share capital of the Bank, respectively. Save as mentioned above, the Bank is not aware of any margin trading and short selling engaged by the above other shareholders; 2. Except for the unknown information of HKSCC Nominees Limited, according to the record of opening/ending shares lent for refinancing in the first half of 2026 by the shareholders with shareholding of 5% or more, the top 10 holders of ordinary shares and the top 10 holders of circulating shares not subject to restriction on sales of the Bank provided by China Securities Finance Corporation Limited, there was no refinancing engaged by the top 10 holders of ordinary shares and the top 10 holders of ordinary shares not subject to restriction on sales of the Bank.

Notes:

1. The number of shares held by holders of A shares and the number of shares held by holders of H shares in the above table were recorded in accordance with the registers of shareholders of the Bank provided by China Securities Depository and Clearing Corporation Limited (Shanghai Branch) and Computershare Hong Kong Investor Services Limited, respectively.
2. No shareholder of the Bank held shares subject to restriction on sales.
3. Total number of the shares held by HKSCC Nominees Limited acting as an agent represents the total amount of H shares of the Bank held by all institutional and individual investors that registered in the account of such investors as at the end of the Reporting Period.
4. As at the end of the Reporting Period, based on the materials provided by Shenzhen Liye Group Co., Ltd., it held 199,310,000 H shares of the Bank, and the aggregate number of A shares and H shares it held was 2,166,309,113, representing 4.95% of the total share capital of the Bank.
5. As at the disclosure date of this Report, the number of ordinary shares of the Bank pledged by Shanghai Giant Lifetech Co., Ltd. was zero.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(II) Substantial shareholders' and other persons' interests or short positions in the shares and underlying shares of the Bank under Hong Kong laws and regulations

As at 30 June 2026, substantial shareholders and other persons (other than the Directors and chief executives of the Bank as defined in the Hong Kong Listing Rules) had the following interests or short positions in the shares of the Bank as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO and as the Bank is aware of:

Name of substantial shareholder	Class of shares	Long/short position	Capacity	Number of shares (share)	Notes	Percentage of the relevant class of shares in issue (%)	Percentage of all the issued ordinary shares (%)
Dajia Life Insurance Co., Ltd.	A	Long position	Beneficial owner	7,352,284,689	1	20.73	16.79
	H	Long position	Beneficial owner	457,930,200	1	5.50	1.05
Dajia Insurance Group Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	7,352,284,689	1	20.73	16.79
	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	457,930,200	1	5.50	1.05
New Hope Liuhe Investment Co., Ltd.	A	Long position	Beneficial owner	1,828,327,362	2	5.16	4.18
New Hope Liuhe Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,828,327,362	2	5.16	4.18
New Hope Group Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,930,715,189	3 and 5	5.44	4.41
New Hope Holdings Group Co., Ltd.	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,930,715,189	2 and 5	5.44	4.41
LIU Chang	A	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	1,930,715,189	3 and 5	5.44	4.41
LI Wei	A	Long position	Interest held by the corporation(s) controlled by the spouse of this substantial shareholder	1,930,715,189	4 and 5	5.44	4.41
Shenzhen Liye Group Co., Ltd.	A	Long position	Beneficial owner	1,966,999,113	6	5.55	4.49
Alpha Frontier Limited	H	Long position	Beneficial owner	713,501,653	7 and 8	8.58	1.63
Shanghai Cibi Business Information Consulting Co., Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	713,501,653	7 and 8	8.58	1.63
Shanghai Giant Investment Group Co., Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	713,501,653	7 and 8	8.58	1.63
China Great Wall AMC (International) Holdings Co., Ltd.	H	Long position	Beneficial owner	490,000,000	9	5.89	1.12
China Great Wall Asset Management Co., Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	490,000,000	9	5.89	1.12
Central Huijin Investment Ltd.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	490,000,000	9	5.89	1.12
BlackRock, Inc.	H	Long position	Interest held by the corporation(s) controlled by this substantial shareholder	432,884,632	10	5.20	0.99
	H	Short position	Interest held by the corporation(s) controlled by this substantial shareholder	68,710,500	10	0.83	0.16

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

The above disclosed information is prepared based on information available on the website of SEHK and information the Bank is aware of as at the end of the Reporting Period. Pursuant to Section 336 of the SFO, where certain conditions are met, shareholders of the Bank are required to submit interest disclosure forms. Where there is a change in a shareholder's shareholding in the Bank, unless certain conditions are met, the shareholder is not required to notify the Bank or SEHK. Accordingly, the latest shareholding of shareholders in the Bank may differ from the shareholding submitted to SEHK.

Notes:

1. Dajia Insurance Group Co., Ltd. was deemed to have interests in the 7,352,284,689 A shares and 457,930,200 H shares of the Bank as it held 99.98% of the issued share capital of Dajia Life Insurance Co., Ltd.

The interests that Dajia Insurance Group Co., Ltd. and Dajia Life Insurance Co., Ltd. held in the 7,352,284,689 A shares and 457,930,200 H shares, as set out in the above table, were the same block of shares.

2. According to the SFO, New Hope Holdings Group Co., Ltd. was deemed to have interests in the 102,387,827 A shares held by South Hope Industrial Co., Ltd. and in the 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. through direct and indirect control over several enterprises. As Mr. LIU Yonghao (a Non-Executive Director of the Bank) had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the 1,930,715,189 A shares held by New Hope Holdings Group Co., Ltd.
3. According to the SFO, New Hope Group Co., Ltd. was deemed to have interests in the 102,387,827 A shares held by South Hope Industrial Co., Ltd. and in the 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. through direct and indirect control over several enterprises. As Ms. LIU Chang held equity interest of New Hope Group Co., Ltd., Ms. LIU was deemed to have interests in the 1,930,715,189 A shares of the Bank in which New Hope Group Co., Ltd. had interests. Ms. LIU Chang is the daughter of Mr. LIU Yonghao (a Non-Executive Director of the Bank).
4. Ms. LI Wei is the spouse of Mr. LIU Yonghao (a Non-Executive Director of the Bank). According to the SFO, Ms. LI was deemed to have interests in the 1,930,715,189 A shares of the Bank in which Mr. LIU Yonghao had interests (Mr. LIU Yonghao's interests in shares are disclosed in this Interim Report in the section headed "Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations").
5. The interests that New Hope Holdings Group Co., Ltd., New Hope Group Co., Ltd., Ms. LI Wei and Ms. LIU Chang held in the 1,930,715,189 A shares, as set out in the above table, were the same block of shares.
6. Shenzhen Liye Group Co., Ltd. had interests in the 1,966,999,113 A shares and 199,310,000 H shares of the Bank.
7. According to the SFO, Shanghai Giant Investment Group Co., Ltd. was deemed to have interests in the 713,501,653 H shares held by Alpha Frontier Limited through direct and indirect control over Shanghai Cibi Business Information Consulting Co., Ltd. (上海賜比商務信息諮詢有限公司) and Alpha Frontier Limited. As Mr. SHI Yuzhu (a Non-Executive Director of the Bank) held 97.86% of the issued share capital of Shanghai Giant Investment Group Co., Ltd., he was also deemed to have interests in the 713,501,653 H shares of the Bank held by Alpha Frontier Limited (Mr. SHI Yuzhu's interests in shares are disclosed in this Interim Report in the section headed "Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations").
8. The interests that Shanghai Giant Investment Group Co., Ltd., Shanghai Cibi Business Information Consulting Co., Ltd. and Alpha Frontier Limited held in the 713,501,653 H shares, as set out in the above table, were the same block of shares.
9. China Great Wall Asset Management Co., Ltd. and Central Huijin Investment Ltd. were deemed to have interests in the 490,000,000 H shares of the Bank as China Great Wall Asset Management Co., Ltd. held 100% of the issued share capital of China Great Wall AMC (International) Holdings Co., Ltd. and Central Huijin Investment Ltd. held 94.34% of the issued share capital of China Great Wall Asset Management Co., Ltd.

The interests that Central Huijin Investment Ltd., China Great Wall Asset Management Co., Ltd. and China Great Wall AMC (International) Holdings Co., Ltd. held in the 490,000,000 H shares, as set out in the above table, were the same block of shares.

10. BlackRock, Inc. held a total of long position of 432,884,632 H shares and short position of 68,710,500 H shares of the Bank through several controlled corporations.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Save as disclosed above and in the section headed “Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations”, the Bank is not aware of any other person having any interests or short positions in the shares and underlying shares of the Bank as at the end of the Reporting Period as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

(III) Controlling shareholder and de facto controller

The Bank does not have any controlling shareholder or de facto controller. According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange 《上海證券交易所股票上市規則》, the largest shareholder and its ultimate controller shall comply with corporate governance regulations by referring to the requirements for controlling shareholder and de facto controller. As at the end of the Reporting Period, the top 10 single shareholders of the Bank held an aggregate of 41.96% of the Bank's shares. Dajia Life Insurance Co., Ltd. – Universal Product is the single largest shareholder that held 10.30% of the total shares of the Bank. Dajia Life Insurance Co., Ltd., the largest shareholder, itself and through “Dajia Life Insurance Co., Ltd. – Universal Product” and “Dajia Life Insurance Co., Ltd. – Traditional Product”, held an aggregate of 17.84% of the total shares of the Bank. Taking into account the composition of the Board and the concerted action agreements among shareholders that the Bank is aware of, there was no shareholder who could control more than half of the voting rights of the Board or at the shareholders' meeting in accordance with the shareholding percentage, the Articles of Association or any agreements.

(IV) Repurchase, sale or redemption of securities

The Group has neither sold any securities of the Bank nor repurchased or redeemed any securities of the Bank during the Reporting Period (including sale of treasury shares).

(V) Substantial shareholders as at the end of the Reporting Period

1. Substantial shareholders with aggregate shareholding of 5% or more of the Bank were as follows:

- (1) Dajia Life Insurance Co., Ltd.: It was incorporated on 23 June 2010; its registered capital was RMB30,790 million; its unified social credit code is 91110000556828452N; its legal representative is YU Hua; its controlling shareholder is Dajia Insurance Group Co., Ltd.; the controlling shareholder, the de facto controller and the ultimate beneficiary of Dajia Insurance Group Co., Ltd. is China Insurance Security Fund Co., Ltd.; it has no party acting in concert; its principal business includes: various personal insurance businesses such as life insurance, health insurance and accidental injury insurance, reinsurance of the above insurance businesses, insurance fund application business permitted under the PRC laws and regulations, and other businesses approved by the former CIRC. As at the end of the Reporting Period, the shares of the Bank held by Dajia Life Insurance Co., Ltd. had not been pledged.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

(2) New Hope Liuhe Investment Co., Ltd.: It was incorporated on 25 November 2002; its registered capital was RMB576,555,600; its unified social credit code is 91540091744936899C; its legal representative is WANG Pusong; its controlling shareholder is New Hope Liuhe Co., Ltd.; its de facto controller is LIU Yonghao; its ultimate beneficiary is LIU Yonghao; its parties acting in concert are South Hope Industrial Co., Ltd. and New Hope Chemical Investment Co., Ltd.; its principal business includes: venture capital investment (with no engagement in guarantee and real estate business; with no participation in the initiation or management of public or private securities investment funds, or investment in financial derivatives); investment management (excluding financial and brokerage business. Private products or the right to proceeds from private products shall not be raised from, sold, or transferred to non-qualified investors). (Entities that operate the above businesses shall not raise funds, take public deposits, or issue loans in a public manner; shall not publicly trade securities investment products or financial derivatives; and shall not operate financial products, wealth management products and related derivative business); financial advisory (excluding businesses of finance companies); wealth management consultancy, and corporate reorganisation consultancy; market research (excluding state secrets and personal privacy); credit investigation, technology development and transfer, and technology consultancy services. As at the end of the Reporting Period, the shares of the Bank held by New Hope Liuhe Investment Co., Ltd. had not been pledged.

South Hope Industrial Co., Ltd.: It was incorporated on 17 November 2011; its registered capital was RMB1,034,313,725; its unified social credit code is 9154009158575152X0; its legal representative is LI Jianxiong; its controlling shareholder is New Hope Group Co., Ltd.; its de facto controller is LIU Yonghao; its ultimate beneficiary is LIU Yonghao; its parties acting in concert are New Hope Liuhe Investment Co., Ltd. and New Hope Chemical Investment Co., Ltd.; its principal business includes: research and development of feeds; wholesale and retail of electronic products, hardware and electrical appliances, daily sundry goods, knitwear and textiles, office equipment (excluding colour copier), building materials (excluding hazardous chemicals and wood materials), agricultural by-products and special products (excluding products specified by the State), chemical products (excluding hazardous chemicals), and mechanical equipment; investment and consultancy services (excluding intermediary services). As at the end of the Reporting Period, the shares of the Bank held by South Hope Industrial Co., Ltd. had not been pledged.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

New Hope Chemical Investment Co., Ltd.: It was incorporated on 6 September 2006; its registered capital was RMB2,718,021,791; its unified social credit code is 91510100792171384J; its legal representative is SHAO Jun; its controlling shareholder is New Hope Investment Group Co., Ltd.; its de facto controller is LIU Yonghao; its ultimate beneficiary is LIU Yonghao; its parties acting in concert are New Hope Liuhe Investment Co., Ltd. and South Hope Industrial Co., Ltd.; its principal business includes: research, development, and sales of chemical products (excluding hazardous products); project investment and provision of technical consultancy and after-sales services (excluding finance, securities, and futures) (with no engagement in illegal fund-raising or taking public funds); sales of PVC, fertilisers, packaging materials, agricultural and sideline products, mineral products, chemical raw materials (excluding hazardous materials), feed-grade calcium hydrophosphate, mechanical equipment, steel, building materials, metal materials, environmental protection materials and equipment, rubber products, plastic products, electromechanical products, auxiliary construction materials (excluding paint), hardware and electrical appliances, light textiles, textile raw materials, metal materials (excluding precious and rare metals), household electrical appliances, paper and paper products, and pre-packaged food; import and export of goods and technology. As at the end of the Reporting Period, the shares of the Bank held by New Hope Chemical Investment Co., Ltd. had not been pledged.

2. In accordance with the Interim Measures on Equity Management of Commercial Banks 《商業銀行股權管理暫行辦法》) under the order of the former CBRC (2018 No. 1), other substantial shareholders of the Bank were as follows:

- (1) China Great Wall Asset Management Co., Ltd.: It was incorporated on 2 November 1999; its registered capital was RMB46,800 million; its unified social credit code is 91110000710925489M; its legal representative is LI Junfeng; its controlling shareholder is Central Huijin Investment Ltd.; its de facto controller is Central Huijin Investment Ltd.; its ultimate beneficiary is Central Huijin Investment Ltd.; its party acting in concert is China Great Wall AMC (International) Holdings Co., Ltd.; its principal business includes: acquisition and entrusted management of non-performing assets of financial institutions, and the management, investment and disposal of such non-performing assets; debt-to-equity swaps, and the management, investment and disposal of equity assets; foreign investment; buying and selling negotiable securities; issuance of financial bonds, interbank borrowing and lending, and commercial financing from other financial institutions; bankruptcy administration; financial, investment, legal and risk management consulting and advisory services; asset and project evaluation; approved asset securitisation business, custody and closure and liquidation business of financial institutions; non-performing asset business of non-financial institutions; and other businesses approved by the banking regulatory authority under the State Council. As at the end of the Reporting Period, the shares of the Bank held by China Great Wall Asset Management Co., Ltd. had not been pledged.

China Great Wall AMC (International) Holdings Co., Ltd.: It was incorporated on 7 January 1993; its registered capital was HKD358,661,400; its controlling shareholder is China Great Wall Asset Management Co., Ltd.; its de facto controller is Central Huijin Investment Ltd.; its ultimate beneficiary is Central Huijin Investment Ltd.; its party acting in concert is China Great Wall Asset Management Co., Ltd.; its principal business includes: financial service activities, including investment and holding company activities, as well as trust, fund and other related financial instrument activities. As at the end of the Reporting Period, the shares of the Bank held by China Great Wall AMC (International) Holdings Co., Ltd. had not been pledged.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

- (2) Shanghai Giant Lifetech Co., Ltd.: It was incorporated on 12 July 1999; its registered capital was RMB245,400,640; its unified social credit code is 913101041346255243; its legal representative is WEI Wei; its controlling shareholder is Shanghai Giant Investment Group Co., Ltd.; its de facto controller is SHI Yuzhu; its ultimate beneficiary is SHI Yuzhu; its parties acting in concert are Alpha Frontier Limited and Liberal Rise Limited; its principal business includes: production and sales of food (through its subsidiaries), sales of cosmetics, cleaning products, healthcare equipment and kitchenware, technology development, consultancy, services and transfer in healthcare food aspect, wholesale of non-physical goods; prepackaged food (excluding cooked or braised and refrigerated or frozen food), investment management, asset management, investment consultancy, business information consultancy and business management consultancy. As at the end of the Reporting Period, Shanghai Giant Lifetech Co., Ltd. had pledged over 50% of the shares of the Bank it held, being 1,379,678,400 ordinary shares, representing 3.15% of the total share capital of the Bank.

As at the disclosure date of this Report, the shares of the Bank held by Shanghai Giant Lifetech Co., Ltd. had not been pledged.

Alpha Frontier Limited: It was incorporated on 24 June 2016; its registered capital was USD17.519 thousand; its controlling shareholder is Shanghai Cibi Business Information Consulting Co., Ltd.; its de facto controller is SHI Yuzhu; its ultimate beneficiaries are SHI Yuzhu and SHI Jing; its parties acting in concert are Shanghai Giant Lifetech Co., Ltd. and Liberal Rise Limited; its principal business includes: investment holding, etc. As at the end of the Reporting Period, Alpha Frontier Limited had pledged 38.54% of the shares of the Bank it held, being 275,000,000 ordinary shares, representing 0.63% of the total share capital of the Bank.

Liberal Rise Limited: It was incorporated on 9 January 2018; its registered capital was USD50.0 thousand; its controlling shareholder is Abhaya Limited; its de facto controller is SHI Jing; its ultimate beneficiary is SHI Jing; its parties acting in concert are Shanghai Giant Lifetech Co., Ltd. and Alpha Frontier Limited; its principal business includes: investment holding, etc. As at the end of the Reporting Period, the shares of the Bank held by Liberal Rise Limited had not been pledged.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

- (3) Shenzhen Liye Group Co., Ltd.: It was incorporated on 13 April 1995, its registered capital was RMB10 billion; its unified social credit code is 91440300192329539C; its legal representative is LIN Li; its controlling shareholder is LIN Li; its de facto controller is LIN Li; its ultimate beneficiary is LIN Li; it has no party acting in concert; its principal business includes: investment in the electric power industry, the new energy industry, and high-tech projects (specific projects to be reported separately); domestic commerce and the supply and marketing of materials (excluding commodities under exclusive operation, commodities under exclusive control and commodities under exclusive sales); economic information consulting (excluding restricted items); technology development of computer software and communication products; technology development and sales of new metallic and non-metallic materials, as well as other forms of domestic trade; technology development and consulting related to biopharmaceutical science and technology; industrial design services; power generation technology services; energy storage technology services; technology service, development, consulting, exchange, transfer, and promotion. As at the end of the Reporting Period, Shenzhen Liye Group Co., Ltd. had pledged 38.13% of the shares of the Bank it held, being 826,000,000 ordinary shares, representing 1.89% of the total share capital of the Bank.
- (4) China Shipowners Mutual Assurance Association: It was incorporated on 1 January 1984; its registered capital was RMB100 thousand; its unified social credit code is 51100000500010993L; its legal representative is SONG Chunfeng; it has no controlling shareholder; it has no de facto controller; it has no ultimate beneficiary; it has no party acting in concert; its principal business includes: marine mutual assurance, business training, marine information exchange, international cooperation and consultancy service. As at the end of the Reporting Period, the shares of the Bank held by China Shipowners Mutual Assurance Association had not been pledged.

(VI) Pledge and freezing of ordinary shares

As at the end of the Reporting Period, according to the A Share Register, 591,252,914 shares of the Bank were under judicial freezing (including judicial marking). According to Article 52 of the Articles of Association, the voting rights at the shareholders' meetings of the substantial shareholders who pledged 50% or more of the shares of the Bank they held, as well as the voting rights at the Board meetings of the directors they appointed, have been restricted during the Reporting Period.

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

IV. Information on Preference Shares

(I) Issuance and listing of preference shares during the Reporting Period

During the Reporting Period, the Bank had no issuance or listing of preference shares.

(II) Number of holders of preference shares and particulars of shareholding

As at the end of the Reporting Period, the number of holders of preference shares (or nominees) of the Bank was 52.

As at the end of the Reporting Period, particulars of shareholding of the top 10 (including joint rankings) holders (or nominees) of preference shares of the Bank are set out as follows:

Name of shareholder	Type of shareholder	Class of shares	Changes over the Reporting Period (share)	Shareholding percentage (%)	Total number of shares held (share)	Number of shares held subject to restriction on sales	Shares pledged/ marked/ frozen	
							Status	Number (share)
Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – General Insurance Product	Other	Domestic preference share	–	7.00	14,000,000	–	Nil	
China Resources SZITIC Trust Co., Ltd. – CR Trust • Rui An No. 6 Collective Fund Trust Plan	Other	Domestic preference share	–	6.00	12,000,000	–	Nil	
China Life Insurance Company Limited – Traditional – General Insurance Product – 005L – CT001SH	Other	Domestic preference share	–	5.00	10,000,000	–	Nil	
Ping An Property & Casualty Insurance Company of China, Ltd. – Self-Owned Funds	Other	Domestic preference share	–	5.00	10,000,000	–	Nil	
Taiping Life Insurance Co., Ltd. – Traditional – General Insurance Product – 022L – CT001SH	Other	Domestic preference share	–	5.00	10,000,000	–	Nil	
Hwabao Trust Co., Ltd. – Hwabao Trust – Multi-Strategy Youying No. 2 Securities Investment Collective Fund Trust Plan	Other	Domestic preference share	–	4.69	9,380,000	–	Nil	
Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 23 Collective Asset Management Plan	Other	Domestic preference share	–	4.16	8,310,000	–	Nil	
China Credit Trust Co., Ltd. – China Credit Trust – Baofu No. 11 Collective Fund Trust Plan	Other	Domestic preference share	–	3.67	7,332,000	–	Nil	
Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 24 Collective Asset Management Plan	Other	Domestic preference share	–	3.53	7,050,000	–	Nil	
Changjiang Pension Insurance – Bank of China – China Pacific Life Insurance Co., Ltd.	Other	Domestic preference share	–	3.50	7,000,000	–	Nil	
Guotai Junan Securities Asset Management – Futong • Rixin H14001 RMB Wealth Management Product – Guojun Asset Management 0638 Targeted Asset Management Contract	Other	Domestic preference share	–	3.50	7,000,000	–	Nil	

CHAPTER 4 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Notes:

1. The number of shares held by the holders of preference shares was recorded in accordance with the register of holders of preference shares of the Bank.
2. "Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – General Insurance Product" and "Ping An Property & Casualty Insurance Company of China, Ltd. – Self-Owned Funds" have a related relationship. "Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 23 Collective Asset Management Plan" and "Everbright Securities Asset Management – Bohai Bank – EBSAM Xinyou No. 24 Collective Asset Management Plan" have a related relationship. Save as disclosed above, the Bank does not know if there is any related relationship or concerted action among the above holders of domestic preference shares or among the above holders of domestic preference shares and the top 10 holders of ordinary shares.
3. "Shareholding percentage" refers to the proportion of shares held by the holders of domestic preference shares to the total number of domestic preference shares of the Bank.

(III) Distribution of dividends of preference shares

During the Reporting Period, no dividends of preference shares of the Bank had been distributed.

(IV) Repurchase or conversion of preference shares

During the Reporting Period, no preference shares of the Bank had been repurchased or converted.

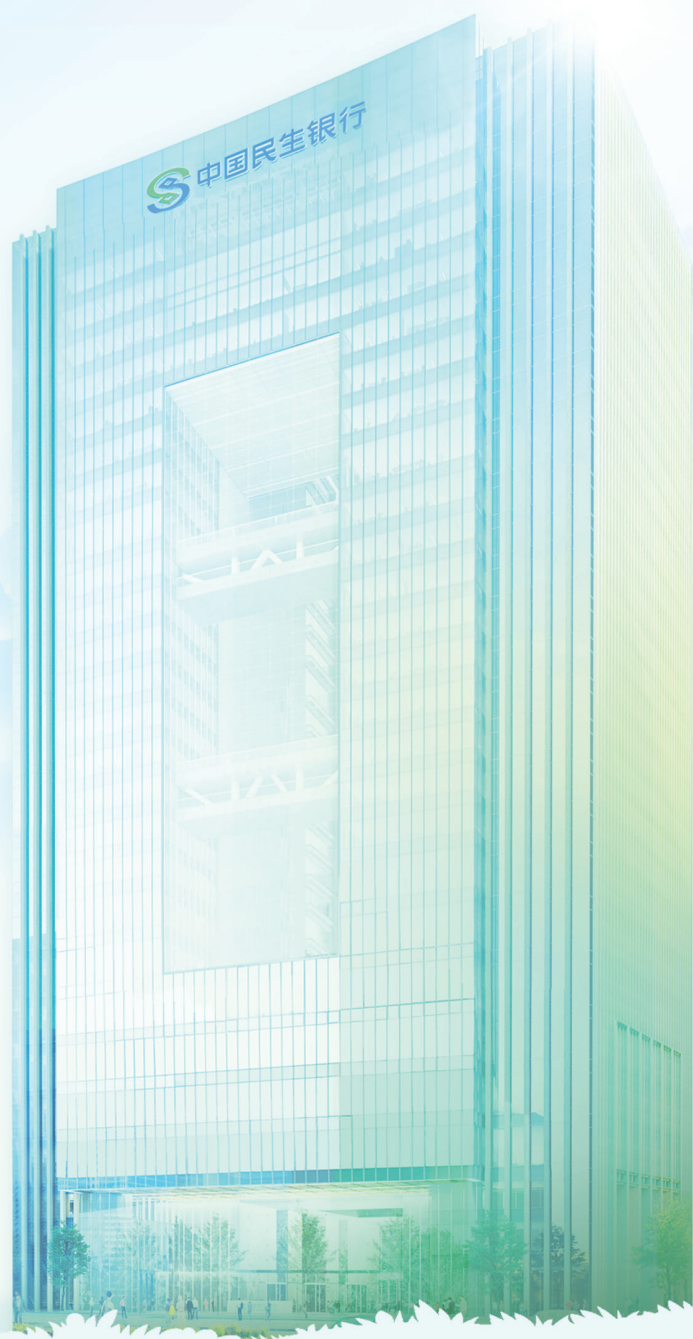
(V) Recovery of voting rights of preference shares

During the Reporting Period, no voting rights of preference shares of the Bank had been restored.

(VI) Accounting policies for preference shares and the underlying reasons

According to the rules promulgated by the Ministry of Finance, such as the Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments 《企業會計準則第37號 – 金融工具列報》, there was no need for the issued and existing domestic preference shares of the Bank to be settled through delivery of cash or other financial assets or exchange of financial assets or financial liabilities. In the future, the Bank will have no obligation to deliver a variable quantity of its equity instruments. Therefore, the domestic preference shares are accounted for as other equity instruments.

Corporate Governance, Environment and Society



CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

I. Corporate Governance Overview

During the Reporting Period, the Bank strictly complied with laws, regulations and regulatory requirements, and continued to deepen the organic integration of the Party's leadership and corporate governance. The Bank actively explored and implemented best corporate governance practices, constantly reinforced institutional foundation for corporate governance, and improved corporate governance system and operational mechanisms. With clearly defined responsibilities, all governance bodies performed their respective duties, continuously enhancing corporate governance effectiveness.

The Board of Directors of the Bank resolutely implemented the decisions and deployments of the CPC Central Committee and the State Council, continuously strengthened its own capacity building, fully leveraged its role in strategic guidance and scientific decision-making, actively supported the development of the real economy, diligently advanced the "five major sectors" of finance, deepened comprehensive risk management, reinforced the long-term mechanism for internal control and compliance, and constantly cultivated distinctive development advantages. The Independent Directors of the Bank performed their duties independently and objectively, prudently considered various proposals, took the initiative to conduct researches at branches and sub-branches, actively provided advice and suggestions for the Bank's development, and expressed independent opinions on matters such as compensation of Directors and the Senior Management, related party transactions, and profit distribution, thereby fully playing their roles in decision-making, supervision, and consultation.

During the Reporting Period, the corporate governance of the Bank had been in line with the requirements of laws, administrative regulations as well as the provisions of the regulatory authorities regarding governance of listed companies.

II. Meetings of the Board of Directors and Its Special Committees

During the Reporting Period, six Board meetings were convened to consider a total of 58 proposals, and to receive briefings on and study 59 special work reports. The Strategic Development and Consumer Rights Protection Committee, the Nomination Committee, the Compensation and Remuneration Committee, the Audit Committee, the Related Party Transactions Supervision Committee and the Risk Management Committee under the Board convened a total of 25 meetings to consider 99 proposals and to receive briefings on and study 80 special work reports.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

III. Directors and Senior Management

(I) Basic information

Name	Gender	Year of birth	Position	Term of office	Shares held at the beginning of the Reporting Period (share)	Shares held at the end of the Reporting Period (share)
GAO Yingxin	M	1962	Chairman & Executive Director	July 2020 – 2027 election	500,000	500,000
LIU Yonghao	M	1951	Vice Chairman & Non-Executive Director	June 2009 – 2027 election	–	–
WANG Xiaoyong	M	1970	Vice Chairman & Executive Director	August 2024 – 2027 election	–	–
			President	April 2024 – 2027 election		
SHI Yuzhu	M	1962	Non-Executive Director	March 2017 – 2027 election	–	–
SONG Chunfeng	M	1969	Non-Executive Director	March 2017 – 2027 election	–	–
LIANG Xinjie	M	1977	Non-Executive Director	January 2025 – 2027 election	–	–
LIN Li	M	1963	Non-Executive Director	July 2025 – 2027 election	–	–
ZHENG Haiyang	M	1971	Non-Executive Director	November 2025 – 2027 election	–	–
QU Xinju	M	1964	Independent Director	March 2021 – 2027 election	–	–
WEN Qiuju	F	1965	Independent Director	August 2023 – 2027 election	–	–
SONG Huanzheng	M	1968	Independent Director	August 2023 – 2027 election	–	–
YEUNG Chi Wai, Jason	M	1955	Independent Director	October 2023 – 2027 election	–	–
CHENG Fengchao	M	1959	Independent Director	February 2024 – 2027 election	–	–
LIU Hanxing	M	1973	Independent Director	March 2024 – 2027 election	–	–
ZHANG Juntong	M	1974	Executive Director	August 2024 – 2027 election	350,000	350,000
			Executive Vice President	May 2024 – 2027 election		
LI Bin	F	1967	Executive Vice President	January 2017 – 2027 election	350,000	350,000
			Board Secretary	February 2024 – 2027 election		
LIN Yunshan	M	1970	Executive Vice President	January 2017 – 2027 election	350,000	350,000
HUANG Hongri	M	1972	Executive Vice President	May 2024 – 2027 election	–	–
			Chief Compliance Officer	April 2026 – 2027 election		
LI Wenshi	M	1977	Executive Vice President	August 2025 – 2027 election	–	–
ZHANG Bin	M	1967	Chief Information Officer	November 2021 – 2027 election	–	–
GONG Zhijian	M	1967	Business Director	May 2024 – 2027 election	–	–

Notes:

1. According to the regulations of the CSRC, the commencement date of the terms of office of re-elected Directors and Senior Management shall be calculated from the date of their first appointment and qualification approval.
2. In April 2026, the CSRC Chongqing Office imposed an administrative regulatory measure by issuing a warning letter to Mr. SHI Yuzhu.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

(II) Appointment and resignation of Directors and Senior Management

Directors

1. In June 2026, Mr. ZHANG Zhen was elected as a Non-Executive Director of the Bank at the 2025 Annual Shareholders' Meeting of the Bank, and his qualification is subject to approval by the NFRA. He will take office upon the approval on his qualification by the NFRA.

Senior Management

1. In December 2025, the Board of Directors of the Bank appointed Mr. HUANG Hongri as Chief Compliance Officer of the Bank, and his qualification was approved by the NFRA in April 2026.

(III) Changes in information of Directors

1. Mr. SONG Chunfeng, a Non-Executive Director of the Bank, ceased to serve as a supervisor of Haitong Securities Co., Ltd.
2. Mr. SONG Huanzheng, an Independent Non-Executive Director of the Bank, was appointed as an independent non-executive director of China National Building Materials Technology Co., Ltd.
3. Mr. YEUNG Chi Wai, Jason, an Independent Non-Executive Director of the Bank, was appointed as an independent non-executive director of BOC Aviation Limited.
4. Mr. LIU Hanxing, an Independent Non-Executive Director of the Bank, was appointed as an independent non-executive director of Jilin Province Trust Co., Ltd.

(IV) Interests of the Directors and chief executives in the securities of the Bank or its associated corporations under Hong Kong laws and regulations

1. As at 30 June 2026, the following Directors of the Bank had the following interests or short positions in the shares of the Bank as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO and as the Bank is aware of:

Name	Position	Class of shares	Long/short position	Capacity	Number of shares (share)	Notes	Percentage of the relevant class of shares in issue (%)	Percentage of all the issued ordinary shares (%)
GAO Yingxin	Executive Director	A	Long position	Beneficial owner	200,000		0.0006	0.0005
		H	Long position	Beneficial owner	300,000		0.0036	0.0007
ZHANG Juntong	Executive Director	A	Long position	Beneficial owner	150,000		0.0004	0.0003
		H	Long position	Beneficial owner	200,000		0.0024	0.0005
LIU Yonghao	Non-Executive Director	A	Long position	Interest held by his controlled corporation(s)	1,930,715,189	1	5.44	4.41
		H	Long position	Interest held by his controlled corporation(s)	370,789,500	2	4.46	0.85
SHI Yuzhu	Non-Executive Director	A	Long position	Interest held by his controlled corporation(s)	1,379,679,587	3	3.89	3.15
		H	Long position	Interest held by his controlled corporation(s)	713,501,653	4	8.58	1.63
LIN Li	Non-Executive Director	A	Long position	Interest held by his controlled corporation(s)	1,966,999,113	5	5.55	4.49
		H	Long position	Interest held by his controlled corporation(s)	199,310,000	6	2.40	0.46

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Notes:

1. The 1,930,715,189 A shares comprised 102,387,827 A shares held by South Hope Industrial Co., Ltd. and 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. According to the SFO, New Hope Holdings Group Co., Ltd. was deemed to be interested in the 102,387,827 A shares held by South Hope Industrial Co., Ltd. and 1,828,327,362 A shares held by New Hope Liuhe Investment Co., Ltd. through direct and indirect control over several enterprises. As Mr. LIU Yonghao had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the 1,930,715,189 A shares mentioned above.

Such interests held by Mr. LIU Yonghao and the interests held by New Hope Holdings Group Co., Ltd., New Hope Group Co., Ltd., Ms. LI Wei and Ms. LIU Chang (the details are disclosed in the section headed "Substantial shareholders' and other persons' interests or short positions in the shares and underlying shares of the Bank under Hong Kong laws and regulations" in this Interim Report) were the same block of shares.

2. The 370,789,500 H shares comprised 302,789,500 H shares held by South Hope Industrial Co., Ltd. and 68,000,000 H shares held by New Hope Chemical Investment Co., Ltd. According to the SFO, New Hope Holdings Group Co., Ltd. was deemed to be interested in the 302,789,500 H shares held by South Hope Industrial Co., Ltd. and 68,000,000 H shares held by New Hope Chemical Investment Co., Ltd. through direct and indirect control over several enterprises. As Mr. LIU Yonghao had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the 370,789,500 H shares mentioned above.
3. The 1,379,679,587 A shares were held by Shanghai Giant Lifetech Co., Ltd. According to the SFO, Shanghai Giant Investment Group Co., Ltd. had control over Shanghai Giant Lifetech Co., Ltd. As Mr. SHI Yuzhu held 97.86% of the issued share capital of Shanghai Giant Investment Group Co., Ltd., he was deemed to be interested in the 1,379,679,587 A shares mentioned above.
4. The 713,501,653 H shares were held by Alpha Frontier Limited. According to the SFO, Shanghai Cibi Business Information Consulting Co., Ltd. had control over Alpha Frontier Limited. Shanghai Giant Investment Group Co., Ltd. (see Note 3 above) was deemed to be interested in the 713,501,653 H shares held by Alpha Frontier Limited through its control over Shanghai Cibi Business Information Consulting Co., Ltd.
5. The 1,966,999,113 A shares were held by Shenzhen Liye Group Co., Ltd. (the details are disclosed in the section headed "Substantial shareholders' and other persons' interests or short positions in the shares and underlying shares of the Bank under Hong Kong laws and regulations" in this Interim Report). As Mr. LIN Li had control over Shenzhen Liye Group Co., Ltd., he was deemed to be interested in the 1,966,999,113 A shares mentioned above according to the SFO.
6. The 199,310,000 H shares were held by Shenzhen Liye Group Co., Ltd. According to the SFO, Mr. LIN Li was deemed to be interested in the 199,310,000 H shares mentioned above as he had control over Shenzhen Liye Group Co., Ltd.

2. As at 30 June 2026, the following Director of the Bank had the following interests in Pengzhou Minsheng Rural Bank Co., Ltd. (a subsidiary of the Bank):

Name	Position	Long/short position	Capacity	Contribution to the registered capital	Note	Percentage of the total registered capital (%)
LIU Yonghao	Non-Executive Director	Long position	Interest held by his controlled corporation(s)	RMB2,000,000	1	3.64

Note:

1. New Hope Group Co., Ltd. is interested in RMB2 million of the registered capital of Pengzhou Minsheng Rural Bank Co., Ltd. New Hope Holdings Group Co., Ltd. was deemed to be interested in the equity interest held by New Hope Group Co., Ltd. in Pengzhou Minsheng Rural Bank Co., Ltd. through direct control over New Hope Group Co., Ltd. As Mr. LIU Yonghao had control over New Hope Holdings Group Co., Ltd., he was deemed to be interested in the equity interest held by New Hope Group Co., Ltd. in Pengzhou Minsheng Rural Bank Co., Ltd. according to the SFO.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Save as disclosed above, as far as the Bank is aware, as at the end of the Reporting Period, none of other Directors or chief executives held or was deemed to hold any interests and/or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in the SFO), which were recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Bank and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code set out in Appendix C3 to the Hong Kong Listing Rules, nor had any Directors or chief executives been granted such rights.

(V) Securities transactions by Directors and relevant employees

The Bank has adopted its own code of conduct of the Directors regarding transactions in securities, on terms no less exacting than the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. The Bank has made specific enquiries to all Directors who have confirmed that they have complied with the above-mentioned code during the Reporting Period. The Bank also formulated the guidelines for dealings in securities of the Bank by employees, which are no more lenient than the Model Code. The Bank is not aware of any non-compliance with these guidelines by the relevant employees.

(VI) Administrative penalties imposed on the Bank and Directors, Senior Management and controlling shareholders of the Bank

As far as the Bank is aware, during the Reporting Period, the Bank was not subject to any investigation by the competent authorities according to law due to suspected crime; neither the Bank nor any of its Directors or Senior Management was subject to criminal penalty, nor was any of them subject to investigation or administrative penalty by the CSRC due to suspected violation of laws and regulations, or subject to material administrative penalty by other competent authorities; none of the Directors or Senior Management of the Bank was subject to mandatory measures according to law due to suspected crime, or was detained by discipline inspection and supervision authorities due to suspected severe violation of disciplines and laws or duty-related crimes, which then affected their performance of duties; none of the Directors or Senior Management of the Bank was subject to mandatory measures imposed by other competent authorities due to suspected violation of laws and regulations, which then affected their performance of duties.

IV. Employees

As at the end of the Reporting Period, the Group had 60,394 employees, of which 58,050 were employees of the Bank, and 2,344 were employees of the subsidiaries of the Bank. Divided by work nature, 6,060 employees were categorised as employees in management posts and 51,990 employees as employees in professional posts⁴. The Bank had 24,780 male employees and 33,270 female employees, accounting for 42.7% and 57.3%, respectively. 13,280 employees had graduate degree or above, accounting for 22.9%, 42,907 employees had bachelor's degree, accounting for 73.9%, and 1,863 employees had college degree or below, accounting for 3.2%. 1,696 employees of the Bank had retired. As at the end of the Reporting Period, the number of employees of Minsheng Financial Leasing, Minsheng Royal Fund, CMBC International, CMBC Wealth Management and Minsheng rural banks were 308, 254, 136, 283 and 1,363, respectively.

⁴ Professional posts include posts concerning product research and development, risk management, IT and operation support, etc.

CHAPTER 5 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

The guiding principles of human resources and remuneration policies of the Bank are: Focusing on business development strategies and mid- to long-term development goals, the Bank strives to establish high-quality strategic talent teams with adequate members and reasonable structure. Centring on value creation and key businesses, the Bank puts emphasis on improving the internal income distribution structure, and constantly optimises the remuneration and incentive mechanism with value creation as the core. At the same time, it establishes a remuneration mechanism that remuneration and incentives match with risks, and strengthens the restraining role of remuneration and incentive policies in risk management and control, so as to continuously push forward high-quality development.

The Bank has established a sound total remuneration allocation mechanism, and the total annual remuneration of employees of the whole bank is determined after comprehensively considering the total number and structure of employees, development of young employees, risk control, operating results and other factors. The total remuneration of branches and sub-branches is floated by linking to customer base, risk control, economic benefit, sustainable development, social responsibility and other critical indicators, so as to reflect the long-term value orientation.

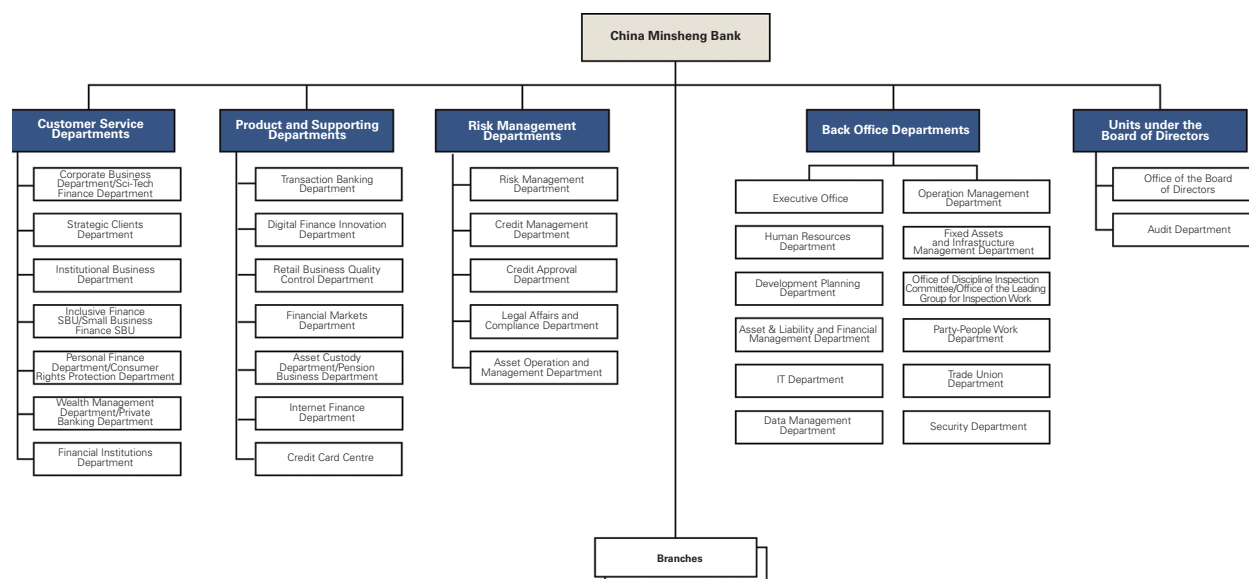
In terms of employee remuneration, the Bank implemented and improved the job position-based remuneration management system, and followed the value orientation principles of “setting up job positions as needed, setting remuneration according to job positions, changing remuneration when changing job positions, and getting paid according to performance”. The remuneration of employees is composed of basic remuneration, performance-based remuneration and welfare, of which, the performance-based remuneration is linked to the comprehensive performance of the institution (department) and the individual, in an aim to strengthen operating results orientation and encourage value creation. For employees in posts having significant impact on risks, the Bank determined their remuneration based on their position value, professional capabilities, real value contribution and other factors. In the meantime, the Bank continued to optimise income distribution structure, and ensure the competitiveness of remuneration of frontline employees and young talents, so as to cultivate a professional backbone force for the sustainable and high-quality development of the Bank.

In order to improve the incentive and restraint mechanism for performance-based remuneration, give full play to its guiding role in corporate governance and risk management and control, strike a balance between current and long-term development as well as benefits and risks, and prevent radical operation behaviours and violations of laws and regulations, the Bank has set up the mechanism for deferred payment and recourse and recovery of performance-based remuneration regarding the Senior Management, employees in key posts and employees in posts having significant impact on risks. During the Reporting Period, according to the requirements of the relevant regulations, the Bank submitted the report on the recourse and recovery of performance-based remuneration of the whole bank to the Board of Directors for review, including the development of the recourse and recovery of performance-based remuneration mechanism of the whole bank, and the implementation of the recourse and recovery of performance-based remuneration in the case of violations of laws, regulations and disciplines, occurrence of abnormal risk exposure, or major risk incidents, etc.

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In terms of training work, the Bank maintained strategic focus, implemented the philosophy of “integrating learning with application and aligning training with practice”, and relied on the layered and classified training system and digital and intelligent tools to serve business development, employee growth and organisational efficiency enhancement. During the Reporting Period, the Bank enhanced training planning and coordination, deepened the development of training empowerment system for business lines, established the professional academy mechanism, iterated employee learning maps, optimised qualification certification management, and deepened the development of the internal trainer system. The Bank enhanced strategy publicity, and constantly conducted the “Strategy Execution Lecture (戰略執行大講堂)” to promote strategy execution. By focusing on the training of key talent groups and key capacity building, the Bank organised key training projects, such as the basic managerial capability enhancement camp for medium-rank personnel and training sessions for tier-2 branch presidents and sub-branch presidents under the “Subbase Project (支點工程)”, and cross-border business talents. The Bank advanced the deep integration of business and training, promoted the on-the-job training model, and organised a series of on-the-job training programmes covering key businesses, to effectively strengthen the practical problem-solving capabilities and improve the handling efficiency of complex businesses of key positions. The Bank strengthened risk compliance awareness, and embedded risk compliance courses into various types of training scenarios to solidify the awareness of risk compliance. By consolidating the professional competence and comprehensive duty performance capabilities of employees, it provided solid talent guarantee for the high-quality development of the whole bank.

V. Setting of Departments of the Bank



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VI. Business Network

As at the end of the Reporting Period, the Bank had 41 tier-1 branches and 107 tier-2 branches (including remote sub-branches) in the Chinese mainland, as well as two tier-1 branches outside the Chinese mainland. The total number of branch-level institutions was 150.

Major branches of the Bank as at the end of the Reporting Period are shown as follows:

Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Head Office	1	8,298	3,311,772	No. 2 Fuxingmennei Avenue, Xicheng District, Beijing
Beijing Branch	178	4,293	951,439	Unit 02 on 1/F & 3/F-12/F, Tower B, Zhaotai International Centre, No. 10 Chaoyangmen Nan Avenue, Chaoyang District, Beijing
Shanghai Branch	103	2,796	527,559	No. 100 Pudong Nan Road, Pudong New Area, Shanghai
Guangzhou Branch	109	2,908	348,646	Minsheng Tower, No. 68 Liede Avenue, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province
Shenzhen Branch	60	2,015	277,510	Minsheng Finance Tower, Haitian Road, Futian District, Shenzhen, Guangdong Province
Wuhan Branch	82	1,643	101,756	China Minsheng Bank Tower, No. 396 Xinhua Road, Jiangnan District, Wuhan, Hubei Province
Taiyuan Branch	109	1,660	142,347	Block 3, Tower B, Shanxi International Finance Centre, No. 426 Nanzhonghuan Street, Xiaodian District, Taiyuan, Shanxi Province
Shijiazhuang Branch	114	2,251	142,891	Minsheng Bank Tower, No. 197 Yuhua Dong Road, Chang'an District, Shijiazhuang, Hebei Province
Dalian Branch	41	873	58,123	No. 52 and No. 54 Renmin Dong Road, Zhongshan District, Dalian, Liaoning Province
Nanjing Branch	165	3,589	400,649	Minsheng Bank, Block One, Zijin Finance Centre, No. 399 Jiangdong Zhong Road, Jianye District, Nanjing, Jiangsu Province
Hangzhou Branch	93	2,205	291,113	Block Jinzun, Zunbao Mansion, No. 98 Shimin Street, Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province
Chongqing Branch	101	1,511	138,282	Tongjuyuanjing Building, No. 9 Jianxin Bei Road, Liangjiang New Area, Chongqing

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Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Xi'an Branch	92	1,442	99,204	Minsheng Bank, Building 5, Taihua Jinmao International, No. 16, Fenghui Nan Road, Gaoxin District, Xi'an, Shaanxi Province
Fuzhou Branch	42	1,039	62,253	1-6/F, North Section of 7/F, 17-21/F, No. 10 Gaohui Road, Aofeng Sub-district, Taijiang District, Fuzhou, Fujian Province
Jinan Branch	120	2,177	151,134	Bo'ao (Shandong) Building, No. 12376 Jingshi Road, Lixia District, Jinan, Shandong Province
Ningbo Branch	39	743	71,309	No. 815 Juxian Road, Gaoxin District, Ningbo, Zhejiang Province
Chengdu Branch	107	1,665	179,283	China Minsheng Tower, No. 535 Jiaozi Avenue, Gaoxin District, Chengdu, Sichuan Province
Tianjin Branch	49	1,007	87,029	China Minsheng Bank Tower, No. 43 Jianshe Road, Heping District, Tianjin
Kunming Branch	63	1,117	80,678	No. 11800 Caiyun Bei Road, Kunming, Yunnan Province
Quanzhou Branch	41	683	48,404	No. 110 Binhai Street, Fengze District, Quanzhou, Fujian Province
Suzhou Branch	32	1,143	111,059	Minsheng Finance Tower, Block 23, Times Square, Industrial Park, Suzhou, Jiangsu Province
Qingdao Branch	52	1,051	73,319	No. 190 Hai'er Road, Laoshan District, Qingdao, Shandong Province
Wenzhou Branch	25	627	78,779	Minsheng Bank, Finance Tower, No. 1 Huaijiang Road, Lucheng District, Wenzhou, Zhejiang Province
Xiamen Branch	31	553	38,561	Xiamen Minsheng Bank Tower, No. 50 Hubin Nan Road, Xiamen, Fujian Province
Zhengzhou Branch	102	1,787	142,688	Minsheng Bank Tower, No. 1 CBD Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province
Changsha Branch	41	1,170	69,468	Minsheng Tower, No. 189 Binjiang Road, Yuelu District, Changsha, Hunan Province
Changchun Branch	22	638	22,576	Minsheng Tower, No. 500 Changchun Avenue, Nanguan District, Changchun, Jilin Province
Hefei Branch	77	1,105	103,310	1-4/F & 6-22/F, Yinbao Building, Intersection of Wuhu Xi Road and Jinzhai Road, Shushan District, Hefei, Anhui Province

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Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Nanchang Branch	39	731	65,796	No. 545, Huizhan Road, Honggutan New District, Nanchang, Jiangxi Province
Shantou Branch	31	563	38,024	1-9/F, Block 2, Baoneng Times Bay, No. 1 Shangang Road, Shantou, Guangdong Province
Nanning Branch	42	726	69,499	1-3/F, 3M/F, 30-31/F and 36/F, Block C, China Resources Building, No. 136-5 Minzu Avenue, Nanning, Guangxi Zhuang Autonomous Region
Hohhot Branch	27	551	34,606	China Minsheng Bank Tower, Block C, Oriental Junzuo, No. 20 Chilechuan Avenue, Saihan District, Hohhot, Inner Mongolia Autonomous Region
Shenyang Branch	34	569	29,098	No. 65 Nanjing Bei Street, Heping District, Shenyang, Liaoning Province
Hong Kong Branch	1	303	218,179	Flat 3701-02, 3712-16, 37/F and 40/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong SAR
Guiyang Branch	36	596	53,665	Block 8, Tianyi International Plaza, No. 33 Changling Nan Road, Gaoxin District, Guiyang, Guizhou Province
Haikou Branch	14	256	14,137	Zhonghuan International Plaza, No. 77 Binhai Avenue, Longhua District, Haikou, Hainan Province
Lhasa Branch	6	187	10,174	No. 1, 1/F, Block F1, Hailiang Shiji Xincheng Phase 2.1, No. 11 Beijing Avenue, Liuwu New Area, Lhasa, Xizang Autonomous Region
Shanghai Pilot Free Trade Zone Branch	1	131	91,254	40-41/F, No. 100 Pudong Nan Road, Pudong New Area, Shanghai
Harbin Branch	16	423	32,367	1/F, 2/F, 6-8/F, 14-17/F, No. 3376 Langjiang Road, Daoli District, Harbin, Heilongjiang Province
Lanzhou Branch	12	310	21,345	1-4/F, Gansu Daily Press Plaza, No. 123 Baiyin Road, Chengguan District, Lanzhou, Gansu Province
Urumqi Branch	11	272	23,715	No. 314, Yangzijiang Road, Saybagh District, Urumqi, Xinjiang Uygur Autonomous Region

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Name of branch	Number of outlets	Headcount	Total assets (in RMB million, excluding deferred income tax assets)	Address
Xining Branch	7	178	10,784	1-4/F, Annex Building of Telecom Industrial Tower, No. 102 Kunlun Zhong Road, Chengzhong District, Xining, Qinghai Province
Yinchuan Branch	10	235	15,616	Minsheng Bank Tower, No. 106 Shanghai Xi Road, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region
London Branch	1	30	7,277	23rd Fl 20 Fenchurch Street, London, UK
Inter-region adjustment	–	–	-1,337,291	
Total	2,379	58,050	7,509,386	

Notes:

1. The number of institutions includes the Head Office, tier-1 branches, tier-2 branches (including remote sub-branches), business outlets of sub-branches (including business departments), community sub-branches, and small-business sub-branches.
2. The headcount of the Head Office includes the total number of employees in the departments of the Head Office, the Credit Card Centre and the centralised operation, exclusive of employees of branches. Of which, the headcount of the Credit Card Centre was 3,597. During the Reporting Period, the Bank integrated credit card branch centres into branches, and the employees of the integrated branch centres were included into the headcounts of local branches.
3. Inter-region adjustment arises from the reconciliation and elimination of inter-region balances.

VII. Internal Control and Internal Audit

(I) Internal control evaluation

The Bank has set up a comprehensive corporate governance structure with clear division of responsibilities of the Board of Directors and the management team, and maintained effective operation of internal control management system of the Company. In compliance with the Law of the People's Republic of China on Commercial Banks 《(中華人民共和國商業銀行法)》, the Guidelines for Internal Control of Commercial Banks 《(商業銀行內部控制指引)》, the Basic Standard for Corporate Internal Control 《(企業內部控制基本規範)》 and other laws and regulations and regulatory rules, the Bank has formed a set of rational and comprehensive internal control systems. The Board of Directors and its Audit Committee of the Bank guided the internal audit department in conducting internal control evaluation, including annually evaluating the effectiveness of internal control and reviewing internal control evaluation reports. Continuous internal control evaluations significantly promoted the improvement in the internal control systems and internal control management level of the Bank.

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(II) Internal audit

The Bank has adopted an independent internal audit model with a vertical management structure topped by the Head Office. Internal audit works are reported to the Board of Directors and its Audit Committee with notices given to the Senior Management, ensuring the independence and effectiveness of internal audit. The Bank has set up the Audit Department at the Head Office with six regional audit centres in North, East, South, Central, Northeast and West China. The Audit Department is responsible for performing independent inspection and evaluation of all businesses and management activities of the Bank, supervising the effectiveness of internal control, and conducting the supervision, evaluation, and consulting of internal audit in an independent and objective manner. The Bank has formulated a well-structured internal audit institutional system and continuously revised and improved it. Through the audit project management system, the Bank has strengthened full-process management of audit projects. The Bank has established an integrated audit inspection system combining conventional audit and digital audit. The digital audit system has covered major business areas of the Bank. The Bank has constantly enriched functions and perfected inspection models based on inspection needs. The Bank has adopted risk-oriented internal audit, and constantly enhanced research-oriented audit, covering major business lines including corporate banking, retail banking, financial markets, credit card, IT, infrastructure projects, and finance and accounting, as well as key internal control management procedures. The audit scope has also extended to risk management areas including credit risk, market risk, liquidity risk, operational risk, and compliance risk.

During the Reporting Period, in terms of internal audit, the Audit Department focused on the strategic deployment of the whole bank and the larger picture of reform and development, adhered to the positioning of “professional oversight” and “value empowerment”, and carried out all-round audit supervision targeting key strategic business segments, key risk areas, key products and vital management lines. The Audit Department actively explored agile and efficient working modes of audit, enhanced the empowerment of digital and intelligent audit tools, and advanced the improvement in professional audit capabilities. It continuously deepened the integration and coordination of audit with multiple supervision methods, consolidated the coordination between supervision and audit as well as between inspection and audit, and strengthened work coordination with disciplinary inspection, compliance and other relevant departments, so as to constantly enhance the quality and effectiveness of collaborative supervision, thereby safeguarding the high-quality development of the whole bank. During the Reporting Period, in accordance with the annual audit plan, the Audit Department conducted internal control evaluation on 14 operating units and subsidiaries under consolidated management. It conducted special audits, agile audits and researches on areas including corporate banking, small business and personal credit, credit card business, risk management, human resource management, IT and infrastructure projects. It precisely revealed problems and provided well-targeted audit suggestions, effectively giving play to the role of internal audit in supervision, evaluation and consulting. At the same time, it meticulously completed the “second-half” work of audit rectification, continuously improved the supervision system for rectifying problems identified in the audits, and constantly tracked and urged the audited units to make rectifications of problems identified by adopting multiple measures such as continuous supervision and subsequent audits. All these efforts strongly promoted the continuous improvement of internal control and management of the Bank.

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VIII. Incentive Share Option Scheme, Employee Share Ownership Scheme or Other Employee Incentive Measures and Their Implementations During the Reporting Period

Up to date, the Bank had no incentive share option scheme, employee share ownership scheme or other employee incentive measures.

IX. Compliance with the Corporate Governance Code Set Out in Appendix C1 to the Hong Kong Listing Rules

During the Reporting Period, the Bank has fully complied with the provisions of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and has complied with most of the recommended best practices contained therein.

X. Environmental and Social Responsibilities

(I) Performance of environmental protection

The Bank and its subsidiaries were not included in the list of enterprises legally required to disclose environmental information and the list of key pollutant-discharging units published by the environmental protection authority. The Bank strictly complied with the laws and regulations in respect of environmental protection, such as the Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》, the Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》, the Water Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國水污染防治法》, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國大氣污染防治法》, and the Solid Wastes Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國固體廢物污染防治法》. During the Reporting Period, the Bank was not subject to any administrative penalties for environmental issues.

The Bank insisted on green development, actively promoted the layout of green finance, and gave play to the leveraging role of finance to facilitate the development of green economy, low-carbon economy and circular economy. The Bank paid attention to guarding against environmental and social risks, restricted credit granting to industries with high pollution and high energy consumption, and accelerated the exit from enterprises with outdated production capacity, in a bid to propel the industrial structure adjustment. The Bank also advocated green office, practised green operation, and promoted suppliers to fulfil their environmental and social responsibilities through green procurement.

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(II) Performance of social responsibilities

The Bank facilitated rural revitalisation through sound advancement of paired assistance. The Bank implemented the guidelines, policies, decisions and arrangements on the rural revitalisation strategy of the CPC Central Committee and the State Council, innovated assistance models, and gave full play to the advantages of main businesses, embarking on a characteristic path of finance serving rural development. The Bank has provided paired assistance to Hua County and Fengqiu County in Henan Province for 24 consecutive years, earnestly implemented President Xi Jinping's important instructions on rural revitalisation and paired assistance, learned and used the experience of the "Green Rural Revival Programme (千萬工程)" in an in-depth manner, and further advanced the "One Branch Supporting One Township (一行興一鄉)" pairing mechanism. The Bank continued to promote key assistance projects such as rural revitalisation demonstration sites, the MA+ Art Empowerment Initiative (MA+藝術賦能計劃), and education assistance programmes. It coordinated efforts to promote the "rural revitalisation in the five aspects of industry, talent, culture, ecology and organisation", innovatively developed assistance initiatives of "7 Targeted Advancement Actions + N Extended Empowerment Projects (7大專項推進行動+N項延伸賦能項目)", continuously deepened the "two-wheel driven" assistance model featuring distinctive assistance through main financial businesses and integrated assistance in five major revitalisation fields, constantly consolidated, deepened and innovated assistance work, and produced results featuring multiple measures, all-round mobilisation, wide coverage, in-depth focus and concrete assistance. In the paired assistance assessment on central unit in 2025, the Bank won the highest rating of "Good" for the sixth consecutive year. As at the end of the Reporting Period, the Bank raised free assistance funds of RMB30 million for counties receiving paired assistance, and granted assistance loans of RMB67,835,600. The balance of loans to counties receiving focused assistance from the State for rural revitalisation of the whole bank amounted to RMB10,137 million, representing an increase of RMB438 million, or 4.52%, as compared with the beginning of the year.

The Bank delivered the warmth of Minsheng through charity and public welfare works. Adhering to the philosophy of sharing development achievements with the society, the Bank fully utilised its advantages, optimised the public welfare service system, and carried out public welfare practices covering rural revitalisation, assistance to the vulnerable group and those in difficulties, environmental protection, medical care and health, and education development. The Bank has supported the "Guangcai • Minsheng" Medical Care Programme for Children with Congenital Heart Disease ("光彩•民生"先天性心臟病患兒救治項目), the "AIDS Prevention and Control Programme" of China Red Ribbon Foundation, and the regional educational funding project in Xinjiang of "Minsheng Beautiful Xinjiang Class (民生美疆班)" for consecutive years, so as to continuously shoulder its responsibilities, deliver Minsheng's warmth, and give back to the society with practical actions. During the Reporting Period, the Bank innovatively conducted the youth mental health system development project of "Guangcai Youth • Beijing Initiative" in Beijing ("光彩少年•北京行動"首都青少年心理健康體系建設項目), comprehensively empowered the development of the youth mental health education system of Beijing through five core actions, and consolidated the psychological protection net for the healthy growth of adolescents. During the Reporting Period, the Bank organised the 11th session of the "Power of Minsheng's Love – ME Charity Innovation Funding Scheme (我決定民生愛的力量 – ME公益創新資助計劃)", providing funds and capacity building support for 30 innovative public welfare projects committed to rural revitalisation, community development, educational support, health and well-being, and ecological civilisation. The Bank also planned to conduct social organisation empowerment activities, so as to further support the standardised and high-quality development of social organisations.

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The Bank promoted sustainable development through in-depth practice of ESG philosophy. The Bank promoted ESG efforts from a strategic planning perspective, continuously improved its ESG governance structure and working mechanisms, as well as its high-quality sustainable development system. The Bank actively integrated ESG philosophy into its operation and management, actively aligned with international evaluation standards for sustainable development, and consistently enhanced ESG governance. In terms of environment, the Bank adhered to green development, centred on the core strategy of optimising green finance, and gave play to the leveraging role of finance, so as to support the achievement of “carbon peak and carbon neutrality” goals. In terms of society, the Bank reinforced product innovation, strengthened the application of digital products, optimised service quality, attached importance to consumer rights protection, continuously improved customer experience, and served customers considerately. In terms of governance, the Bank deepened the organic integration of Party leadership and corporate governance, and actively explored a practical path for high-quality corporate governance, so as to improve the scientific nature and effectiveness of corporate governance. As at the end of the Reporting Period, the Bank attained multiple honorary achievements in the ESG-related works, including: inclusion in the Sustainability Yearbook (China Edition) of S&P Global for the first time, the “Best Practice Case of Sustainable Development of Listed Companies (上市公司可持續發展最佳實踐案例)” and the “Best Practice Case of Board of Directors of Listed Companies (上市公司董事會最佳實踐案例)” by the China Association for Public Companies, the “Typical Practice Case of ESG of the Banking Industry (銀行業ESG典型實踐案例)” by China Financial Media, and the “China Enterprise ESG100 Index (中國企業ESG100指數)” co-released by haiwainet.cn (the official website of People’s Daily Overseas Edition) and other organisations. The MSCI ESG rating of the Bank continued to maintain the highest global level of AAA.

XI. Execution of the Initiative of “Quality Improvement and Efficiency Enhancement for Greater Returns”

The Bank actively implemented the requirements of the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management (《上市公司監管指引第10號——市值管理》), responded to the SSE initiative on the Special Campaign of “Quality Improvement and Efficiency Enhancement for Greater Returns (提質增效重回報)”, and formulated the Rules for Market Value Management (《市值管理制度》), the 2025 Valuation Enhancement Plan and Action Plan for “Quality Improvement and Efficiency Enhancement for Greater Returns” (《2025年估值提升計劃暨“提質增效重回報”行動方案》) and the 2026 Valuation Enhancement Plan (《2026年估值提升計劃》). During the Reporting Period, the Bank explored key fields, focused on value creation, and improved corporate governance, in a bid to increase investor returns.

By centring on the work priorities of “stabilising growth, optimising structure, consolidating foundation, and improving quality and effectiveness”, the Bank integrated customer-centric philosophy into all links of operation and management, enhanced customer group management, deepened engagement with existing customer groups and optimised new customer groups, and advanced the coordinated development of corporate, retail and financial institution customer groups. The Bank centred on liabilities-driven banking operations, and fostered a comprehensive service mindset underpinned by the “settlement+” model to advance the high-quality development of six major settlement businesses. The Bank continuously optimised its asset-liability structure and achieved steady improvements in asset quality and operational resilience.

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The Bank consolidated the risk prevention and control system, improved the quality and effectiveness of post-lending and post-investment management, and prevented and controlled risks in key areas. The Bank strengthened the development of supporting systems and kept refining coordinated mechanisms between different institutions, customer groups and business lines. The Bank focused on key fields, thoroughly and meticulously developed the “five major sectors”, built distinctive business strengths, and cultivated competitive edges, thereby advancing its high-quality development while serving the real economy. For detailed analysis of the Bank’s operations, please refer to “Chapter 3 Management Discussion and Analysis” in this Report.

The Bank continuously refined the corporate governance rules and operational mechanisms, strengthened the development of the Board of Directors, and fully leveraged the role of Independent Directors. The Bank attached great importance to investor returns, maintained a stable dividend policy and increased dividend distribution frequency. The cash dividend ratio has maintained above 30% since 2018. Starting from 2024, the Bank distributed interim dividends to deliver long-term and sustainable investment returns to shareholders. The total cash dividends distributed by the Bank in 2025 reached RMB8,274 million, and the interim cash dividend to be distributed for 2026 would be approximately RMB5,166 million. In the final dividend distribution plan for the year ended 31 December 2025, the Bank provided holders of H shares with the option to choose RMB as the dividend currency for the first time, enhancing the convenience of obtaining returns. The Bank further deepened the development of the information disclosure system, realised zero-error compliance management, earnestly ensured information disclosure quality, and actively conveyed investment value. The Bank adhered to an investor-centric approach, and conducted communications with investors via diversified and multi-level channels to address market concerns and strengthen value recognition. The Bank prioritised the protection of investor interests, responded promptly to the appeals of small- and medium-sized investors, and effectively safeguarded the legitimate rights and interests of all shareholders and stakeholders. For details, please refer to “Chapter 5 Corporate Governance, Environment and Society” and “Chapter 6 Major Events” in this Report.

CHAPTER 6 MAJOR EVENTS

I. Material Litigation and Arbitration

During the Reporting Period, the Bank had no litigation or arbitration proceeding that had significant impact on its operations. In the ordinary course of business operations, the Bank was involved in certain litigations and arbitrations, the majority of which were initiated by the Bank to recover non-performing loans, as well as those caused by customer disputes and other matters. As at 30 June 2026, there were 275 pending litigations and arbitrations involving the Bank as defendant or respondent, with an involved amount of approximately RMB4,275 million. The Bank believes that the aforementioned litigations and arbitrations will not have a material adverse impact on its financial condition or operating results.

Since January 2023, the Beijing Branch of the Bank has successively filed lawsuits against entities including Wuhan Centre Building Development Investment Co., Ltd., Wuhan CBD Co., Ltd., Oceanwide Holdings Co., Ltd., and China Oceanwide Holdings Group Co., Ltd. over financial lending contract disputes. As at the date of disclosure of this Report, the lawsuits between the Bank and Wuhan Centre Building Development Investment Co., Ltd. and Wuhan CBD Co., Ltd. have been initiated enforcement proceedings with one case ruled for termination of enforcement. For the seven lawsuits between the Bank and Oceanwide Holdings Co., Ltd. and China Oceanwide Holdings Group Co., Ltd., the Bank has obtained the enforceable judgments, all of which the Bank has won, and initiated enforcement proceedings, with two cases ruled for termination of enforcement.

II. Purchase and Sale of Assets and Mergers and Acquisitions

During the Reporting Period, the Bank had no material purchase and sale of assets and mergers and acquisitions.

III. Material Contracts and Their Performances

The Bank participated in and won the bid for the land use right of Plot Z4 at Core Area of Beijing CBD in East Third Ring Road, Chaoyang District, Beijing. The project has completed the filing of project completion acceptance.

IV. Major Guarantees

During the Reporting Period, no major guarantees of the Bank were required to be disclosed except for the financial guarantees provided within the business scope approved by the regulatory authorities; the Bank did not enter into any guarantee contracts in violation of the external guarantee procedures prescribed by laws, administrative regulations and the CSRC.

CHAPTER 6 MAJOR EVENTS

V. Commitments by the Bank and Its Relevant Entities

According to the relevant rules of the CSRC, the Bank considered and approved the Proposal on Impacts on Dilution of Current Returns of the Non-public Issuance of Preference Shares and the Relevant Remedial Measures of China Minsheng Banking Corp., Ltd. 《關於中國民生銀行股份有限公司非公開發行優先股攤薄即期回報及填補措施的議案》 at the First Extraordinary General Meeting for 2016 on 1 February 2016, at which remedial measures on the dilution of current returns that might arise from the non-public issuance of preference shares were formulated. These measures included strengthening capital management and optimising resource allocation, promoting the transformation of business model and management mechanism, enhancing comprehensive management and refined management, improving comprehensive risk management, and further increasing its corporate value. At the same time, the Directors and the Senior Management of the Bank also made commitments to effectively execute the remedial measures on current returns. During the Reporting Period, the Bank, the Directors and the Senior Management of the Bank did not violate any of the aforesaid commitments.

VI. Appointment of Accounting Firms

Upon the approval by the 2025 Annual Shareholders' Meeting of the Bank, the Bank appointed KPMG Huazhen LLP as the domestic accounting firm and KPMG as the international accounting firm of the Bank for 2026.

In light of the scale, nature and complexity of business operations, expected audit scope, audit timetable, audit workload and the combination of professional personnel levels to be allocated and the principles of fairness and rationality, the total remuneration agreed between the Bank and KPMG Huazhen LLP and KPMG in respect of their audit services for the year, including auditing of annual financial reports (domestic and international), review of interim financial reports (domestic and international), agreed procedures for quarterly financial reports and internal control auditing, amounted to RMB9.81 million, including a service fee of RMB1.0 million for the auditing of internal control. At the same time, the total service fee for non-audit business paid to KPMG and its member firms in the first half of 2026 was RMB3.8885 million. KPMG Huazhen LLP and KPMG confirmed that such non-audit business did not compromise their audit independence.

In 2026, KPMG Huazhen LLP and KPMG provided audit services to the Bank for the third year. SHI Jian, ZHANG Luyang and LEUNG Tat Ming, the signing accountants, provided services for the Bank for the third year.

CHAPTER 6 MAJOR EVENTS

VII. Material Related Party Transactions

The Bank does not have any controlling shareholders.

For details of the related party transactions subject to relevant accounting standards as at the end of the Reporting Period, please refer to Note 9 “Related Parties” to the Financial Statements.

VIII. Profit and Dividend Distribution

(I) Annual profit distribution for 2025

The Bank distributed the annual dividends to all shareholders according to the profit distribution plan for 2025, which was considered and approved at the 19th meeting of the 9th session of the Board and the 2025 Annual Shareholders’ Meeting. On the basis of the total share capital of the Bank as at the record dates, the Bank distributed a cash dividend for 2025 of RMB0.053 (tax inclusive) to holders of A shares and H shares whose names appeared on the registers as at the record dates for every share being held. The total cash dividends amounted to RMB2,320 million. The cash dividends were denominated and declared in RMB and were paid in RMB or in Hong Kong dollar to holders of equity shares. Together with the already distributed interim cash dividends for 2025, the cash dividend for the whole year of 2025 was RMB0.189 (tax inclusive) for every share being held, and the total cash dividends distributed for the whole year amounted to RMB8,274 million.

The Bank distributed the cash dividends to holders of A shares and investors of Shanghai Stock Connect in July 2026 in accordance with relevant provisions, and distributed the cash dividends to holders of H shares and investors of Hong Kong Stock Connect in August 2026 in accordance with relevant provisions. The implementation of the distribution plan was thus completed. For details, please refer to the announcement of the Bank dated 17 June 2026 published on the HKEXnews website of the SEHK and the announcement of the Bank dated 26 June 2026 published on the website of the SSE, respectively.

(II) Interim profit distribution plan for 2026

According to relevant laws, regulations, regulatory requirements and the Articles of Association, and in line with the resolutions and authorisations of the 2025 Annual Shareholders’ Meeting and the reviewed interim financial statements for 2026, the interim profit distribution plan for 2026 of the Bank is as follows:

Having considered various factors including the capital adequacy ratio required by the regulatory authorities and the sustainable business development of the Bank, the Bank proposed to distribute a cash dividend of RMB1.18 (tax inclusive) to holders of A shares and H shares whose names appear on the registers as at the record dates for every 10 shares being held. Based on 43,782 million shares of the Bank in issue as at 30 June 2026, total cash dividends would be approximately RMB5,166 million, accounting for 29.78% of the net profit of the Group, which was RMB17,347 million, realised in the first half of 2026 attributable to holders of ordinary shares of the Bank.

CHAPTER 6 MAJOR EVENTS

The actual amount of total cash dividends to be paid will be subject to the total number of ordinary shares recorded on the registers as at the record dates. The cash dividends will be denominated and declared in RMB and paid in RMB or Hong Kong dollar to holders of equity shares. The Bank will provide holders of H shares with a currency option for dividend payment in RMB. Holders of H shares have the right to choose to receive all (while HKSCC Nominees Limited may choose to receive all or part of) their dividends of H shares in RMB or Hong Kong dollar. The actual amount of dividends to be paid in Hong Kong dollar shall be calculated based on the average benchmark exchange rate of RMB against Hong Kong dollar as quoted by the PBOC for the five business days prior to the date (but excluding) of the dividend currency option form distributed by the Bank to holders of H shares.

IX. Review of Interim Results

KPMG Huazhen LLP and KPMG have respectively reviewed the Interim Financial Report prepared by the Bank in accordance with the Chinese Accounting Standards and the IFRS Accounting Standards. The Audit Committee of the Board of the Bank has reviewed the Report and agreed to submit it to the Board for consideration. The Board of the Bank considered and approved the Report on 28 August 2026.

X. Integrity of the Bank, Controlling Shareholders and De Facto Controllers

The Bank does not have any controlling shareholder or de facto controller. Dajia Life Insurance Co., Ltd. is the largest shareholder. During the Reporting Period, the Bank, the largest shareholder and its ultimate controller did not have any obligations specified in legally effective court documents which were not fulfilled or any overdue debt in large amounts.

XI. Non-Operating Fund Occupation by Controlling Shareholders and Other Related Parties

The Bank does not have any controlling shareholder. Dajia Life Insurance Co., Ltd. is the largest shareholder. The Bank does not have any condition of non-operating fund occupation by the largest shareholder and its ultimate controller and other related parties.

XII. Pre-Emptive Rights

Pre-emptive rights are not prescribed in the Company Law of the People's Republic of China and the Articles of Association, and the Bank is not required by the above provisions to issue new shares to the current shareholders based on the holding proportion of the shareholders. In accordance with the Articles of Association, the Bank may increase its registered capital by public offering of ordinary shares to unspecified objects, issuance of ordinary shares to its existing shareholders, distribution of new ordinary shares to its existing shareholders, private placing of ordinary shares to specified objects, conversion of preference shares to ordinary shares, and any other methods permitted by the applicable laws and administrative regulations. There is no compulsory rule in relation to pre-emptive rights in the Articles of Association.

CHAPTER 6 MAJOR EVENTS

XIII. Consumer Rights Protection

During the Reporting Period, the Bank followed the guidance of the 15th Five-Year Plan, fully implemented the important arrangements of the CPC and the State, and adhered to the principle of “seeking progress in stability” when performing its duty in consumer rights protection. By taking the five measures including comprehensively building the landscape for “macro consumer rights protection”, deepening key operational mechanisms, intensifying the management and control of key areas, resolving disputes in a refined manner, and making innovation in financial education, the Bank constantly improved the new landscape of consumer rights protection that is holistic, systematic, digital and intelligent, actively empowered the standardised development of businesses, and earnestly improved the quality and effectiveness of customer services. In terms of building the landscape for “macro consumer rights protection”, the Bank focused on establishing a consumer rights protection management system covering all levels including the Senior Management, departments of the Head Office, operating units and subsidiaries, and continuously advanced coordination in consumer rights protection of all business lines and all customer groups covering corporate, retail and financial institution businesses, so as to constantly improve the consistency and effectiveness in consumer rights protection management across the whole bank. In terms of deepening key operational mechanisms, the Bank strove to optimise key mechanisms such as review, evaluation and audit of consumer rights protection, and actively used digital and intelligent tools to enhance full-process management and control and refined management of consumer rights protection before, during and after the event. In terms of intensifying the management and control of key areas, the Bank aligned with new regulatory rules, focused on major management areas and key links of consumer rights protection including suitability management, marketing behaviour management and cooperative institution management, and further enhanced proactive management, facilitating the improvement in the quality and effectiveness of customer services. In terms of resolving disputes in a refined manner, the Bank enhanced management driven by source-based governance and AI deployment. Centring on customers’ most pressing difficulties and urgent demands, the Bank intensified layered and classified management of customer complaints, strengthened the development of dispute resolution platforms and teams, and elevated the efficiency of dispute settlement. The Bank responded more proactively to customer concerns and accelerated the transformation of customer complaint handling from “passive response” to “intelligent prevention”. In terms of making innovation in financial education, the Bank continuously intensified the primary responsibilities for consumers’ financial education, carried out centralised and normalised education and publicity initiatives in an in-depth manner, paid close attention to the financial literacy demands of key groups, built an all-dimensional publicity matrix covering both online and offline channels, and promoted the upgrading of financial education from “centralised campaigns” to “regular and long-term activities”.

XIV. Other Major Events

During the Reporting Period, the Bank had no other major events.

FINANCIAL REPORTS

- I. Report on Review of Interim Financial Information
- II. Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows
- III. Notes to the Condensed Consolidated Financial Statements
- IV. Unaudited Supplementary Financial Information

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

to the board of directors of China Minsheng Banking Corp., Ltd.

(incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 110 to 265, which comprises the condensed consolidated interim statement of financial position of China Minsheng Banking Corp., Ltd. (the "Bank") and its subsidiaries (collectively the "Group") as at 30 June 2026 and the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 Interim Financial Reporting.

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

Scope of Review

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

Conclusion

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



Certified Public Accountants

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

28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

		Six months ended 30 June	
	Note 4	2026 (unaudited)	2025 (unaudited)
Interest income		104,547	113,980
Interest expense		(51,963)	(64,777)
Net interest income	1	52,584	49,203
Fee and commission income		11,848	11,225
Fee and commission expense		(2,039)	(1,540)
Net fee and commission income	2	9,809	9,685
Net trading gain	3	1,315	2,203
Net gain from investment securities	4	9,710	8,883
Including: Disposals of financial assets measured at amortised cost		6,310	2,772
Net other operating income	5	277	727
Operating expenses	6	(21,357)	(21,522)
Credit impairment losses	7	(31,457)	(26,039)
Other impairment losses	8	(261)	(346)
Profit before income tax		20,620	22,794
Income tax expense	9	(1,367)	(1,318)
Net profit		19,253	21,476
Net profit attributable to			
Equity holders of the Bank		19,537	21,380
Non-controlling interests		(284)	96
Earnings per share (expressed in RMB Yuan)			
Basic and diluted earnings per share	10	0.40	0.45

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

		Six months ended 30 June	
	Note 4	2026 (unaudited)	2025 (unaudited)
Net profit		19,253	21,476
Other comprehensive income of the period, net of tax	40	(100)	(1,496)
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments designated as measured at fair value through other comprehensive income			
		177	280
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income			
Changes in fair value		300	(1,889)
Allowance for impairment losses		(184)	142
Effective hedging portion of gains or losses arising from cash flow hedging instruments		36	32
Exchange difference on translating foreign operations		(429)	(61)
Total comprehensive income of the period		19,153	19,980
Total comprehensive income attributable to			
Equity holders of the Bank		19,620	19,902
Non-controlling interests		(467)	78

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	30 June 2026 (unaudited)	31 December 2025 (unaudited)
ASSETS			
Cash and balances with central bank	11	262,100	254,754
Balances with banks and other financial institutions	12	97,905	126,084
Precious metals		107,886	69,311
Placements with banks and other financial institutions	13	189,072	231,195
Derivative financial assets	14	15,844	17,362
Financial assets held under resale agreements	15	2,447	51,473
Loans and advances to customers	16	4,454,357	4,374,231
Financial investments:	17	2,374,914	2,424,329
– Financial assets at fair value through profit or loss		288,891	371,581
– Financial assets measured at amortised cost		1,269,628	1,340,151
– Financial assets at fair value through other comprehensive income		816,395	712,597
Long-term receivables	18	90,812	98,066
Property and equipment	19	54,588	54,865
Right-of-use assets	20(1)	10,989	11,393
Deferred income tax assets	21	60,679	58,673
Other assets	23	72,938	60,831
Total assets		7,794,531	7,832,567

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	30 June 2026 (unaudited)	31 December 2025 (unaudited)
LIABILITIES			
Borrowings from central bank		250,532	228,560
Deposits and placements from banks and other financial institutions	25	1,047,424	971,739
Financial liabilities at fair value through profit or loss	26	120,847	70,926
Borrowings from banks and other financial institutions	27	125,045	112,407
Derivative financial liabilities	14	17,284	24,527
Financial assets sold under repurchase agreements	28	180,583	260,794
Deposits from customers	29	4,450,387	4,347,799
Lease liabilities	20(2)	7,723	8,066
Provisions	30	1,700	1,727
Debt securities issued	31	790,058	1,012,008
Current income tax liabilities		6,792	4,977
Deferred income tax liabilities	21	14	238
Other liabilities	32	78,593	85,602
Total liabilities		7,076,982	7,129,370

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	30 June 2026 (unaudited)	31 December 2025 (unaudited)
EQUITY			
Share capital	33	43,782	43,782
Other equity instrument		125,000	125,000
Including: Preference shares	34	20,000	20,000
Perpetual bonds	35	105,000	105,000
Reserves			
Capital reserve	33	58,474	58,141
Surplus reserve	37	64,829	64,829
General reserve	37	101,830	101,642
Other reserves	40	5,308	5,245
Retained earnings	37	305,577	290,998
Total equity attributable to equity holders of the Bank		704,800	689,637
Non-controlling interests	38	12,749	13,560
Total equity		717,549	703,197
Total liabilities and equity		7,794,531	7,832,567

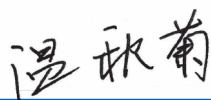
The accompanying notes form an integral part of this interim financial information.

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



Gao Yingxin

Chairman



Wen Qiuju

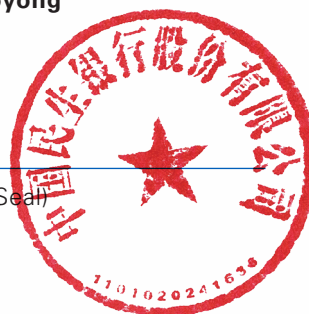
Director



Wang Xiaoyong

President

(Company Seal)



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

Unaudited	Attributable to equity shareholders of the Bank											
	Reserves											Total equity
	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Exchange reserve	Cash flow hedging reserve	Retained earnings	Total	Non-controlling interests	
Note 4	33	34&35	33	37	37	40	40	40	37		38	
At 31 December 2025	43,782	125,000	58,141	64,829	101,642	4,912	352	(19)	290,998	689,637	13,560	703,197
(I) Net profit	-	-	-	-	-	-	-	-	19,537	19,537	(284)	19,253
(II) Other comprehensive income, net of tax	-	-	-	-	-	312	(265)	36	-	83	(183)	(100)
Total comprehensive income	-	-	-	-	-	312	(265)	36	19,537	19,620	(467)	19,153
(III) Capital injection and deduction by equity holders												
1. Capital injection by other equity instrument holders	-	-	(4)	-	-	-	-	-	-	(4)	-	(4)
(IV) Profit distribution												
1. Appropriation to general reserve	-	-	-	-	140	-	-	-	(140)	-	-	-
2. Cash dividends	-	-	-	-	-	-	-	-	(2,320)	(2,320)	-	(2,320)
3. Perpetual bond interest	-	-	-	-	-	-	-	-	(2,190)	(2,190)	-	(2,190)
(V) Transfers within the owners' equity												
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	(20)	-	-	20	-	-	-
(VI) Others												
1. Equity transaction with minority shareholders	-	-	337	-	48	-	-	-	(328)	57	(344)	(287)
At 30 June 2026	43,782	125,000	58,474	64,829	101,830	5,204	87	17	305,577	704,800	12,749	717,549

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026

(Expressed in millions of Renminbi, unless otherwise stated)

Unaudited	Attributable to equity shareholders of the Bank											
	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Exchange reserve	Cash flow hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
Note 4	33	34&35	33	37	37	40	40	40	37		38	
At 31 December 2024	43,782	95,000	58,087	61,888	99,279	6,602	602	(12)	277,631	642,859	13,709	656,568
(I) Net profit	-	-	-	-	-	-	-	-	21,380	21,380	96	21,476
(II) Other comprehensive income, net of tax	-	-	-	-	-	(1,447)	(63)	32	-	(1,478)	(18)	(1,496)
Total comprehensive income	-	-	-	-	-	(1,447)	(63)	32	21,380	19,902	78	19,980
(III) Capital injection and deduction by equity holders												
1. Capital injection by other equity instrument holders	-	30,000	(2)	-	-	-	-	-	-	29,998	-	29,998
(IV) Profit distribution												
1. Appropriation to general reserve	-	-	-	-	149	-	-	-	(149)	-	-	-
2. Cash dividends	-	-	-	-	-	-	-	-	(2,714)	(2,714)	(14)	(2,728)
3. Perpetual bond interest	-	-	-	-	-	-	-	-	(1,500)	(1,500)	-	(1,500)
(V) Transfers within the owners' equity												
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	(9)	-	-	9	-	-	-
(VI) Others												
1. Equity transaction with minority shareholders	-	-	2	-	1	-	-	-	(4)	(1)	(5)	(6)
At 30 June 2025	43,782	125,000	58,087	61,888	99,429	5,146	539	20	294,653	688,544	13,768	702,312

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

Audited	Attributable to equity shareholders of the Bank											
	Reserves											
	Share capital	Other equity instrument	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Exchange reserve	Cash flow hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
Note 4	33	34&35	33	37	37	40	40	40	37		38	
At 31 December 2024	43,782	95,000	58,087	61,888	99,279	6,602	602	(12)	277,631	642,859	13,709	656,568
(I) Net profit	-	-	-	-	-	-	-	-	30,563	30,563	19	30,582
(II) Other comprehensive income, net of tax	-	-	-	-	-	(1,758)	(250)	(7)	-	(2,015)	(112)	(2,127)
Total comprehensive income	-	-	-	-	-	(1,758)	(250)	(7)	30,563	28,548	(93)	28,455
(III) Capital injection and deduction by equity holders												
1. Capital injection by other equity instrument holders	-	30,000	(1)	-	-	-	-	-	-	29,999	-	29,999
(IV) Profit distribution												
1. Appropriation to surplus reserve	-	-	-	2,941	-	-	-	-	(2,941)	-	-	-
2. Appropriation to general reserve	-	-	-	-	2,357	-	-	-	(2,357)	-	-	-
3. Cash dividends	-	-	-	-	-	-	-	-	(8,668)	(8,668)	(24)	(8,692)
4. Preference shares dividends	-	-	-	-	-	-	-	-	(634)	(634)	-	(634)
5. Perpetual bond interest	-	-	-	-	-	-	-	-	(2,478)	(2,478)	-	(2,478)
(V) Transfers within the owners' equity												
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	68	-	-	(68)	-	-	-
(VI) Others												
1. Equity transaction with minority shareholders	-	-	48	-	6	-	-	-	(43)	11	(32)	(21)
2. Equity reclassification of equity transactions with minority shareholders	-	-	7	-	-	-	-	-	(7)	-	-	-
At 31 December 2025	43,782	125,000	58,141	64,829	101,642	4,912	352	(19)	290,998	689,637	13,560	703,197

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities:		
Profit before income tax	20,620	22,794
<i>Adjustments for:</i>		
Credit impairment losses	31,457	26,039
Other impairment losses	261	346
Depreciation and amortisation	4,971	4,161
Gains on disposal of property and equipment	71	(159)
Gains from changes in fair value	(5,886)	(1,625)
Net gains on disposal of investment securities	(8,615)	(6,605)
Interest expense on debt securities issued	7,907	10,123
Interest expense on lease liabilities	867	130
Interest income from financial investments	(24,687)	(27,307)
Subtotal	26,966	27,897
<i>Changes in operating assets:</i>		
Net decrease in balances with central bank, banks and other financial institutions	(7,748)	18,705
Net increase in placements with banks and other financial institutions	46,203	(8,529)
Net decrease in financial assets held under resale agreements	49,006	42,150
Net increase in loans and advances to customers	(107,734)	(39,249)
Net increase in financial assets held for trading purposes	43,745	(20,553)
Net increase in other operating assets	(40,193)	(38,069)
Subtotal	(16,721)	(45,545)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities: (continued)		
<i>Changes in operating liabilities:</i>		
Net decrease in borrowings from central bank	21,024	(11,354)
Net increase in deposits from customers	115,317	61,907
Net decrease in deposits and placements from banks and other financial institutions	85,649	(268,160)
Net increase/(decrease) in financial assets sold under repurchase agreements	(80,037)	4,420
Income tax paid	(1,883)	(476)
Net increase in other operating liabilities	33,853	12,268
Subtotal	173,923	(201,395)
Net cash used in from operating activities	184,168	(219,043)
Cash flows from investing activities:		
Proceeds from sale and redemption of investments and investment income	1,935,111	1,597,954
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	3,205	2,750
Cash payment for investments	(1,897,214)	(1,491,545)
Cash payment for purchase of property and equipment, intangible assets and other long-term assets	(5,669)	(1,642)
Net cash generated from investing activities	35,433	107,517

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

	Note 4	Six months ended 30 June	
		2026 (unaudited)	2025 (unaudited)
Cash flows from financing activities:			
Capital injection by holders of other equity instruments		–	30,000
Proceeds from issue of debt securities		403,620	715,531
Repayment of debt securities issued		(628,896)	(615,507)
Interest paid on perpetual bonds		(2,190)	(1,500)
Dividends paid and interest paid on debt securities issued		(5,027)	(1,731)
Cash payment in other financing activities		(9,648)	(1,603)
Net cash generated from financing activities		(242,141)	125,190
Effect of exchange rate changes on cash and cash equivalents		(1,647)	112
Net increase/(decrease) in cash and cash equivalents		(24,187)	13,776
Cash and cash equivalents at 1 January		160,886	184,990
Cash and cash equivalents at 30 June	41	136,699	198,766

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

1 General information

China Minsheng Banking Corp., Ltd. (the “Bank”) is a national joint-stock commercial bank established in the People’s Republic of China (“PRC”) on 7 February 1996 with the approval of the State Council of the PRC and the People’s Bank of China (“PBOC”).

The Bank obtained the financial service certificate No. B0009H111000001 as approved by the China Banking and Insurance Regulatory Commission (The former “CBIRC”) (In 2023, the regulator was renamed as the National Financial Regulation Administration, The “NFRA”), and the business license as approved by the Beijing Municipal Market Regulation Administration, the unified social credit code is No. 91110000100018988F.

The Bank’s A Shares and H Shares are listed in the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited, the stock codes are 600016 and 01988, respectively.

In the interim financial information for the six months ended 30 June 2026, Chinese mainland refers to the PRC excluding the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), the Macau Special Administrative Region of the PRC (“Macau”) and Taiwan. Abroad of China refers to Hong Kong, Macau, Taiwan and other countries. Overseas refers to areas of other countries and regions, outside Chinese mainland, Hong Kong, Macau, and Taiwan.

The Bank and its subsidiaries (collectively the “Group”) mainly provide corporate and personal banking, treasury business, financial leasing, fund and asset management, investment banking and other financial services in the PRC.

As at 30 June 2026, the Bank had 43 tier-one branches and 33 subsidiaries (including 29 rural banks and 4 affiliated institutions).

2 Basis of preparation

The unaudited interim financial information for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, as well as with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

3 Summary of material accounting policy information

The unaudited interim financial information for the six months ended 30 June 2026 have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Except for those described below, the accounting policies and critical accounting estimates and judgments used in preparing the unaudited interim financial information are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2025.

The interim financial information should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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3 Summary of material accounting policy information *(continued)*

3.1 Standards and amendments effective in 2026 relevant to and adopted by the Group

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

Standards/Amendments		Effective date
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards (Volume 11)	Annual Improvements to IFRS Accounting Standards	1 January 2026

The adoption of the above amendments do not have significant impacts on the condensed consolidated financial statements of the Group. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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

Standards/Amendments		Effective date
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	The amendments as originally issued had an effective date of annual periods beginning on or after 1 January 2016. Now the effective date has been deferred indefinitely, but early application is permitted.
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability Disclosure	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IAS 28	Fair value option	1 January 2027

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements

4.1 Net interest income

	Six months ended 30 June	
	2026	2025
Interest income arising from:		
Loans and advances to customers	72,265	78,305
Including: Corporate loans and advances	41,167	41,395
Personal loans and advances	30,519	36,018
Discounted bills	579	892
Financial investments	24,687	27,307
Including: Financial assets measured at amortised cost	16,817	20,207
Financial assets at fair value through other comprehensive income	7,870	7,100
Long-term receivables	2,667	2,988
Placements with banks and other financial institutions	2,236	2,389
Balances with central bank	1,820	1,929
Financial assets held under resale agreements	307	312
Balances with banks and other financial institutions	565	750
Subtotal	104,547	113,980
Interest expense arising from:		
Deposits from customers	(31,089)	(39,015)
Deposits from banks and other financial institutions	(6,802)	(7,529)
Debt securities issued	(7,907)	(10,123)
Borrowings from central bank	(2,022)	(2,437)
Borrowings from banks and other financial institutions	(1,672)	(1,870)
Financial assets sold under repurchase agreements	(1,604)	(2,584)
Borrowed funds and others	(867)	(1,219)
Subtotal	(51,963)	(64,777)
Net interest income	52,584	49,203
Of which:		
Interest income from impaired loans and advances to customers	961	796

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026

(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.2 Net fee and commission income

	Six months ended 30 June	
	2026	2025
Fee and commission income from		
Bank card services	4,329	4,832
Agency services	2,713	1,645
Custodian and other fiduciary services	2,061	2,025
Settlement and clearance services	1,515	1,433
Credit commitments	537	556
Others	693	734
Subtotal	11,848	11,225
Fee and commission expense	(2,039)	(1,540)
Net fee and commission income	9,809	9,685

4.3 Net trading gain

	Six months ended 30 June	
	2026	2025
Net gains from interest rate products	1,307	1,231
Net (losses)/gains from foreign-exchange and foreign exchange products	(351)	227
Others	359	745
Total	1,315	2,203

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.4 Net gain from investment securities

	Six months ended 30 June	
	2026	2025
Financial instruments at fair value through profit or loss	1,757	3,532
Financial assets at fair value through other comprehensive income	1,643	2,579
Financial assets measured at amortised cost	6,310	2,772
Total	9,710	8,883

4.5 Net other operating income

	Six months ended 30 June	
	2026	2025
Operating leases income	1,464	1,606
Government subsidies	12	335
Others	(1,199)	(1,214)
Total	277	727

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.6 Operating expenses

	Six months ended 30 June	
	2026	2025
Staff costs, including directors' emoluments		
– Salaries, bonuses, allowances and subsidies payables	11,103	10,881
– Post-employment benefits-defined contribution plan	1,494	1,548
Depreciation and amortisation	3,438	3,460
Short-term lease expenses, low-value lease expenses and property management expenses	489	472
Tax and surcharges		
– Urban Maintenance Construction Tax	401	394
– Educational fee surcharge	178	172
– Other	288	299
Office expenses, business expenses and others	3,966	4,296
Total	21,357	21,522

4.7 Credit impairment losses

	Six months ended 30 June	
	2026	2025
Loans and advances to customers	29,363	23,452
Financial assets measured at amortised cost	1,467	1,534
Financial assets at fair value through other comprehensive income	(198)	307
Long-term receivables	997	540
Others	(172)	206
Total	31,457	26,039

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.8 Other impairment losses

	Six months ended 30 June	
	2026	2025
Foreclosed assets	257	341
Others	4	5
Total	261	346

4.9 Income tax expense

	Six months ended 30 June	
	2026	2025
Current income tax for the period	3,698	819
Deferred income tax (Note 4.21)	(2,331)	499
Total	1,367	1,318

Reconciliation between income tax expense and accounting profit of the Group is listed as follows:

	Six months ended 30 June	
	2026	2025
Profit before income tax	20,620	22,794
Income tax at the tax rate of 25%	5,155	5,699
Effect of non-taxable income (a)	(3,670)	(4,698)
Effect of non-deductible expenses (b)	175	440
Effect of interest expense on perpetual debt	(548)	(375)
Settlement variance and others	255	252
Income tax expense	1,367	1,318

(a) The non-taxable income mainly represents interest income arising from PRC government bonds and municipal bonds, as well as dividends arising from fund investments, which are exempted from income tax.

(b) It mainly includes tax effects of losses written-off that are not deductible before tax, as well as business entertainment expenses and deposit insurance premiums in excess of their respective pre-tax deductible limits.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.9 Income tax expense (*continued*)

In December 2021, the OECD published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (the “Pillar Two”).

The Group is within the scope of the Pillar Two rules. Some members of our group are involved in the legislation of Pillar 2 regulations in their jurisdiction, which will take effect from 2026. The Group is currently analysing the potential impact of Pillar Two.

4.10 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity shareholders of the Bank by the weighted average number of issued ordinary shares during the period. Diluted earnings per share is calculated by dividing the adjusted profit attributable to ordinary equity shareholders of the Bank by the adjusted weighted average number of ordinary shares in issue.

The Bank issued non-cumulative preference shares and perpetual bonds in 2019, 2021, 2022, 2024, 2025 and 2026 respectively under the terms and conditions as detailed in Note 4.34 Preference Shares and Note 4.35 Perpetual Bonds.

The conversion feature of the preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur as at 30 June 2026 and 31 December 2025, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculation for the six months ended 30 June 2026 and for the six months ended 30 June 2025.

	Six months ended 30 June	
	2026	2025
Profit for the period attributable to equity holders of the Bank	19,537	21,380
Less: profit for the period attributable to other equity instrument holders of the Bank	(2,190)	(1,500)
Net profit attributable to ordinary equity holders of the Bank	17,347	19,880
Weighted average number of ordinary shares in issue (in millions)	43,782	43,782
Basic/Diluted earnings per share (in RMB Yuan)	0.40	0.45

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.11 Cash and balances with central bank

	30 June 2026	31 December 2025
Cash	3,971	4,193
Balances with central bank		
Mandatory reserve deposits	225,606	222,567
Surplus reserve deposits	25,588	27,145
Fiscal deposits and others	6,693	316
Foreign exchange reserve	141	423
Subtotal	258,028	250,451
Interest accrued	101	110
Total	262,100	254,754

The Group places mandatory reserve deposits in accordance with the relevant provisions of PBOC or local regulators. The mandatory reserve deposits are not available for use in the Group's daily business.

As at 30 June 2026 the mandatory reserve deposits rate applicable to domestic branches of the Bank for RMB deposits is 5.5% (31 December 2025: 5.5%) and the reserve rate for foreign currency deposits is 4.0% (31 December 2025: 4.0%). The amount of mandatory reserve deposits of the subsidiaries and overseas branches of the Group are determined by local jurisdiction.

Surplus reserve deposits maintained with the PBOC is for the purposes of clearing interbank transactions.

Foreign exchange reserve is maintained with the PBOC in accordance with the related notice issued by the PBOC. The reserve is provided as of 20% of customer-driven foreign exchange forward transactions volume on a monthly basis. Such foreign exchange reserve is non-interest bearing and will be repayable in 12 months according to the Notice.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.12 Balances with banks and other financial institutions

	30 June 2026	31 December 2025
Chinese mainland		
– Banks	57,166	92,227
– Other financial institutions	14,127	6,484
Subtotal	71,293	98,711
Overseas		
– Banks	24,375	25,782
– Other financial institutions	2,204	1,502
Subtotal	26,579	27,284
Interest accrued	42	97
Less: Allowance for impairment losses	(9)	(8)
Total	97,905	126,084

For the six months ended 30 June 2026 and for the year ended 31 December 2025, there was no transfer of the movements in carrying amount of book value and the impairment loss allowances of balances with banks and other financial institutions between stages.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.13 Placements with banks and other financial institutions

	30 June 2026	31 December 2025
Chinese mainland		
– Banks	6,367	8,289
– Other financial institutions	154,127	186,331
Subtotal	160,494	194,620
Overseas		
– Banks	27,049	34,142
– Other financial institutions	2,708	3,363
Subtotal	29,757	37,505
Interest accrued	234	649
Less: Allowance for impairment losses	(1,413)	(1,579)
Total	189,072	231,195

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.13 Placements with banks and other financial institutions (*continued*)

(1) Movements in allowance for impairment losses of placements with banks and other financial institutions

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(386)	–	(1,193)	(1,579)
Net reversal	155	–	–	155
Others	11	–	–	11
Balance as at 30 June 2026	(220)	–	(1,193)	(1,413)

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(292)	–	(1,193)	(1,485)
Net charge	(91)	–	–	(91)
Others	(3)	–	–	(3)
Balance as at 31 December 2025	(386)	–	(1,193)	(1,579)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements *(continued)*

4.14 Derivatives

A derivative is a financial instrument, the value of which changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. The Group uses derivative financial instruments mainly including forwards, swaps and options.

The notional amount of a derivative represents the amount of an underlying asset upon which the value of the derivative is based. It indicates the volume of business transacted by the Group but does not reflect the risk.

(1) The notional amount and fair value of unexpired derivative financial instruments held by the Group are set out in the following tables

	30 June 2026		
	Notional amount	Fair value Assets	Liabilities
Foreign exchange derivatives	1,834,048	12,093	(12,066)
Interest rate derivatives	4,038,380	1,135	(987)
Precious metal derivatives	54,901	2,590	(4,231)
Others	2,111	26	–
Total		15,844	(17,284)

	31 December 2025		
	Notional amount	Fair value Assets	Liabilities
Foreign exchange derivatives	2,873,260	10,543	(10,032)
Interest rate derivatives	2,979,895	977	(857)
Precious metal derivatives	85,064	5,811	(13,635)
Others	2,470	31	(3)
Total		17,362	(24,527)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.14 Derivatives (*continued*)

(2) Hedges

		30 June 2026		
		Notional amount	Fair value Assets	Liabilities
Cash flow hedges				
– Currency swap contracts	(a)	13,751	207	(188)
Fair value hedges				
– Interest Rate swap contracts	(b)	20,926	66	(99)
Total			273	(287)

		31 December 2025		
		Notional amount	Fair value Assets	Liabilities
Cash flow hedges				
– Currency swap contracts	(a)	18,855	91	(73)
Fair value hedges				
– Interest rate swap contracts	(b)	21,259	38	(307)
Total			129	(380)

(a) The Group uses foreign exchange swaps to hedge against cash flow fluctuations arising from its exposures to foreign exchange risks. The hedged items include foreign bond investments of the Group, loans and advances denominated in foreign currencies, and foreign currency lending to other banks and financial institutions. For the six months ended 30 June 2026 and for the six months ended 30 June 2025, the accumulative profits or losses recognised in other comprehensive income arising from fair value changes of cash flow hedging instruments were insignificant.

(b) The Group uses interest rate swaps to hedge against changes in fair value of fixed rate bonds. For the six months ended 30 June 2026 and for the six months ended 30 June 2025, the fair value changes of hedging instruments and the net gains or losses arising from the hedged risk relating to the hedged items, which were the ineffective part of fair value hedging recognised in fair value changes, were insignificant.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.15 Financial assets held under resale agreements

Financial assets held under resale agreements are listed as follows according to collateral:

	30 June 2026	31 December 2025
Bonds	2,447	49,341
Others	–	2,112
Subtotal	2,447	51,453
Interest accrued	–	24
Less: Allowance for impairment losses	–	(4)
Total	2,447	51,473

For the six months ended 30 June 2026 and for the year ended 31 December 2025, the transfer of book value and the allowance for impairment losses of financial assets held under resale agreements between stages were insignificant.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.16 Loans and advances to customers

	30 June 2026	31 December 2025
Measured at amortised cost:		
Corporate loans and advances		
– Corporate loans	2,712,838	2,588,697
Personal loans and advances		
– Micro lending (a)	556,592	587,672
– Residential mortgage	564,682	573,393
– Credit cards	406,457	432,460
– Others	75,341	85,359
Gross balance	1,603,072	1,678,884
Less: Allowance for impairment losses	(93,557)	(93,295)
Subtotal	4,222,353	4,174,286
Measured at fair value through other comprehensive income:		
Corporate loans and advances		
– Corporate loans	59,630	36,779
– Discounted bills	134,457	126,250
Subtotal	194,087	163,029
Interest accrued	37,917	36,916
Total	4,454,357	4,374,231

(a) Micro lending is a loan product offered to the micro enterprise owners and proprietors.

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for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.16 Loans and advances to customers (*continued*)

(1) Loans and advances to customers (excluding interest accrued) analysed by types of collateral

	30 June 2026		31 December 2025	
	Amount	(%)	Amount	(%)
Unsecured loans	1,503,354	33.33	1,443,341	32.58
Guaranteed loans	969,183	21.49	913,741	20.62
Loans secured by				
– Tangible assets other than monetary assets	1,665,669	36.94	1,713,165	38.67
– Monetary assets	371,791	8.24	360,363	8.13
Total	4,509,997	100.00	4,430,610	100.00

(2) Overdue loans (excluding interest accrued) analysed by overdue period

	30 June 2026				
	Less than 3 months	3 months to 1 year	1 to 3 years	More than 3 years	Total
Unsecured loans	18,937	8,999	6,190	3,019	37,145
Guaranteed loans	842	2,295	8,060	1,117	12,314
Loans secured by					
– Tangible assets other than monetary assets	10,686	12,035	14,291	2,536	39,548
– Monetary assets	3,556	2,449	5,444	902	12,351
Total	34,021	25,778	33,985	7,574	101,358
% of total loans and advances to customers	0.76	0.57	0.75	0.17	2.25

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.16 Loans and advances to customers (*continued*)

(2) Overdue loans (excluding interest accrued) analysed by overdue period (*continued*)

	31 December 2025				Total
	Less than 3 months	3 months to 1 year	1 to 3 years	More than 3 years	
Unsecured loans	15,711	9,665	7,220	2,339	34,935
Guaranteed loans	483	1,935	7,099	2,117	11,634
Loans secured by					
– Tangible assets other than monetary assets	11,249	11,516	14,136	2,366	39,267
– Monetary assets	20	5,956	3,205	786	9,967
Total	27,463	29,072	31,660	7,608	95,803
% of total loans and advances to customers	0.62	0.66	0.71	0.17	2.16

Overdue loans represent loans of which the principal or interest are overdue for 1 day or more.

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4 Notes to the condensed consolidated financial statements *(continued)*

4.16 Loans and advances to customers *(continued)*

(3) Movements in allowance for impairment losses

(a) Movements in allowance for impairment losses of loans and advances to customers measured at amortised cost are as follows

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(25,757)	(26,929)	(40,609)	(93,295)
Transfer:				
to stage 1	(1,070)	968	102	–
to stage 2	804	(888)	84	–
to stage 3	140	3,806	(3,946)	–
Net reversal/(charge)	2,917	(7,416)	(24,787)	(29,286)
Write-offs and transfer out	–	–	29,433	29,433
Recoveries of amounts previously written-off	–	–	(1,744)	(1,744)
Others	(8)	151	1,192	1,335
Balance as at 30 June 2026	(22,974)	(30,308)	(40,275)	(93,557)

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(26,369)	(23,025)	(43,010)	(92,404)
Transfer:				
to stage 1	(2,946)	2,646	300	–
to stage 2	629	(725)	96	–
to stage 3	287	4,537	(4,824)	–
Net reversal/(charge)	2,649	(10,359)	(40,292)	(48,002)
Write-offs and transfer out	–	–	52,477	52,477
Recoveries of amounts previously written-off	–	–	(7,712)	(7,712)
Others	(7)	(3)	2,356	2,346
Balance as at 31 December 2025	(25,757)	(26,929)	(40,609)	(93,295)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)4.16 Loans and advances to customers (*continued*)(3) Movements in allowance for impairment losses (*continued*)

(b) Movements in allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income are as follows

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(209)	(12)	(450)	(671)
Transfer:				
to stage 2	12	(12)	–	–
Net reversal/(charge)	35	(112)	–	(77)
Balance as at 30 June 2026	(162)	(136)	(450)	(748)

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(274)	(1)	(450)	(725)
Net reversal/(charge)	65	(11)	47	101
Recoveries of amounts previously written off	–	–	(47)	(47)
Balance as at 31 December 2025	(209)	(12)	(450)	(671)

4.17 Financial investments

		30 June 2026	31 December 2025
Financial assets at fair value through profit or loss	(1)	288,891	371,581
Financial assets measured at amortised cost	(2)	1,269,628	1,340,151
Financial assets at fair value through other comprehensive income	(3)	816,395	712,597
Total		2,374,914	2,424,329

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.17 Financial investments (*continued*)

(1) Financial assets at fair value through profit or loss

	30 June 2026	31 December 2025
Held for trading purpose		
Debt securities		
Government	12,573	9,225
Policy banks	53,187	86,913
Banks and non-bank financial institutions	29,168	16,862
Corporates	43,933	62,588
Subtotal	138,861	175,588
Equity investments	657	643
Investment funds (a)	2,714	3,155
Subtotal	142,232	179,386
Other financial assets at fair value through profit or loss		
Debt securities		
Policy banks	–	2,644
Banks and non-bank financial institutions	3,523	4,980
Corporates	1,634	5,456
Equity investments	26,312	22,278
Investment funds (a)	101,108	131,492
Trust and asset management plans (b)	9,013	19,730
Others	5,069	5,615
Subtotal	146,659	192,195
Total	288,891	371,581

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.17 Financial investments (*continued*)

(1) Financial assets at fair value through profit or loss (*continued*)

	30 June 2026	31 December 2025
Listed	153,130	190,913
– Of which: Listed in Hong Kong	2,197	2,638
Unlisted	135,761	180,668
Total	288,891	371,581

Debt securities traded in China Domestic Interbank Bond Market are classified as listed bonds.

- (a) As at 30 June 2026 and 31 December 2025, the underlying investment funds primarily include public bond funds and public money market funds.
- (b) As at 30 June 2026 and 31 December 2025, the underlying assets of trust and asset management plans primarily include bonds and others (Note 10.2 (7)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements *(continued)*

4.17 Financial investments *(continued)*

(2) Financial assets measured at amortised cost

	30 June 2026	31 December 2025
Debt securities		
Government	905,637	997,564
Policy banks	163,304	85,178
Banking and non-banking financial institutions	75,825	100,253
Corporates	85,041	111,319
Subtotal	1,229,807	1,294,314
Trust and asset management plans (a)	24,934	28,806
Debt financing plans	8,143	8,522
Others	2,441	2,451
Interest accrued	14,814	17,599
Less: Allowance for impairment losses	(10,511)	(11,541)
Total	1,269,628	1,340,151
Listed	1,181,630	1,241,130
– Of which: Listed in Hong Kong	7,022	8,570
Unlisted	83,695	92,963
Interest accrued	14,814	17,599
Less: Allowance for impairment losses	(10,511)	(11,541)
Total	1,269,628	1,340,151

(a) As at 30 June 2026 and 31 December 2025, the underlying assets of trust and asset management plans primarily are credit assets (Note 10.2(7)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.17 Financial investments (*continued*)

(2) Financial assets measured at amortised cost (*continued*)

(b) Movements in allowance for impairment losses

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(805)	(362)	(10,374)	(11,541)
Transfer:				
to stage 1	(74)	74	–	–
to stage 2	52	(52)	–	–
to stage 3	–	44	(44)	–
Net charge	(22)	(55)	(1,390)	(1,467)
Write-offs and transfer out	–	–	2,401	2,401
Recoveries of amounts previously written-off	–	–	(336)	(336)
Others	18	–	414	432
Balance as at 30 June 2026	(831)	(351)	(9,329)	(10,511)

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(1,467)	(401)	(9,580)	(11,448)
Transfer:				
to stage 2	57	(183)	126	–
to stage 3	39	–	(39)	–
Net reversal/(charge)	567	222	(4,725)	(3,936)
Write-offs and transfer out	–	–	3,289	3,289
Recoveries of amounts previously written-off	–	–	(214)	(214)
Others	(1)	–	769	768
Balance as at 31 December 2025	(805)	(362)	(10,374)	(11,541)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.17 Financial investments (*continued*)

(3) Financial assets at fair value through other comprehensive income

	30 June 2026	31 December 2025
Debt securities		
Government	270,515	242,329
Policy banks	118,356	72,659
Banks and non-bank financial institutions	252,455	230,964
Corporates	160,711	152,443
Subtotal	802,037	698,395
Equity investments	8,327	8,081
Interest accrued	6,031	6,121
Total	816,395	712,597
Listed	725,463	676,088
– Of which: Listed in Hong Kong	21,771	28,313
Unlisted	84,901	30,388
Interest accrued	6,031	6,121
Total	816,395	712,597

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.17 Financial investments (*continued*)

(3) Financial assets at fair value through other comprehensive income (*continued*)

A. Fair value

	30 June 2026	31 December 2025
Debt securities		
Cost	807,843	704,711
Cumulative amount of change in fair value that is accrued to other comprehensive income	225	(195)
Fair value	808,068	704,516
Equity investment (i)		
Cost	4,454	4,383
Cumulative amount of change in fair value that is accrued to other comprehensive income	3,873	3,698
Fair value	8,327	8,081
Total	816,395	712,597

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements *(continued)*

4.17 Financial investments *(continued)*

(3) Financial assets at fair value through other comprehensive income *(continued)*

A. Fair value *(continued)*

(i) Equity investment

	30 June 2026		
	Cost	Fair value	Cumulative amount of change in fair value that is accrued to other comprehensive income
Listed	1,810	1,747	(63)
Unlisted	2,644	6,580	3,936
Total	4,454	8,327	3,873

	31 December 2025		
	Cost	Fair value	Cumulative amount of change in fair value that is accrued to other comprehensive income
Listed	1,734	1,712	(22)
Unlisted	2,649	6,369	3,720
Total	4,383	8,081	3,698

The Group designates certain non-trading equity investments as financial assets at fair value through other comprehensive income. For the six months ended 30 June 2026, The Group disposed of certain equity instruments designated at fair value through other comprehensive income, whose fair value as at their respective disposal dates amounted to RMB1,040 million (for the six months ended 30 June 2025: RMB740 million). The amount transferred from other comprehensive income to retained earnings on disposal of such equity instruments was RMB20 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: RMB9 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.17 Financial investments (*continued*)

(3) Financial assets at fair value through other comprehensive income (*continued*)

B. Movements in allowance for impairment losses

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(1,037)	(36)	(1,520)	(2,593)
Net reversal	106	14	78	198
Write-offs and transfer out	–	–	67	67
Others	155	–	–	155
Balance as at 30 June 2026	(776)	(22)	(1,375)	(2,173)

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(892)	(11)	(1,546)	(2,449)
Transfer:				
to stage 2	1	(1)	–	–
to stage 3	–	11	(11)	–
Net charge	(42)	(35)	(448)	(525)
Write-offs and transfer out	–	–	485	485
Others	(104)	–	–	(104)
Balance as at 31 December 2025	(1,037)	(36)	(1,520)	(2,593)

As at 30 June 2026, the financial assets at fair value through other comprehensive income included credit-impaired financial assets of which carrying amount was RMB1,038 million (31 December 2025: RMB1,099 million), with allowance for impairment losses of RMB1,375 million (31 December 2025: RMB1,520 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.18 Long-term receivables

	30 June 2026	31 December 2025
Finance lease receivables	21,547	20,759
Sales and leaseback receivables	83,314	91,984
Less: Unearned finance lease income	(11,336)	(12,160)
Present value of minimum finance lease receivables	93,525	100,583
Less: Allowance for impairment losses	(2,713)	(2,517)
Total	90,812	98,066

(1) Finance lease receivables are analysed by the remaining terms as follows:

	30 June 2026	31 December 2025
Indefinite (a)	5,039	5,265
Less than 1 year	40,428	45,743
1 year to 2 years	23,421	25,543
2 years to 3 years	11,123	12,199
3 years to 5 years	9,976	9,208
More than 5 years	14,874	14,785
Total	104,861	112,743

(a) The amount represents the balances being impaired or overdue for more than one month.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.18 Long-term receivables (*continued*)

(2) Movements in allowance for impairment losses of long-term receivables

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(440)	(436)	(1,641)	(2,517)
Transfer:				
to stage 1	(107)	107	–	–
to stage 2	8	(39)	31	–
to stage 3	5	44	(49)	–
Net reversal/(charge)	176	(231)	(942)	(997)
Write-offs and transfer out	–	–	916	916
Recoveries of amounts previously written off	–	–	(127)	(127)
Others	2	2	8	12
Balance as at 30 June 2026	(356)	(553)	(1,804)	(2,713)

	Year ended 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2025	(675)	(413)	(1,774)	(2,862)
Transfer:				
to stage 1	(75)	62	13	–
to stage 2	22	(36)	14	–
to stage 3	9	21	(30)	–
Net reversal/(charge)	278	(71)	(1,349)	(1,142)
Write-offs and transfer out	–	–	1,729	1,729
Recoveries of amounts previously written off	–	–	(241)	(241)
Others	1	1	(3)	(1)
Balance as at 31 December 2025	(440)	(436)	(1,641)	(2,517)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.19 Property and equipment

	30 June 2026	31 December 2025
Property and equipment	54,581	54,861
Property and equipment to be disposed	7	4
Total	54,588	54,865

	Buildings	Leasehold improvement	Office equipment and others	Motor vehicles	Operating lease fixed assets	Construction in progress ("CIP")	Total
Original cost							
Balance as at 1 January 2026	25,490	3,329	10,106	426	41,313	5,759	86,423
Increase	162	84	207	4	3,019	844	4,320
CIP transfers	534	–	–	–	–	–	534
Decrease and other movement	(34)	(96)	(316)	(9)	(3,814)	(560)	(4,829)
Balance as at 30 June 2026	26,152	3,317	9,997	421	40,518	6,043	86,448
Accumulated depreciation							
Balance as at 1 January 2026	(8,724)	(2,152)	(7,600)	(370)	(11,863)	–	(30,709)
Increase	(424)	(234)	(450)	(11)	(1,533)	–	(2,652)
Decrease and other movement	7	88	297	9	1,877	–	2,278
Balance as at 30 June 2026	(9,141)	(2,298)	(7,753)	(372)	(11,519)	–	(31,083)
Impairment losses							
Balance as at 1 January 2026	(22)	–	–	–	(421)	(410)	(853)
Increase	–	–	–	–	(1)	–	(1)
Decrease and other movement	–	–	–	–	70	–	70
Balance as at 30 June 2026	(22)	–	–	–	(352)	(410)	(784)
Carrying amount							
Balance as at 1 January 2026	16,744	1,177	2,506	56	29,029	5,349	54,861
Balance as at 30 June 2026	16,989	1,019	2,244	49	28,647	5,633	54,581

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)4.19 Property and equipment (*continued*)

	Buildings	Leasehold improvement	Office equipment and others	Motor vehicles	Operating lease fixed assets	Construction in progress ("CIP")	Total
Original cost							
Balance as at 1 January 2025	25,034	3,995	10,680	445	43,246	7,186	90,586
Increase	155	492	460	8	2,914	1,002	5,031
CIP transfers	324	–	–	–	–	–	324
Decrease and other movement	(23)	(1,158)	(1,034)	(27)	(4,847)	(2,429)	(9,518)
Balance as at 31 December 2025	25,490	3,329	10,106	426	41,313	5,759	86,423
Accumulated depreciation							
Balance as at 1 January 2025	(7,923)	(2,731)	(7,686)	(376)	(11,587)	–	(30,303)
Increase	(814)	(556)	(885)	(19)	(1,632)	–	(3,906)
Decrease and other movement	13	1,135	971	25	1,356	–	3,500
Balance as at 31 December 2025	(8,724)	(2,152)	(7,600)	(370)	(11,863)	–	(30,709)
Impairment losses							
Balance as at 1 January 2025	–	–	(1)	–	(518)	(419)	(938)
Increase	(22)	–	–	–	–	–	(22)
Decrease and other movement	–	–	1	–	97	9	107
Balance as at 31 December 2025	(22)	–	–	–	(421)	(410)	(853)
Carrying amount							
Balance as at 1 January 2025	17,111	1,264	2,993	69	31,141	6,767	59,345
Balance as at 31 December 2025	16,744	1,177	2,506	56	29,029	5,349	54,861

As at 30 June 2026 and 31 December 2025, the Group did not have any property and equipment which were acquired by means of finance lease or held for sale.

As at 30 June 2026, there were still certain properties and buildings, with a carrying value of RMB241 million (31 December 2025: RMB250 million), in the process of registration for certificates of ownership. The management believes such proceedings would not weaken the Group's rights to these assets nor have any significant impact on the Group's operations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.20 Lease contract

(1) Right-of-use assets

	Buildings	Transportation facilities	Office equipment and others	Land use rights	Total
Original cost					
Balance as at 1 January 2026	17,608	3	72	4,572	22,255
Increase	1,192	–	2	3	1,197
Decrease	(1,510)	–	(6)	(3)	(1,519)
Balance as at 30 June 2026	17,290	3	68	4,572	21,933
Accumulated depreciation/ amortisation					
Balance as at 1 January 2026	(9,119)	(2)	(35)	(1,706)	(10,862)
Increase	(1,328)	–	(7)	(59)	(1,394)
Decrease	1,305	–	6	1	1,312
Balance as at 30 June 2026	(9,142)	(2)	(36)	(1,764)	(10,944)
Carrying amount					
Balance as at 1 January 2026	8,489	1	37	2,866	11,393
Balance as at 30 June 2026	8,148	1	32	2,808	10,989

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.20 Lease contract (*continued*)

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

	Buildings	Transportation facilities	Office equipment and others	Land use rights	Total
Original cost					
Balance as at 1 January 2025	18,998	3	90	4,688	23,779
Increase	2,463	–	11	32	2,506
Decrease	(3,853)	–	(29)	(148)	(4,030)
Balance as at 31 December 2025	17,608	3	72	4,572	22,255
Accumulated depreciation/ amortisation					
Balance as at 1 January 2025	(9,475)	(1)	(32)	(1,621)	(11,129)
Increase	(2,630)	(1)	(14)	(124)	(2,769)
Decrease	2,986	–	11	39	3,036
Balance as at 31 December 2025	(9,119)	(2)	(35)	(1,706)	(10,862)
Carrying amount					
Balance as at 1 January 2025	9,523	2	58	3,067	12,650
Balance as at 31 December 2025	8,489	1	37	2,866	11,393

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements *(continued)*

4.20 Lease contract *(continued)*

(2) Lease liabilities

	30 June 2026	31 December 2025
Lease liabilities	7,723	8,066

As at 30 June 2026, the Group's lease payments relating to lease contracts signed but yet to be executed amounted to RMB156 million (31 December 2025: RMB126 million).

4.21 Deferred income tax assets and liabilities

(1) Deferred income tax items

	30 June 2026	31 December 2025
Deferred income tax assets	60,679	58,673
Deferred income tax liabilities	(14)	(238)
Total	60,665	58,435

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.21 Deferred income tax assets and liabilities (*continued*)

(2) Deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows

	30 June 2026		31 December 2025	
	Deferred income tax assets/(liabilities)	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)	Deductible/(taxable) temporary differences
Deferred income tax assets				
Asset impairment allowance	62,171	248,684	59,874	239,496
Employee benefits payable	2,665	10,660	3,535	14,140
Fair value losses of derivatives	4,249	16,996	6,040	24,160
Fair value losses of financial assets at fair value through other comprehensive loss	9	36	2	8
Financial assets at fair value through profit or loss	661	2,644	679	2,716
Lease liabilities	1,923	7,692	2,015	8,060
Others	97	388	352	1,408
Subtotal	71,775	287,100	72,497	289,988
Deferred income tax liabilities				
Fair value gains of derivatives	(3,844)	(15,376)	(4,272)	(17,088)
Fair value gain of financial assets at fair value through other comprehensive income	(1,630)	(6,520)	(1,522)	(6,088)
Financial assets at fair value through profit or income	(3,591)	(14,364)	(5,946)	(23,784)
Right-of-use assets	(2,037)	(8,148)	(2,134)	(8,536)
Others	(8)	(32)	(188)	(752)
Subtotal	(11,110)	(44,440)	(14,062)	(56,248)
Deferred income tax assets, net	60,665	242,660	58,435	233,740

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.21 Deferred income tax assets and liabilities (*continued*)

(3) Movements in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows

	Asset impairment allowance	Fair value losses	Others	Gross deferred income tax assets	Gross deferred income tax liabilities
Balance as at 1 January 2026	59,874	6,721	5,902	72,497	(14,062)
Recognised in profit or loss	2,297	(1,809)	(1,217)	(729)	3,060
Recognised in other comprehensive income	–	7	–	7	(108)
Balance as at 30 June 2026	62,171	4,919	4,685	71,775	(11,110)
Balance as at 1 January 2025	57,461	11,034	5,969	74,464	(16,558)
Recognised in profit or loss	2,413	(4,271)	(67)	(1,925)	1,746
Recognised in other comprehensive income	–	(42)	–	(42)	750
Balance as at 31 December 2025	59,874	6,721	5,902	72,497	(14,062)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.22 Investment in subsidiaries

(1) Directly held subsidiaries

	30 June 2026	31 December 2025
Minsheng Financial Leasing Co., Ltd. ("Minsheng Financial Leasing")	3,302	3,302
CMBC International Holdings Limited ("CMBC International")	3,494	3,494
Minsheng Royal Fund Limited ("Minsheng Royal Fund")	190	190
CMBC Wealth Management Co., Ltd. ("CMBC Wealth Management")	5,000	5,000
Pengzhou Rural Bank Co., Ltd. ("Pengzhou Rural Bank")	20	20
Cixi Rural Bank Co., Ltd. ("Cixi Rural Bank")	107	107
Songjiang Rural Bank Co., Ltd. ("Songjiang Rural Bank")	138	70
Qijiang Rural Bank Co., Ltd. ("Qijiang Rural Bank")	80	30
Tongnan Rural Bank Co., Ltd. ("Tongnan Rural Bank")	56	27
Meihekou Rural Bank Co., Ltd. ("Meihekou Rural Bank")	192	188
Ziyang Rural Bank Co., Ltd. ("Ziyang Rural Bank")	172	172
Jiangxia Rural Bank Co., Ltd. ("Jiangxia Rural Bank")	41	41
Changyuan Rural Bank Co., Ltd. ("Changyuan Rural Bank")	26	26
Yidu Rural Bank Co., Ltd. ("Yidu Rural Bank")	26	26
Jiading Rural Bank Co., Ltd. ("Jiading Rural Bank")	102	102
Zhongxiang Rural Bank Co., Ltd. ("Zhongxiang Rural Bank")	36	36
Penglai Rural Bank Co., Ltd. ("Penglai Rural Bank")	51	51
Anxi Rural Bank Co., Ltd. ("Anxi Rural Bank")	74	74
Funing Rural Bank Co., Ltd. ("Funing Rural Bank")	52	52
Taicang Rural Bank Co., Ltd. ("Taicang Rural Bank")	76	76

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4 Notes to the condensed consolidated financial statements *(continued)*

4.22 Investment in subsidiaries *(continued)*

(1) Directly held subsidiaries *(continued)*

	30 June 2026	31 December 2025
Ningjin Rural Bank Co., Ltd. ("Ningjin Rural Bank")	38	20
Zhangpu Rural Bank Co., Ltd. ("Zhangpu Rural Bank")	25	25
Puer Rural Bank Co., Ltd. ("Puer Rural Bank")	35	32
Jinghong Rural Bank Co., Ltd. ("Jinghong Rural Bank")	63	60
Zhidan Rural Bank Co., Ltd. ("Zhidan Rural Bank")	7	7
Ningguo Rural Bank Co., Ltd. ("Ningguo Rural Bank")	20	20
Yuyang Rural Bank Co., Ltd. ("Yuyang Rural Bank")	25	25
Guichi Rural Bank Co., Ltd. ("Guichi Rural Bank")	28	26
Tiantai Rural Bank Co., Ltd. ("Tiantai Rural Bank")	110	31
Tianchang Rural Bank Co., Ltd. ("Tianchang Rural Bank")	20	20
Tengchong Rural Bank Co., Ltd. ("Tengchong Rural Bank")	46	20
Xiang'an Rural Bank Co., Ltd. ("Xiang'an Rural Bank")	36	36
Linzhi Rural Bank Co., Ltd. ("Linzhi Rural Bank")	54	45
Total	13,742	13,451

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4 Notes to the condensed consolidated financial statements (*continued*)4.22 Investment in subsidiaries (*continued*)

(2) Basic information of directly held subsidiaries

Name		Place of incorporation and operation	Principal activities	Registered capital	% of ownership held by the Bank	% of voting rights held by the Bank
Minsheng Financial Leasing		Tianjin China	Leasing	RMB 5,095 million	54.96%	54.96%
CMBC International		Hong Kong China	Investment banking	HKD 4,207 million	100.00%	100.00%
Minsheng Royal Fund		Guangdong China	Fund management	RMB 300 million	63.33%	63.33%
CMBC Wealth Management		Beijing China	Wealth Management	RMB 5,000 million	100.00%	100.00%
Pengzhou Rural Bank	(a)(b)	Sichuan China	Commercial bank	RMB 55 million	36.36%	36.36%
Cixi Rural Bank		Zhejiang China	Commercial bank	RMB 189 million	64.68%	64.68%
Songjiang Rural Bank	(a)(b)(c)	Shanghai China	Commercial bank	RMB 150 million	51.00%	51.00%
Qijiang Rural Bank	(d)	Chongqing China	Commercial bank	RMB 61.57 million	94.15%	94.15%
Tongnan Rural Bank	(e)	Chongqing China	Commercial bank	RMB 50 million	100.00%	100.00%
Meihekou Rural Bank	(f)	Jilin China	Commercial bank	RMB 193 million	99.72%	99.72%
Ziyang Rural Bank		Sichuan China	Commercial bank	RMB 211 million	81.41%	81.41%
Jiangxia Rural Bank		Hubei China	Commercial bank	RMB 86 million	51.00%	51.00%
Changyuan Rural Bank		Henan China	Commercial bank	RMB 50 million	51.00%	51.00%

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4 Notes to the condensed consolidated financial statements *(continued)*

4.22 Investment in subsidiaries *(continued)*

(2) Basic information of directly held subsidiaries *(continued)*

Name		Place of incorporation and operation	Principal activities	Registered capital	% of ownership held by the Bank	% of voting rights held by the Bank
Yidu Rural Bank		Hubei China	Commercial bank	RMB 52.4 million	51.00%	51.00%
Jiading Rural Bank		Shanghai China	Commercial bank	RMB 200 million	51.00%	51.00%
Zhongxiang Rural Bank		Hubei China	Commercial bank	RMB 70 million	51.00%	51.00%
Penglai Rural Bank		Shandong China	Commercial bank	RMB 100 million	51.00%	51.00%
Anxi Rural Bank		Fujian China	Commercial bank	RMB 128 million	57.99%	57.99%
Funing Rural Bank		Jiangsu China	Commercial bank	RMB 85 million	51.00%	51.00%
Taicang Rural Bank		Jiangsu China	Commercial bank	RMB 135 million	51.00%	51.00%
Ningjin Rural Bank	(g)	Hebei China	Commercial bank	RMB 40 million	95.00%	95.00%
Zhangpu Rural Bank		Fujian China	Commercial bank	RMB 50 million	51.00%	51.00%
Puer Rural Bank	(h)	Yunnan China	Commercial bank	RMB 30 million	100.00%	100.00%
Jinghong Rural Bank	(i)	Yunnan China	Commercial bank	RMB 75 million	84.20%	84.20%
Zhidan Rural Bank		Shaanxi China	Commercial bank	RMB 15 million	51.00%	51.00%
Ningguo Rural Bank		Anhui China	Commercial bank	RMB 41.6 million	51.00%	51.00%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.22 Investment in subsidiaries (*continued*)

(2) Basic information of directly held subsidiaries (*continued*)

Name		Place of incorporation and operation	Principal activities	Registered capital	% of ownership held by the Bank	% of voting rights held by the Bank
Yuyang Rural Bank		Shaanxi China	Commercial bank	RMB 64 million	51.00%	51.00%
Guichi Rural Bank	(j)	Anhui China	Commercial bank	RMB 53 million	55.00%	55.00%
Tiantai Rural Bank	(k)	Zhejiang China	Commercial bank	RMB 60 million	100.00%	100.00%
Tianchang Rural Bank		Anhui China	Commercial bank	RMB 46.52 million	51.00%	51.00%
Tengchong Rural Bank	(l)	Yunnan China	Commercial bank	RMB 52 million	97.00%	97.00%
Xiang'an Rural Bank		Fujian China	Commercial bank	RMB 77 million	51.00%	51.00%
Linzhi Rural Bank	(m)	Xizang China	Commercial bank	RMB 56.6 million	100.00%	100.00%

- (a) Although the Bank holds half or less than half of the voting rights in these rural banks, it has the majority of the seats in their boards of directors, which enables it to govern their operating policies. These companies are regarded as the Bank's subsidiaries and have been consolidated in these financial statements.
- (b) Some natural person shareholders and the Bank signed a concerted action agreement, stipulating that the parties should take "concerted action", the Bank is deemed to have control over the subsidiary and includes it in the scope of consolidated financial statements.
- (c) The Bank has completed the acquisition of a total of 24.00 million shares of Songjiang Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Songjiang Rural Bank have changed to 51.00% (December 31, 2025: 35.00%).
- (d) The Bank has completed the acquisition of a total of 27.97 million shares of Qijiang Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Qijiang Rural Bank have changed to 94.15% (December 31, 2025: 48.73%).
- (e) The Bank has completed the acquisition of a total of 22.50 million shares of Tongnan Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Tongnan Rural Bank have changed to 100.00% (December 31, 2025: 55.00%).
- (f) The Bank has completed the acquisition of a total of 3.50 million shares of Meihekou Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Meihekou Rural Bank have changed to 99.72% (December 31, 2025: 99.06%).

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for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements *(continued)*

4.22 Investment in subsidiaries *(continued)*

(2) Basic information of directly held subsidiaries *(continued)*

- (g) The Bank has completed the acquisition of a total of 17.60 million shares of Ningjin Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Ningjin Rural Bank have changed to 95.00% (December 31, 2025: 51.00%).
- (h) The Bank has completed the acquisition of a total of 1.95 million shares of Puer Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Puer Rural Bank have changed to 100.00% (December 31, 2025: 93.50%).
- (i) The Bank has completed the acquisition of a total of 2.85 million shares of Jinghong Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Jinghong Rural Bank have changed to 84.20% (December 31, 2025: 80.40%).
- (j) The Bank has completed the acquisition of a total of 2.12 million shares of Guichi Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Guichi Rural Bank have changed to 55.00% (December 31, 2025: 51.00%).
- (k) The Bank has completed the acquisition of a total of 29.40 million shares of Tiantai Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Tiantai Rural Bank have changed to 100.00% (December 31, 2025: 51.00%).
- (l) The Bank has completed the acquisition of a total of 23.92 million shares of Tengchong Rural Bank held by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Tengchong Rural Bank have changed to 97.00% (December 31, 2025: 51.00%).
- (m) The Bank has completed the acquisition of a total of 12.25 million shares of Linzhi Rural Bank by minority shareholders. As at 30 June, 2026, the Bank's ownership of equity shares and voting rights of Linzhi Rural Bank have changed to 100.00% (December 31, 2025: 86.11%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.23 Other assets

		30 June 2026	31 December 2025
Items in the process of clearance and settlement		19,024	9,261
Interest receivable	(1)	12,724	12,309
Prepayments for leased assets	(2)	11,181	7,359
Other debt receivables and advances		5,971	6,230
Intangible assets	(3)	5,268	5,945
Investment properties		4,592	4,671
Foreclosed assets	(4)	4,163	4,408
Fee and commission receivable		2,711	2,527
Prepayment		2,337	2,105
Research and development engineering		1,682	1,099
Long-term deferred expenses		1,401	1,500
Continuously involved assets		999	999
Legal costs receivable		920	1,217
Operating lease receivable		722	560
Goodwill	(5)	200	208
Others		3,926	5,162
Subtotal		77,821	65,560
Less: Allowance for impairment losses			
– Foreclosed assets		(669)	(625)
– Others		(4,214)	(4,104)
Total		72,938	60,831

(1) In accordance with the requirements of the Notice on the Revision and Issuance of the Format of Financial Statements of Financial Enterprises in 2018, the interests of financial instruments at the reporting date are listed in the financial instruments using the effective interest rate method. Interests of relevant financial instruments which were past due but have not been collected at the reporting date are listed in other assets.

(2) Prepayments for leased assets are the prepayments made by the Group for acquiring leased assets which would be finance leased out or operating leased out.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.23 Other assets (*continued*)

(3) Intangible assets

	Six months ended 30 June 2026	Year ended 31 December 2025
Cost		
Balance as at 1 January	15,183	12,634
Increase	242	2,682
Decrease	(8)	(133)
Balance as at 30 June/31 December	15,417	15,183
Accumulated amortisation		
Balance as at 1 January	(9,238)	(7,672)
Increase	(917)	(1,677)
Decrease	6	111
Balance as at 30 June/31 December	(10,149)	(9,238)
Carrying amount		
Balance as at 1 January	5,945	4,962
Balance as at 30 June/31 December	5,268	5,945

- (4) Foreclosed assets include buildings, land use rights and transportation facilities. The Group disposed foreclosed assets of RMB330 million for the six months ended 30 June 2026 (For the six months ended 30 June 2025: RMB937 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.23 Other assets (*continued*)

(5) Goodwill arising from CMBC International

	Six months ended 30 June 2026	Year ended 31 December 2025
Balance as at 1 January	208	213
Exchange difference	(8)	(5)
Balance as at 30 June/31 December	200	208

As at 30 June 2026 and 31 December 2025, no impairment loss of the Group's goodwill is recognised.

4.24 Allowances for impairment losses

		Six months ended 30 June 2026			
	Note 4	Balances as at 1 January 2026	Net charge/ (reversal) for the period	Write-offs and transfer out	Balances as at 30 June 2026
Balances with banks and other financial institutions	12	8	1	–	9
Placements with banks and other financial institutions	13	1,579	(155)	–	1,413
Financial assets held under resale agreements	15	4	(4)	–	–
Loans and advances to customers	16	93,966	29,363	(29,433)	94,305
Financial investments	17	14,134	1,269	(2,468)	12,684
Long-term receivables	18	2,517	997	(916)	2,713
Property and equipment	19	853	1	(95)	784
Other assets	23	4,777	252	(146)	4,883
Total		117,838	31,724	(33,058)	116,791

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.24 Allowances for impairment losses (*continued*)

Year ended 31 December 2025						
	Note 4	Balances as at 1 January 2025	Net charge for the year	Write-offs and transfer out	Other	Balances as at 31 December 2025
Balances with banks and other financial institutions	12	2	6	–	–	8
Placements with banks and other financial institutions	13	1,485	91	–	3	1,579
Financial assets held under resale agreements	15	47	3	–	(46)	4
Loans and advances to customers	16	93,129	47,901	(52,477)	5,413	93,966
Financial investments	17	13,897	4,461	(3,774)	(450)	14,134
Long-term receivables	18	2,862	1,142	(1,729)	242	2,517
Property and equipment	19	938	22	(93)	(14)	853
Other assets	23	5,227	1,026	(1,476)	–	4,777
Total		117,587	54,652	(59,549)	5,148	117,838

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.25 Deposits and placements from banks and other financial institutions

	30 June 2026	31 December 2025
Chinese mainland		
Banks	124,606	116,446
Other financial institutions	851,273	788,435
Overseas		
Banks	38,499	29,110
Other financial institutions	29,729	34,576
Subtotal	1,044,107	968,567
Interest accrued	3,317	3,172
Total	1,047,424	971,739

4.26 Financial liabilities at fair value through profit or loss

	30 June 2026	31 December 2025
Financial liabilities related to precious metals	89,246	44,807
Financial liabilities designated at fair value through profit or loss (1)	18,956	25,876
Financial liabilities associated with bonds	12,645	243
Total	120,847	70,926

(1) For the six months ended 30 June 2026 and for the year ended 31 December 2025, there were no significant changes in the fair value of the Group's financial liabilities designated at fair value through profit or loss attributable to the changes in the Group's own credit risk.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.27 Borrowings from banks and other financial institutions

	30 June 2026	31 December 2025
Unsecured borrowings	105,672	90,803
Borrowings secured by – Tangible assets and monetary assets	18,621	20,885
Subtotal	124,293	111,688
Interest accrued	752	719
Total	125,045	112,407

As at 30 June 2026 and 31 December 2025, the secured borrowings were secured by property and equipment and finance lease receivables as collateral; the above collateral has been included in the disclosure of assets pledged (Note 6.3(1)).

4.28 Financial assets sold under repurchase agreements

Financial assets sold under repurchase agreements by underlying assets are shown as follows:

	30 June 2026	31 December 2025
Bonds	147,075	214,052
Bills	33,151	46,211
Subtotal	180,226	260,263
Interest accrued	357	531
Total	180,583	260,794

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.29 Deposits from customers

	30 June 2026	31 December 2025
Demand deposits		
– Corporate customers	1,081,647	1,048,098
– Personal customers	459,089	432,823
Time deposits (including call deposits)		
– Corporate customers	1,867,474	1,837,276
– Personal customers	982,809	957,394
Other deposits (a)	1,536	1,647
Subtotal	4,392,555	4,277,238
Interest accrued	57,832	70,561
Total	4,450,387	4,347,799

(a) Other deposits includes outward remittance and remittance payables.

The pledged deposits included in deposits from customers are analysed as follows:

	30 June 2026	31 December 2025
Pledged deposits for bank acceptances	296,792	261,689
Pledged deposits for letters of credit and guarantees	52,707	58,153
Other pledged deposits	28,797	11,612
Total	378,296	331,454

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.30 Provisions

	30 June 2026	31 December 2025
Credit loss of off-balance sheet credit commitments (1)	1,109	1,204
Litigation provision	382	334
Others	209	189
Total	1,700	1,727

(1) The movements of credit loss of off-balance sheet credit commitments are as follows:

	Six months ended 30 June 2026			
	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January 2026	(1,178)	(19)	(7)	(1,204)
Transfer:				
to stage 1	(3)	3	–	–
to stage 2	6	(6)	–	–
to stage 3	1	–	(1)	–
Net reversal/(charge)	270	(177)	2	95
Balance as at 30 June 2026	(904)	(199)	(6)	(1,109)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.30 Provisions (*continued*)

(1) The movements of credit loss of off-balance sheet credit commitments are as follows:
(*continued*)

	Year ended 31 December 2025			Total
	Stage 1	Stage 2	Stage 3	
Balance as at 1 January 2025	(1,008)	(49)	(1)	(1,058)
Transfer:				
to stage 1	(14)	14	–	–
to stage 2	6	(6)	–	–
to stage 3	1	1	(2)	–
Net (charge)/reversal	(163)	21	(4)	(146)
Balance as at 31 December 2025	(1,178)	(19)	(7)	(1,204)

4.31 Debt securities issued

		30 June 2026	31 December 2025
Certificates of interbank deposit		641,508	867,661
Financial bonds	(1)	40,795	63,990
Tier-two capital bonds	(2)	99,993	69,993
Medium-term and short-term notes	(3)	6,990	8,207
Subtotal		789,286	1,009,851
Interest accrued		772	2,157
Total		790,058	1,012,008

For the six months ended 30 June 2026 and for the year ended 31 December 2025, there were no overdue principal and interest or other defaults with respect to these bonds. None of these bonds are secured.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements *(continued)*

4.31 Debt securities issued *(continued)*

(1) Financial bonds

		30 June 2026	31 December 2025
2025-3-year floating-rate financial bonds	(a)	5,999	5,999
2025-3-year fixed rate financial bonds	(b)	19,999	19,999
2025-3-year fixed rate financial bonds	(c)	9,999	9,999
2024-3-year fixed rate financial bonds	(d)	2,398	2,396
2023-3-year fixed rate financial bonds	(e)	2,400	2,398
2023-3-year fixed rate financial bonds	(f)	–	1,599
2023-3-year fixed rate financial bonds	(g)	–	20,000
2023-3-year fixed rate financial bonds	(h)	–	1,600
Total		40,795	63,990

- (a) RMB6 billion worth of floating-rate financial bonds were issued on 2 December 2025, with a term of 3 years, and a coupon rate of 1.88% for the first interest cycle.
- (b) RMB20 billion worth of fixed-rate financial bonds were issued on 18 February 2025, with a term of 3 years, and a fixed coupon rate of 1.85% per annum.
- (c) RMB10 billion worth of fixed-rate financial bonds were issued on 14 February 2025, with a term of 3 years, and a fixed coupon rate of 1.70% per annum.
- (d) RMB3 billion worth of fixed-rate financial bonds were issued on 28 May 2024, with a term of 3 years, and a fixed coupon rate of 2.49% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB600 million.
- (e) RMB3 billion worth of fixed-rate financial bonds were issued on 27 July 2023, with a term of 3 years, and a fixed coupon rate of 3.19% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB600 million.
- (f) RMB2 billion worth of fixed-rate financial bonds were issued on 29 May 2023, with a term of 3 years, and a fixed coupon rate of 3.27% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB400 million. Fully redeemed on 29 May 2026 by the Bank.
- (g) RMB20 billion worth of fixed-rate financial bonds were issued on 18 May 2023, with a term of 3 years, and a fixed coupon rate of 2.68% per annum. Fully redeemed on 22 May 2026 by the Bank.
- (h) RMB2 billion worth of fixed-rate financial bonds were issued on 22 March 2023, with a term of 3 years, and a fixed coupon rate of 3.40% per annum. This bond was issued by Minsheng Financial Leasing Co., Ltd. The Bank subscribed RMB400 million. Fully redeemed on March 22, 2026 by the Bank.

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4 Notes to the condensed consolidated financial statements (*continued*)

4.31 Debt securities issued (*continued*)

(2) Tier-two capital bonds

		30 June 2026	31 December 2025
2026 1st tranche-10-year fixed rate tier-two capital bonds	(a)	29,999	–
2025 1st tranche-10-year fixed rate tier-two capital bonds	(b)	39,997	39,996
2024 1st tranche-10-year fixed rate tier-two capital bonds	(c)	29,997	29,997
Total		99,993	69,993

- (a) Tier-two capital bonds with a nominal value of RMB30 billion, a term of 10 years, and a fixed coupon rate of 2.13% per annum, were issued on 16 April 2026. The Bank has an option to redeem all or part of the bonds at par value during the period from the last day of the fifth year to the maturity date.
- (b) Tier-two capital bonds with a nominal value of RMB40 billion, a term of 10 years, and a fixed coupon rate of 2.35% per annum, were issued on 23 April 2025. The Bank has an option to redeem all or part of the bonds at par value during the period from the last day of the fifth year to the maturity date.
- (c) Tier-two capital bonds with a nominal value of RMB30 billion, a term of 10 years, and a fixed coupon rate of 2.50% per annum, were issued on 25 April 2024. The Bank has an option to redeem all or part of the bonds at par value during the period from the last day of the fifth year to the maturity date.

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4 Notes to the condensed consolidated financial statements (*continued*)

4.31 Debt securities issued (*continued*)

(3) Medium-term and short-term notes

		30 June 2026	31 December 2025
2026-3-year medium-term notes	(a)	1,907	–
2025-3-year medium-term notes	(b)	1,001	997
2025-3-year medium-term notes	(c)	2,039	2,103
2024-3-year medium-term notes	(d)	2,043	2,108
2024-2-year medium-term notes	(e)	–	2,999
Total		6,990	8,207

- (a) Medium-term notes with a nominal value of USD0.3 billion of medium-term notes were issued on 6 February 2026, with a term of 3 years, floating interest rate. This note was issued by CMBC International Holdings Limited. The Bank subscribed RMB136 million.
- (b) Medium-term notes with a nominal value of RMB1 billion of medium-term notes were issued on 29 September 2025, with a term of 3 years. The coupon rate is 1.95%.
- (c) Medium-term notes with a nominal value of USD0.3 billion of medium-term notes were issued on 29 September 2025, with a term of 3 years, floating interest rate.
- (d) Medium-term notes with a nominal value of USD0.3 billion of medium-term notes were issued on 13 September 2024, with a term of 3 years, floating interest rate.
- (e) Medium-term notes with a nominal value of RMB3 billion of medium-term notes were issued on 12 March 2024, with a term of 2 years. The coupon rate is 3.08%. As at 12 March 2026, the amount was fully redeemed by the Bank.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.32 Other liabilities

		30 June 2026	31 December 2025
Items in the process of clearance and settlement		37,502	40,846
Employee benefits payable	(1)	10,987	14,597
Lease payments received in advance		6,727	6,728
Notes payable		5,012	3,771
Other tax payable	(2)	3,868	3,742
Output value added tax to be transferred		2,642	2,650
Dividend payable		2,320	–
Accrued expenses		1,119	3,985
Continuously involved liabilities		999	999
Deferred fee and commission income		886	954
Payable for long-term assets		790	814
Intermediate collection and payment		586	501
Others		5,155	6,015
Total		78,593	85,602

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.32 Other liabilities (*continued*)

(1) Employee benefits payable

	1 January 2026	Increase	Decrease	30 June 2026
Short-term employee benefits				
– Salaries, bonuses and allowances	13,977	8,803	(12,503)	10,277
– Staff welfare fees	–	564	(564)	–
– Social insurance (a) and supplementary insurance	152	662	(648)	166
– Housing fund	132	963	(931)	164
– Labour union fee, staff and workers' education fee	22	254	(232)	44
Subtotal	14,283	11,246	(14,878)	10,651
Post-employment benefits				
– defined contribution plans				
– Basic pension insurance plans	167	1,157	(1,128)	196
– Unemployment insurance	21	40	(38)	23
– Annuity scheme (b)	126	312	(321)	117
Subtotal	314	1,509	(1,487)	336
Total	14,597	12,755	(16,365)	10,987

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.32 Other liabilities (*continued*)

(1) Employee benefits payable (*continued*)

	1 January 2025	Increase	Decrease	31 December 2025
Short-term employee benefits				
– Salaries, bonuses and allowances	13,346	22,721	(22,090)	13,977
– Staff welfare fees	5	1,702	(1,707)	–
– Social insurance (a) and supplementary insurance	131	1,626	(1,605)	152
– Housing fund	127	1,963	(1,958)	132
– Labour union fee, staff and workers' education fee	34	477	(489)	22
Subtotal	13,643	28,489	(27,849)	14,283
Post-employment benefits				
– defined contribution plans				
– Basic pension insurance plans	172	2,341	(2,346)	167
– Unemployment insurance	22	80	(81)	21
– Annuity scheme (b)	156	682	(712)	126
Subtotal	350	3,103	(3,139)	314
Total	13,993	31,592	(30,988)	14,597

(a) Social insurance includes medical insurance, maternity insurance and employment injury insurance.

(b) For the six months ended 30 June 2026, the contributions to the annuity schemes of the Bank and some subsidiaries were calculated at 3% of the employees' total annual salary (For the year ended 31 December 2025: 3%).

The Group has set up a defined contribution plan for its Hong Kong and London employees in accordance with the contribution rates prescribed by local regulations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.32 Other liabilities (*continued*)

(2) Other tax payable

	30 June 2026	31 December 2025
Value added tax	2,976	2,624
Others	892	1,118
Total	3,868	3,742

4.33 Share capital and capital reserve

	30 June 2026	31 December 2025
Ordinary shares listed in Chinese mainland (A shares)	35,462	35,462
Ordinary shares listed in Hong Kong (H shares)	8,320	8,320
Total shares	43,782	43,782

All A shares and H shares are ordinary shares, have a par value of RMB1 per share and rank pari passu with the same rights and benefits.

The Group's capital reserve of RMB58,474 million as at 30 June 2026 (RMB58,141 million at 31 December 2025), mainly represents capital premium.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.34 Preference Shares

(1) Outstanding Preference Shares at year end

Financial instrument outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million shares)	Issue amount in original currency	Issue amount in RMB	Maturity	Conversion condition	Conversion
Domestic Preference Shares	15/10/2019	Equity	4.38%	RMB100/ Share	200	20,000	20,000	None	Mandatory	None

The issuance cost of preferred shares issued by the Bank was RMB25 million. The dividend yield for the first five years after the issuance of preferred stock is 4.38%, and the dividend yield will be reset to 3.17% on 18 October 2024.

(2) Domestic Preference Shares Main Clauses

(a) Dividend

The non-public offering domestic preference shares (the “Domestic Preference Shares”) adopts the dividend rate that can be adjusted in stages, with 5 years as a dividend rate adjustment period, and within a dividend rate adjustment period, dividends are paid at the same dividend rate as agreed. The dividend rate of the Domestic Preference Shares shall not be higher than the annual weighted average return on net assets of the Bank in the last two fiscal years. The nominal dividend rate includes two parts: the benchmark interest rate and the fixed premium. The fixed premium is the dividend rate determined at the time of issuance minus the benchmark interest rate at the time of issuance. Dividends are paid annually.

(b) Conditions to distribution of dividends

The Bank could pay dividends while the Bank still has distributable after-tax profit after making up previous years’ losses, contributing to the statutory reserve and making general provisions, and the Bank’s capital adequacy ratio meets regulatory requirements. Preference shareholders of the Bank are senior to the ordinary shareholders on the right to dividends. The Issuer shall have the right to cancel, in whole or in part, distributions of dividends and any such cancellation shall not constitute an event of default. Any cancellation of any distribution, no matter in whole or in part, will require the deliberation and approval of the general shareholders meeting. And the Issuer shall give notice to the investors on such cancellation in a timely manner.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements *(continued)*

4.34 Preference Shares *(continued)*

(2) Domestic Preference Shares Main Clauses *(continued)*

(c) Dividend stopper

The Bank will not pay dividends to the ordinary shareholders unless the Bank resolves to pay a full dividend on the current preference shares.

(d) Order of distribution and liquidation method

The Domestic Preference Shareholders have priority over the ordinary shareholders in the distribution of the Bank's remaining property, but the order of repayment is ranked after the depositors, general creditors and subordinated debts (including but not limited to subordinated debts, mixed capital bonds and secondary capital instruments).

(e) Mandatory conversion trigger events

If the core tier one capital adequacy ratio of the Bank falls to 5.125% (or below), the Domestic Preference Shares will be converted into A-share common shares in full or in part, so as to restore the core tier one capital adequacy ratio to more than 5.125%. In the case of partial conversion, all the Domestic Preference Shares shall be converted to shares on the same conditions in proportion.

When the earlier of the following two situations occurs, the Domestic Preference Shares will be converted into A-share common shares in full: (1) the banking regulatory authority under the State Council determines that the Bank will not survive without the conversion; (2) the relevant departments determine that the Bank will not survive without the public sector's capital injection or the support of the same effect.

(f) Redemption

With the prior approval of the banking regulatory authority under the State Council, the Bank may exercise the right of redemption under the following circumstances: (1) use the same or higher quality capital instruments to replace the redeemed Domestic Preference Shares, and the Bank's income ability is sustainable; (2) or the capital level after the exercise of the right of redemption is still significantly higher than the regulatory capital requirements specified by the banking regulatory authority under the State Council. The redemption price is the sum of the nominal amount and the dividend that has been resolved to be paid but has not been paid in the current period.

The Bank has the right to redeem all or part of the domestic Preferred Shares on the preferred stock dividend date of each year, starting from the date of expiration of 5 years after the issue date (i.e., 15 October 2019), and the redemption period shall expire on the date of conversion or redemption in full. In the case of partial redemption, all domestic preferred shares issued will be redeemed on the same terms and in proportion.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (continued)

4.34 Preference Shares (continued)

(2) Domestic Preference Shares Main Clauses (continued)

(g) Dividend setting mechanism

Non-cumulative dividend is a dividend on preference shares, which does not cumulate upon omission of payment so as to require payment of a passed or omitted dividend of one year out of earnings of a following year. After receiving dividend at agreed dividend rate, preference shareholders of the Bank will not participate the distribution of residual profits with ordinary shareholders. The Domestic Preference Shares holders are prioritised on dividend distribution over ordinary shareholders.

The dividend of the Domestic Preference Shares shall be paid in cash once a year. The interest starting date is the payment deadline of preference stock investors (18 October 2019). The dividend payment day shall be the day of every full year since the deadline for payment of preference stock investors. In case of any legal holiday or rest day in China, it shall be postponed to the next trading day, and the dividend payable during the extended period shall not be charged with additional interest.

(3) Changes in preference shares outstanding

	1 January 2026		Movements		30 June 2026	
	Amount (million shares)	Issue Amount	Amount (million shares)	Issue Amount	Amount (million shares)	Issue Amount
Domestic Preference Shares	200	20,000	–	–	200	20,000

	1 January 2025		Movements		31 December 2025	
	Amount (million shares)	Book value	Amount (million shares)	Book value	Amount (million shares)	Book value
Domestic Preference Shares	200	20,000	–	–	200	20,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements (*continued*)

4.35 Perpetual Bonds

(1) Outstanding Perpetual Bonds at year end

Financial Instrument outstanding	Issue date	Accounting classification	Dividend rate	Issue price	Amount (million pieces)	Issue Amount in original currency	Issue amount In RMB	Maturity	Conversion condition	Conversion
2022 Undated Capital Bonds (Series 1)	14/06/2022	Equity	4.20%	100 RMB/ Note	50	5,000	5,000	None	None	None
2024 Undated Capital Bonds (Series 1)	15/08/2024	Equity	2.35%	100 RMB/ Note	300	30,000	30,000	None	None	None
2024 Undated Capital Bonds (Series 2)	30/10/2024	Equity	2.73%	100 RMB/ Note	100	10,000	10,000	None	None	None
2025 Undated Capital Bonds (Series 1)	19/06/2025	Equity	2.30%	100 RMB/ Note	300	30,000	30,000	None	None	None
2026 Undated Capital Bonds (Series 1)	11/05/2026	Equity	2.12%	100 RMB/ Note	300	30,000	30,000	None	None	None
Total							105,000			

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)

4.35 Perpetual Bonds (*continued*)

(2) Main Clauses

(a) Principal Amount

2022 Undated Tier 1 Capital Bonds-Series 1 RMB5 billion.

2024 Undated Tier 1 Capital Bonds-Series 1 RMB30 billion.

2024 Undated Tier 1 Capital Bonds-Series 2 RMB10 billion.

2025 Undated Tier 1 Capital Bonds-Series 1 RMB30 billion.

2026 Undated Tier 1 Capital Bonds-Series 1 RMB30 billion.

(b) Maturity Date

The Bonds will continue to be outstanding so long as the Issuer's business continues to operate.

(c) Distribution Rate

The Distribution Rate of the Bonds will be adjusted at defined intervals, with a Distribution Rate Adjustment Period every 5 years since the Payment Settlement Date. In any Distribution Rate Adjusted Period, the Distribution Payments on the Bonds will be made at a prescribed fixed Distribution Rate. The Distribution Rate at the time of issuance will be determined by book running and centralised allocation.

The Distribution Rate is determined by a benchmark rate plus a fixed spread. The benchmark rate is the arithmetic average of the yields to maturity of 5 trading days prior to the Announcement Date of the Subscription Agreement, as indicated by the yield to maturity curve of applicable 5-year China Treasury Notes (rounded up to 0.01%) published on ChinaBond.com.cn or other websites approved by the China Central Depository & Clearing Co., Ltd. The fixed spread is the difference between the Distribution Rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined.

(d) Conditional Redemption Rights of the Issuer

The Bonds Issuance sets conditional Redemption Rights for the Issuer. From the fifth anniversary since the issuance of the Bonds, the Issuer may redeem the Bonds in whole or in part on each Distribution Payment Date (including the fifth Distribution Payment Date since the Issuance). If, after the Issuance, the Bonds no longer qualify as Additional Tier 1 Capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Issuer may redeem all but not part of the Bonds.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements *(continued)*

4.35 Perpetual Bonds *(continued)*

(2) Main Clauses *(continued)*

(e) Subordination

The claims in respect of the Bonds, in the event of a winding-up of the Issuer, will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that ranks senior to the Bonds; will rank in priority to all classes of shares held by the Issuer's shareholders and rank pari passu with the claims in respect of any other Tier 1 Capital instruments of the Issuer that rank pari passu with the Bonds. If subsequent amendments to the PRC Enterprise Bankruptcy Law or relevant regulations are applicable, such relevant laws and regulations shall prevail.

(f) Distribution Payment

The Issuer shall have the right to cancel, in whole or in part, distributions on the Bonds and any such cancellation shall not constitute an event of default. When exercising such right, the Issuer will take into full consideration the interest of the Bondholders. The Issuer may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. Cancellation of any distributions on the Bonds, no matter in whole or in part, will not impose any other restriction on the Issuer, except in relation to dividend distributions to ordinary shares. Any cancellation of any distribution on the Bonds, no matter in whole or in part, will require the deliberation and approval of the general shareholders meeting. And the Issuer shall give notice to the investors on such cancellation in a timely manner.

The Bonds do not have any step-up mechanism or any other incentive to redeem.

(g) Put Option

Put Option of investors is not applicable.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

4 Notes to the condensed consolidated financial statements (*continued*)4.35 Perpetual Bonds (*continued*)

(3) Changes in perpetual bonds outstanding

Perpetual Bonds	1 January 2026		Movements		30 June 2026	
	Amount (million pieces)	Issue Amount	Amount (million pieces)	Issue Amount/ (Redemption Amount)	Amount (million pieces)	Issue Amount
2021 Undated Capital Bonds	300	30,000	(300)	(30,000)	–	–
2022 Undated Capital Bonds (Series 1)	50	5,000	–	–	50	5,000
2024 Undated Capital Bonds (Series 1)	300	30,000	–	–	300	30,000
2024 Undated Capital Bonds (Series 2)	100	10,000	–	–	100	10,000
2025 Undated Capital Bonds (Series 1)	300	30,000	–	–	300	30,000
2026 Undated Capital Bonds (Series 1)	–	–	300	30,000	300	30,000
Total		105,000		–		105,000

Perpetual Bonds	1 January 2025		Movements		31 December 2025	
	Amount (million pieces)	Issue Amount	Amount (million pieces)	Issue Amount/ (Redemption Amount)	Amount (million pieces)	Issue Amount
2021 Undated Capital Bonds	300	30,000	–	–	300	30,000
2022 Undated Capital Bonds (Series 1)	50	5,000	–	–	50	5,000
2024 Undated Capital Bonds (Series 1)	300	30,000	–	–	300	30,000
2024 Undated Capital Bonds (Series 2)	100	10,000	–	–	100	10,000
2025 Undated Capital Bonds (Series 1)	–	–	300	30,000	300	30,000
Total		75,000		30,000		105,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.36 Related information attributable to the holders of equity instruments

Preference shares and perpetual bonds issued by the Bank are classified as equity instruments and are listed in the consolidated balance sheet under shareholders' equity. In accordance with the relevant regulations of the former CBIRC, the preferred shares and perpetual bonds issued by the Bank have met the criteria of qualifying other Tier 1 capital instruments.

Interests attributable to the holders of equity instruments

	30 June 2026	31 December 2025
Total equity attributable to equity holders of the Bank	704,800	689,637
Equity attributable to ordinary equity holders of the Bank	579,800	564,637
Equity attributable to other equity holders of the Bank	125,000	125,000
Total equity attributable to non-controlling interests	12,749	13,560
Equity attributable to non-controlling interests of ordinary shares	12,749	13,560

4.37 Surplus reserve, general reserve and retained earnings

(1) Surplus reserve

Under the PRC laws, Articles of the Bank and the resolution of the Board of Directors, the Bank is required to appropriate 10% of its net profit. Until the statutory surplus reserve reaches 50% of its registered capital, the Bank will still appropriate 10% of its net profit as statutory surplus reserve. Subject to the approval of the equity shareholders, the statutory surplus reserve can be used for replenishing the accumulated losses or increasing the Bank's share capital. The statutory surplus reserve amount used to increase the share capital is limited to a level where the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the share capital.

The Group did not appropriate statutory surplus reserve for the six months ended 30 June 2026 (for the year ended 31 December 2025: RMB2,941 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2026
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4 Notes to the condensed consolidated financial statements *(continued)*

4.37 Surplus reserve, general reserve and retained earnings *(continued)*

(2) General reserve

Pursuant to the Measures for Managing the Appropriation of Provisions of Financial Enterprises (Cai Jin [2012] No. 20) issued by the MOF, the Bank is required to provide for impairment losses of its assets and set aside a general reserve through the appropriation of net profits to cover potential losses against its assets. The general reserve is part of the equity shareholders' interests and should not be less than 1.5% of the year-end balance of risk-bearing assets.

The Bank's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations, which were included in the Group's general reserve.

The Group appropriated RMB188 million of profits to the general reserve for the six months ended 30 June 2026 (for the year ended 31 December 2025: RMB2,363 million).

(3) Retained earnings

As at 30 June 2026, the retained earnings included the statutory surplus reserve of RMB1,917 million contributed by the subsidiaries (31 December 2025: RMB1,917 million). The surplus reserve of the subsidiaries included in the retained earnings cannot be distributed.

4.38 Non-controlling interests

As at 30 June 2026, the non-controlling interests in the subsidiaries were RMB12,749 million (31 December 2025: RMB13,560 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.39 Dividends/Interests

(1) Dividends for Ordinary Shares

The board of directors approved the cash dividends distribution plan for 2026 interim at the Board Meeting on 28 August 2026. The profit distribution plan would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividends declared was RMB1.18 (tax inclusive) for every 10 shares. A total dividend of RMB5,166 million (tax inclusive) was based on total number of shares of 43,782 million as at 30 June 2026.

The shareholders approved the cash dividends distribution plan for 2025 at the Annual General Meeting on 17 June 2026. The profit distribution plan would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividends declared was RMB0.53 (tax inclusive) for every 10 shares. A total dividend of RMB2,320 million (tax inclusive) was based on total number of shares of 43,782 million as at 31 December 2025.

The board of directors approved the cash dividends distribution plan for 2025 interim at the Annual General Meeting on 29 August 2025. The cash dividends declared would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividend declared was RMB1.36 (including tax) for every 10 shares. A total dividend of RMB5,954 million (including tax) was based on the total number of shares of 43,782 million as on 30 June 2025.

The shareholders approved the cash dividends distribution plan for 2024 at the Annual General Meeting on 26 June 2025. The profit distribution plan would distribute cash dividends to registered A-share and H-share shareholders on the equity registration date. The cash dividends declared was RMB0.62 (tax inclusive) for every 10 shares. A total dividend of RMB2,714 million (tax inclusive) was based on the total number of shares of 43,782 million as on 31 December 2024.

(2) Dividends for Preference Shares

According to the resolution on the distribution of dividends for domestic preference shares passed at the Board of Directors' meeting held on 29 September 2025, dividend approved was amounted to RMB634 million (including tax), calculated at the coupon rate of 3.17% (including tax) before the first reset date pursuant to the terms and conditions of domestic preference shares. The dividend payment date was 20 October 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.39 Dividends/Interests (*continued*)

(3) Interests for Perpetual Bonds

On 23 June 2026, the Bank declared interest for 2025 undated capital bonds (Series 1). Interest approved amounted to RMB690 million (including tax), calculated at the initial annual pay-out ratio of 2.30% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 16 June 2026, the Bank declared interest for 2022 undated capital bonds. Interest approved amounted to RMB210 million (including tax), calculated at the initial annual pay-out ratio of 4.20% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 21 April 2026, the Bank declared interest for 2021 undated capital bonds. Interest approved amounted to RMB1,290 million (including tax), calculated at the initial annual pay-out ratio of 4.30% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 1 November 2025, the Bank declared interest for 2024 undated capital bonds (Series 2). Interest approved amounted to RMB273 million (including tax), calculated at the initial annual pay-out ratio of 2.73% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 19 August 2025, the Bank declared interest for 2024 undated capital bonds (Series 1). Interest approved amounted to RMB705 million (including tax), calculated at the initial annual pay-out ratio of 2.35% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

On 16 June 2025, the Bank declared interest for 2022 undated capital bonds. Interest approved amounted to RMB210 million (including tax), calculated at the initial annual pay-out ratio of 4.20% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

21 April 2025, the Bank declared interest for 2021 undated capital bonds. Interest approved amounted to RMB1,290 million (including tax), calculated at the initial annual pay-out ratio of 4.30% (including tax) before the first reset date pursuant to the terms and conditions of perpetual bonds.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.40 Other reserves

	Six months ended 30 June	
	2026	2025
Items that will not be reclassified subsequently to profit or loss:		
Changes in fair value of equity instruments designated as measured at fair value through other comprehensive income	227	350
Items that may be reclassified subsequently to profit or loss:		
Financial assets at fair value through other comprehensive income		
Changes in fair value	2,000	28
Allowance for impairment losses	(234)	186
Amount transferred to profit or loss from other comprehensive income (a)	(1,600)	(2,537)
Less: Tax effect	(100)	506
Subtotal	293	(1,467)
Effective hedging portion of gains or losses arising from cash flow hedging instruments	46	44
Less: Tax effect	(10)	(12)
Subtotal	36	32
Exchange difference on translating foreign operations	(429)	(61)
Total	(100)	(1,496)

(a) It refers to the amount transferred to profit or loss due to disposal.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.40 Other reserves (*continued*)

Investment revaluation reserve and cash flow hedging reserve attributable to equity holders of the Bank in the consolidated statement of financial position:

	Attributable to equity shareholders of the Bank			
	Investment revaluation reserve	Cash flow hedging reserve	Exchange reserve	Total
1 January 2026	4,912	(19)	352	5,245
Movement during the period	292	36	(265)	63
30 June 2026	5,204	17	87	5,308
1 January 2025	6,602	(12)	602	7,192
Movement during the year	(1,690)	(7)	(250)	(1,947)
31 December 2025	4,912	(19)	352	5,245

4.41 Notes to the condensed consolidated cash flow statement

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of the following:

	30 June 2026	31 December 2025
Cash (Note 4.11)	3,971	4,193
Surplus deposit reserves with central bank (Note 4.11)	25,588	27,145
Balances with banks and other financial institutions – demand deposits	81,536	107,751
Original maturity within 3 months:		
– Balances with banks and other financial institutions	236	758
– Placements with banks and other financial institutions	25,368	21,039
Total	136,699	160,886

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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4 Notes to the condensed consolidated financial statements (*continued*)

4.42 Transferred financial assets

The Group enters into transactions in the normal course of business whereby it transfers recognised financial assets to third parties or to structured entities. In some cases these transfers may give rise to full or partial de-recognition of the financial assets concerned. In other cases where the transferred assets do not qualify for de-recognition as the Group retains substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

(1) Securitization transactions

The Group enters into securitization transactions by which it transfers loans to structured entities which issue asset-backed securities to investors. The Group assessed among other factors, whether or not to derecognise the transferred assets by evaluating the extent to which it retains the risks and rewards of the assets and whether it has relinquished control over these assets.

For the six months ended 30 June 2026, the Group transferred loans through securitisation transactions with gross balance of RMB8,418 million (For the six months ended 30 June 2025: RMB5,548 million). These transactions were all qualified for full de-recognition concluded by the Group.

(2) Transfer of non-performing financial assets

For the six months ended 30 June 2026, the Group transferred non-performing financial assets through disposal to third parties, with gross balance of RMB5,323 million (For the six months ended 30 June 2025: RMB10,296 million). The Group transferred substantially all the risks and rewards of these non-performing financial assets and therefore has derecognised them.

(3) Securities lending transactions

For debt securities lent to counterparties under securities lending agreements, the counterparties are allowed to sell or re-pledge these securities in the absence of default by the Group, but have an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at 30 June 2026, the amount of debt securities lent to counterparties was RMB112,317 million (31 December 2025: RMB82,351 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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5 Segment information

The Group conducts business activities in key business lines and geographical regions.

Segment assets, liabilities, revenues, and expenditures are measured following the Group's accounting policies and internal management rules. The items of each segment include those which can be directly attributable to the segment or can be assigned to the segment based on reasonable criteria.

As a part of the management of assets and liabilities, the Group's capital resources are allocated to various business segments through the Treasury Department of the Head Office. The Group's internal transfer pricing mechanism uses market interest rates as the benchmark and determines transfer prices concerning the internal capital pool. The impact of internal trading has been offset when preparing the consolidated statements.

Capital expenditures of each segment refer to spending relating to purchasing fixed assets, intangible assets, and other long-term assets during the reporting period.

5.1 Business segments

- | | | |
|-----|-------------------|--|
| (a) | Corporate banking | Providing banking products and services for corporate customers, government agencies and financial institutions. These products and services include corporate deposits, corporate loans, investment business, interbank business, financial markets business and various corporate intermediary business. |
| (b) | Retail banking | Provide financial products and services to individual customers, mainly including personal deposit and loan services, credit card and debit card services, wealth management, private banking and various retail intermediary businesses. |
| (c) | Others | Group's bond investments and money markets transactions which conducted on-demand for liquidity management, and those other businesses which cannot form a single reportable segment and businesses of subsidiaries. |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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5 Segment information *(continued)*

5.1 Business segments *(continued)*

	Six months ended 30 June 2026			
	Corporate banking	Retail banking	Others	Total
Operating income	36,815	27,465	9,415	73,695
Net interest income	25,752	20,758	6,074	52,584
Include: Inter-segment net interest (expense)/income	(4,568)	823	3,745	–
Net fee and commission income	2,613	6,186	1,010	9,809
Net other income/(expense)	8,450	521	2,331	11,302
Operating expenses	(6,425)	(7,650)	(7,282)	(21,357)
Credit impairment losses	(7,931)	(21,670)	(1,856)	(31,457)
Other impairment losses	(4)	–	(257)	(261)
Profit before income tax	22,451	(1,856)	25	20,620
Depreciation and amortisation	1,636	1,220	2,115	4,971
Capital expenditure	2,402	1,792	11,330	15,524

	As at 30 June 2026			
	Corporate banking	Retail banking	Others	Total
Segment assets	5,415,887	1,675,162	642,803	7,733,852
Deferred income tax assets				60,679
Total assets				7,794,531
Segment liabilities	(4,685,268)	(1,518,629)	(873,071)	(7,076,968)
Deferred income tax liabilities				(14)
Total liabilities				(7,076,982)
Credit commitments	994,120	520,368	–	1,514,488

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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5 Segment information *(continued)*

5.1 Business segments *(continued)*

	Six months ended 30 June 2025			
	Corporate banking	Retail banking	Others	Total
Operating income	35,340	28,565	6,796	70,701
Net interest income	24,157	22,335	2,711	49,203
Include: Inter-segment net interest (expense)/income	(123)	(951)	1,074	–
Net fee and commission income	2,645	6,470	570	9,685
Net other income/(expense)	8,538	(240)	3,515	11,813
Operating expenses	(7,523)	(9,975)	(4,024)	(21,522)
Credit impairment losses	(13,253)	(12,105)	(681)	(26,039)
Other impairment losses	1	–	(347)	(346)
Profit before income tax	14,560	6,485	1,749	22,794
Depreciation and amortisation	1,696	1,366	1,099	4,161
Capital expenditure	1,123	904	7,309	9,336
As at 31 December 2025				
	Corporate banking	Retail banking	Others	Total
Segment assets	5,328,944	1,723,662	721,288	7,773,894
Deferred income tax assets				58,673
Total assets				7,832,567
Segment liabilities	(4,780,185)	(1,418,136)	(930,811)	(7,129,132)
Deferred income tax liabilities				(238)
Total liabilities				(7,129,370)
Credit commitments	916,349	507,062	–	1,423,411

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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5 Segment information (*continued*)

5.2 Geographical segments

The Group mainly operates in Chinese mainland, with branches distributing across different provinces, autonomous regions and municipalities directly under the Central Government of the country. The Group also has a number of subsidiaries in Chinese mainland and has one branch and subsidiaries in Hong Kong.

Head Office	Including head office, credit card centre and institutions directly under the head office
Yangtze River Delta	Including branches in Shanghai, Zhejiang Province and Jiangsu Province
Pearl River Delta	Including branches in Guangdong Province and Fujian Province
Bohai Rim	Including branches in Beijing, Tianjin, Shandong Province and Hebei Province
Northeastern Region	Including branches in Liaoning Province, Jilin Province and Heilongjiang Province
Central Region	Including branches in Shanxi Province, Henan Province, Hunan Province, Hubei Province, Anhui Province, Jiangxi Province and Hainan Province
Western Region	Including branches in Chongqing, Sichuan Province, Yunnan Province, Shaanxi Province, Gansu Province, Guizhou Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region, Guangxi Zhuang Autonomous Region, Inner Mongolia Autonomous Region and Xizang Autonomous Region
Overseas and Subsidiaries	Including Hong Kong Branch, London Branch and subsidiaries

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5 Segment information *(continued)*5.2 Geographical segments *(continued)*

	Six months ended 30 June 2026		As at 30 June 2026
	Operating income	Profit before income tax	Segment assets (1)
Head Office	29,315	6,036	3,311,772
Yangtze River Delta	12,298	6,652	1,287,616
Pearl River Delta	7,326	2,019	807,238
Bohai Rim	8,065	3,738	1,398,757
Northeastern Region	1,151	357	139,817
Central Region	4,932	(879)	623,252
Western Region	5,890	1,141	707,447
Overseas and subsidiaries	4,718	1,556	449,727
Inter-segment elimination	–	–	(991,774)
Total	73,695	20,620	7,733,852

	Six months ended 30 June 2025		As at 31 December 2025
	Operating income	Profit before income tax	Segment assets (1)
Head Office	27,677	8,931	3,400,109
Yangtze River Delta	11,855	5,061	1,233,555
Pearl River Delta	7,555	3,079	807,513
Bohai Rim	6,562	(2,034)	1,384,929
Northeastern Region	1,231	1,411	139,143
Central Region	5,094	1,603	588,810
Western Region	5,816	2,374	695,289
Overseas and subsidiaries	4,911	2,369	459,489
Inter-segment elimination	–	–	(934,943)
Total	70,701	22,794	7,773,894

(1) Segment assets do not include deferred tax assets.

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6 Contingent liabilities and commitments

6.1 Credit commitments

Credit commitments take the form of approved loans with signed contracts, credit card limits, financial guarantees and letters of credit. The Group regularly assesses the contingent losses of its credit commitments and makes allowances where necessary.

The contractual amounts of loans and credit card commitments represent the cash outflows should the contracts be fully drawn upon. The amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties fail to fully perform as contracted. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

As the credit facilities may expire without being drawn upon, the contract amounts set out in the following table do not represent expected future cash outflows.

	30 June 2026	31 December 2025
Bank acceptances	626,975	569,052
Unused credit card commitments	520,260	506,953
Letters of credit	225,484	200,237
Guarantees	127,481	128,926
Irrevocable credit commitments		
– Original maturity date within 1 year	2,873	2,047
– Original maturity date over 1 year	11,415	16,196
Total	1,514,488	1,423,411

6.2 Capital commitments

	30 June 2026	31 December 2025
Contracted but not paid for	16,560	11,862

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for the six months ended 30 June 2026
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6 Contingent liabilities and commitments *(continued)*

6.3 Collateral

(1) Assets pledged

The book value of assets used as collateral for business such as borrowings from banks and other financial institutions, selling for repurchase, borrowings from central bank, derivative transactions and precious metal transactions are as follows:

	30 June 2026	31 December 2025
Balances with banks and other financial institutions	12,386	9,192
Loans and advances to customers	283	37,376
Discounted bills	33,618	45,376
Financial investments	486,915	494,155
Long-term receivables	2,117	5,462
Property and equipment	8,374	11,034
Total	543,693	602,595

As at 30 June 2026, except for assets pledged mentioned above, the amount of RMB6,559 million of the Group's Balances with banks and other financial institutions was mainly used as special funds for a subsidiary's business (31 December 2025: RMB1,342 million).

(2) Collateral received

The Group received debt securities, bills and others as collateral in connection with the purchase of assets under resale agreements and securities lending transactions. As at 30 June 2026, the Group had no collateral that was sold or lent to counterparties, but obligated to return (31 December 2025: Nil).

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6 Contingent liabilities and commitments *(continued)*

6.4 Underwriting of securities

As at 30 June 2026, there was no unexpired underwriting commitment for the Group (31 December 2025: Nil).

6.5 Redemption commitments

As an underwriting agent of PRC government bonds, the Bank has the obligation to buy back those bonds sold should the holders decide to redeem the bonds early. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. The amount of redemption obligation, which represents the nominal value of government bonds underwritten and sold by the Bank, but not yet matured as at 30 June 2026 was RMB5,931 million (31 December 2025: RMB4,573 million). The original maturities of the bonds vary from one to five years.

6.6 Outstanding litigation

A number of outstanding litigation matters against the Group had arisen in the normal course of its business as at 30 June 2026 and 31 December 2025. The Group makes provisions for the estimated losses arising from such litigations based upon the opinions of the Group's internal and external legal counsels (Note 4.30).

7 Interests in structured entities

7.1 Consolidated structured entities

As at 30 June 2026, the consolidated structured entities amounted to RMB73,864 million (31 December 2025: RMB87,387 million).

7.2 Unconsolidated structured entities

(1) Invested structured entities in which the Group holds an interest

Unconsolidated invested structured entities include asset-backed securities, funds, trust and asset management plans and others. The Group holds interests in these structured entities and has no obligation or intention to provide financial support to these structured entities, and the Group records interest income, net trading gain and net gain from investment securities therefrom.

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7 Interests in structured entities (continued)

7.2 Unconsolidated structured entities (continued)

(1) Invested structured entities in which the Group holds an interest (continued)

The following tables set out an analysis of the line items in the consolidated statement of financial position in which assets are recognised relating to the Group's interests in invested structured entities:

	30 June 2026			Total
	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	
Asset-backed securities	2,455	56,450	25,045	83,950
Funds	101,108	–	–	101,108
Trust and asset management plans	9,013	18,669	–	27,682
Others	3,969	–	–	3,969
Total	116,545	75,119	25,045	216,709

	31 December 2025			Total
	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	
Asset-backed securities	1,697	77,073	31,548	110,318
Funds	131,492	–	–	131,492
Trust and asset management plans	19,730	21,976	–	41,706
Others	5,566	–	–	5,566
Total	158,485	99,049	31,548	289,082

The maximum exposures to loss in the above asset-backed securities, funds, trust and asset management plans and others are the amortised cost or fair value of the assets held by the Group at the reporting date in accordance with the line items of these assets recognised in the consolidated statement of financial positions.

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7 Interests in structured entities *(continued)*

7.2 Unconsolidated structured entities *(continued)*

(2) Interests held in structured entities sponsored and managed but not consolidated by the Group

Structured entities sponsored and managed but not consolidated by the Group primarily include wealth management products, funds and asset management plans. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. Interests held by the Group are mainly fees charged by providing management services. The Group has no obligation or intention to provide financial support to these structured entities.

As at 30 June 2026, the balance of wealth management products sponsored and managed but not consolidated by the Group is RMB1,403,613 million (31 December 2025: RMB1,318,379 million), and the balance of funds and asset management plans sponsored and managed but not consolidated by the Group is RMB159,848 million (31 December 2025: RMB170,274 million).

For the six months ended 30 June 2026, the amount of fee and commission income received from the above-mentioned structured entities by the Group is RMB2,003 million (For the six months ended 30 June 2025: RMB1,872 million). As at 30 June 2026 and 31 December 2025, the carrying amounts of commission receivable being recognised are not material in the consolidated statement of financial positions.

8 Entrusted lending business

As at the end of the reporting period, the entrusted loans and entrusted funds were as follows:

	30 June 2026	31 December 2025
Entrusted loans	222,576	214,750
Entrusted funds	222,576	214,750

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9 Related parties

9.1 Related parties

- (1) Related parties of the Group refer to entities controlled, or jointly controlled by or under significant influence of the Group; entities that control, jointly control or have significant influence over the Group; or entities with which the Group is under control, joint control or significant influence of another party. Related parties can be a natural person, corporate or unincorporated organisation.

Related parties of the Group mainly include corporates or unincorporated organisations that hold or control more than 5% of the Bank's equity interests, and corporates or unincorporated organisations that hold less than 5% of the Bank's equity interests but have significant influence on the Bank, and the controlling shareholders, actual controllers, persons acting in concert, and ultimate beneficiaries of these entities as well as corporates or unincorporated organisations under the control of these entities; the directors of the Bank, senior executives of the head office and key branches of the Bank, personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers (hereinafter referred to as "insiders of the Bank"), their close family members, and the corporates or unincorporated organisations controlled by the aforementioned persons; corporate or unincorporated organisations the directors of the Bank, senior executives of the head office, close family members of the Bank serve as director or senior executives; the directors, supervisors and senior executives of the legal or unincorporated organisations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries; corporates or unincorporated organisations under control or significant influence of the Bank; and natural persons, corporates or unincorporated organisations identified by the Bank as being related on a substance over form basis and/or see-through basis.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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9 Related parties (continued)

9.1 Related parties (continued)

(2) The Bank's major shareholders

Company name	Registered location	30 June 2026		31 December 2025		Business (a)	Legal form	Legal representative/ President
		No. of Shares of the Bank held by the Company (share)	Proportion of shares of the Bank held by the Company (%)	No. of Shares of the Bank held by the Company (share)	Proportion of shares of the Bank held by the Company (%)			
Dajia Life Insurance Co., Ltd.	Beijing	7,810,214,889	17.84	7,810,214,889	17.84	Insurance business	Joint stock limited company	Yu Hua
New Hope Liuhe Investment Co., Ltd.	Xizang	1,828,327,362	4.18	1,828,327,362	4.18	Commercial service	Limited company	Wang Pusong
Southern Hoper Industry Co., Ltd.	Xizang	405,177,327	0.93	405,177,327	0.93	Retailing	Limited company	Li Jianxiong
New Hope Chemical Investment Co., Ltd.	Sichuan	68,000,000	0.16	68,000,000	0.16	Research and Experimental Development	Limited company	Shao Jun
China Great Wall Asset Management Co., Ltd.	Beijing	1,696,956,931	3.876	1,696,956,931	3.876	Other financial industries	Joint stock limited company	Li Junfeng
China Great Wall AMC (International) Holdings Company Limited	Hong Kong	490,000,000	1.119	490,000,000	1.119	Other financial industries	Limited company	Wang Hai
Shanghai Jiantel Life Technology Co., Ltd.	Shanghai	1,379,679,587	3.15	1,379,679,587	3.15	Retailing	Limited company	Wei Wei
Alpha Frontier Limited	Cayman Islands	713,501,653	1.63	713,501,653	1.63	Investment holding	Limited company	Zhang lv
Liberal Rise Limited	British Virgin Islands	84,522,480	0.19	84,522,480	0.19	Investment holding	Limited company	Shi Yuzhu
Shenzhen Liye Group Co., Ltd.	Guangdong	2,166,309,113	4.95	1,966,999,113	4.49	Industrial and related supporting services	Limited company	Lin Li
China Shipowners Mutual Assurance Association	Shanghai	1,324,284,453	3.02	1,324,284,453	3.02	Marine mutual insurance and services	National social group	Song Chunfeng

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(2) The Bank's major shareholders (*continued*)

(a) Particulars of principal operations

Dajia Life Insurance Co., Ltd.: life insurance, health insurance, accident insurance and other types of life insurance business; reinsurance for the aforementioned business operations; business operations involving the use of insurance funds as permitted by relevant laws and regulations of the state; other business activities as approved by the former CBIRC.

New Hope Liuhe Investment Co., Ltd.: Venture capital (not allowed to engage in guarantee and real estate business; not allowed to participate in initiating or managing public or private securities investment funds, investing in financial derivatives); Investment management (excluding financial and brokerage businesses. It is not allowed to raise, sell, or transfer private equity products or the right to profit from private equity products to non qualified investors). (Those engaged in the above businesses shall not raise funds, absorb public deposits, or issue loans in a public manner; shall not publicly trade securities investment products or financial derivatives; shall not operate financial products, wealth management products, and related derivative businesses); Financial advisor (excluding financial company business); Consult on financial management and consult on corporate restructuring; Market research (excluding state secrets and personal privacy); Credit investigation, technology development and transfer, and technical consulting services.

Southern Hoper Industry Co., Ltd.: Feed research and development; Wholesale and retail: electronic products, hardware and electrical appliances, general merchandise, needle textiles, cultural and office supplies (excluding color copiers), building materials (excluding hazardous chemicals and wood), agricultural and sideline local products (excluding varieties with special national regulations), chemical products (excluding hazardous chemicals), mechanical equipment; Investment and consulting services (excluding intermediary services).

New Hope Chemical Investment Co. Ltd.: Research, development, and sales of chemical products (excluding hazardous materials); Project investment and provision of technical consulting and after-sales services (excluding finance, securities, futures) (not allowed to engage in illegal fundraising, absorption of public funds and other financial activities); Selling PVC Fertilizers, packaging materials, agricultural and sideline products, mineral products, chemical raw materials (excluding dangerous goods), feed grade calcium hydrogen phosphate, mechanical equipment, steel, building materials, metal materials, environmental protection materials and equipment, rubber products, plastic products, electromechanical products, building auxiliary materials (excluding oil paint), hardware and electrical products, light textile products, textile raw materials, metal materials (excluding precious and rare metals), daily small appliances, paper and paper products Pre-packaged food; Import and export of goods; Technology import and export business.

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(2) The Bank's major shareholders (*continued*)

(a) Particulars of principal operations (*continued*)

China Great Wall Asset Management Co., Ltd.: Acquiring and entrusted operation of non-performing asset of financial institution, managing, investing and disposal of non-performing assets; Debt to equity conversion, management, investment and disposal of equity asset; outbound investment; Buying and selling securities; Issuance of financial bonds, interbank lending and commercial financing from other financial institution; Bankruptcy administration; Financial, investment, legal, and risk management consulting and consulting; Asset and Project Appraisal; Approved asset securitization business, financial institution custody and liquidation business; Non financial institution non-performing asset business; Other businesses approved by the banking regulatory authority of the State Council.

China Great Wall AMC (International) Holdings Company Limited: Financial services activities, including investments in holding company, trusts, funds and related financial instruments.

Shanghai Jiante Life Technology Co., Ltd.: Food production and sales (branch operation), sales of cosmetics, cleaning products, health equipment, and kitchenware, technical development, consultation, service, and transfer in the field of health food, wholesale of non physical methods: pre-packaged food (excluding cooked braised food, cold frozen and refrigerated), investment management, asset management, investment consulting, business information consulting, and enterprise management consulting.

Alpha Frontier Limited.: Investment holding, etc.

Liberal Rise Limited: Investment holding, etc.

Shenzhen Liye Group Co., Ltd.: Investment in power industry, new energy industry and high-tech projects (specific projects to be declared separately); Domestic commercial and material supply and marketing industries (excluding exclusive, controlled, and sold goods); Economic information consulting (excluding restricted projects); Technical development of computer software and communication products; Technical development and sales of new metal and non-metallic materials, as well as other domestic trade; Engaged in technology development and consulting in biopharmaceutical technology; Industrial design services; Power generation technology services; Energy storage technology services; Technical services, development, consultation, exchange, transfer, and promotion.

China Shipowners Mutual Assurance Association: Maritime mutual insurance, business training, maritime exchanges, international cooperation, and consulting services.

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(2) The Bank's major shareholders (*continued*)

(a) Particulars of principal operations (*continued*)

The information of registered capital of the related parties as at the end of the reporting period is as below:

Company name	30 June 2026	31 December 2025
Dajia Life Insurance Co., Ltd.	RMB30,790 million	RMB30,790 million
New Hope Liuhe Investment Co., Ltd.	RMB577 million	RMB577 million
Southern Hoper Industry Co., Ltd.	RMB1,034 million	RMB1,034 million
New Hope Chemical Investment Co., Ltd.	RMB2,718 million	RMB2,718 million
China Great Wall Asset Management Co., Ltd.	RMB46,800 million	RMB46,800 million
China Great Wall AMC (International) Holdings Company Limited	HKD358.6614 million	HKD358.6614 million
Shanghai Jiantel Life Technology Co., Ltd.	RMB245 million	RMB245 million
Alpha Frontier Limited	USD17.5 thousand	USD17.5 thousand
Liberal Rise Limited	USD0.05 million	USD0.05 million
Shenzhen Liye Group Co., Ltd.	RMB10,000 million	RMB10,000 million
China Shipowners Mutual Assurance Association	RMB100 thousand	RMB100 thousand

(3) The detailed information of the Bank's subsidiaries is set out in Note 4.22.

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(4) Relationship with related parties

Company name	Relationship with the Bank
Shanghai Giant Investment Management Co., Ltd.	Related party of Shanghai Giant Lifetech Co., Ltd.
Guizhou Guoyuan Mining Development Co., Ltd.	Related party of the Bank holding equity interests arising from the bankruptcy reorganization of the borrower
Shanghai Cibi Business Information Consulting Co., Ltd.	Related party of Shanghai Giant Lifetech Co., Ltd.
Shanghai Jukun Network Technology Co., Ltd.	Related party of Shanghai Giant Lifetech Co., Ltd.
Chongqing Yufu Expressway Co., Ltd.	Related party of Tongfang Guoxin Investment Co., Ltd.
Tongfang Guoxin Investment Co., Ltd.	Used to be a major shareholder of this bank
Tianjin Haihui Real Estate Development Co., Ltd.	Related party of Goodfirst Group Co., Ltd.
Xiamen Rongyin Co., Ltd.	Related party of Goodfirst Group Co., Ltd.
Shanghai Yuye Industrial Development Co., Ltd.	Related party of Tongfang Guoxin Investment Co., Ltd.
Chengdu Xinxin Qichuang Real Estate Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Kunming Dashanghui Industrial Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Guangxi Xindi Investment Co., Ltd.	Related party of Goodfirst Group Co., Ltd.
New Hope Investment Group Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Shenzhen Qianhai Micro Public Bank Co., Ltd.	Related party of the Bank's insiders
Xiamen Hongfu Co., Ltd.	Related party of Goodfirst Group Co., Ltd.
Kunming Huguang Real Estate Development Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
New Hope Group Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(4) Relationship with related parties (*continued*)

Company name	Relationship with the Bank
Sichuan Dazhou Steel Group Co., Ltd.	Related party of the Bank holding equity interests arising from the bankruptcy reorganisation of the borrower
Grass Green Group Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Chongqing Yujinyue Real Estate Development Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Ningxia Bank Co., Ltd.	Related party whose shares are held by our bank because the borrower used shares to settle the debt
Shanghai Xunjiu Technology Co., Ltd.	Related party of the Bank's insiders
Chengdu Langhui Business Services Co., Ltd.	Related party of the Bank's insiders
Sichuan Xianpin Yuntong Supply Chain Management Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Quanzhou Fengze District best art auto parts shop	Related party of the Bank's insiders

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(4) Relationship with related parties (*continued*)

Company name	Relationship with the Bank
Sichuan Langhui Xincheng Cultural Media Co., Ltd.	Related party of the Bank's insiders
Qingdao Shengxinda Electric Co., Ltd.	Related party of the Bank's insiders
Shanghai Songjiang Wanda Plaza Investment Co., Ltd.	Related party of Dajia Life Insurance Co., Ltd.
Chongqing Gengyu Real Estate Development Co., Ltd.	Related party of New Hope Liuhe Investment Co., Ltd.
Sichuan Dagang Trading Co., Ltd.	Related party of Sichuan Dazhou Iron and Steel Group Co., Ltd.
Sanya Minsheng Tourism Co., Ltd.	Related parties of Minsheng E-commerce Holdings (Shenzhen) Co., Ltd.
Minsheng Real Estate Co., Ltd.	A company funded by our bank's labor union committee
Minsheng E-commerce Holdings (Shenzhen) Co., Ltd.	A company with joint capital contribution of the substantial shareholders of the Bank and the asset management plan of a second-tier subsidiary of the Bank
Minsheng Technology Co., Ltd.	Related party of Minsheng Real Estate Co., Ltd.

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9 Related parties (*continued*)

9.1 Related parties (*continued*)

(5) Related natural persons

The related natural persons of the Group include: the directors of the Bank, senior executives of the head office and key branches of the Bank, personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers, and their close family members; the directors, supervisors and senior executives of the legal or unincorporated organisations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries; and natural persons identified by the Bank as being related on a substance over form basis and/or look-through basis. As at 30 June 2026, the Bank has 10,981 related natural persons, including 196 who were directors of the Bank and their close family members, 139 who were senior executives of the head office and their close family members, 10,512 who were senior executives of key branches of the Bank or people with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers, and their close family members, 92 who were directors, supervisors and senior executives of the legal or unincorporated organisations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries, and 120 other natural persons.

Note: Among the Bank's directors and their close family members, 67 were also senior executives of the head office or close family members. Among the Bank's directors and their close family members, 11 were also directors, supervisors and senior executives of the legal or unincorporated organisations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries.

9.2 Related party transactions

(1) Material related party transactions

Material related party transactions refer to transactions where an individual transaction between the Group and a single related party amounts to more than 1% of the Group's net capital at the end of the previous quarter, or where the cumulative total of transactions between the Group and a single related party amounts to more than 5% of the Group's net capital at the end of the previous quarter.

In the year 2025, the Bank granted to Dajia Life Insurance Co., Ltd. a maximum credit limit of RMB26 billion with a term of 2 years. As at 30 June 2026, the balance of interbank loans was RMB0 billion (31 December 2025: RMB4.625 billion).

(2) Pricing policy

Transactions between the Group and its related parties are mainly conducted in the normal course of its business and on normal commercial terms, following the pricing policies that are consistent with those applicable to similar transactions with independent non-related parties.

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9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(3) Loans to related parties

Balances outstanding as at the end of the reporting period

	Types of collateral	30 June 2026	31 December 2025
Shanghai Giant Investment Management Co., Ltd.	Pledged/Collateralised/ Guaranteed	3,674	3,712
Guizhou Guoyuan Mining Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	3,335	3,335
Shanghai Cibi Business Information Consulting Co., Ltd.	Pledged/Guaranteed	3,305	3,306
Shanghai Jukun Network Technology Co., Ltd.	Pledged/Guaranteed	2,949	2,979
Chongqing Yufu Expressway Co., Ltd.	Pledged/Guaranteed	1,424	1,537
Tongfang Guoxin Investment Co., Ltd.	Pledged/Collateralised/ Guaranteed	1,260	1,266
Tianjin Haihui Real Estate Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	966	966
Xiamen Rongyin Co., Ltd.	Pledged/Collateralised/ Guaranteed	877	877
Shanghai Yuye Industrial Development Co., Ltd.	Pledged/Guaranteed	615	640
Chengdu Xinxin Qichuang Real Estate Co., Ltd.	Collateralised/Guaranteed	600	480
Kunming Dashanghui Industrial Co., Ltd.	Pledged/Collateralised/ Guaranteed	539	559
Guangxi Xindi Investment Co., Ltd.	Pledged/Collateralised/ Guaranteed	510	524
New Hope Investment Group Co., Ltd.	Pledged/Guaranteed	396	405
Shenzhen Qianhai Micro Public Bank Co., Ltd.	Pledged	389	256
Xiamen Hongfu Co., Ltd.	Pledged/Guaranteed	385	385
Kunming Heguang Real Estate Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	301	271
New Hope Group Co., Ltd.	Guaranteed	293	327

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9 Related parties (continued)

9.2 Related party transactions (continued)

(3) Loans to related parties (continued)

Balances outstanding as at the end of the reporting period (continued)

	Types of collateral	30 June 2026	31 December 2025
Sichuan Dazhou Steel Group Co., Ltd.	Pledged/Collateralised/ Guaranteed	287	444
Grass Green Group Co., Ltd.	Pledged/Guaranteed	74	92
Chongqing Yujinyue Real Estate Development Co., Ltd.	Pledged/Collateralised/ Guaranteed	68	68
Ningxia Bank Co., Ltd.	Pledged	12	–
Shanghai Xunjiu Technology Co., Ltd.	Collateralised	5	5
Chengdu Langhui Business Services Co., Ltd.	Collateralised	2	2
Sichuan Xianpin Yuntong Supply Chain Management Co., Ltd.	Pledged/Guaranteed	2	–
Quanzhou Fengze District best art auto parts shop	Collateralised	1	1
Sichuan Langhui Xincheng Cultural Media Co., Ltd.	Collateralised	1	1
Qingdao Shengxinda Electric Co., Ltd.(a)(b)	Pledged	0	–
Shanghai Songjiang Wanda Plaza Investment Co., Ltd.	Collateralised/Guaranteed	–	743
Chongqing Gengyu Real Estate Development Co., Ltd.	Collateralised/Guaranteed	–	293
Sichuan Dagang Trading Co., Ltd.	Guaranteed	–	17
Orient Group Incorporation (c)	Pledged/Collateralised/ Guaranteed	N/A	2,817
Oriental Group Co., Ltd. (c)	Pledged/Guaranteed	N/A	2,542
Beijing Dacheng Hotel Co., Ltd. (c)	Pledged/Collateralised/ Guaranteed	N/A	1,685
Tianjin Yuanchuan Investment Co., Ltd. (c)	Pledged/Collateralised/ Guaranteed	N/A	313

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9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(3) Loans to related parties (*continued*)

Balances outstanding as at the end of the reporting period (*continued*)

	Types of collateral	30 June 2026	31 December 2025
Tianjin Boda Warehousing Service Co., Ltd. (c)	Pledged/Collateralised/ Guaranteed	N/A	273
Dalian Jianhua Sludge Treatment Co., Ltd. (c)	Collateralised	N/A	64
Chengdu Paiji Pet Products Co., Ltd. (c)	Collateralised	N/A	6
Sichuan Petzmall Internet Technology Co., Ltd. (c)	Unsecured	N/A	2
Individuals	Pledged/Collateralised/ Guaranteed	991	1,080
Total		23,261	32,273
Ratio to similar transactions (%)		0.52	0.74
Interest rate ranges of corporate related parties		2.50% – 6.20%	0.63% – 6.20%

(a) Since 2026, these companies have become related parties of the Group.

(b) The balance is rounded to less than RMB1 million.

(c) As at 30 June 2026, these companies were no longer related parties of the Group.

Amount of transactions

	Six months ended 30 June	
	2026	2025
Interest income from loans	553	1,327
Ratio to similar transactions (%)	0.76	1.70

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for the six months ended 30 June 2026
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9 Related parties (continued)

9.2 Related party transactions (continued)

(4) Other transactions with related parties

Balances as at the end of the reporting period

	30 June 2026		31 December 2025	
	Balance	Ratio to similar transactions (%)	Balance	Ratio to similar transactions (%)
Financial investments				
– Financial assets measured at amortised cost	3,154	0.25	3,445	0.26
– Financial assets at fair value through profit or loss	251	0.09	405	0.11
– Financial assets at fair value through other comprehensive income	165	0.02	506	0.07
Long-term receivables	7	0.01	–	–
Intangible assets	46	0.57	53	0.60
Other assets (a)	673	0.98	779	1.39
Placements with banks and other financial institutions	2,500	1.32	19,123	8.27
Balances with banks and other financial institutions	20	0.02	–	–
Deposits and placements from banks and other financial institutions	4,834	0.50	1,661	0.19
Deposits from customers	18,384	0.41	15,317	0.35
Debt securities issued	500	0.06	–	–

- (a) Sanya Minsheng Tourism Co., Ltd. provides project management and business promotion assistant services for Minsheng Financial Leasing regarding its retail vehicle financial leasing business. Other assets mainly include the prepayment from Minsheng Financial Leasing to Sanya Minsheng Tourism Co., Ltd. for the above mentioned service fees to be amortised.

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for the six months ended 30 June 2026
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9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(4) Other transactions with related parties (*continued*)

Interest rate ranges for transaction balances as at the end of reporting period

	30 June 2026	31 December 2025
Financial investments		
– Financial assets measured at amortised cost	4.90%	4.19% – 4.90%
– Financial assets at fair value through other comprehensive income	2.20% – 3.60%	2.20% – 5.32%
Long-term receivables	5.39%	N/A
Balances with banks and other financial institutions	0.35% – 0.72%	N/A
Placements with banks and other financial institutions	1.95%	1.95% – 2.38%
Deposits and placements from banks and other financial institutions	0.05% – 1.50%	0.05% – 1.69%
Deposits from customers	0.00% – 4.18%	0.00% – 5.13%

Amount of transactions

	Six months ended 30 June			
	2026	Ratio to similar transactions	2025	Ratio to similar transactions
	Balance	(%)	Balance	(%)
Interest income	102	0.10	58	0.05
Fee and commission income (a)	65	0.55	94	0.84
Interest expense	128	0.25	348	0.54
Operating expenses (b)	421	1.97	509	2.37
Net other operating income (c)	211	76.17	235	32.32

In addition to the above transactions, for the six months ended 30 June 2026, the Bank entrusted related parties to develop software and systems, and paid a total of RMB183 million (For the six months ended 30 June 2025: RMB307 million). The main service provider was Minsheng Fintech Co., Ltd.

- (a) For the six months ended 30 June 2026 and for the six months ended 30 June 2025, it mainly represents the Group's income from agency sales of insurance products for Dajia Life Insurance Inc.
- (b) Operating expenses of the Group were mainly for property management service, assets recovery service and business process outsourcing service provided by Minsheng Real Estate Co., Ltd. and its related parties, financial business outsourcing service, travel and publicity campaigns provided by Minsheng E-Commerce Holdings (Shenzhen) Co., Ltd. and its related parties.
- (c) For the six months ended 30 June 2026, Minsheng Financial Leasing recognised RMB196 million fees for ancillary service in asset management provided by Sanya Minsheng Tourism Co. Ltd. (For the six months ended 30 June 2025: RMB229 million).

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for the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(4) Other transactions with related parties (*continued*)

Balance of off-balance sheet items

	30 June 2026		31 December 2025	
	Balance	Ratio to similar transactions (%)	Balance	Ratio to similar transactions (%)
Letters of credit	60	0.03	60	0.06
Unused credit card commitments	432	0.08	460	0.09

Balances of loans guaranteed by related parties

	30 June 2026	31 December 2025
Loans guaranteed by related parties	19,768	29,881
Ratio to similar transactions (%)	0.44	0.68

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9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(5) Transactions with the annuity scheme

Apart from the obligation for defined contributions to the annuity scheme and normal banking transactions, no other significant transactions were conducted between the Group and the annuity scheme for the six months ended 30 June 2026 and for the six months ended 30 June 2025.

(6) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Bank's activities, directly or indirectly, including director and senior management.

The Bank enters into transactions with key management personnel under normal commercial terms. These include loans and deposits, which are carried out at rates similar to those offered to third parties. Outstanding loans to the key management personnel amounted to RMB0.17 million as at 30 June 2026 (31 December 2025: RMB0.29 million), which have been included in the above loans granted to related parties.

For the six months ended 30 June 2026, the pre-tax compensation (including wages and short-term benefits) of key management personnel totalled RMB14 million (for the six months ended 30 June 2025: RMB19 million).

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9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(7) Transactions between the Bank and its subsidiaries

Balances as at the end of the reporting period

	30 June 2026	31 December 2025
Placements with banks and other financial institutions	12,409	16,977
Loans and advances to customers	1,970	1,605
Financial investment	1,339	2,035
Other assets	8	–
Deposits and placements from banks and other financial institutions	13,156	10,638
Deposits from customers	1,397	558
Other liabilities	51	51

Amount of transactions for the reporting period

	Six months ended 30 June 2026	2025
Interest income	219	487
Interest expense	76	76
Fee and commission income	16	206
Net other operating income	9	–

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9 Related parties (*continued*)

9.2 Related party transactions (*continued*)

(8) Material transactions between the Bank and its subsidiaries

In 2025, the Bank granted CMBC Wealth Management Co., Ltd. a maximum credit limit of RMB68,000 million with a term of 2 years. As at 30 June 2026 and 31 December 2025, the credit line remained unused.

(9) Transactions between subsidiaries

For the six months ended 30 June 2026, the transactions between the subsidiaries of the Group are mainly inter-bank deposits or lending. As at 30 June 2026, the above transaction had no balance (31 December 2025: RMB0 million).

The balances and transaction amount with the subsidiaries and between the subsidiaries have been offset in these consolidated financial statements.

10 Financial risk management

10.1 Financial risk management overview

The financial risks the Group is exposed to mainly include credit risk, market risk, liquidity risk and operational risk etc. Risk management includes identification, measurement, assessment, monitoring, reporting, control and mitigation of risks. The core characteristic of the financial business is taking risks; risks are inevitable in business. The Group's aim is to achieve an appropriate balance between risk and return and to minimise potential adverse effects from risks borne by the Group on its financial performance.

In response to new regulatory requirements and market changes as well as in light of the actual needs and current position, the Group sets its risk preferences, risk management strategies and risk policies, and takes a host of measures to ensure the risk preferences and policies are concretely implemented and complied with and strengthen the role of risk management in support of strategic decision-making, including improving its risk quantification tools and information systems, adopting and continuously improving its end-to-end risk control mechanisms and based on oversight and reviews of actual implementations, re-examining and optimising the risk preference funneling mechanisms, credit policies, limit management, and relevant systems and tools.

The Bank's Risk Management Committee, which operates under the Board of Directors, assists the Board in setting the Bank's risk preferences and risk management strategies, monitoring the Bank's risk management policies and their implementation, and assessing their effectiveness. In accordance with the risk preferences and management strategies, the Bank's senior management develops corresponding risk management policies and procedures and drives their implementation.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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10 Financial risk management (*continued*)

10.2 Credit risk

The Group is exposed to credit risk, which is the risk that a borrower or counterparty defaults as it fails to fully repay debts in a timely manner due to various reasons. Credit risk is the most important risk for the Group's operating activities; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from lending, trade finance, credit debt securities and leasing activities. There is also credit risk in off-balance sheet financial instruments, such as credit commitments and derivatives.

The Group's credit risk management covers the whole process of credit, investment, leasing and other businesses, including risk appetite and policy formulation, credit acceptance approval, post-loan (investment) management, credit risk monitoring report and other key activities. The Group's business lines bear the direct responsibility for credit risk management, the risk management line bears the responsibilities for formulating policies and processes, monitoring and managing risks, and the internal audit department bears the audit responsibility for performance of duties by business departments and the risk management department:

- The Group's business lines and departments including the Corporate Business Department/ Sci-Tech Finance Department, the Strategic Clients Department, the Inclusive Finance SBU/ Small Business Finance SBU, the Retail Business Quality Control Department, the Financial Institutions Department, the Financial Markets Department are directly responsible for credit risk and serve as the first line of defence in risk internal control management. They formulated the requirements and process according to the Group's risk management system, organised operating agencies to carry out relevant business.
- The functional departments that engage in credit risk management mainly include departments such as the Credit Management Department, the Risk Management Department, the Credit Approval Department and the Assets Management Department, and they serve as the second line of defence in credit risk management. Among them, the Credit Management Department is the department in charge of credit risk management. The Risk Management Department is responsible for assigning ratings, credit risk measurement and other activities. The Credit Approval Department is responsible for tasks such as comprehensive credit granting and credit approval of various credit businesses. The Assets Management Department is responsible for tasks such as operation and management of non-performing and potential risk assets.
- The Group's audit department serves as the third line of defence in risk management and is responsible for supervision and evaluation.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

The credit risk management of the Group includes processes and activities of pre-loan (investment) investigation, inspection and review for lending (investment) and post-loan (investment) management of credit business. Pre-loan (investment) investigation represents assigning credit risk ratings and conducting risk assessment of customers; for the inspection and review for lending (investment), all businesses must be approved by authorised approvers; During the post-loan (investment) management, the Group continuously monitors businesses and strengthens risk monitoring on key industries, regions, products and customers, timely reports the matters and emergencies in the borrower that endanger the safety of credit assets and may cause significant credit risk, and takes timely measures to effectively prevent, control and mitigate risks. The Group has continuously improved its internal control mechanism, strengthened the entire process management of credit business, assigns the responsibilities of each activity in credit business management to all relevant departments and posts according to the principle of effective checks and balances, and established an appraisal and accountability mechanism.

The Group measures and manages the quality of its on-balance sheet and off-balance sheet financial assets exposed to credit risk in accordance with the Measures for the Risk-based Classification of Financial Assets by Commercial Banks (Decree [2023] No. 1 of the CBIRC and the PBC). The Bank has formulated the Administrative Measures for Risk Classification of Financial Assets of China Minsheng Banking Corporation Limited to classify its financial assets by their risk level into five categories, namely, Normal, Special-Mention, Substandard, Doubtful and Loss, with assets classified into the latter three categories collectively referred to as “non-performing assets” to clarify the three-level procedures of “initial classification, affirmation and approval” for risk classification, and strictly conduct risk classification management.

The Group continues to deepen credit risk management empowered by technology, build an intelligent risk control system based on big data, artificial intelligence and other technologies, so as to promote the transformation of credit risk management to digital intelligence, and constantly improve the accuracy, foresight, proactivity and effectiveness of credit risk management.

The Group requires clients to provide collateral/pledges or guarantee when appropriate. The Group has established a management system and operating process for collateral and pledges. The Group continues to monitor the value, structure and legal contracts of collateral and pledges to ensure that they can continue to perform the intended purpose and comply with market practices.

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss (“ECL”) measurement

According to the IFRS 9: Financial Instruments, the Group classifies its financial instruments into three stages for the purpose of ECL measurement and applies the ECL model to calculate credit loss provisions for on-balance sheet financial instruments that are exposed to credit risk and measured either at amortised cost or at fair value through other comprehensive income, such as loans, debt securities, balances with banks and other financial institutions, account receivables, lease receivables, and other debt investments, as well as off-balance sheet financial instruments that are exposed to credit risk, such as financial guarantee contracts and loan commitments.

The Group adopts the parameters-based approach and the discounted cash flow (“DCF”) method to assess the expected credit losses of its financial assets. A parameters-based approach is applied to retail assets and Stage 1 and Stage 2 corporate financial assets, while the DCF method is applied to Stage 3 corporate financial assets.

The Group regularly reviews and optimises its expected credit loss model, and makes timely updates to the forward-looking information and relevant parameters in accordance with the requirements of *Implementation Rules on Expected Credit Loss Approach of Commercial Banks* (CBIRC [2022] No.10) and internal relevant management system.

(a) Financial instrument risk stages

The Group applies a “three-stage model” for measuring expected credit loss for financial instruments based on changes in credit quality since initial recognition. The three stages are defined as follows:

Stage 1:	Financial instruments without significant increase in credit risk since initial recognition. For these assets, expected credit losses are recognised for the following 12 months.
Stage 2:	For financial instruments with significant increase in credit risk since initial recognition, expected credit losses are recognised for the remaining lifetime if there is no objective evidence of impairment.
Stage 3:	For financial assets with objective evidence of impairment as at the end of reporting period, expected credit losses are recognised for the remaining lifetime.

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement (*continued*)

(b) Criteria for significant increases in credit risk ("SICR")

The Group assesses, at each reporting period end, whether or not the credit risk of relevant financial instruments has increased significantly since their initial recognition. In order to determine whether the credit risk has increased significantly since initial recognition, the Group takes into account the reasonable and supportable information that is available without undue cost or effort and sets qualitative and quantitative criteria accordingly. The quantitative criteria include overdue days of the principal or interest for more than 30 days, credit asset classified as special-mention, the absolute level or relative change of Probability of Default in excess of the preset thresholds, among others; and the qualitative criteria mainly cover the regulatory and business environments, the borrowers' repayment ability, borrowers' operation capability, borrowers' repayment behaviors, and forward-looking information, among others.

(c) Definition of credit-impaired financial asset

In order to evaluate whether a financial asset is impaired, the Group considers the following criteria:

- The principal or interest of a financial asset is overdue for more than 90 days;
- Significant financial difficulty of the issuer or obligor;
- A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, grants the debtor a concession that the Group would not otherwise consider;
- The debtor will probably enter bankruptcy or another financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties faced by the issuer or debtor;
- The purchase or origination of a financial asset at a significant discount that reflects the fact of credit losses;
- Other objective evidence of financial asset impairment.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single event.

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement (*continued*)

(d) Segmentation of risk exposures

For the purpose of expected credit loss measurement, the Group classifies exposures with similar credit risk characteristics into segmentation. The Group segments corporate financial assets mainly according to the borrower types and the industry in which they operate, and retail assets mainly according to product types, and the Group reviews the appropriateness of its risk grouping and makes corrections to the grouping results on an annual basis.

(e) Parameters for ECL measurement

Except for credit-impaired financial assets, the Group recognised 12-month or lifetime ECL allowance by financial instrument according to whether there is a significant increase in credit risk. Expected credit losses are the product of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD), which are defined as follows:

- PD represents the likelihood of a borrower to default on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. The PD is determined based on the adjusted results of the internal rating-based model, with forward-looking information incorporated, to reflect the borrower's point-in-time probability of default under the current macroeconomic environment;
- LGD is expressed as a percentage loss per unit of EAD. LGD varies by types of product and availability of collateral etc.;
- EAD refers to the total amount of on- and off-balance sheet exposures in the event of default and is determined based on principal, interest, off-balance sheet credit risk conversion factor etc., and may vary by product types.

(f) Forward-looking information incorporated in the ECL

The ECL calculation involves forward-looking information. Based on analysis of its historical data, the Group has identified key economic indicators relevant to expected credit losses, including the quarterly year-on-year (Y/Y) growth rates of Gross Domestic Product (GDP), Broad Money Supply (M2) and Consumer Price Index (CPI) respectively. The Group regularly evaluates the various indicators in the pool of macroeconomic indicators and selects the most relevant indicators for ECL calculation.

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(1) Expected Credit Loss ("ECL") measurement (*continued*)

(f) Forward-looking information incorporated in the ECL (*continued*)

As at 30 June 2026, the Group has considered different macroeconomic scenarios, and the main economic indicators with predicted ranges in estimating ECL are set out as below:

Variables	Range
Quarterly Y/Y growth rate of GDP	3.5% ~ 5.8%
Quarterly Y/Y growth rate of M2	5.7% ~ 11.0%
Quarterly Y/Y growth rate of CPI	-1.3 % ~ 2.7%

The Group conducts sensitivity analysis on the main economic indicators used in forward-looking information. When the predicted value of the main economic indicators changes by 10%, the difference between the hypothetical expected credit loss and the current expected credit loss measurement does not exceed 5%.

The Group combines macro-economic data analysis and expert judgments to develop the positive, neutral and negative scenarios and determine their weightings, and estimates the expected credit losses in different scenarios to calculate the allowances for the weighted average ECLs. As at 30 June 2026 and 31 December 2025, the positive, neutral and negative scenarios had similar weightings.

(g) Cash flow forecasts for Stage 3 corporate financial assets

The Group uses the DCF method to measure the expected credit losses of Stage 3 corporate financial assets. The DCF method estimates the expected credit losses based on regular forecasts of future cash flows. At each measurement date, the Group estimates the future cash inflows of an asset for different future periods, and applies appropriate discount rates to the future cash flows to obtain their present value.

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(2) Maximum credit risk exposure

The following table presents the Group's maximum exposure to credit risk as at the end of the reporting period without considering any collateral held or other credit enhancements, which is represented by the carrying amount of each type of financial assets after deducting any impairment allowance.

	30 June 2026	31 December 2025
Balances with central bank	258,129	250,561
Balances with banks and other financial institutions	97,905	126,084
Placements with banks and other financial institutions	189,072	231,195
Derivative financial assets	15,844	17,362
Financial assets held under resale agreements	2,447	51,473
Loans and advances to customers	4,454,357	4,374,231
Financial investments		
– Financial assets at fair value through profit or loss	158,100	214,013
– Financial assets measured at amortised cost	1,269,628	1,340,151
– Financial assets at fair value through other comprehensive income	808,068	704,516
Long-term receivables	90,812	98,066
Other financial assets	54,146	41,168
Total	7,398,508	7,448,820
Off-balance sheet credit commitments	1,514,488	1,423,411
Maximum credit risk exposure	8,912,996	8,872,231

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(3) Analysis on the credit quality of financial instruments

As at 30 June 2026, the credit risk stages of financial instruments at amortised cost and financial instruments at fair value through other comprehensive income are as following:

	Gross carrying amount				Allowance for expected credit losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances with central bank	258,129	-	-	258,129	-	-	-	-
Balances with banks and other financial institutions	97,914	-	-	97,914	(9)	-	-	(9)
Placements with banks and other financial institutions	189,292	-	1,193	190,485	(220)	-	(1,193)	(1,413)
Financial assets held under resale agreements	2,447	-	-	2,447	-	-	-	-
Loans and advances to customers								
– Corporate loans and advances	2,754,994	138,044	48,660	2,941,698	(16,022)	(16,510)	(20,817)	(53,349)
– Personal loans and advances	1,504,312	69,583	32,321	1,606,216	(7,114)	(13,934)	(19,908)	(40,956)
Financial investments	2,057,387	4,386	28,607	2,090,380	(1,607)	(373)	(10,704)	(12,684)
Long-term receivables	81,996	6,998	4,531	93,525	(356)	(553)	(1,804)	(2,713)
Off-balance sheet credit commitments	1,474,110	40,352	26	1,514,488	(904)	(199)	(6)	(1,109)

As at 31 December 2025, the credit risk stages of financial instruments at amortised cost and financial instruments at fair value through other comprehensive income are as following:

	Gross carrying amount				Allowance for expected credit losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balances with central bank	250,561	-	-	250,561	-	-	-	-
Balances with banks and other financial institutions	126,092	-	-	126,092	(8)	-	-	(8)
Placements with banks and other financial institutions	231,581	-	1,193	232,774	(386)	-	(1,193)	(1,579)
Financial assets held under resale agreements	51,362	-	115	51,477	(4)	-	-	(4)
Loans and advances to customers								
– Corporate loans and advances	2,603,896	132,212	49,182	2,785,290	(18,397)	(15,572)	(20,855)	(54,824)
– Personal loans and advances	1,604,997	44,984	32,255	1,682,236	(7,569)	(11,369)	(20,204)	(39,142)
Financial investments	2,019,887	6,977	31,937	2,058,801	(1,842)	(398)	(11,894)	(14,134)
Long-term receivables	91,030	4,639	4,914	100,583	(440)	(436)	(1,641)	(2,517)
Off-balance sheet credit commitments	1,422,047	1,345	19	1,423,411	(1,178)	(19)	(7)	(1,204)

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for the six months ended 30 June 2026
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(4) Loans and advances to customers

The credit risk stages of loans and advances to customers (excluding interest accrued) are as following:

	30 June 2026	31 December 2025
Stage 1		
Unsecured loans	1,448,451	1,397,126
Guaranteed loans	933,912	878,966
Loans secured by		
Tangible assets other than monetary assets	1,523,700	1,590,762
Monetary assets	335,892	324,683
Subtotal	4,241,955	4,191,537
Stage 2		
Unsecured loans	31,635	23,861
Guaranteed loans	22,217	21,755
Loans secured by		
Tangible assets other than monetary assets	108,162	87,779
Monetary assets	25,145	24,345
Subtotal	187,159	157,740
Stage 3		
Unsecured loans	23,268	22,354
Guaranteed loans	13,054	13,020
Loans secured by		
Tangible assets other than monetary assets	33,807	34,624
Monetary assets	10,754	11,335
Subtotal	80,883	81,333
Total	4,509,997	4,430,610
Credit-impaired loans secured by collateral	21,912	24,602

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(4) Loans and advances to customers (*continued*)

Loans and advances to customers (excluding interest accrued) analysed by industries are as following:

	30 June 2026		31 December 2025	
	Amount	(%)	Amount	(%)
Corporate loans and advances				
Leasing and commercial services	626,728	13.90	599,990	13.54
Manufacturing	547,378	12.14	500,033	11.29
Real estate	317,040	7.03	325,443	7.35
Wholesale and retail	306,941	6.81	291,287	6.57
Transportation, storage and postal services	225,248	4.99	202,730	4.58
Water, environment and public utilities management	183,729	4.07	174,004	3.93
Production and supply of electric power, heat, gas and water	159,713	3.54	151,199	3.41
Financial services	154,656	3.43	138,243	3.12
Construction	95,189	2.11	103,877	2.34
Mining	83,559	1.85	72,224	1.63
Information transmission, software and IT services	65,326	1.45	57,706	1.30
Scientific research and technical service	52,576	1.17	47,350	1.07
Agriculture, forestry, animal husbandry and fishery	26,200	0.58	26,871	0.61
Others	62,642	1.39	60,769	1.37
Subtotal	2,906,925	64.46	2,751,726	62.11
Personal loans and advances	1,603,072	35.54	1,678,884	37.89
Total	4,509,997	100.00	4,430,610	100.00

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for the six months ended 30 June 2026
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(4) Loans and advances to customers (*continued*)

Loans and advances to customers (excluding interest accrued) by geographical area are as following:

	30 June 2026		31 December 2025	
	Amount	(%)	Amount	(%)
Head Office	426,741	9.46	443,405	10.01
Yangtze River Delta	1,252,596	27.77	1,202,961	27.15
Pearl River Delta	717,984	15.92	705,417	15.92
Western Region	697,961	15.48	687,012	15.51
Bohai Rim	674,945	14.97	668,332	15.08
Central Region	502,541	11.14	495,201	11.18
Northeastern Region	96,309	2.14	98,223	2.22
Overseas and subsidiaries	140,920	3.12	130,059	2.93
Total	4,509,997	100.00	4,430,610	100.00

(5) Rescheduled loans and advances

Rescheduled loans and advances to customers are those loans and advances for which, due to financial difficulties on the part of the borrowers, the Group has made modifications to the contract terms that are favourable to the borrowers, or has entered into refinancing arrangements with the borrowers, including borrowing for repaying or additional debt financing, etc., to facilitate the borrowers to meet their repayment obligations. As at 30 June 2026, the amount of the Group's rescheduled loans and advances to customers is RMB24,949 million (31 December 2025: RMB29,007 million).

Rescheduled loans and advances which were not past due or past due for no more than 90 days are as follows:

	30 June 2026	31 December 2025
Loans and advances to customers	15,143	20,511
Ratio of total loans and advances to customers (%)	0.33	0.46

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(6) Distribution of debt instruments analysed by issuers and rating

The ratings are obtained from Standard & Poor's ratings, or major rating agencies where the issuers of the debt securities are located.

	30 June 2026					Total
	Unrated (a)	AAA	AA	A	Lower than A	
Credit impaired						
– Banks and non-bank financial institutions (b)	19,276	–	–	–	–	19,276
– Corporates	5,777	–	–	–	1,150	6,927
Gross balance	25,053	–	–	–	1,150	26,203
Interest accrued						1,029
Less: Allowance for impairment losses of financial assets measured at amortised cost						(9,329)
Subtotal						17,903
Not impaired						
– Government	439,444	733,360	3,208	66	73	1,176,151
– Policy banks	280,637	–	–	1,022	–	281,659
– Banks and non-bank financial institutions	88,260	189,297	8,235	33,299	9,190	328,281
– Corporates	19,252	192,104	18,784	18,837	6,091	255,068
Gross balance	827,593	1,114,761	30,227	53,224	15,354	2,041,159
Interest accrued						19,816
Less: Allowance for impairment losses of financial assets measured at amortised cost						(1,182)
Subtotal						2,059,793
Total						2,077,696

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for the six months ended 30 June 2026
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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(6) Distribution of debt instruments analysed by issuers and rating (*continued*)

	31 December 2025					
	Unrated (a)	AAA	AA	A	Lower than A	Total
Credit impaired						
– Banks and non-bank financial institutions (b)	21,177	–	–	–	–	21,177
– Corporates	6,407	–	–	–	1,999	8,406
Gross balance	27,584	–	–	–	1,999	29,583
Interest accrued						2,125
Less: Allowance for impairment losses of financial assets measured at amortised cost						(10,460)
Subtotal						21,248
Not impaired						
– Government	508,842	728,983	1,427	562	79	1,239,893
– Policy banks	157,767	–	–	70	–	157,837
– Banks and non-bank financial institutions	108,336	191,144	7,514	14,381	9,842	331,217
– Corporates	25,999	207,569	14,617	18,661	7,112	273,958
Gross balance	800,944	1,127,696	23,558	33,674	17,033	2,002,905
Interest accrued						21,595
Less: Allowance for impairment losses of financial assets measured at amortised cost						(1,081)
Subtotal						2,023,419
Total						2,044,667

(a) Unrated debt investments held by the Group mainly include bonds issued by the PRC government, trust and asset management plans, bonds issued by corporates and bonds issued by policy banks, etc.

(b) Credit-impaired debt instruments of banks and non-bank financial institutions mainly include trust and asset management plans, of which the underlying debtors are corporates.

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10 Financial risk management (*continued*)

10.2 Credit risk (*continued*)

(7) Investments classified as trust and asset management plans analysed by type of underlying assets

	30 June 2026	31 December 2025
Trust and asset management plans		
Credit assets	18,669	21,976
Bonds and others	9,013	19,730
Total	27,682	41,706

The Group includes trust and asset management plans into comprehensive credit management system and manages its credit risk exposure in a holistic manner. The different methods to mitigate credit risk exposures in trust and assets management plan include guarantees, collaterals and pledges.

10.3 Market risk

The Group is exposed to market risk, which is the risk of loss to its on- and off-balance sheet businesses caused by unfavourable changes in market prices (interest rates, exchange rates, and stock and commodity prices). Market risk includes interest rate risk, exchange rate (including gold bullion) risk, equity price risk and commodity price risk, arising from adverse movements in interest rates, exchange rates, stock prices and commodity price, respectively.

The market risk faced by the Group mainly arises from the Bank's business activities. The Bank and its subsidiaries independently manage their own market risk.

The Bank distinguishes between banking books and trading books in accordance with requirements of regulatory authorities and the general practices of the banking industry, and adopts different methods to identify, measure, monitor and control their respective market risks based on the nature and characteristics of banking and trading books.

Trading books refer to the financial instruments, foreign exchange and commodities positions which could be traded freely. They are held by the Bank for trading or hedging against other risks in the trading book. Positions in the trading book must not be subject to any trading restrictions, or be able to fully hedge against the risks. These positions must also be valued accurately and managed proactively as well. In contrast, the Bank's other businesses are included in the banking books.

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(1) Market risk measurement techniques

The Bank selects appropriate and generally accepted measurement methods for the different types of market risks in its banking books and trading books based on actual needs of the business.

In accordance with regulatory requirements and in response to interest rate risk of the banking books, the Bank develops measurement methods that are appropriate for the size and structure of its assets and liabilities, and performs quantitative assessment of the impact of interest rate changes on the Bank's banking book net interest income and economic value by adopting methods such as gap analysis, net interest income simulation analysis, and economic value simulation analysis.

Interest rate risk of the trading books are measured by using methods such as duration analysis, scenario analysis, sensitivity analysis and value at risk (VaR).

Exchange rate risks of the banking books include exposure in foreign exchange settlement and sales, foreign currency capital funds, loss in foreign currency profits due to settlement of foreign exchange, and shrinking of foreign currency assets compared to the local currency. The Bank assesses the impact of future exchange rate risk based on the exchange rate tendency and the future changes in the Bank's asset and liability portfolios.

Exchange rate risk of trading books arises from currency exposure conducted for customers, market making, proprietary trading, foreign exchange and foreign exchange derivative financial instrument transactions for the purpose of obtaining spreads or locking in arbitrage. The Bank measures exchange rate risk indicators through the identification of exchange rate risk factors and comprehensively evaluates the impact of changes in risk factors on each portfolio, product category and the Bank's profit and loss situation.

The Bank is fully aware of the pros and cons of different methods for measurement of market risks, and therefore adopts other methods, such as stress tests, for complementation. Stress scenarios applied to market risk stress testing include expert scenarios, historical scenarios, and hybrid scenarios.

(2) Currency risk

Currency risk refers to the foreign exchange and foreign exchange derivatives positions, the risk of losses of banks arise from adverse changes of exchange rate. The Group uses RMB as its bookkeeping currency, and the Group's assets and liabilities are denominated in RMB, and the rest are mainly US dollars and Hong Kong dollars.

The Group manages the exchange rate risk by controlling each currency exposure limits and total exposure.

The Group manages the currency risk in the frame of the exposure limit by daily monitoring, reporting and analysing.

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(2) Currency risk (*continued*)

The following tables present the Group's foreign exchange risk exposures as at the end of the reporting period. The carrying values of assets and liabilities denominated in foreign currencies have been converted into RMB.

	30 June 2026				Total
	RMB	USD	HKD	Others	
Assets:					
Cash and balances with central bank	255,627	6,029	238	206	262,100
Balances with banks and other financial institutions	66,637	25,066	2,003	4,199	97,905
Placements with banks and other financial institutions	160,877	19,687	3,670	4,838	189,072
Financial assets held under resale agreements	2,447	–	–	–	2,447
Loans and advances to customers	4,287,577	101,809	42,677	22,294	4,454,357
Financial investments	2,206,227	154,593	6,772	7,322	2,374,914
Long-term receivables	77,543	13,269	–	–	90,812
Other assets	153,391	55,748	5,819	107,966	322,924
Total assets	7,210,326	376,201	61,179	146,825	7,794,531
Liabilities:					
Borrowings from central bank	250,532	–	–	–	250,532
Deposits and placements from banks and other financial institutions	941,874	76,329	15,313	13,908	1,047,424
Borrowings from banks and other financial institutions	79,513	43,974	1,558	–	125,045
Financial assets sold under repurchase agreements	170,588	6,544	3,174	277	180,583
Deposits from customers	4,183,569	222,425	14,958	29,435	4,450,387
Debt securities issued	781,946	7,984	128	–	790,058
Lease liabilities	7,544	–	172	7	7,723
Other liabilities	117,728	15,670	2,265	89,567	225,230
Total liabilities	6,533,294	372,926	37,568	133,194	7,076,982
Net position	677,032	3,275	23,611	13,631	717,549
Foreign currency derivatives	41,773	(20,039)	(8,895)	(10,209)	2,630
Off-balance sheet credit commitments	1,464,614	42,914	3,804	3,156	1,514,488

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(2) Currency risk (*continued*)

	31 December 2025				
	RMB	USD	HKD	Others	Total
Assets:					
Cash and balances with central bank	249,020	5,217	286	231	254,754
Balances with banks and other financial institutions	84,348	35,390	2,956	3,390	126,084
Placements with banks and other financial institutions	183,628	34,385	2,303	10,879	231,195
Financial assets held under resale agreements	51,473	–	–	–	51,473
Loans and advances to customers	4,217,731	97,169	37,418	21,913	4,374,231
Financial investments	2,250,424	150,592	5,888	17,425	2,424,329
Long-term receivables	85,823	12,243	–	–	98,066
Other assets	183,412	50,546	4,684	33,793	272,435
Total assets	7,305,859	385,542	53,535	87,631	7,832,567
Liabilities:					
Borrowings from central bank	228,560	–	–	–	228,560
Deposits and placements from banks and other financial institutions	847,943	85,003	15,929	22,864	971,739
Borrowings from banks and other financial institutions	65,314	45,467	1,626	–	112,407
Financial assets sold under repurchase agreements	248,682	10,201	1,911	–	260,794
Deposits from customers	4,088,948	221,867	17,907	19,077	4,347,799
Debt securities issued	1,006,070	5,938	–	–	1,012,008
Lease liabilities	8,047	–	11	8	8,066
Other liabilities	129,523	12,332	1,262	44,880	187,997
Total liabilities	6,623,087	380,808	38,646	86,829	7,129,370
Net position	682,772	4,734	14,889	802	703,197
Foreign currency derivatives	(4,612)	(14,178)	5,645	16,867	3,722
Off-balance sheet credit commitments	1,372,433	44,171	4,235	2,572	1,423,411

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(2) Currency risk (*continued*)

The Group conducts sensitivity analysis on the net foreign currency position to identify the impact on the statement of profit or loss of potential movements in foreign currency exchange rates against the RMB. As at 30 June 2026, assuming other variables remain unchanged, with 1% appreciation of the US dollar against the RMB would increase both the Group's net profit and equity by RMB304 million (31 December 2025 with 1% appreciation of the US dollar against the RMB would increase both the Group's net profit and equity by RMB153 million); with 1% depreciation of the US dollar against the RMB would decrease both the Group's net profit and equity by RMB304 million (31 December 2025: decrease by RMB153 million).

The sensitivity analysis mentioned above is based on a static foreign exchange exposure profile of assets and liabilities that contains the following assumptions:

- a. The sensitivity of each type of exchange rate refers to the exchange gain or loss caused by a fluctuation in the absolute value of closing foreign currency rate by 1% against the RMB's average rate on the reporting date;
- b. The fluctuation of exchange rates by 1% is based on the assumption of exchange rates movement from the current reporting date to the next reporting date;
- c. The fluctuation of exchange rates for all foreign currencies represents the fluctuation of exchange rates in US dollars and other foreign currencies against RMB in the same direction simultaneously. Due to the immaterial proportion of the Group's total assets and liabilities denominated in currencies other than US dollars, other foreign currencies are converted into US dollars through sensitivity analysis;
- d. The foreign exchange exposures calculated includes spot and forward foreign exchange exposures and swaps;
- e. Other variables (including interest rates) remained unchanged; and
- f. The analysis does not take into account the effect of risk management measures taken by the Group.

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

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk

Interest rate risk refers to the adverse changes of the level of interest rate, term structure and other factors, which lead to loss on the economic value and bank revenue. Interest rate risk include gap risk, basis risk and option risk, and the gap risk and basis risk are the main sources of risk for the Group.

(a) The trading books

The adverse changes due to the interest rate risk of the trading books related to the financial instruments and commodity positions will cause loss for trading books. The scope of managing interest rate risk of the trading books covers all products and businesses that are sensitive to changes in interest rates, including domestic and foreign currency bond investments, money market transactions, interest rate derivatives, foreign exchange derivatives, precious metal derivatives, and complex derivatives, etc.

The Group mainly uses indicators for scale size, profit and loss indicators, valuation, sensitivity analysis, VaR analysis, duration analysis, stress testing and other methods to quantitatively analyse interest rate risk, and incorporates market risk measurement models into daily risk management.

The Group sets risk limits such as interest rate sensitivity, duration, exposure, and loss limits to effectively control the interest rate risk of the trading books, and manages the interest rate risk within exposure limit through daily monitoring.

(b) The banking books

The primary techniques applied by the Group in measuring and analysing interest rate risk are mainly scenario analyses, repricing gap analyses, valuation analyses, sensitivity analyses, duration analyses and stress testing. The Group manages the interest rate risk using the framework of exposure limit by periodically monitoring and reporting.

The Group strengthens interest rate risk management in the banking book by setting risk limits such as duration and valuation loss tolerance. The Group closely monitors trends of interest rate changes for both RMB and foreign currencies, follows market interest rate changes, performs scenario analyses and stress tests on a regular basis, and adjusts asset and liability maturity strategy, interest rates of deposits and loans in both RMB and foreign currencies as well as repricing strategy to manage interest rate risk.

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk (*continued*)

The following tables present the Group's exposure to interest rate risk, indicating net carrying amounts of assets and liabilities based on their contractual repricing dates or maturity dates whichever are earlier.

	30 June 2026						Total
	Less than 1 months	1 month to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	
Assets:							
Cash and balances with central bank	258,028	-	-	-	-	4,072	262,100
Balances with banks and other financial institutions	95,027	1,645	1,191	-	-	42	97,905
Placements with banks and other financial institutions	58,055	24,113	76,660	29,840	170	234	189,072
Financial assets held under resale agreements	2,447	-	-	-	-	-	2,447
Loans and advances to customers	744,972	998,027	1,763,190	823,396	86,855	37,917	4,454,357
Financial investments	75,294	155,501	412,692	792,976	752,259	186,192	2,374,914
Long-term receivables	3,317	6,002	23,799	39,863	13,319	4,512	90,812
Other assets	1,097	133	2,643	4,168	-	314,883	322,924
Total assets	1,238,237	1,185,421	2,280,175	1,690,243	852,603	547,852	7,794,531
Liabilities:							
Borrowings from central bank	4,025	55,873	188,363	-	-	2,271	250,532
Deposits and placements from banks and other financial institutions	530,104	208,233	304,164	-	-	4,923	1,047,424
Borrowings from banks and other financial institutions	28,888	21,060	66,906	7,112	327	752	125,045
Financial assets sold under repurchase agreements	144,849	14,631	19,322	451	973	357	180,583
Deposits from customers	2,001,393	366,926	988,880	1,036,187	59	56,942	4,450,387
Debt securities issued	100,939	90,514	464,354	33,486	99,993	772	790,058
Lease liabilities	6,028	108	414	1,014	159	-	7,723
Other liabilities	394	102,901	3,608	-	-	118,327	225,230
Total liabilities	2,816,620	860,246	2,036,011	1,078,250	101,511	184,344	7,076,982
Interest rate gap	(1,578,383)	325,175	244,164	611,993	751,092	363,508	717,549

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk (*continued*)

	31 December 2025						Total
	Less than 1 months	1 month to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non-interest bearing	
Assets:							
Cash and balances with central bank	250,451	–	–	–	–	4,303	254,754
Balances with banks and other financial institutions	120,507	1,401	4,079	–	–	97	126,084
Placements with banks and other financial institutions	66,019	16,366	112,718	35,443	–	649	231,195
Financial assets held under resale agreements	51,449	–	–	–	–	24	51,473
Loans and advances to customers	1,339,722	933,955	1,498,546	464,450	100,643	36,915	4,374,231
Financial investments	56,348	136,194	476,153	912,473	627,906	215,255	2,424,329
Long-term receivables	4,204	6,435	26,104	43,999	12,776	4,548	98,066
Other assets	387	–	1,035	2,902	–	268,111	272,435
Total assets	1,889,087	1,094,351	2,118,635	1,459,267	741,325	529,902	7,832,567
Liabilities:							
Borrowings from central bank	46,827	28,031	152,378	–	–	1,324	228,560
Deposits and placements from banks and other financial institutions	515,404	159,848	293,315	–	–	3,172	971,739
Borrowings from banks and other financial institutions	47,888	20,143	39,423	2,968	1,266	719	112,407
Financial assets sold under repurchase agreements	171,703	58,540	30,020	–	–	531	260,794
Deposits from customers	2,002,733	436,696	845,906	991,235	668	70,561	4,347,799
Debt securities issued	91,300	237,384	576,723	34,451	69,993	2,157	1,012,008
Lease liabilities	230	455	1,843	4,758	780	–	8,066
Other liabilities	596	46,262	1,962	–	–	139,177	187,997
Total liabilities	2,876,681	987,359	1,941,570	1,033,412	72,707	217,641	7,129,370
Interest rate gap	(987,594)	106,992	177,065	425,855	668,618	312,261	703,197

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10 Financial risk management (*continued*)

10.3 Market risk (*continued*)

(3) Interest rate risk (*continued*)

If yield curves for respective currencies move in parallel for 100 basis points at the end of the reporting period, their potential impact on the Group's net interest income and shareholders' equity for the following 12 months is as follows:

	30 June 2026 (Loss)/Gain	31 December 2025 (Loss)/Gain
Up 100 bps parallel shift in yield curves	(7,538)	(5,281)
Down 100 bps parallel shift in yield curves	7,538	5,281

In performing the interest rate sensitivity analysis, the Group has made general assumptions in defining business terms and financial parameters, but have not considered the following:

- Business changes after the end of the reporting period, as the analysis is performed based on the static gap at the end of the reporting period;
- The impact of interest rate fluctuations on customers' behaviour;
- The complicated relationship between complex structured products (e.g. embedded call options and other derivative financial instruments) and interest rate fluctuations;
- The impact of interest rate fluctuations on market prices;
- The impact of interest rate fluctuations on off-balance sheet products;
- The impact of interest rate fluctuations on fair value of financial instruments;
- Other variables (including foreign exchange rate); and
- Other risk management measures in the Group.

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10 Financial risk management (*continued*)

10.4 Liquidity risk

Liquidity risk is the risk that the Group is unable to promptly obtain funds at reasonable cost to repay maturing liabilities, discharge other payment obligations and meet other funding needs in the course of normal operations.

During the reporting period, the Bank's subsidiaries manage their respective liquidity risks according to the Group's liquidity risk management framework, and the Bank manages the liquidity risk of all its branches and business lines.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, demand deposits, maturing time deposits, loan drawdowns, guarantees and other calls on cash-settled derivatives. The Bank does not maintain cash resources to meet all these needs, as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Bank sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the full amounts under commitments, because the Bank does not generally expect the third party to fully draw funds under those agreements. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

(1) Liquidity risk management policy

The Bank and its subsidiaries separately and independently develop their liquidity risk management policies.

The Board of Directors is ultimately responsible for liquidity risk management including reviewing and approving liquidity risk appetite, liquidity risk management strategy, major policies and procedures. The Bank's senior management is responsible for formulating liquidity risk management policies according to the development strategy of the Bank. The Asset and Liability and Financial Management Department is responsible for the daily liquidity risk management through the following procedures:

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(1) Liquidity risk management policy (*continued*)

To manage the day-to-day position through monitoring the future cash flow to ensure it meets the required fund position, including matured deposits and replenishment of funds for loan demand. The Bank actively participates in global money market transactions to ensure that the Bank's funding requirements are satisfied;

To set ratio requirements and transactions limits to help monitor and manage liquidity risks. The ratios include but are not limited to liquidity coverage ratios, liquidity ratios, net stable funding ratios and liquidity matching rate;

To measure and monitor cash flows through the Bank's asset and liabilities management system, and perform liquidity scenario analyses and stress testing on overall assets and liabilities to satisfy internal and external requirements. Various techniques are used to estimate the Bank's liquidity requirements, and liquidity risk management decisions are made based on the estimated liquidity requirements and within respective terms of reference. A periodical reporting system is established to promptly update senior management on latest liquidity risk information;

To monitor the maturity concentration risk of financial assets and hold an appropriate quantity of high-liquidity and high-market-value assets to ensure the Bank is well positioned to fund its repayment obligations and business growth in the event of an interruption of cash flows due to whatever causes.

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(2) Maturity analysis

The following tables present the maturity analysis of assets and liabilities of the Group as at the end of the reporting period. An indefinite term in the case of cash and deposits with the Central Bank refers to statutory reserves and fiscal deposits placed with the Central Bank; an indefinite term in terms of financial investments, loans and advances, long-term receivables, placements with banks and other financial institutions and financial assets held under resale agreements refers to amounts of such assets that have become impaired or overdue for more than one month, and also equity investments and fund investments in financial investment; and repayable on demand with respect to loans and advances and long-term receivables refers to the unimpaired amounts of such assets that have been overdue for less than one month.

	30 June 2026							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	232,541	29,559	-	-	-	-	-	262,100
Balances with banks and other financial institutions	-	93,913	1,156	1,645	1,191	-	-	97,905
Placements with banks and other financial institutions	-	-	26,082	27,271	97,698	37,517	504	189,072
Financial assets held under resale agreements	-	-	2,447	-	-	-	-	2,447
Loans and advances to customers	51,435	11,982	308,589	245,530	1,242,346	1,308,035	1,286,440	4,454,357
Financial investments	165,929	-	76,214	157,401	415,280	800,675	759,415	2,374,914
Long-term receivables	4,515	56	73	624	10,409	66,165	8,970	90,812
Other assets	240,656	584	53,870	3,581	11,073	11,911	1,249	322,924
Total assets	695,076	136,094	468,431	436,052	1,777,997	2,224,303	2,056,578	7,794,531

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(2) Maturity analysis (*continued*)

	30 June 2026							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	4,080	56,601	189,851	-	-	250,532
Deposits and placements from banks and other financial institutions	-	405,676	127,213	209,262	305,273	-	-	1,047,424
Borrowings from banks and other financial institutions	-	-	7,823	22,820	75,611	14,586	4,205	125,045
Financial assets sold under repurchase agreements	-	-	145,016	14,704	19,382	464	1,017	180,583
Deposits from customers	-	1,705,948	321,682	371,605	1,001,696	1,049,456	-	4,450,387
Debt securities issued	-	-	95,060	90,521	460,884	43,600	99,993	790,058
Lease liabilities	-	-	6,028	108	414	1,014	159	7,723
Other liabilities	1,951	183,521	9,244	6,404	12,490	9,312	2,308	225,230
Total liabilities	1,951	2,295,145	716,146	772,025	2,065,601	1,118,432	107,682	7,076,982
Net position	693,125	(2,159,051)	(247,715)	(335,973)	(287,604)	1,105,871	1,948,896	717,549
Notional amount of derivatives	-	-	870,827	599,260	4,268,016	181,251	10,086	5,929,440

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(2) Maturity analysis (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	223,416	31,338	–	–	–	–	–	254,754
Balances with banks and other financial institutions	–	118,257	2,347	1,401	4,079	–	–	126,084
Placements with banks and other financial institutions	–	–	22,314	33,663	128,068	46,800	350	231,195
Financial assets held under resale agreements	115	–	51,358	–	–	–	–	51,473
Loans and advances to customers	49,578	6,721	334,454	295,967	1,175,372	1,252,092	1,260,047	4,374,231
Financial investments	191,467	–	57,297	138,170	480,684	923,045	633,666	2,424,329
Long-term receivables	4,402	139	930	1,518	15,214	67,066	8,797	98,066
Other assets	225,623	757	16,158	5,541	12,639	10,143	1,574	272,435
Total assets	694,601	157,212	484,858	476,260	1,816,056	2,299,146	1,904,434	7,832,567

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(2) Maturity analysis (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	1,371	28,491	198,698	-	-	228,560
Deposits and placements from banks and other financial institutions	-	403,824	114,205	160,139	293,571	-	-	971,739
Borrowings from banks and other financial institutions	-	-	23,952	22,280	49,076	11,963	5,136	112,407
Financial assets sold under repurchase agreements	-	-	171,939	58,797	30,058	-	-	260,794
Deposits from customers	-	1,743,929	293,004	443,976	859,535	1,007,355	-	4,347,799
Debt securities issued	-	-	91,300	227,738	578,280	44,697	69,993	1,012,008
Lease liabilities	-	-	230	455	1,843	4,758	780	8,066
Other liabilities	1,961	148,399	6,766	9,544	9,588	9,594	2,145	187,997
Total liabilities	1,961	2,296,152	702,767	951,420	2,020,649	1,078,367	78,054	7,129,370
Net position	692,640	(2,138,940)	(217,909)	(475,160)	(204,593)	1,220,779	1,826,380	703,197
Notional amount of derivatives	-	-	783,416	1,068,797	3,888,722	194,644	5,110	5,940,689

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities

The following tables present the analysis of the undiscounted contractual cash flows of the Group's non-derivative assets and liabilities as at the end of the reporting period. The Group manages its liquidity risk based on its estimation of expected future cash flows. An indefinite term in the case of cash and deposits with the Central Bank refers to statutory reserves and fiscal deposits placed with the Central Bank; an indefinite term in terms of financial investments, loans and advances, long-term receivables, placements with banks and other financial institutions and financial assets held under resale agreements refers to amounts of such assets that have become impaired or overdue for more than 1 month, and also equity investments and fund investments in financial investments; and repayable on demand with respect to, loans and advances and long-term receivables refer to the unimpaired amounts of such assets that have been overdue for less than 1 month.

	30 June 2026							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	232,541	29,559	-	-	-	-	-	262,100
Balances with banks and other financial institutions	-	93,913	1,157	1,671	1,210	-	-	97,951
Placements with banks and other financial institutions	-	-	26,090	27,463	98,147	38,197	660	190,557
Financial assets held under resale agreements	-	-	2,447	-	-	-	-	2,447
Loans and advances to customers	97,102	16,012	325,954	269,722	1,335,547	1,570,131	1,785,800	5,400,268
Financial investments	174,066	-	78,850	165,864	449,104	913,482	905,650	2,687,016
Long-term receivables	5,898	66	75	658	10,944	74,772	12,448	104,861
Other assets	246,444	465	49,074	667	4,595	10,383	1,123	312,751
Total assets (expected maturity date)	756,051	140,015	483,647	466,045	1,899,547	2,606,965	2,705,681	9,057,951

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities (*continued*)

	30 June 2026							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	4,084	56,806	191,320	-	-	252,210
Deposits and placements from banks and other financial institutions	-	405,989	127,224	210,319	307,078	-	-	1,050,610
Borrowings from banks and other financial institutions	-	-	8,738	23,088	76,768	16,351	4,460	129,405
Financial assets sold under repurchase agreements	-	-	145,066	14,737	19,517	479	1,335	181,134
Deposits from customers	-	1,705,949	321,903	372,593	1,006,614	1,058,634	-	4,465,693
Debt securities issued	-	-	95,106	90,760	467,719	53,977	109,205	816,767
Lease liabilities	-	-	6,423	115	442	1,080	170	8,230
Other liabilities	1,951	291,282	9,244	6,404	12,490	9,312	2,308	332,991
Total liabilities (contractual maturity date)	1,951	2,403,220	717,788	774,822	2,081,948	1,139,833	117,478	7,237,040

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Assets:								
Cash and balances with central bank	223,416	31,338	–	–	–	–	–	254,754
Balances with banks and other financial institutions	–	118,257	2,348	1,408	4,081	–	–	126,094
Placements with banks and other financial institutions	–	–	22,906	38,990	139,055	54,901	512	256,364
Financial assets held under resale agreements	115	–	51,381	–	–	–	–	51,496
Loans and advances to customers	93,346	9,856	352,898	320,000	1,270,569	1,515,449	1,761,869	5,323,987
Financial investments	199,243	–	60,553	146,751	518,003	1,032,716	780,589	2,737,855
Long-term receivables	5,818	291	963	1,552	15,945	75,911	12,263	112,743
Other assets	233,765	757	12,193	1,112	3,471	8,280	1,130	260,708
Total assets (expected maturity date)	755,703	160,499	503,242	509,813	1,951,124	2,687,257	2,556,363	9,124,001

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(3) Analysis on contractual undiscounted cash flows of non-derivative assets and liabilities (*continued*)

	31 December 2025							Total
	Indefinite	Repayable on demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Liabilities:								
Borrowings from central bank	-	-	1,371	28,580	200,278	-	-	230,229
Deposits and placements from banks and other financial institutions	-	404,184	114,553	161,077	295,513	-	-	975,327
Borrowings from banks and other financial institutions	-	-	23,989	22,383	49,769	12,622	5,490	114,253
Financial assets sold under repurchase agreements	-	-	171,954	58,914	30,163	-	-	261,031
Deposits from customers	-	1,743,929	293,029	444,541	861,554	1,015,017	-	4,358,070
Debt securities issued	-	-	91,503	229,435	585,372	57,117	70,000	1,033,427
Lease liabilities	-	-	235	465	1,883	4,861	797	8,241
Other liabilities	1,961	236,279	6,766	9,544	9,588	9,594	2,145	275,877
Total liabilities (contractual maturity date)	1,961	2,384,392	703,400	954,939	2,034,120	1,099,211	78,432	7,256,455

(4) Analysis on contractual undiscounted cash flows of derivatives

(a) Derivatives settled on a net basis

The Group's derivatives that will be settled on a net basis include:

- Foreign exchange derivatives Foreign exchange forwards, swaps and options
- Precious metal derivatives Precious metal forwards and swaps
- Interest rate derivatives Interest rate swaps
- Credit derivatives Credit default swaps

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(4) Analysis on contractual undiscounted cash flows of derivatives (*continued*)

(a) Derivatives settled on a net basis (*continued*)

The following tables analyse the Group's contractual undiscounted cash flows of derivatives to be settled on a net basis as at the end of the reporting period.

	30 June 2026					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives	285	94	1,122	155	–	1,656
Precious metal derivatives	1,057	223	(859)	–	–	421
Interest rate derivatives	(7)	47	81	358	43	522
Credit derivatives	(26)	96	–	308	–	378
Total	1,309	460	344	821	43	2,977

	31 December 2025					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives	631	1,037	2,785	(446)	–	4,007
Interest rate derivatives	526	1	(199)	(373)	2	(43)
Credit derivatives	21	173	–	443	7	644
Total	1,178	1,211	2,586	(376)	9	4,608

(b) Derivatives settled on a gross basis

The Group's derivatives that will be settled on a gross basis include:

- Foreign exchange derivatives Foreign exchange forwards, swaps and options
- Precious metal derivatives Precious metal swaps

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(4) Analysis on contractual undiscounted cash flows of derivatives (*continued*)

(b) Derivatives settled on a gross basis (*continued*)

The following tables analyse the Group's contractual undiscounted cash flows of derivatives to be settled on a gross basis as at the end of the reporting period.

	30 June 2026					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives						
– Cash outflow	(156,435)	(90,010)	(219,720)	(27,771)	–	(493,936)
– Cash inflow	156,463	90,120	219,227	27,603	–	493,413
Precious metal derivatives						
– Cash outflow	(2,935)	–	–	–	–	(2,935)
– Cash inflow	873	–	–	–	–	873
Total cash outflow	(159,370)	(90,010)	(219,720)	(27,771)	–	(496,871)
Total cash inflow	157,336	90,120	219,227	27,603	–	494,286

	31 December 2025					Total
	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Foreign exchange derivatives						
– Cash outflow	(122,069)	(96,412)	(194,536)	(37,358)	–	(450,375)
– Cash inflow	122,211	96,483	194,655	37,189	–	450,538
Precious metal derivatives						
– Cash outflow	(42,825)	(29,731)	(25,557)	–	–	(98,113)
– Cash inflow	40,234	22,799	27,065	–	–	90,098
Total cash outflow	(164,894)	(126,143)	(220,093)	(37,358)	–	(548,488)
Total cash inflow	162,445	119,282	221,720	37,189	–	540,636

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10 Financial risk management (*continued*)

10.4 Liquidity risk (*continued*)

(5) Analysis on contractual undiscounted cash flows of commitments

Management treats contractual maturity as the best estimate for analysing liquidity risk of off-balance sheet items, unless an objective evidence of default is identified.

	30 June 2026			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Bank acceptances	626,975	–	–	626,975
Unused credit card commitments	520,260	–	–	520,260
Letters of credit	224,938	546	–	225,484
Guarantees	76,981	49,754	746	127,481
Irrevocable credit commitments	2,874	10,706	708	14,288
Total	1,452,028	61,006	1,454	1,514,488

	31 December 2025			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Bank acceptances	569,052	–	–	569,052
Unused credit card commitments	506,953	–	–	506,953
Letters of credit	199,433	804	–	200,237
Guarantees	83,288	43,700	1,938	128,926
Irrevocable credit commitments	2,048	14,325	1,870	18,243
Total	1,360,774	58,829	3,808	1,423,411

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10 Financial risk management (*continued*)

10.5 Operational risk

Operational risk refers to the risk of loss resulting from issues related to internal procedures, personnel and information technology (IT) systems, or external events. Operational risk includes legal risks but excludes strategic and reputation risks. The types of operational risk loss events within the Bank mainly include internal and external fraud, employment system and workplace safety events, events related to clients, products and business practices, damage to physical assets, IT system failures, as well as implementation, delivery and process management events.

During the reporting period, the Bank keeps promoting the implementation of the construction plan for its operational risk management system. It fully explored and found more clues and relevant information on loss data, so as to conducted data tracking, cleaning and supplementary reporting on historical loss data across the Group, and it standardised the identification, collection, and processing procedures for operational risk loss data to ensure the collected results meet the regulatory requirements of comprehensiveness, accuracy, and high quality, while controlling the operational risk loss rate within the risk appetite limit. The Bank improved the calculation logic for business indicators under the standardised approach for operational risk, designed the differential treatment methods for the internal loss multiplier (ILM) under different circumstances, implemented the regulatory capital measurement under the new standardised approach while gradually improving the level of measurement automation. To strengthen the management mechanism for the operational risk stress test, the Bank printed and distributed detailed implementation rules to clarify workflow and methods. The Bank identified and assessed operational risk, monitored indicators, Improve the mechanism for identifying and evaluating operational risks in advance of major changes, optimised the operational risk management system, so as to forge a solid foundation for operational risk management. Additionally, the Bank strengthened the connection between operational risk management and outsourcing risk management, business continuity management, and dynamic updates allow for outsourcing activity scope, optimizing and improving business continuity plans and emergency plans.

10.6 Country risk

The Group is exposed to country risk, which represents the risk due to changes and incidents occurred in the economy, politics and society of a specific country or region, which results in the borrowers or debtors in that country or region incapable of or unwilling to pay their debts owed to the Group or otherwise leads to business losses or other losses to the Group in that country or region. The country risk results from the economic deterioration of a specific country or region, the political and social turmoil, the nationalization or expropriation of assets, the Government's refusal of debt redemption, the restriction of foreign currency, the currency depreciation, and so on.

The country risk faced by the Group mainly arises from overseas loan business, bill business, interbank financing, financial derivative trading, offshore leasing business, securities investment and establishment of overseas institutions.

Country risk management is included in the comprehensive risk management system of the Group and serves the objective of business strategy of the Bank. The Group manages and controls country risk through a number of tools including risk assessment and rating, limit setting, monitoring, and formulation of policies to accrue country risk reserve.

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10 Financial risk management (*continued*)

10.7 Capital management

In managing capital, the Group enhances capital budget, capital configuration and evaluation management, optimize business structure, promote capital utilization efficiency and create value, based on meeting regulatory requirements and raising risk resistance ability.

Starting from 1 January 2024, the Group computes the capital adequacy ratios in accordance with The Capital Rules for Commercial Banks and other relevant regulations. The credit risk-weighted assets are measured using the weighting method. The risk weights for on-balance sheet assets are determined in accordance with Appendix 2 and Appendix 3 of The Capital Rules for Commercial Banks, taking into account the risk mitigation effect provided by qualified collateral or qualified guarantors. The off-balance sheet items are measured by multiplying the nominal amounts by the credit conversion factors to obtain the equivalent on-balance sheet assets, which are then treated in the same manner as on-balance sheet assets for risk-weighted assets computation. Market risk-weighted assets are calculated using the standardized approach. Operational risk-weighted assets are also calculated using the standardized approach.

The Group's capital adequacy ratios are calculated in accordance with The Capital Rules for Commercial Banks and other relevant regulations. For the Group, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio, and capital adequacy ratio are 7.75%, 8.75%, and 10.75%, respectively. The Group's capital management, while meeting regulatory requirements and enhancing risk resilience, focuses on strengthening capital budgeting, allocation, and performance evaluation, optimizing business structure, improving capital efficiency, and creating value.

As of 30 June 2026, the Group's core tier-one capital adequacy ratio, tier-one capital adequacy ratio, and capital adequacy ratio all comply with the requirements of The Capital Rules for Commercial Banks and other relevant regulations. For more information on capital, please refer to the 2026 Interim Report on Third Pillar Information Disclosure of China Minsheng Banking Corp., Ltd. in the section headed "Investors Relations – Announcements and Disclosures – Regulatory Capital" on the Bank's website (www.cmbc.com.cn).

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11 Fair value of financial instruments

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. This level includes listed equity securities and debt instruments on exchanges.

Level 2:

The debt securities classified as level 2 are RMB bonds and foreign currency bonds. The fair value of RMB bonds is determined according to the valuation results of China Central Depository & Clearing Co., Ltd., and the fair value of foreign currency bonds is determined according to Bloomberg's valuation results. Other financial instruments classified as level 2 include derivative contracts, discounted bills and forfaiting, which are valued using discounted cash flow method and Blair-Scholes model, etc. All significant valuation parameters are obtained from observable market information.

Level 3:

Financial instruments classified as level 3 include equity instruments and debt instruments, whose valuation involves one or more significant unobservable inputs, mainly including right of trust benefit, non-listed equities, subordinated tranches of asset-backed securities, convertible bonds, and asset management plans, etc. The valuation techniques used include discounted cash flow method, market approach and income approach, etc. Unobservable inputs for valuation models include discount rates and discounts for lack of marketability (DLOM), etc.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

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11 Fair value of financial instruments *(continued)*

11.1 Financial instruments recorded at fair value

The following tables show an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	30 June 2026			Total
	Level 1	Level 2	Level 3	
Assets				
Financial assets which are measured at fair value on a recurring basis:				
Financial assets at fair value through profit or loss				
– Debt securities	–	142,552	1,466	144,018
– Equity investments	463	8,977	17,529	26,969
– Investment funds	66,797	33,450	3,575	103,822
– Trust and asset management plans	–	3,427	5,586	9,013
– Others	3,400	1,624	45	5,069
Financial assets at fair value through other comprehensive income				
– Debt securities	–	807,289	779	808,068
– Equity investments	–	2,309	6,018	8,327
Loans and advances to customers at fair value through other comprehensive income	–	194,087	–	194,087
Derivative financial assets				
– Foreign exchange derivatives	–	11,994	99	12,093
– Interest rate derivatives	–	1,135	–	1,135
– Precious metal derivatives	–	2,590	–	2,590
– Others	–	26	–	26
Total	70,660	1,209,460	35,097	1,315,217
Liabilities				
Financial liabilities which are measured at fair value on a recurring basis:				
Derivative financial liabilities				
– Foreign exchange derivatives	–	(12,066)	–	(12,066)
– Interest rate derivatives	–	(987)	–	(987)
– Precious metal derivatives	–	(4,231)	–	(4,231)
– Others	–	–	–	–
Financial liabilities at fair value through profit or loss	–	(120,847)	–	(120,847)
Total	–	(138,131)	–	(138,131)

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11 Fair value of financial instruments (continued)

11.1 Financial instruments recorded at fair value (continued)

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets which are measured at fair value on a recurring basis:				
Financial assets at fair value through profit or loss				
– Debt securities	–	187,098	1,570	188,668
– Equity investments	998	4,263	17,660	22,921
– Investment funds	92,936	40,206	1,505	134,647
– Trust and asset management plans	–	14,237	5,493	19,730
– Others	2,975	1,590	1,050	5,615
Financial assets at fair value through other comprehensive income				
– Debt securities	–	703,623	893	704,516
– Equity investments	22	1,692	6,367	8,081
Loans and advances to customers at fair value through other comprehensive income	–	163,029	–	163,029
Derivative financial assets				
– Foreign exchange derivatives	–	10,443	100	10,543
– Interest rate derivatives	–	977	–	977
– Precious metal derivatives	–	5,811	–	5,811
– Others	–	31	–	31
Total	96,931	1,133,000	34,638	1,264,569
Liabilities				
Financial liabilities which are measured at fair value on a recurring basis:				
Derivative financial liabilities				
– Foreign exchange derivatives	–	(10,032)	–	(10,032)
– Interest rate derivatives	–	(857)	–	(857)
– Precious metal derivatives	–	(13,635)	–	(13,635)
– Others	–	(3)	–	(3)
Financial liabilities at fair value through profit or loss	–	(70,926)	–	(70,926)
Total	–	(95,453)	–	(95,453)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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11 Fair value of financial instruments *(continued)*

11.1 Financial instruments recorded at fair value *(continued)*

For equity instruments and debt instruments whose valuation involves one or more than one significant unobservable inputs, the fair value of the financial instruments classified under level 3 is not significantly influenced by the reasonable changes in these unobservable inputs.

11.2 Movement in level 3 financial instruments measured at fair value

The following table shows the movement of level 3 financial instruments during the period:

	Six months ended 30 June 2026							
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Derivative financial assets	Total assets	Financial assets at fair value through profit or loss liabilities	Derivative financial liabilities	Total liabilities
		Debt securities	Equity securities					
As at 1 January 2026	27,278	893	6,367	100	34,638	-	-	-
Total gains/(losses)								
In loss	277	-	-	-	277	-	-	-
In other comprehensive income	-	(138)	(349)	-	(487)	-	-	-
Purchase/transfer in	794	24	-	-	818	-	-	-
Settlement/transfer out	(148)	-	-	(1)	(149)	-	-	-
As at 30 June 2026	28,201	779	6,018	99	35,097	-	-	-
Total realised gains included in the consolidated statement of loss	(150)	-	-	-	(150)	-	-	-
Total unrealised losses included in the consolidated statement of profit or loss	427	-	-	-	427	-	-	-

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(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments (*continued*)

11.2 Movement in level 3 financial instruments measured at fair value (*continued*)

The following table shows the movement of level 3 financial instruments during the period (*continued*)

	Year ended 31 December 2025							
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Derivative financial assets	Total assets	Financial assets at fair value through profit or loss liabilities	Derivative financial liabilities	Total liabilities
		Debt securities	Equity securities					
As at 1 January 2025	24,734	875	5,975	–	31,584	31	14	45
Total gains/(losses)								
In profit or loss	5,574	(16)	–	–	5,558	–	–	–
In other comprehensive income	–	(804)	392	–	(412)	–	–	–
Purchase/transfer in	1,486	838	–	100	2,424	–	–	–
Settlement/transfer out	(4,516)	–	–	–	(4,516)	(31)	(14)	(45)
As at 31 December 2025	27,278	893	6,367	100	34,638	–	–	–
Total realised losses included in the consolidated statement of profit or loss	(254)	–	–	–	(254)	–	–	–
Total unrealised gain/(losses) included in the consolidated statement of profit or loss	5,828	(16)	–	–	5,812	–	–	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in millions of Renminbi, unless otherwise stated)

11 Fair value of financial instruments *(continued)*

11.3 Fair value of financial assets and liabilities not carried at fair value

- (1) **Cash and balances with central bank, balances with banks and other financial institutions, placements with banks and other financial institutions, loans and advances to customers, long-term receivables, central bank deposits and placements from banks and other financial institutions, borrowings from banks and other financial institutions, deposits from customers and financial assets held under resale agreements and sold under repurchase agreements**

Given that these financial assets and financial liabilities mainly mature within a year or adopt floating interest rates, their book values approximate their fair values.

- (2) **Financial investments measured at amortised cost**

The fair values of financial investments measured at amortised cost are usually measured based on “bid” market prices or quotations of the brokers’/dealers. If relevant market information is not available, their fair value are based on quoted prices of security products with similar characteristics, such as credit risk, maturity and yield.

- (3) **Debt securities issued**

Fair values of debt securities issued are based on quoted market prices. For debt securities where quoted market prices are not available, a discounted cash flow model is used to calculate their fair values using the current market rates appropriate for debt securities with similar remaining maturities.

The following table summarises the carrying amounts, the fair value and the analysis by level of the fair value hierarchy of financial assets measured at amortised and cost debt securities issued:

	30 June 2026				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortised cost	1,269,628	1,276,147	–	1,274,637	1,510
Financial liabilities					
Debt securities issued	790,058	786,879	–	786,879	–

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11 Fair value of financial instruments (*continued*)

11.3 Fair value of financial assets and liabilities not carried at fair value (*continued*)

(3) Debt securities issued (*continued*)

31 December 2025					
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortised cost	1,340,151	1,374,878	–	1,343,665	31,213
Financial liabilities					
Debt securities issued	1,012,008	998,669	–	998,669	–

12 Subsequent events

Up to the approval date of the consolidated financial statements, the Group had no material subsequent events for disclosure.

13 Comparative figures

Certain comparative data has been restated to conform to the presentation and disclosure of the current period.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

for the six months ended 30 June 2026
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1 Liquidity coverage ratio

	As at 30 June 2026	As at 31 December 2025
Liquidity coverage ratio (%) (RMB and foreign currency)	134.11	135.60
High Quality Liquid Assets	957,375	958,739
Net cash outflows in 30 days from the end of the reporting period	713,878	707,036

The above liquidity coverage ratio is calculated in accordance with the formula promulgated by the former CBIRC and based on the financial information prepared in accordance with PRC GAAP.

2 Currency concentration

	30 June 2026			
	USD	HKD	Others	Total
Spot assets	310,328	45,940	17,895	374,163
Spot liabilities	(314,430)	(33,729)	(42,011)	(390,170)
Forward purchases	714,346	7,232	72,528	794,106
Forward sales	(758,467)	(13,433)	(79,903)	(851,803)
Net long/(short) position (a)	(48,223)	6,010	(31,491)	(73,704)

	31 December 2025			
	USD	HKD	Others	Total
Spot assets	310,713	46,014	17,863	374,590
Spot liabilities	(314,816)	(33,773)	(42,012)	(390,601)
Forward purchases	1,880,170	22,477	117,692	2,020,339
Forward sales	(994,068)	(30,884)	(141,078)	(1,166,030)
Net long/(short) position (a)	881,999	3,834	(47,535)	838,298

(a) The net position is calculated using the delta equivalent approach as required by the Hong Kong Monetary Authority.

The Group has no structural position in the reporting periods.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

for the six months ended 30 June 2026
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3 Loans and advances to customers

3.1 Impaired loans by geographical area

	30 June 2026		31 December 2025	
	Impaired loans	Allowance for impairment losses	Impaired loans	Allowance for impairment losses
Head Office	18,512	14,550	18,131	14,671
Bohai Rim	21,389	8,748	22,549	9,096
Yangtze River Delta	13,854	5,779	13,684	5,313
Western Region	9,729	4,183	10,552	4,982
Pearl River Delta	9,113	3,840	7,792	3,175
Central Region	4,818	1,715	5,933	2,147
Northeastern Region	1,655	825	1,463	737
Overseas and subsidiaries	1,911	1,085	1,333	938
Total	80,981	40,725	81,437	41,059

3.2 Loans overdue for more than 3 months by geographical area

	30 June 2026		31 December 2025	
	Overdue loans	Allowance for impairment losses	Overdue loans	Allowance for impairment losses
Head Office	14,374	13,655	15,680	14,235
Bohai Rim	15,660	6,862	16,707	6,855
Yangtze River Delta	12,881	5,220	11,870	4,450
Western Region	8,695	3,654	10,015	4,745
Pearl River Delta	8,252	3,504	7,366	2,959
Central Region	4,532	1,590	4,516	1,633
Northeastern Region	1,322	670	1,113	579
Overseas and subsidiaries	1,621	918	1,073	785
Total	67,337	36,073	68,340	36,241

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

for the six months ended 30 June 2026
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4 International claims

	30 June 2026				
	Asia Pacific	North and South America	Europe	Other Locations	Total
Banks	100,475	14,837	22,876	6,155	144,343
Public sector	18,840	51,199	4,837	451	75,327
Non-bank private sector	200,478	56,886	36,193	19,353	312,910
Total	319,793	122,922	63,906	25,959	532,580

	31 December 2025				
	Asia Pacific	North and South America	Europe	Other Locations	Total
Banks	97,107	13,567	24,536	2,875	138,085
Public sector	13,901	40,227	5,714	–	59,842
Non-bank private sector	202,708	71,050	30,312	18,864	322,934
Total	313,716	124,844	60,562	21,739	520,861

