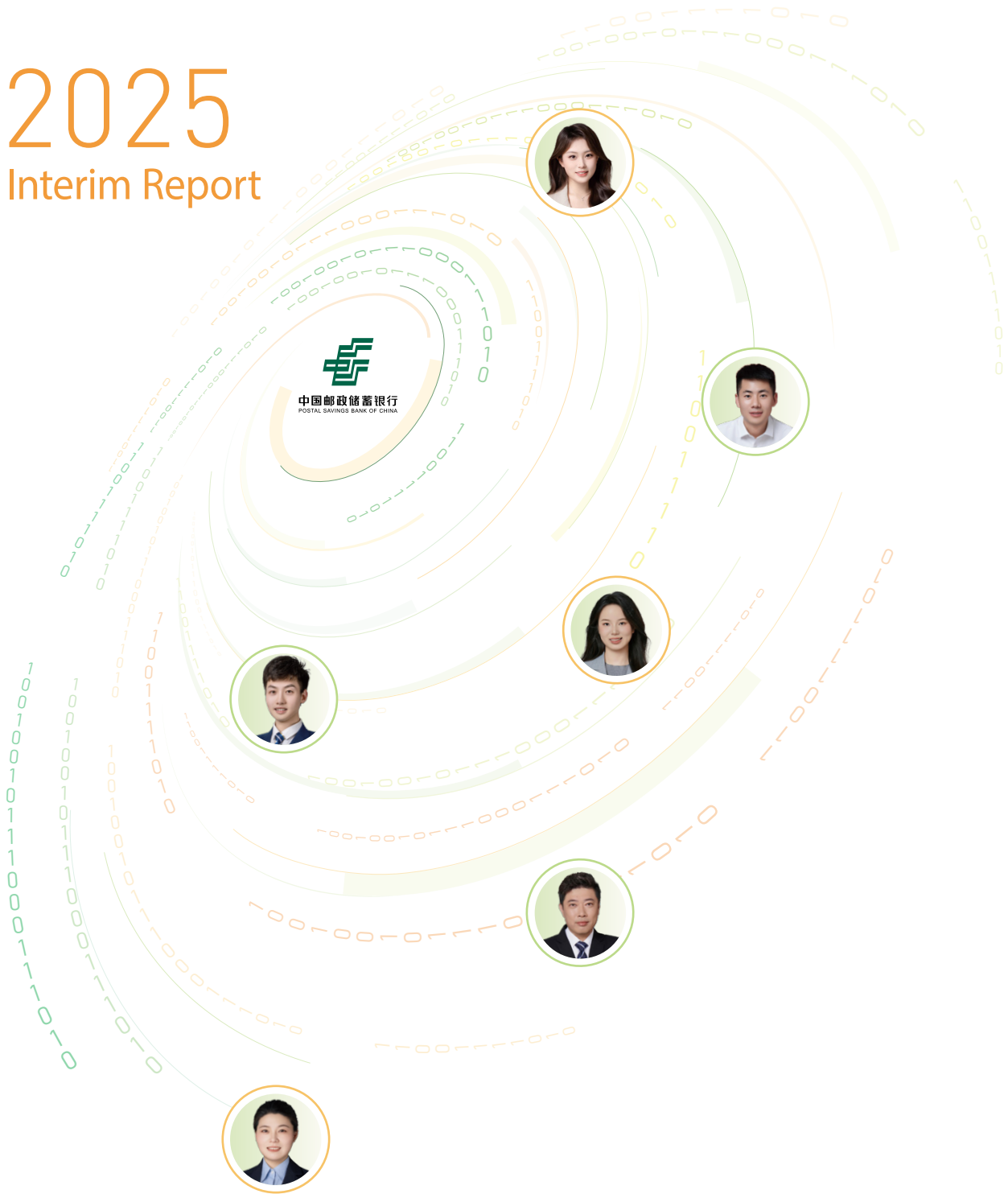


# 2025 Interim Report



Building a first-class large retail bank that is more inclusive, balanced, stable, intelligent and dynamic



**1** Total assets reached RMB18.19 trillion, an increase of 6.47% over the prior year-end.



**2** Total liabilities reached RMB17.05 trillion, an increase of 6.21% over the prior year-end.



**3** Total loans to customers amounted to RMB9.54 trillion, an increase of 6.99% over the prior year-end.



**4** Customer deposits reached RMB16.11 trillion, an increase of 5.37% over the prior year-end.



**5**

The operating income amounted to RMB179,525 million, an increase of 1.47% compared with the same period of the prior year.



**6**

Net profit amounted to RMB49,415 million, a year-on-year increase of 1.08%.



**7**

Net fee and commission income amounted to RMB16,918 million, representing a year-on-year increase of 11.59%.



**8**

The capital adequacy ratio was 14.57%, representing an increase of 0.13 percentage point compared with the prior year-end.



# Important Notice

The Board of Directors, the Board of Supervisors, Directors, Supervisors and the senior management of the Bank undertake that the information in this report is true, accurate and complete and contains no false records, misleading statements or material omissions, and they assume individual and joint legal liabilities for such information.

The 2025 interim report, highlights and results announcement were reviewed and approved at the meeting of the Board of Directors of the Bank held on August 29, 2025. The number of Directors who should attend the meeting is 16, among which 15 Directors attended the meeting in person. Director Yao Hong, due to other work arrangements, designated Director Liu Jianjun in writing as her proxy to attend the meeting and vote on her behalf. The attendance was in compliance with the requirements of the Company Law of the People's Republic of China and the Articles of Association.

With the approval of the Shareholders' General Meeting, the Bank distributed interim cash dividends for 2024 to all the ordinary shareholders whose names appeared on the share register on the record date in January 2025, and final cash dividends for 2024 to all the ordinary shareholders whose names appeared on the share register on the record date in April to May 2025. The total cash dividends for the whole year of 2024 were RMB25,941 million (before tax) at RMB2.616 (before tax) per ten shares. The Bank did not convert its capital reserve to share capital in 2024.

The Board of Directors of the Bank proposed distributing interim cash dividends for 2025 for ordinary shares of RMB1.230 (before tax) for each ten shares, with total cash dividends of approximately RMB14,772 million (before tax). This distribution plan shall be subject to the approval of the Shareholders' General Meeting.

During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes and no case in which the Bank provided material guarantees in violation of the prescribed decision-making procedures.

The 2025 interim financial report of the Bank, prepared in accordance with PRC GAAP and IFRSs, has been reviewed by KPMG Huazhen LLP and KPMG in accordance with domestic and international review standards respectively.

The Board of Directors of Postal Savings Bank of China Co., Ltd.  
August 29, 2025

Mr. Zheng Guoyu, Legal Representative of the Bank, Mr. Xu Xueming, Vice President in charge of finance of the Bank, and Ms. Deng Ping, General Manager of Finance and Accounting Department of the Bank, hereby declare and warrant the truthfulness, accuracy and completeness of the financial statements contained in this report.

This report contains forward-looking statements on the Bank's financial position, results of operations and business development. These statements are based on existing plans, estimates and forecasts and may involve future plans which do not constitute any substantive commitments to investors by the Bank. Hence, investors and persons concerned shall be fully aware of the risks and understand the difference among plans, estimates and commitments.

During the reporting period, the Bank was not aware of any material risk that would adversely affect its future development strategies and business objectives. The Bank proactively took measures to effectively manage all kinds of risks. Please refer to "Discussion and Analysis – Risk Management" for details.

This report is prepared in both Chinese and English. In case of discrepancy between the two versions, the Chinese version shall prevail.

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# Definitions

<b>“Articles of Association”</b>	The Articles of Association of Postal Savings Bank of China Co., Ltd., as amended, supplemented or otherwise modified from time to time
<b>“Bank/PSBC/Postal Savings Bank of China”</b>	Postal Savings Bank of China Co., Ltd., a joint stock limited liability company established in the PRC in accordance with PRC laws, including its predecessors, branches and sub-branches, directly-operated outlets and agency outlets (to the extent of agency outlets’ operations, risk management and licenses in relation to agency banking businesses they conduct) and subsidiaries (where the context so requires)
<b>“Capital Rules”</b>	Rules on Capital Management of Commercial Banks and other related regulations
<b>“central bank/PBC”</b>	People’s Bank of China
<b>“China Post Group”</b>	China Post Group Corporation Limited, a wholly state-owned company restructured from the former China Post Group Corporation in accordance with the Company Law of the People’s Republic of China, is the controlling shareholder of the Bank
<b>“CSRC”</b>	China Securities Regulatory Commission
<b>“Group”</b>	The Bank and its subsidiaries
<b>“HKEX”</b>	Hong Kong Exchanges and Clearing Limited
<b>“Hong Kong Listing Rules”</b>	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
<b>“Hong Kong Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“IFRSs”</b>	International Financial Reporting Standards and the related amendments and interpretations issued by the International Accounting Standards Board
<b>“Latest Practicable Date”</b>	August 29, 2025, being the latest practicable date prior to the printing of this report for ascertaining certain information contained herein
<b>“MOF”</b>	Ministry of Finance of the PRC
<b>“NFRA/former CBIRC/ former CBRC”</b>	National Financial Regulatory Administration or its predecessors, i.e. the former China Banking and Insurance Regulatory Commission, or the former China Banking Regulatory Commission (where the context so requires)
<b>“PRC GAAP”</b>	The Accounting Standards for Business Enterprises issued by the MOF on February 15, 2006, and other related regulations issued thereafter
<b>“PSBC Consumer Finance”</b>	PSBC Consumer Finance Co., Ltd.
<b>“PSBC Wealth Management”</b>	PSBC Wealth Management Co., Ltd.
<b>“Sannong”</b>	Agriculture, rural areas and farmers
<b>“SFO”</b>	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
<b>“SMEs”</b>	Enterprises classified as micro, small and medium-sized enterprises under the Classification Standards of Small and Medium Enterprises
<b>“SSE”</b>	Shanghai Stock Exchange
<b>“SSE Listing Rules”</b>	Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended, supplemented or otherwise modified from time to time
<b>“YOU+ BANK”</b>	YOU+ BANK, a direct bank subsidiary set up by the Bank

The currency for the amounts included in this report, unless otherwise stated, is Renminbi (“RMB”).

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

# Company Profile



The postal savings business in China can be traced back to its start in 1919 with a history of over one hundred years. In March 2007, based on the reform of the previous postal savings management system, Postal Savings Bank of China Limited was officially established. The Bank was transformed into a joint stock limited liability company in January 2012. The Bank went public and was listed on the Hong Kong Stock Exchange in September 2016. The Bank was listed on the SSE in December 2019.

The Bank is a leading large-scale retail bank in China, firmly focusing on serving Sannong customers, urban and rural residents and SMEs. Relying on its unique model and resource endowment featuring directly-operated outlets and agency outlets, it is committed to meeting the financial needs of the most promising customers during China's economic transformation. As at the end of the reporting period, the Bank had approximately 40,000 outlets and served over 670 million personal customers, continuing to maintain excellent asset quality and an increasingly prominent market presence.

The Bank thoroughly implements national strategies, continues to improve the quality and efficiency in serving the real economy, strives for building PSBC into a main force for rural revitalization, the benchmark in inclusive finance and an emerging force in technology finance, and actively acts as a pioneer in green finance. It adheres to the customer-centric philosophy, prioritizes value creation for its customers, continuously improves a financial service system where online and offline services connect with each other for joint development, providing customers with quality, convenient and efficient integrated financial services. It adheres to the risk-based approach as well as a prudent and sound risk appetite, improves the risk management framework that covers "all aspects, whole process, full time and comprehensive area", and enhances the leading role of risk management on all fronts. It continues to follow the operation philosophy of "gaining a first-mover advantage with market insights", takes bold action in innovation and reform, deepens capacity building, upholds refined management and strives for high-quality development.

Faced with the new requirements of the new era and new journey for the financial work, the Bank will thoroughly implement the new development philosophy, deeply understand the political and people-oriented nature of financial work, and be committed to fulfilling its political, economic and social responsibilities as a major state-owned bank. The Bank will press ahead with "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance by keeping pace with the times and upholding principles while innovating, thus driving strategic upgrades, reforms, innovation and risk control improvements, as well as enhancing its endogenous capabilities. The Bank will endeavor to become a first-tier large retail bank which is trustworthy, distinctive, prudent, safe, innovative, and with remarkable value, and strive to create a new chapter of high-quality development.

# Strategic Positioning and Corporate Culture



# Corporate Information

<b>Legal name in Chinese</b>	中國郵政儲蓄銀行股份有限公司(“中國郵政儲蓄銀行”)
<b>Legal name in English</b>	POSTAL SAVINGS BANK OF CHINA CO., LTD. (“PSBC”)
<b>Legal representative</b>	Zheng Guoyu
<b>President</b>	Liu Jianjun
<b>Authorized representatives</b>	Yao Hong, Du Chunye  Du Chunye Address: No. 3 Financial Street, Xicheng District, Beijing Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn
<b>Secretary to the Board of Directors</b>	Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn
<b>Registered address and place of business</b>	No. 3 Financial Street, Xicheng District, Beijing
<b>Principal place of business in Hong Kong</b>	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong  Postal code: 100808 Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn Websites: www.psbcltd.cn, www.psbcc.com
<b>Contacts for investors</b>	Postal code: 100808 Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn Websites: www.psbcltd.cn, www.psbcc.com
<b>Hotline for customer services and complaints</b>	86-95580
<b>Information disclosure media</b>	China Securities Journal (www.cs.com.cn), Shanghai Securities News (www.cnstock.com), Securities Times (www.stcn.com), Securities Daily (www.zqrb.cn)
<b>Interim report available at</b>	Office of the Board of Directors of the Bank No. 3 Financial Street, Xicheng District, Beijing
<b>Unified social credit code</b>	9111000071093465XC
<b>A share listing place, stock name, stock code and website for report publication</b>	Stock exchange on which shares are listed: Shanghai Stock Exchange Stock name: 郵儲銀行 Stock code: 601658 Share registrar: China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 Yanggao South Road, Pudong New Area, Shanghai Website of Shanghai Stock Exchange for report publication: www.sse.com.cn



# Corporate Information

## H share listing place, stock name, stock code and website for report publication

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Stock exchange on which shares are listed: The Stock Exchange of Hong Kong Limited

Stock name: PSBC

Stock code: 1658

Share registrar: Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Website of HKEX for report publication: [www.hkexnews.hk](http://www.hkexnews.hk)

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## Legal advisor as to laws of the Chinese mainland

Haiwen & Partners

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## Legal advisor as to laws of Hong Kong, PRC

Clifford Chance LLP

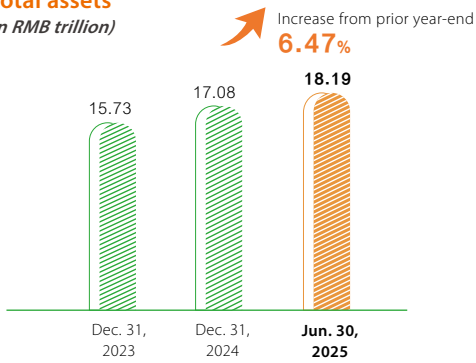
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\* Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to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

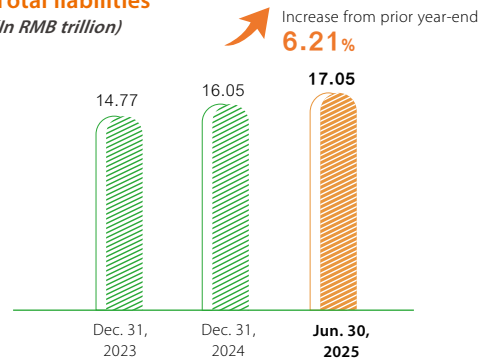
# Financial Highlights

The financial data and indicators in this report have been prepared in accordance with the IFRSs. Unless otherwise specified, they are consolidated data of the Bank and its subsidiaries and denominated in Renminbi.

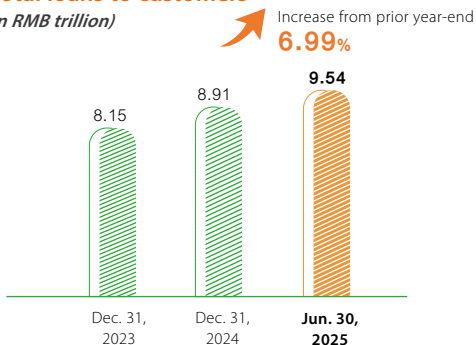
## Total assets (In RMB trillion)



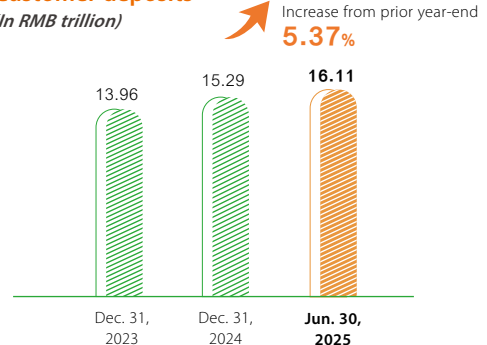
## Total liabilities (In RMB trillion)



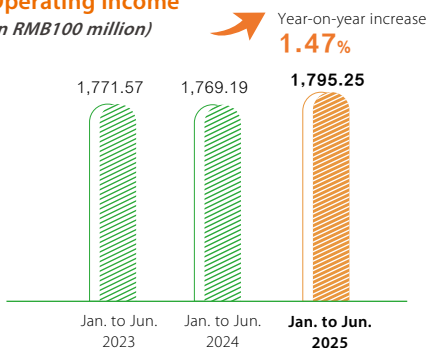
## Total loans to customers (In RMB trillion)



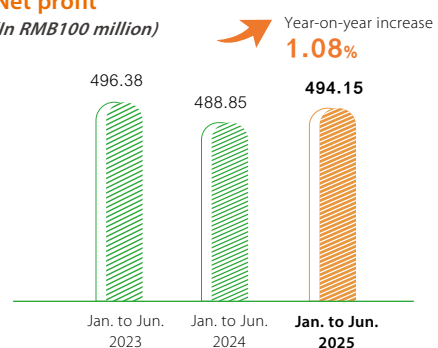
## Customer deposits (In RMB trillion)



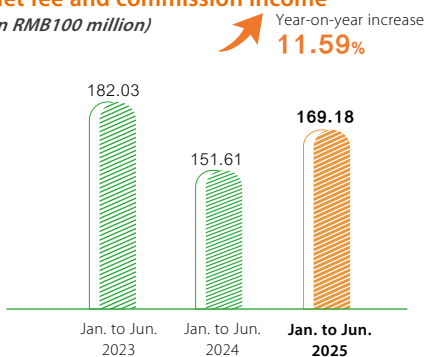
## Operating income (In RMB100 million)



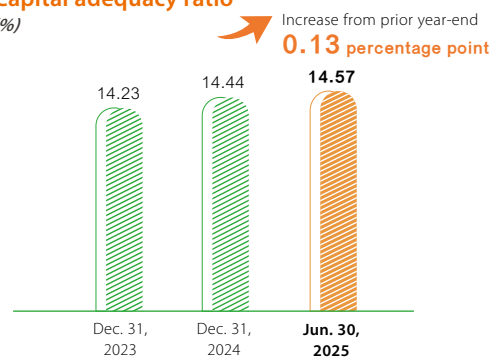
## Net profit (In RMB100 million)



## Net fee and commission income (In RMB100 million)



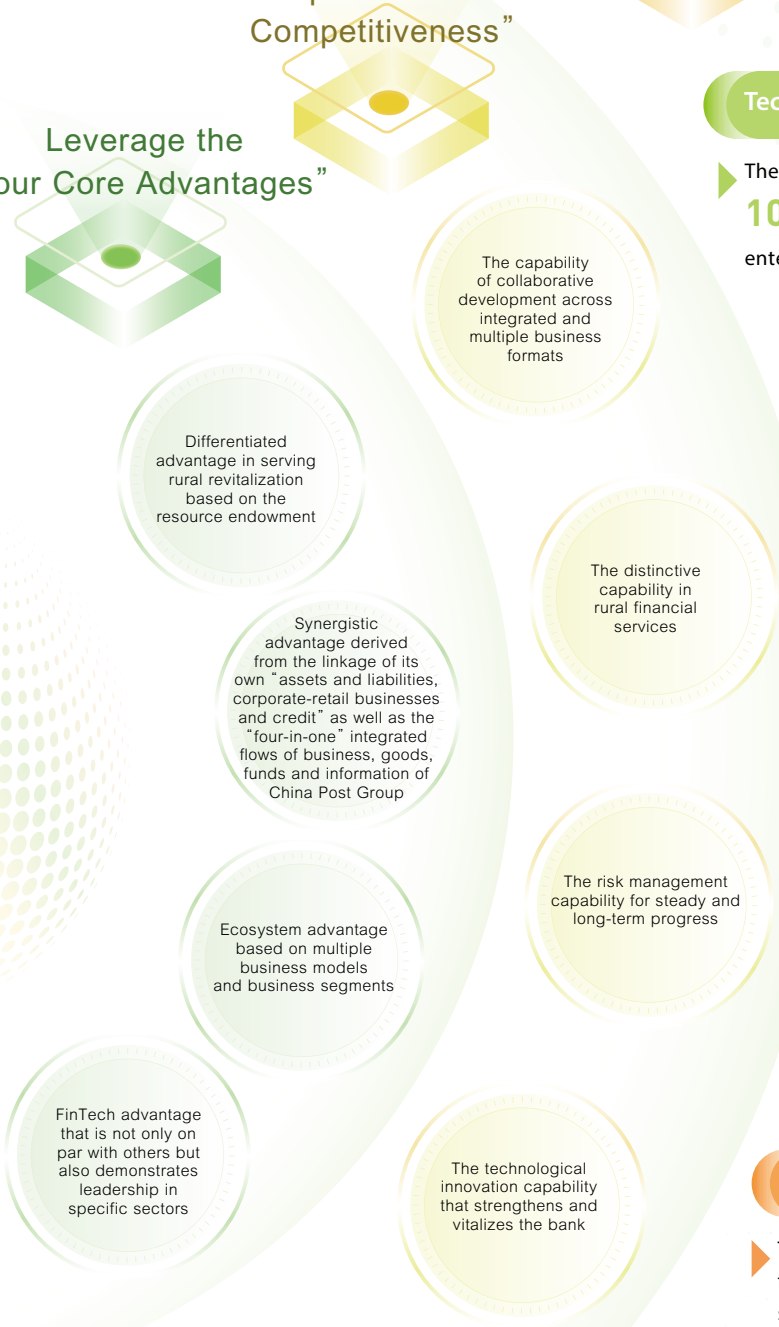
## Capital adequacy ratio (%)



## Write the Chapter of PSBC about “Five Priorities” of the Finance Sector

### Develop the “Four Core Competitiveness”

### Leverage the “Four Core Advantages”



#### Technology Finance

▶ The Bank served over **100,000** sci-tech enterprises.

▶ The balance of technology loans<sup>1</sup> exceeded RMB **930** billion.

#### Inclusive Finance

▶ The balance of agro-related loans amounted to RMB **2.44** trillion.

▶ The balance of inclusive loans to MSEs amounted to RMB **1.72** trillion.

#### Green Finance

▶ The balance of green loans<sup>2</sup> amounted to RMB **958,639** million, up by **11.59%** over the prior year-end.

▶ The growth rate of green loans is **4.60** percentage points higher than that of total loans.

#### Digital Finance

▶ The Bank had **386** million personal mobile banking customers.

▶ The number of monthly active users (MAUs) of mobile banking reached **85,998.7** thousand.

#### Pension Finance

▶ The number of financial social security cards issued by the Bank reached nearly **130** million.

▶ The number of personal pension accounts amounted to over 10 million, with the scale of contributions up by **28.85%** over the prior year-end.

1 Data of technology loans are on the same basis as the statistical standards for technology loans under the “five priorities” of the finance sector announced by the PBC.

2 Green loans are measured in accordance with the Catalogue of Green Finance-Supported Projects (Trial) issued by the PBC, and the data for the comparison period have been restated.

# Financial Highlights

## Key Financial Data

*In RMB million, unless otherwise stated*

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2023
<b>Operating results</b>			
Operating income	179,525	176,919	177,157
Net interest income	139,058	142,876	140,305
Net fee and commission income	16,918	15,161	18,203
Operating expenses	99,808	107,372	103,109
Credit impairment losses	21,715	16,120	19,316
Profit before income tax	57,998	53,414	54,731
Net profit	49,415	48,885	49,638
Net profit attributable to equity holders of the Bank	49,228	48,815	49,564
Net cash flows generated from operating activities	183,699	130,932	83,497
<b>Per share data (in RMB Yuan)</b>			
Basic and diluted earnings per share <sup>(1)</sup>	0.43	0.44	0.46

Note (1): Calculated in accordance with the Accounting Standards for Business Enterprises No. 34 – Earnings per Share issued by the MOF and the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC. There are no potential diluted ordinary shares of the Bank, so the diluted earnings per share is the same as the basic earnings per share. The impact of other equity instruments is excluded in the calculation of relevant indicators.



# Financial Highlights

*In RMB million, unless otherwise stated*

Item <sup>(1)</sup>	June 30, 2025	December 31, 2024	December 31, 2023
<b>Data as at the end of the reporting period</b>			
Total assets	18,190,521	17,084,910	15,726,631
Total loans to customers <sup>(2)</sup>	9,536,184	8,913,202	8,148,893
Allowance for impairment losses on loans to customers <sup>(3)</sup>	226,747	229,058	233,648
Loans to customers, net	9,309,437	8,684,144	7,915,245
Financial investments <sup>(4)</sup>	6,170,869	6,004,127	5,387,588
Cash and deposits with central bank	1,288,857	1,314,703	1,337,501
Total liabilities	17,049,715	16,053,261	14,770,015
Customer deposits <sup>(2)</sup>	16,108,809	15,287,541	13,955,963
Equity attributable to equity holders of the Bank	1,138,639	1,029,669	954,873
Net capital <sup>(5)</sup>	1,362,487	1,244,111	1,165,404
Net Common Equity Tier 1 (CET1) capital <sup>(5)</sup>	983,753	824,191	780,106
Net additional tier 1 capital <sup>(5)</sup>	150,165	200,141	170,152
Risk-weighted assets <sup>(5)</sup>	9,349,529	8,617,743	8,187,064
<b>Per share data (in RMB Yuan)</b>			
Net assets per share <sup>(6)</sup>	8.23	8.37	7.92

Note (1): In accordance with the relevant regulations under the Notice on Amending the Format of Financial Statements for Financial Enterprises in 2018 (Cai Kuai [2018] No. 36) issued by the MOF, from 2018 onward, the interest on corresponding assets and liabilities is included in the balance of carrying amounts of the financial instruments accordingly, and should no longer be accounted for as separate items of "interest receivable" or "interest payable". The balance of "interest receivable" or "interest payable" listed under "other assets" or "other liabilities" is only interest receivable or interest payable on relevant matured financial instruments but not received nor paid on the balance sheet date.

Note (2): For ease of reference, "loans to customers" refers to "loans and advances to customers" and "customer deposits" refers to "deposits from customers" in this report.

Note (3): Allowance for impairment losses on loans to customers measured at amortized cost.

Note (4): Consists of financial assets measured at fair value through profit or loss, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income, and financial assets measured at amortized cost.

Note (5): Calculated in accordance with the Rules on Capital Management of Commercial Banks starting from 2024, while the comparison period data of previous years was calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional).

Note (6): Calculated by dividing equity attributable to ordinary shareholders of the Bank at the end of the period by the total number of ordinary shares at the end of the period.

## Financial Indicators

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	For the six months ended June 30, 2023
<b>Profitability (%)</b>			
Return on average total assets <sup>(1)(2)</sup>	0.56	0.61	0.69
Return on weighted average equity <sup>(1)(3)</sup>	10.91	11.43	12.86
Net interest margin <sup>(1)(4)</sup>	1.70	1.91	2.08
Net interest spread <sup>(1)(5)</sup>	1.69	1.89	2.06
Net fee and commission income to operating income ratio	9.42	8.57	10.28
Cost-to-income ratio <sup>(6)</sup>	54.80	59.95	57.36

Note (1): On an annualized basis.

Note (2): Calculated by dividing net profit by the average of total assets at the beginning and at the end of the reporting period.

Note (3): Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC. The impact of other equity instruments is excluded in the calculation of relevant indicators.

Note (4): Calculated by dividing net interest income by the average balance of interest-earning assets.

Note (5): Calculated by the spread between yield on average balance of interest-earning assets and cost on average balance of interest-bearing liabilities.

Note (6): Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

Item	June 30, 2025	December 31, 2024	December 31, 2023
<b>Asset quality (%)</b>			
Non-performing loan ratio <sup>(1)</sup>	0.92	0.90	0.83
Allowance to NPLs ratio <sup>(2)</sup>	260.35	286.15	347.57
Allowance to loans ratio <sup>(3)</sup>	2.39	2.58	2.88
<b>Capital adequacy ratio (%)<sup>(4)</sup></b>			
CET1 capital adequacy ratio <sup>(5)</sup>	10.52	9.56	9.53
Tier 1 capital adequacy ratio <sup>(6)</sup>	12.13	11.89	11.61
Capital adequacy ratio <sup>(7)</sup>	14.57	14.44	14.23
Risk-weighted assets to total assets ratio <sup>(8)</sup>	51.40	50.44	52.06
Total equity to total assets ratio	6.27	6.04	6.08

Note (1): Calculated by dividing the total NPLs by total loans to customers, and the total loans exclude the accrued interest.

Note (2): Calculated by dividing total allowance for impairment losses on loans to customers by total NPLs. Total allowance for impairment losses on loans to customers includes allowance for impairment losses on loans to customers measured at amortized cost and allowance for impairment losses on loans to customers measured at fair value through other comprehensive income.

Note (3): Calculated by dividing total allowance for impairment losses on loans to customers by total loans to customers. The total loans exclude the accrued interest.

Note (4): Calculated in accordance with the Rules on Capital Management of Commercial Banks starting from 2024, while the comparison period data of previous years was calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional).

Note (5): Calculated by dividing net CET1 capital by risk-weighted assets.

Note (6): Calculated by dividing net tier 1 capital by risk-weighted assets.

Note (7): Calculated by dividing net capital by risk-weighted assets.

Note (8): Calculated by dividing risk-weighted assets by total assets.



# Financial Highlights

## Other Major Indicators

Item		Regulatory criteria	June 30, 2025	December 31, 2024	December 31, 2023
Liquidity ratio (%) <sup>(1)</sup>	RMB and foreign currency	≥25	104.07	94.13	83.39
Percentage of loans to largest single borrower (%) <sup>(2)</sup>		≤10	3.66	7.98	13.34
Percentage of loans to the ten largest borrowers (%)			12.89	17.55	23.14
Loan migration ratio (%)	Normal		0.75	1.10	0.95
	Special mention		26.30	23.69	32.73
	Substandard		76.64	70.42	50.99
	Doubtful		65.56	70.79	72.59

Note (1): Calculated by dividing current assets by current liabilities.

Note (2): Percentage of loans to the largest single borrower = balance of loans to the largest borrower/net capital x 100%. The largest borrower refers to the borrower with the highest balance of loans at the period end.

## Credit Ratings

Rating Agency	June 30, 2025	2024	2023
S&P Global Ratings	A (Stable)	A (Stable)	A (Stable)
Moody's Investors Service	A1 (Negative)	A1 (Negative)	A1 (Negative)
Fitch Ratings	A (Stable)	A+ (Negative)	A+(Stable)
S&P Global (China) Ratings	AAAspc (Stable)	AAAspc (Stable)	AAAspc (Stable)
CCXI	AAA (Stable)	AAA (Stable)	AAA (Stable)

## Overview of Operations

At this historic juncture marked by the conclusion of the 14th Five-Year Plan and planning for the 15th Five-Year Plan, the Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, stayed true to serving the real economy with financial services as its fundamental purpose, firmly grasped the primary task of pursuing high-quality development, deeply integrated the philosophy of long-termism and sustainable development into our development strategy and daily operations, continuously stimulated internal driving force and improved core capabilities. **The Bank strides forward towards the goal of building a first-class large retail bank that is more inclusive, balanced, stable, intelligent and dynamic.**

**Firstly, the Bank strengthened the building of core capabilities and accelerated the transformation to a more robust, balanced and resilient development model.**

The Bank continued to strengthen the construction of the “major capabilities in six aspects”<sup>1</sup>, accelerated innovation and transformation, implemented refined management, and continued to build professional, systematic and mechanism-based capabilities through self-reform with a focus on internal improvements, thus enhancing development resilience. As at the end of the reporting period, total assets exceeded RMB18 trillion and amounted to RMB18.19 trillion. Total liabilities exceeded RMB17 trillion and amounted to RMB17.05 trillion. Total assets and liabilities both reached new heights. PSBC ranked 12th in The Banker’s list of “Top 1000 World Banks 2025” in terms of tier 1 capital for three consecutive years, and its ratings by the three major international rating agencies maintained a leading position among domestic commercial banks.

**Secondly, the Bank accelerated transformation of the business structure and achieved greater balance in the balance sheet.**

On the asset side, the Bank took the risk-adjusted return on capital (RAROC) as a yardstick for dynamic allocation and optimized the structure of credit and non-credit businesses as well as retail and corporate businesses. The Bank continuously tapped into the effective demand potential of the real economy, and comprehensively improved its ability to balance the allocation of various credit assets. In the first half of the year, loans increased by RMB622,982 million, RMB113,113 million more than the increase during the same period of last year. The loan-to-deposit ratio and the percentage of credit assets in total assets increased by 0.90 and 0.25 percentage point respectively compared to the prior year-end. Retail loans grew steadily and maintained good resilience. In the first half of the year, retail loans increased by RMB88,793 million or 1.86%, higher than the industry average; corporate loans grew by RMB541,098 million, representing an increase of 14.83%, which was RMB222,924 million more than the increase during the same period of last year, forming a more stable linkage structure between the wholesale and retail businesses. The Bank flexibly allocated non-credit assets, continuously strengthened market analysis and prediction as well as forward-looking planning, and deepened the research and application of diversified trading strategies to improve integrated returns. On the liability side, the Bank implemented the development concept of coordinating quantity and price, optimized the value deposits management mechanism, incorporated low-cost interbank demand deposits into the scope of value deposits, actively expanded the scale of proprietary deposits, and strove to develop stable, low-cost liability funding sources into long-term, sustainable advantages. In the first half of the year, deposits exceeded RMB16 trillion and amounted to RMB16.11 trillion, up by 5.37%. Specifically, corporate deposits increased by RMB229,623 million or 13.86%. The Bank strengthened refined deposit pricing management.

<sup>1</sup> The “major capabilities in six aspects” refer to capabilities in terms of core expertise, system support, collaborative integration, technological facilitation, institutional drive and innovation leadership.



## Overview of Operations

In the first half of the year, the cost-of-deposits ratio stood at 1.23%, a further decrease of 21 bps from the previous year, maintaining an excellent level among listed banks. By strengthening proactive management and refined management on both the asset and liability sides, the Bank achieved a net interest margin of 1.70% in the first half of the year, maintaining an industry-leading position.

**Thirdly, the Bank pressed ahead with capital-light transformation and achieved a more diversified income structure.** The Bank focused on balanced development, pressed ahead with capital-light transformation and achieved transition from “reliance on interest margin alone” to “diversified value creation”, and fostered a more robust and diversified income structure. During the reporting period, net profit attributable to equity holders of the Bank reached RMB49,228 million, a year-on-year increase of 0.85%. Operating income reached RMB179,525 million, a year-on-year increase of 1.47%. The contribution from non-interest income improved. Specifically, intermediary business income reached RMB16,918 million, with a year-on-year increase of 11.59%; and other non-interest income amounted to RMB23,549 million, a year-on-year increase of 24.72%. Both posted double-digit growth, and their percentages in the operating income showed a year-on-year increase of 0.85 percentage point and 2.45 percentage points, respectively.

**Fourthly, the Bank enhanced the leading role of risk management on all fronts and ensured that major risks remained stable and under control.** With the growth of retail credit business generally under pressure across the whole industry, the Bank strictly controlled access to

business, fully reviewed and optimized the risk control strategy, and strengthened the building and application of intelligent risk management. As at the end of the reporting period, the NPL ratio was 0.92%, continuing to remain at an excellent level; the allowance to NPLs ratio was 260.35%, indicating adequate risk offsetting capabilities. The Bank fully promoted the implementation of the advanced approaches for capital management and continuously improved the differentiated risk pricing framework. The Bank deepened industrial research, accelerated the promotion and application of the “future-oriented” technology, and developed potential blue-chip customers. With these efforts, the Bank reviewed and approved 10,629 customers, a year-on-year increase of 41.17%; the approval amount was RMB2.40 trillion, a year-on-year increase of 261.21%.

**Fifthly, the Bank obtained large-scale state capital injection for the first time, providing funding for new business development strategies and opportunities.** The Bank raised RMB130 billion through the issuance of A shares to specific subscribers, and comprehensively improved capital adequacy at all levels. As at the end of the reporting period, the capital adequacy ratio was 14.57%, and CET1 capital adequacy ratio was 10.52%, an increase of 0.13 and 0.96 percentage point compared to the prior year-end, respectively. This effectively enhanced its ability to serve the real economy and withstand risks. The Bank proactively adjusted agency fee rates for the first time and effectively promoted the market-based operation of the model featuring directly-operated outlets and agency outlets. The Bank has planned to establish a financial asset investment company, which would enrich its licenses and significantly enhance its integrated business capabilities.

The Bank always adhered to its positioning of serving Sannong customers, urban and rural residents and SMEs. Leveraging its extensive network of nearly 40,000 outlets across urban and rural areas, the Bank served over 670 million personal customers and built the most extensive inclusive finance service framework. Based on this resource endowment, **the Bank closely integrated the national strategy of the “five priorities” of the financial sector with its own characteristics, leveraged its advantages in channels, customer base and capital, and is committed to meeting the financial needs of the most promising customers during China’s economic transformation.** The Bank strived to make inclusive finance its most distinctive feature and most prominent advantage, and accelerated to develop itself into a main force in serving rural revitalization and a benchmark in delivering inclusive finance. At the same time, the Bank gave prominence to technology finance and seized the strategic high ground in the technology finance sector. The Bank actively developed itself into an emerging force in technology finance, served as a pioneer in green finance, strived to become a caring bank that accompanies customers in their retirement journey, and built a customer-centric digital ecosystem-based bank, fully showcasing PSBC characteristics in the “five priorities”.

**Firstly**, the Bank improved and implemented the working mechanism and organizational structure regarding the “five priorities”. The Bank also set up a three-dimensional organizational support framework and a top-down, coordinated working mechanism. **Secondly**, the Bank continuously optimized the inclusive finance service framework, accelerated the innovation and transformation of its service model, focused on counties, communities, neighborhoods, industrial parks and campuses, and met the diverse financial service needs of urban and rural residents. As at the end of the reporting period, the balance

of agro-related loans amounted to RMB2.44 trillion, and the balance of inclusive loans to MSEs totaled RMB1.72 trillion, both of which ranked in the forefront among major state-owned banks in terms of their percentages in total loans to customers. **Thirdly**, the Bank established a multi-tiered professional framework for specialized, featured and demonstrational institutions in technology finance, established technology finance departments, focused on technological innovation enterprises and provided lifecycle financial services to high-growth and outstanding enterprises. The Bank served over 100 thousand technology enterprises, with outstanding technology loans exceeding RMB930 billion, a net increase of over RMB90 billion in the year. **Fourthly**, the Bank continuously enriched its products and services in green finance. The Bank has set up a total of 45 green finance institutions including carbon neutrality sub-branches, green sub-branches and green finance departments. The balance of green loans reached RMB958,639 million, an increase of 11.59% from the prior year-end, 4.60 percentage points higher than the growth rate of total loans. **Fifthly**, the Bank moved faster to build up a distinctive edge in pension finance. The total number of personal pension accounts opened with the Bank exceeded 10 million on a cumulative basis, and the contribution amount increased by 28.85% compared to the prior year-end. The Bank actively developed the “5-2-3” integrated marketing framework<sup>1</sup> and implemented key businesses under various industry operation models. **Sixthly**, the Bank enhanced the digital finance service capabilities. The real-time data warehouse on the big data platform processed over five billion data entries daily on average, a year-on-year increase of approximately 80%. The Bank used the “i-Super” digital finance index<sup>2</sup> to measure the quality and effectiveness of digital transformation and optimize the development path.

1 The “5-2-3” integrated marketing framework refers to “five key areas, two strategies, and three types of marketing and service models”. The Bank focuses on five key areas, namely health care and wellness travel, integration of medical and elderly care services, institutional elderly care, smart health care and elderly care, and silver-haired product manufacturing; strengthens its customer group strategy and regional strategy; and innovatively promotes integrated marketing and service model serving the full lifecycle of projects, the marketing and service model for the whole industry chain, and the GBC (Government, Business, Customer) linkage marketing and service model.

2 The “i-Super” digital finance index is composed of multiple indicators in six major digitization areas, namely infrastructure development, supervision and management, user-service operation, products and businesses, ecosystem scenarios, and risk control, and it quantifies the effectiveness of the Bank’s digital transformation in an intuitive and comprehensive manner using an index form.



## Overview of Operations

**Based on its resource advantages, the Bank solidified the foundation, continuously optimized the business layout, and built a more resilient business framework.** The Bank moved faster to implement the “Five Major Initiatives” and “Seven Major Reforms”, with the former including “Building Strong Communities and Wealthy Towns”, “Urban Business Acceleration”, “Outlet Efficiency Enhancement”, “Corporate Banking Improvement”, and “Comprehensive Breakthroughs in Mobile Banking”, and the latter including reforms of the organizational structure, outlet operations, market service framework, incentive mechanism, digital and intelligent transformation, risk management framework, and operation management framework. By focusing on strengthening competitive strengths, filling up the gaps, and forging new strengths, the Bank promoted bank-wide strategic upgrading and optimization. **The Bank deepened its footprint in the rural market, SME business and personal banking business, and continuously consolidated its traditional advantages.** The Bank developed a characteristic model for Sannong finance featuring high efficiency, low cost and controllable risks, promoted scenario-based customer acquisition, comprehensive quality improvement, and intensive efficiency enhancement for SMEs, built a “retail-retail + wholesale-retail” customer development framework and a “customer segment + customer group” management framework for personal banking business, and consolidated established strengths in inclusive finance business. Retail AUM (assets under management for individual customers) amounted to RMB17.67 trillion, a 5.87% increase from the prior year-end. Specifically, the AUM of customers at the Fujia level and above<sup>1</sup> increased by 11.69% compared to the prior year-end. **The Bank also vigorously developed corporate finance, urban finance, featured finance, and comprehensive finance and continuously enhanced value contribution.** The Bank promoted the in-depth development of the new “1 plus N” operation and

service framework for corporate banking<sup>2</sup>, strengthened comprehensive lead bank customer development and chain-style customer expansion, and enhanced customers’ comprehensive value creation. The finance product aggregate (FPA) totaled RMB6.43 trillion, a 15.72% increase from the prior year-end. Deepening efforts for urban finance and focusing on objectives and key initiatives of the Urban Business Acceleration, the Bank implemented a strategy to prioritize the development of key city branches and formed a distinctive development model of urban finance. Regarding treasury and asset management business, the Bank advanced a comprehensive business layout to achieve diversified value contribution. The number of interbank customers with which the Bank cooperated reached nearly 3,300, and the cumulative trading volume of the “Together We Thrive” interbank ecosystem platform exceeded RMB7 trillion. The Bank actively optimized its investment and financing asset structure and enhanced refined transaction management capabilities. Non-interest income from the bill business stood at RMB1,248 million, a year-on-year increase of 34.34%. Wealth management fee income increased by 47.89% year on year, and the custody business fee income increased by 17.62% year on year.

Going forward, the Bank will closely center around the major decisions and plans of the CPC Central Committee, fully promote reform, innovation, transformation and upgrading, and firmly uphold the “bottom line” of business development. It will strive to successfully conclude the 14th Five-Year Plan period, meticulously formulate its own plan for the 15th Five-Year Plan period, lay a solid foundation for achieving a good start, shape new competitive strengths in serving high-quality economic and social development, and accelerate the high-quality development to unlock its full potential.

1 The Bank regards customers with assets of RMB100,000 and above as VIP customers. Among them, customers with assets between RMB500,000 (inclusive) and RMB6 million are Fujia customers, and customers with assets of RMB6 million and above are Dingfu customers.

2 The new “1 plus N” operation and service framework refers to a framework under which the Bank carries out reform and in-depth application of the operation mechanism and develops a marketing support service framework that integrates the front, middle and back offices by focusing on the six dimensions of customer, product, collaboration, service, risk and technology.

# Five Major Initiatives

## Building Strong Communities and Wealthy Towns

In line with the principle of “market orientation, differentiated strategies, overall planning, and step-by-step implementation”, the Bank adopts differentiated development strategies tailored to local conditions. The Bank promotes breakthroughs in key regions and drives the development of surrounding regions with greater resource input and more effective measures.



## Urban Business Acceleration

The Bank implements a strategy to prioritize the development of key urban branches, makes a leap forward in market competitiveness, value creation, risk control, brand influence, and comprehensive service capabilities, drives the accelerated development of bank-wide urban business, and develops a strategic pattern driven by both urban and rural areas.

## Outlet Efficiency Enhancement

The Bank continuously transforms outlets into business-integrated, ecosystem-based and intelligent ones, leverages its resource advantages including broad customer coverage, outlet outreach, and abundant collaborative resources, continuously stimulates outlet vitality, improves outlet efficiency, and transforms outlets into new benchmarks for leading social value, significant competitive advantage, outstanding operational efficiency, lean and intelligent management, and excellent service experience.



## Comprehensive Breakthroughs in Mobile Banking

The Bank takes mobile banking as the core online channel, focuses on customer attraction and acquisition, scenario integration, channel coordination, data consolidation and service interoperability, creates a minimalist customer experience, strengthens seamless intelligent risk control, and develops mobile banking into the preferred ecosystem platform that meets customers' financial and non-financial needs.



## Corporate Business Improvement

The Bank strengthens GBC-M linkage<sup>1</sup>, advances the ecosystem-based chain-style referral approach, develops a well-defined and well-connected customer base, provides differentiated, tiered, segmented and targeted services for different customer groups, focuses on implementing the ten initiatives and improving the ten supporting mechanisms, and improves both customer quantity and quality.

## Operation management framework

The Bank firmly establishes the digital finance mindset, fully embraces “AI+”, and accelerates the development of an intensive, efficient, professional, intelligent, service-oriented, and innovation-driven operation management framework.



## Risk management framework

The Bank implements comprehensive risk management responsibilities, builds a digital and intelligent risk control platform, and develops risk management competitiveness with PSBC characteristics with a focus on centralization, refinement, specialization and intelligence.

## Digital and intelligent transformation

To build a digital, intelligent and ecosystem-based bank, the Bank launches reforms in seven areas including personal banking, corporate banking, treasury and asset management, operation management, risk management, comprehensive support, and technological capabilities, and moves faster to build itself into a more intelligent first-tier large retail bank.

## Incentive mechanism

The Bank adheres to taking solid work as the key, strengthens positive incentives, stimulates the internal driving force of starting new endeavors, truly lightens the burden on grassroots-level institutions, and fully mobilizes development enthusiasm.

## Market service framework

The Bank upholds a market-oriented and customer-centric approach, focuses on key elements such as products, channels, marketing, and collaboration, keeps pace with market developments, identifies and meets customer needs, and provides comprehensive services.

## Outlet operations

The Bank promotes outlet efficiency enhancement and outlet operations in an integrated manner, continuously strengthens outlet reform, and further enhances the competitiveness, value creation, and customer service of outlets.

## Organizational structure

The Bank explores and optimizes traditional management models and establishes an organizational structure compatible with market competition, efficient operations, and the first-tier modern banking governance framework.

# Seven Major Reforms

<sup>1</sup> GBC-M linkage refers to creating a scenario-based ecosystem and closed-loop chain serving G-end (Government), B-end (Business), C-end (Customer), and M-end (Merchant) through collaboration.





## Discussion and Analysis

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## Environment and Prospect

In the first half of 2025, global economic growth remained sluggish, with regional divergence becoming increasingly pronounced. Inflation in developed economies showed signs of easing, yet upward pressure on prices persisted. Rising global trade barriers and ongoing geopolitical conflicts continued to threaten the security of global industrial and supply chains as well as trade order. Major developed economies entered an interest rate cut cycle, but the policy path remain uncertain, leading to increased volatility in international financial markets. The global banking sector saw generally stable expansion in scale, experienced an overall recovery in profitability, and showed relative stability in capital adequacy, but faced challenges in asset quality control.

China's economy maintained stability with steady progress, with new achievements in high-quality development, demonstrating strong vitality and resilience. More proactive and effective macro policies were adopted. With appropriately accommodative monetary policy, money and credit supply as well as aggregate financing grew at a reasonable pace, while the overall financing costs declined. The credit structure was continuously optimized, and the RMB exchange rate remained generally stable at a reasonable and equilibrium level. China's banking sector remained stable, with assets expanding steadily and financial services continuously enhanced. Asset quality remained broadly stable, and the overall risk compensation capacity was sufficient.

Looking ahead to the second half of the year, China will continue to adhere to the general principle of seeking progress while maintaining stability, and fully and faithfully apply the new development philosophy on all fronts. It will move faster to create a new pattern of development, work to maintain stable employment, enterprises, markets and expectations, vigorously promote domestic and international economic flows, and strive to achieve this year's objectives and tasks for economic and social development. Macro policies will continue to exert force and be strengthened at an appropriate time. Fiscal policy will become more proactive, while monetary policy will remain appropriately

accommodative, fully unleashing policy effects. The banking sector will continue to improve the quality and efficiency of financial services in serving the real economy, strengthen financial services for major strategies, key sectors and areas of weakness, increase support for fields such as technological innovation, consumption stimulation, MSEs and stabilizing foreign trade, and firmly guard the bottom line of preventing systemic financial risks.

The second half of 2025 is the critical final stage for the conclusion of the 14th Five-Year Plan and planning for the 15th Five-Year Plan. The Bank will unwaveringly follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, continue to thoroughly implement the guiding principles of the 20th CPC National Congress, the second and third plenary sessions of the 20th CPC Central Committee, the Central Financial Work Conference and the Central Economic Work Conference, accomplish all major tasks with determined resolve and effective measures, and make greater contributions to serving national strategies and economic and social development.

Firstly, the Bank will resolutely shoulder the responsibilities of a major state-owned bank. It will resolutely implement the key tasks of "maintaining stable employment, enterprises, markets and expectations", vigorously boost consumption and expand domestic demand, and intensify investment and financing support to meet the diversified financing needs of the real economy. It will increase resource allocation to key areas such as ensuring stable grain production and supply, developing county-level industries for prosperity, and strengthening weak links in rural infrastructure and public services, in an effort to firmly uphold the responsibility of serving rural revitalization. Based on its strategic positioning and resource advantages, the Bank will accelerate the improvement of top-level design and organizational framework to solidly advance the "five priorities" of the financial sector. The Bank will also implement requirements for state capital injection, scale up operations, enhance returns, and effectively improve the quality and effectiveness of serving the real economy.



Secondly, the Bank will accelerate the high-quality development. It will deepen its footprint in rural markets, SMEs and personal banking business, transform its traditional strengths into solid competitive advantages, and strengthen traditional growth poles. It will accelerate the development of corporate finance, urban finance, distinctive financial services and integrated finance, cultivate new growth poles, and build momentum for growth. It will continue to optimize the asset-liability structure, vigorously develop deposits from directly-operated outlets, maintain positive and steady loan growth, and steadily increase the loan-to-deposit ratio. The Bank will vigorously develop custody services, wealth management, syndicated loans, M&A financing, supply chain, financial advisory service, agency sales of wealth management products, and quick payment, striving to rapidly increase the proportion of non-interest income.

Thirdly, the Bank will fully advance reform, innovation, transformation and upgrading. It will balance strategies and tactics, phase out old practices while establishing new ones, coordinate the overall situation with specific needs, align immediate actions with long-term goals, and reconcile reform and development with stability. The Bank will prioritize key tasks, clarify work requirements, and effectively drive the implementation and success of the “five major initiatives” and “seven major reforms”. The Bank will strengthen strategic management, comprehensively evaluate the outcomes of implementing the 14th Five-Year Plan, meticulously formulate the 15th Five-Year Plan, and strive to build a first-class large retail bank that is more inclusive, balanced, stable, intelligent and dynamic.

Fourthly, the Bank will firmly uphold the bottom line for business development. It will adhere to a sound and prudent risk philosophy, strengthen foundational work such as risk culture, talent development, digital and intelligent capabilities, and industry research, step up asset quality management in key areas, and maintain stable asset quality. It will strengthen the risk-driven mechanism, refine the “future-oriented” evaluation approach, and fully support the development of the credit business. It will advance the institutional and mechanism reforms of asset preservation, accelerate the transition from “disposing of non-performing assets” to “managing risk assets”, and enhance the value contribution of asset preservation. The Bank will also strengthen efforts to protect consumers' rights and interests, and effectively improve the quality of consumer protection work.



## Analysis of Financial Statements

During the reporting period, the Bank has maintained a healthy and stable business development momentum by adhering to the theme of high-quality development, unswervingly advancing strategic optimization and upgrading, enhancing endogenous capabilities and effectively coordinating scale, structure, profitability and risk.

Firstly, the scale of business achieved steady growth. The Bank focused on serving the real economy and continuously optimized the asset and liability allocation. As at the end of the reporting period, total assets reached RMB18.19 trillion, an increase of 6.47% over the prior year-end, of which total loans to customers amounted to RMB9.54 trillion, an increase of 6.99% over the prior year-end. Total liabilities reached RMB17.05 trillion, an increase of 6.21% over the prior year-end, of which customer deposits reached RMB16.11 trillion, an increase of 5.37% over the prior year-end.

Secondly, the profitability remained stable. The Bank accelerated its transformation and development and built a more balanced income structure. During the reporting period, the operating income amounted to RMB179,525 million, an increase of 1.47% compared with the same period of the prior year, of which the net interest income was RMB139,058 million, a decrease of 2.67% compared with the same period of the prior year, and the non-interest income was RMB40,467 million, an increase of 18.87% compared with the same period of the prior year. The net profit amounted to RMB49,415 million, an increase of 1.08% compared with the same period of the prior year.

Thirdly, the asset quality remained sound. Adhering to the risk-based approach, the Bank continuously improved the risk management framework featuring “all aspects, whole process, full time and comprehensive area”, strengthened monitoring of key areas, increased efforts in constraints, mitigation and defusing of risks, and built more proactive risk management capabilities. As at the end of the reporting period, the non-performing loan ratio was 0.92% and allowance to NPLs ratio was 260.35%.

### Analysis of Income Statement

During the reporting period, the Bank recorded a net profit of RMB49,415 million, representing a year-on-year increase of RMB530 million or 1.08%.

### Changes of Key Items in the Income Statement

In RMB million, except for percentages

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Increase/ (decrease)	Change (%)
Net interest income	139,058	142,876	(3,818)	(2.67)
Net fee and commission income	16,918	15,161	1,757	11.59
Net other non-interest income	23,549	18,882	4,667	24.72
<b>Operating income</b>	179,525	176,919	2,606	1.47
Less: Operating expenses	99,808	107,372	(7,564)	(7.04)
Credit impairment losses	21,715	16,120	5,595	34.71
Impairment losses on other assets	4	13	(9)	(69.23)
Profit before income tax	57,998	53,414	4,584	8.58
Less: Income tax expenses	8,583	4,529	4,054	89.51
<b>Net profit</b>	49,415	48,885	530	1.08
Net profit attributable to equity holders of the Bank	49,228	48,815	413	0.85
Net profit attributable to non-controlling interests	187	70	117	167.14

### Net Interest Income

The Bank comprehensively improved its asset allocation capabilities, continued to strengthen its core competitiveness in liabilities, and accelerated the development of a more balanced and stable asset-liability structure. During the reporting period, the net interest income was RMB139,058 million, representing a decrease of RMB3,818 million, or 2.67% compared with the same period of the prior year, of which an increase of RMB11,467 million in net interest income was driven by the volume increase, and a decrease of RMB15,285 million in net interest income was brought by the changes in interest rates. Net interest margin and net interest spread were 1.70% and 1.69%, respectively.



# Analysis of Financial Statements

## Average Yield of Interest-Earning Assets and Average Cost of Interest-Bearing Liabilities

In RMB million, except for percentages

Item	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Average balance	Interest income/expense	Average yield/cost (%) <sup>(1)</sup>	Average balance	Interest income/expense	Average yield/cost (%) <sup>(1)</sup>
<b>Assets</b>						
Total loans to customers	9,270,747	151,626	3.30	8,448,956	163,260	3.89
Investments <sup>(2)</sup>	4,967,429	69,356	2.82	4,528,131	70,231	3.12
Deposits with central bank <sup>(3)</sup>	1,255,474	10,071	1.62	1,249,499	10,093	1.62
Deposits and placements with banks and other financial institutions <sup>(4)</sup>	1,012,164	10,605	2.11	831,026	11,099	2.69
<b>Total interest-earning assets</b>	<b>16,505,814</b>	<b>241,658</b>	<b>2.95</b>	<b>15,057,612</b>	<b>254,683</b>	<b>3.40</b>
Allowance for impairment losses on assets	(256,089)	–	–	(264,649)	–	–
Non-interest-earning assets <sup>(5)</sup>	1,472,578	–	–	1,359,931	–	–
<b>Total assets</b>	<b>17,722,303</b>	<b>–</b>	<b>–</b>	<b>16,152,894</b>	<b>–</b>	<b>–</b>
<b>Liabilities</b>						
Customer deposits	15,739,054	95,851	1.23	14,395,342	105,820	1.48
Deposits and placements from banks and other financial institutions <sup>(6)</sup>	440,863	3,444	1.58	278,309	2,842	2.05
Debt securities issued <sup>(7)</sup>	234,447	3,078	2.65	185,772	2,877	3.11
Borrowings from central bank	26,180	227	1.75	30,556	268	1.76
<b>Total interest-bearing liabilities</b>	<b>16,440,544</b>	<b>102,600</b>	<b>1.26</b>	<b>14,889,979</b>	<b>111,807</b>	<b>1.51</b>
Non-interest-bearing liabilities <sup>(8)</sup>	233,257	–	–	238,610	–	–
<b>Total liabilities</b>	<b>16,673,801</b>	<b>–</b>	<b>–</b>	<b>15,128,589</b>	<b>–</b>	<b>–</b>
<b>Net interest income</b>	<b>–</b>	<b>139,058</b>	<b>–</b>	<b>–</b>	<b>142,876</b>	<b>–</b>
<b>Net interest spread<sup>(9)</sup></b>	<b>–</b>	<b>–</b>	<b>1.69</b>	<b>–</b>	<b>–</b>	<b>1.89</b>
<b>Net interest margin<sup>(10)</sup></b>	<b>–</b>	<b>–</b>	<b>1.70</b>	<b>–</b>	<b>–</b>	<b>1.91</b>

Note (1): On an annualized basis.

Note (2): Consists of interest-earning assets in financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost.

Note (3): Consists of statutory deposit reserves and surplus deposit reserves.

Note (4): Consists of deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements.

Note (5): Consists of financial assets measured at fair value through profit or loss, cash, property and equipment, deferred tax assets, etc.

Note (6): Consists of deposits from banks and other financial institutions, placements from banks and other financial institutions, and financial assets sold under repurchase agreements.

Note (7): Consists of qualified tier 2 capital instruments issued, interbank certificates of deposit, etc.

Note (8): Consists of employee benefits payable, provisions, lease liabilities, etc.

Note (9): Calculated as the difference between the average yield of total interest-earning assets and the average cost of total interest-bearing liabilities.

Note (10): Calculated by dividing net interest income by the average balance of total interest-earning assets.

### Changes in Net Interest Income Due to Changes in Volume and Interest Rate

In RMB million

Item	The six months ended June 30, 2025 vs the six months ended June 30, 2024		
	Increase/(decrease)		
	Volume <sup>(1)</sup>	Interest rate <sup>(2)</sup>	Total <sup>(3)</sup>
<b>Assets</b>			
Total loans to customers	13,441	(25,075)	(11,634)
Investments	6,134	(7,009)	(875)
Deposits with central bank	48	(70)	(22)
Deposits and placements with banks and other financial institutions	1,898	(2,392)	(494)
Total changes in interest income	21,521	(34,546)	(13,025)
<b>Liabilities</b>			
Customer deposits	8,183	(18,152)	(9,969)
Deposits and placements from banks and other financial institutions	1,270	(668)	602
Debt securities issued	639	(438)	201
Borrowings from central bank	(38)	(3)	(41)
Total changes in interest expense	10,054	(19,261)	(9,207)
<b>Changes in net interest income</b>	<b>11,467</b>	<b>(15,285)</b>	<b>(3,818)</b>

Note (1): Represents the difference between the average balance for the current period and the average balance for the previous period, multiplied by the average yield/cost for the current period.

Note (2): Represents the difference between the average yield/cost for the current period and the average yield/cost for the previous period, multiplied by the average balance for the previous period.

Note (3): Represents the difference between the interest income/expense for the current period and the interest income/expense for the previous period.



# Analysis of Financial Statements

## Interest Income

During the reporting period, the Bank realized interest income of RMB241,658 million, representing a decrease of RMB13,025 million, or 5.11% compared with the same period of the prior year, primarily due to the declined yields on interest-earning assets as a result of LPR cuts and the adjustment to interest rates on existing mortgage loans, among other factors. The Bank adhered to RAROC as a yardstick to dynamically optimize asset allocation, and partially offset the impact of the decline in average yield on interest-earning assets by the steady growth in the size of interest-earning assets and the continuous structural optimization.

## Interest Income from Loans to Customers

During the reporting period, interest income from loans to customers amounted to RMB151,626 million, representing a decrease of RMB11,634 million, or 7.13% compared with the same period of the prior year, primarily due to the decrease in interest income from loans to personal customers.

Among them, interest income from personal loans amounted to RMB87,075 million, representing a decrease of RMB12,762 million, or 12.78% compared with the same period of the prior year, primarily due to the decrease in the average yield on personal loans. The Bank fully leveraged its strategic advantages in retail banking, seized policy opportunities, and continued to increase support for key areas such as rural revitalization and resident consumption. As a result, the average balances of personal consumer loans, personal business loans, and credit cards, etc. have achieved sound growth.

Interest income from corporate loans amounted to RMB61,622 million, representing an increase of RMB1,255 million, or 2.08% compared with the same period of the prior year, primarily due to the rapid growth in the average balance of corporate loans as the Bank continued to reform its institutions and mechanisms, and focused on major strategies, key areas and weak links to implement targeted measures. Meanwhile, the Bank actively explored potential market niches and made efforts in urban renewal, infrastructure construction and other areas.

## Analysis on Average Yield of Loans to Customers by Business Line

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Average balance	Interest income	Average yield (%) <sup>(1)</sup>	Average balance	Interest income	Average yield (%) <sup>(1)</sup>
Personal loans	4,802,834	87,075	3.66	4,594,625	99,837	4.37
Corporate loans	3,968,402	61,622	3.13	3,443,613	60,367	3.53
Discounted bills	499,511	2,929	1.18	410,718	3,056	1.50
<b>Total loans to customers</b>	<b>9,270,747</b>	<b>151,626</b>	<b>3.30</b>	<b>8,448,956</b>	<b>163,260</b>	<b>3.89</b>

Note (1): On an annualized basis.

## Analysis on Average Yield of Loans to Customers by Maturity Structure

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Average balance	Interest income	Average yield (%) <sup>(1)</sup>	Average balance	Interest income	Average yield (%) <sup>(1)</sup>
Short-term loans	3,092,530	49,129	3.20	2,849,573	53,432	3.77
Medium- and long-term loans	6,178,217	102,497	3.35	5,599,383	109,828	3.94
<b>Total loans to customers</b>	<b>9,270,747</b>	<b>151,626</b>	<b>3.30</b>	<b>8,448,956</b>	<b>163,260</b>	<b>3.89</b>

Note (1): On an annualized basis.

### Interest Income from Investments

During the reporting period, the Bank's interest income from investments amounted to RMB69,356 million, representing a decrease of RMB875 million, or 1.25% compared with the same period of the prior year, primarily due to the decline in average yield. The Bank adhered to the research-driven investment approach, made forward-looking assessments of the trend of market interest rates, dynamically optimized investment strategies for bonds and other assets, and promoted rapid growth in the average balance of investments, effectively offsetting downward pressure on interest rates.

### Interest Income from Deposits with Central Bank

During the reporting period, the Bank's interest income from deposits with central bank amounted to RMB10,071 million, representing a decrease of RMB22 million, or 0.22% compared with the same period of the prior year.

### Interest Income from Deposits and Placements with Banks and Other Financial Institutions

During the reporting period, the Bank's interest income from deposits and placements with banks and other financial institutions amounted to RMB10,605 million, representing a decrease of RMB494 million, or 4.45% compared with the same period of the prior year, primarily due to the decrease in income from interbank borrowings and notes held under resale agreements.

### Interest Expense

By adhering to the liability development mechanism centered on value deposits, the Bank actively expanded the scale of self-operated deposits, made flexible arrangements for proactive liabilities, and achieved continuous optimization of liability structure and effective cost control. During the reporting period, the interest expense amounted to RMB102,600 million, representing a decrease of RMB9,207 million, or 8.23% year on year.

### Interest Expense on Customer Deposits

During the reporting period, the interest expense on customer deposits amounted to RMB95,851 million, representing a decrease of RMB9,969 million, or 9.42% year on year. It was primarily because the Bank actively promoted synergy between the volume and price of customer deposits, optimized the structure, expanded the scale of self-operated deposits, and benefited from the reduction in deposit interest rates, thereby realizing the effective management and control over the funding cost of customer deposits. The average cost of customer deposits was 1.23%, a year-on-year decrease of 25 bps, among which the average cost of personal and corporate deposits decreased by 27 and 14 bps, respectively.

### Analysis on Average Cost of Customer Deposits by Product Type

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025			For the six months ended June 30, 2024		
	Average balance	Interest expense	Average cost (%) <sup>(1)</sup>	Average balance	Interest expense	Average cost (%) <sup>(1)</sup>
<b>Personal deposits</b>						
Demand deposits	3,155,798	1,196	0.08	3,048,623	3,140	0.21
Time deposits	10,804,990	84,236	1.57	9,809,231	92,560	1.90
<b>Subtotal</b>	<b>13,960,788</b>	<b>85,432</b>	<b>1.23</b>	<b>12,857,854</b>	<b>95,700</b>	<b>1.50</b>
<b>Corporate deposits</b>						
Demand deposits	947,084	2,679	0.57	926,070	3,858	0.84
Time deposits	831,182	7,740	1.88	611,418	6,262	2.06
<b>Subtotal</b>	<b>1,778,266</b>	<b>10,419</b>	<b>1.18</b>	<b>1,537,488</b>	<b>10,120</b>	<b>1.32</b>
<b>Total customer deposits</b>	<b>15,739,054</b>	<b>95,851</b>	<b>1.23</b>	<b>14,395,342</b>	<b>105,820</b>	<b>1.48</b>

Note (1): On an annualized basis.



# Analysis of Financial Statements

## Interest Expense on Deposits and Placements from Banks and Other Financial Institutions

During the reporting period, the Bank's interest expense on deposits and placements from banks and other financial institutions amounted to RMB3,444 million, representing an increase of RMB602 million, or 21.18% compared with the same period of the prior year, primarily driven by the Bank's proactive approach in seizing market opportunities and timely scaling up bonds sold under repurchase agreements and deposits from banks and other financial institutions, etc.

## Interest Expense on Debt Securities Issued

During the reporting period, the Bank's interest expense on debt securities issued amounted to RMB3,078 million, representing an increase of RMB201 million, or 6.99% compared with the same period of the prior year, primarily driven by an increase in the average balance of the interbank certificates of deposit issued by the Bank as the Bank actively developed the proactive liability business.

## Net Fee and Commission Income

During the reporting period, the Bank made significant progress in capacity building of its intermediary business, accelerating the establishment of a diversified and balanced intermediary income structure. The Bank actively expanded its corporate banking and treasury business while consolidating its traditional strengths in retail banking business. Net fee and commission income amounted to RMB16,918 million, representing a year-on-year increase of RMB1,757 million or 11.59%, achieving double-digit growth.

Fee and commission income amounted to RMB25,482 million, representing a year-on-year increase of RMB1,794 million or 7.57%. Specifically, investment banking fee income amounted to RMB3,608 million, representing a year-on-year increase of RMB1,174 million, or 48.23%. It was mainly because the Bank adhered to the dual-drive strategy of "financing + advisory", and continuously enhanced its integrated service capabilities of investment banking and commercial banking. Income from syndicated loans, financial advisory business, and bond underwriting businesses experienced rapid growth. Wealth management fee income amounted to RMB2,739 million, representing a year-on-year increase of RMB887 million, or 47.89%, primarily because the scale of wealth management grew as the Bank actively grasped market development opportunities, enhanced the supply of diversified wealth management products, and consistently improved the asset allocation capabilities for customers. Custody business fee income amounted to RMB701 million, representing a year-on-year increase of RMB105 million, or 17.62%, primarily because the Bank deepened the coordinated development mechanism for the custody business, optimized product layout, and promoted the growth in the scale of custody business as drivers in its development. Other business fee income amounted to RMB2,254 million, representing a year-on-year increase of RMB542 million, or 31.66%, which was mainly because the Bank created an intelligent, scenario-based and convenient trade financing services system focusing on the financial needs of upstream and downstream enterprises, and realized rapid growth in the fee income from supply chain finance, notes, letters of guarantees, letters of credit and other businesses.

Fee and commission expense amounted to RMB8,564 million, representing a year-on-year increase of RMB37 million, or 0.43%.

## Components of Net Fee and Commission Income

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Increase/ (decrease)	Change (%)
Agency service business	5,732	6,383	(651)	(10.20)
Settlement and clearing	5,300	5,255	45	0.86
Bank cards business	5,148	5,456	(308)	(5.65)
Investment banking	3,608	2,434	1,174	48.23
Wealth management	2,739	1,852	887	47.89
Custody business	701	596	105	17.62
Others	2,254	1,712	542	31.66
<b>Fee and commission income</b>	<b>25,482</b>	<b>23,688</b>	<b>1,794</b>	<b>7.57</b>
Less: Fee and commission expense	8,564	8,527	37	0.43
<b>Net fee and commission income</b>	<b>16,918</b>	<b>15,161</b>	<b>1,757</b>	<b>11.59</b>

## Net Other Non-Interest Income

During the reporting period, the Bank focused on developing the financial market business as one of its differentiated growth poles, continued to strengthen research and prediction of market trends and forward-looking layout, and flexibly adjusted investment portfolios and trading strategies. The Bank's net other non-interest income amounted to RMB23,549 million, representing an increase of RMB4,667 million, or 24.72% compared with the same period of the prior year.

In particular, net trading gains on securities and net gains on investment securities totaled RMB14,929 million, representing a decrease of RMB1,780 million, or 10.65% compared with the same period of the prior year. It was mainly due to the decrease in valuation gains resulting from fluctuations of market interest rates. The Bank continued to increase the investment in quality assets and proactively seized opportunities brought about by market fluctuations, resulting in increased dividend income from securities investment funds and increased buy-sell spread income from debt securities and bills, etc.

Net gains on derecognition of financial assets measured at amortized cost amounted to RMB8,485 million, representing an increase of RMB6,754 million, or 390.18% compared with the same period of the prior year, primarily due to the Bank's continuous tracking of market movements and timely adjustment of its investment portfolio structure, resulting in increased gains from the transfer of debt instruments; as well as increased efforts to dispose of non-performing assets, resulting in increased gains from the issuance of non-performing asset securitization.

Net other operating gains amounted to RMB128 million, representing a decrease of RMB308 million, or 70.64% compared with the same period of the prior year, primarily due to the decrease in income from government subsidies.

### Components of Net Other Non-Interest Income

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Increase/ (decrease)	Change (%)
Net trading gains	1,621	2,281	(660)	(28.93)
Net gains on investment securities	13,308	14,428	(1,120)	(7.76)
Net gains on derecognition of financial assets measured at amortized cost	8,485	1,731	6,754	390.18
Share of results of associates	7	6	1	16.67
Net other operating gains	128	436	(308)	(70.64)
<b>Total</b>	<b>23,549</b>	<b>18,882</b>	<b>4,667</b>	<b>24.72</b>



# Analysis of Financial Statements

## Operating Expenses

The Bank adhered to total volume control, gave priority to efficiency, and strictly controlled costs and expenses. During the reporting period, operating expenses amounted to RMB99,808 million, representing a decrease of RMB7,564 million, or 7.04% compared with the same period of the prior year. In particular, deposit agency fee and others amounted to RMB55,434 million, representing a decrease of RMB5,425 million, or 8.91% compared with the same period of the prior year, primarily due to the Bank's proactive adjustment to the deposit agency fee rates for agency RMB personal deposit-taking business. Staff costs, depreciation and amortization and other expenses totaled RMB42,936 million, representing a decrease of RMB2,270 million, or 5.02% compared with the same period of the prior year, primarily due to the Bank's comprehensive enhancement of refined control over costs and continued optimization of cost allocation, thereby effectively reducing operating costs.

### Major Components of Operating Expenses

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Increase/ (decrease)	Change (%)
Deposit agency fee and others	55,434	60,859	(5,425)	(8.91)
Staff costs	26,074	28,036	(1,962)	(7.00)
Depreciation and amortization	5,607	5,684	(77)	(1.35)
Taxes and surcharges	1,438	1,307	131	10.02
Other expenses	11,255	11,486	(231)	(2.01)
<b>Total operating expenses</b>	<b>99,808</b>	<b>107,372</b>	<b>(7,564)</b>	<b>(7.04)</b>

## Credit Impairment Losses

During the reporting period, credit impairment losses amounted to RMB21,715 million, representing an increase of RMB5,595 million, or 34.71% compared with the same period of the prior year, of which impairment losses on loans amounted to RMB22,993 million, representing an increase of RMB7,303 million, or 46.55% compared with the same period of the prior year. It was primarily because the Bank actively served the real economy, with increased loan scale, and adhered to a prudent risk management policy and increased the provision for impairment.

## Income Tax Expenses

During the reporting period, the Bank's income tax expenses amounted to RMB8,583 million, representing an increase of RMB4,054 million, or 89.51% compared with the same period of the prior year, mainly due to the increase in profit before income tax and the impact of increased non-deductible costs and expenses. The effective tax rate of 14.80% was lower than the statutory tax rate of 25%, mainly due to the fact that interest income from the Bank's holdings of China's treasury bonds and local government bonds was tax-exempted as stipulated in the tax law.

## Segment Information

### Operating Income by Operating Segment

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal banking	116,925	65.13	126,780	71.66
Corporate banking	40,746	22.70	33,958	19.19
Treasury	21,715	12.10	15,950	9.02
Others	139	0.07	231	0.13
<b>Total operating income</b>	<b>179,525</b>	<b>100.00</b>	<b>176,919</b>	<b>100.00</b>

For further details of business scope of each segment, please refer to “Notes to the Condensed Consolidated Financial Statements – 40.1 Operating segment”.

### Operating Income by Geographical Segment

*In RMB million, except for percentages*

Item	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	4,007	2.23	(2,659)	(1.50)
Yangtze River Delta	31,157	17.36	30,437	17.20
Pearl River Delta	23,433	13.05	23,584	13.33
Bohai Rim	27,660	15.41	27,851	15.74
Central China	47,594	26.51	49,864	28.19
Western China	35,131	19.57	36,271	20.50
Northeastern China	10,543	5.87	11,571	6.54
<b>Total operating income</b>	<b>179,525</b>	<b>100.00</b>	<b>176,919</b>	<b>100.00</b>

For further details of business scope of each geographical segment, please refer to “Notes to the Condensed Consolidated Financial Statements – 40.2 Geographical segment”.



# Analysis of Financial Statements

## Balance sheet analysis

### Assets

The Bank resolutely implemented the decisions and plans of the CPC Central Committee, firmly prioritized high-quality development, stayed true to serving the real economy with financial services as its fundamental purpose, coordinated and optimized asset allocation, and continuously improved the quality and efficiency of services. During the reporting period, guided by long-termism, the Bank reasonably balanced the coordinated development of scale, price and risks, took the risk-adjusted return on capital (RAROC) as a yardstick to dynamically allocate resources, further optimized the asset structure, and enhanced the ability of value creation. The Bank solidified its development foundation, integrated its own resource endowments with key areas of serving the real economy, and increased credit supply to major strategies, key sectors and weak links, striving to build a robust and balanced business structure. Upholding an investment research-driven approach, the Bank flexibly and dynamically optimized the structure of non-credit business and enhanced the quality and efficiency of fund utilization.

As at the end of the reporting period, the Bank's total assets amounted to RMB18,190,521 million, representing an increase of RMB1,105,611 million, or 6.47% compared with the prior year-end, of which net loans to customers amounted to RMB9,309,437 million, representing an increase of RMB625,293 million, or 7.20% compared with the prior year-end; financial investments amounted to RMB6,170,869 million, representing an increase of RMB166,742 million, or 2.78% compared with the prior year-end. In terms of the structure, net loans to customers accounted for 51.18% of total assets, representing an increase of 0.35 percentage point compared with the prior year-end; financial investments accounted for 33.92% of total assets, representing a decrease of 1.22 percentage points compared with the prior year-end; loan-to-deposit ratio was 59.20%, representing an increase of 0.90 percentage point compared with the prior year-end, indicating that the asset structure has been further optimized.

### Key Items of Assets

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans to customers	9,536,184	–	8,913,202	–
Less: Allowance for impairment losses on loans <sup>(1)</sup>	226,747	–	229,058	–
Loans to customers, net	9,309,437	51.18	8,684,144	50.83
Financial investments	6,170,869	33.92	6,004,127	35.14
Cash and deposits with central bank	1,288,857	7.09	1,314,703	7.70
Deposits with banks and other financial institutions	387,492	2.13	262,476	1.54
Placements with banks and other financial institutions	368,009	2.02	348,017	2.04
Financial assets held under resale agreements	421,253	2.32	229,842	1.35
Other assets	244,604	1.34	241,601	1.40
<b>Total assets</b>	<b>18,190,521</b>	<b>100.00</b>	<b>17,084,910</b>	<b>100.00</b>

Note (1): Allowance for impairment losses on loans to customers measured at amortized cost.

## Loans to Customers

As at the end of the reporting period, total loans to customers amounted to RMB9,536,184 million, representing an increase of RMB622,982 million, or 6.99% compared with the prior year-end.

### Loans to Customers by Business Line

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal loans	4,860,376	50.97	4,771,583	53.53
Corporate loans	4,190,261	43.94	3,649,163	40.94
Discounted bills	485,547	5.09	492,456	5.53
<b>Total loans to customers</b>	<b>9,536,184</b>	<b>100.00</b>	<b>8,913,202</b>	<b>100.00</b>

### Loans to Customers by Maturity

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Short-term loans	3,235,352	33.93	2,934,633	32.92
Medium- and long-term loans	6,300,832	66.07	5,978,569	67.08
<b>Total loans to customers</b>	<b>9,536,184</b>	<b>100.00</b>	<b>8,913,202</b>	<b>100.00</b>

### Loans to Customers by Geographical Region

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	269,146	2.82	344,895	3.87
Yangtze River Delta	2,108,140	22.11	1,840,445	20.65
Pearl River Delta	1,216,602	12.76	1,114,851	12.51
Bohai Rim	1,525,493	16.00	1,422,923	15.96
Central China	2,286,321	23.97	2,168,479	24.32
Western China	1,673,384	17.55	1,579,873	17.73
Northeastern China	457,098	4.79	441,736	4.96
<b>Total loans to customers</b>	<b>9,536,184</b>	<b>100.00</b>	<b>8,913,202</b>	<b>100.00</b>



# Analysis of Financial Statements

## Personal Loans

As at the end of the reporting period, the Bank's total personal loans amounted to RMB4,860,376 million, representing an increase of RMB88,793 million, or 1.86% compared with the prior year-end.

In particular, consumer loans amounted to RMB3,032,980 million, representing an increase of RMB36,981 million, or 1.23% compared with the prior year-end. It was primarily because the Bank steadily developed its residential mortgage loan business to offer full support to meet the demand for first homes and better housing. At the same time, the Bank seized the opportunities brought about by various policies implemented to boost consumption, and continued to increase credit support to key areas to meet diversified residential consumption needs, thereby driving the increase in scale of mortgage loans and other consumer loans.

Personal micro loans amounted to RMB1,602,690 million, representing an increase of RMB65,327 million, or 4.25% compared with the prior year-end. It was mainly because the Bank further implemented the rural revitalization strategy, continued to boost credit extensions for rural revitalization, and made every effort to support the production of farmers and individual business households, resulting in stable growth of personal micro loans.

## Personal Loans by Product Type

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Consumer loans	3,032,980	62.40	2,995,999	62.79
Residential mortgage loans	2,403,462	49.45	2,382,146	49.93
Other consumer loans	629,518	12.95	613,853	12.86
Personal micro loans <sup>(1)</sup>	1,602,690	32.97	1,537,363	32.22
Credit card overdrafts and others	224,706	4.63	238,221	4.99
<b>Total personal loans</b>	<b>4,860,376</b>	<b>100.00</b>	<b>4,771,583</b>	<b>100.00</b>

Note (1): Personal micro loans mainly include loans granted for personal businesses.

## Corporate Loans

As at the end of the reporting period, the Bank's total corporate loans amounted to RMB4,190,261 million, representing an increase of RMB541,098 million, or 14.83% compared with the prior year-end, and an increase of RMB222,924 million year-on-year. It was mainly because the Bank implemented the major national strategic plans, actively promoted high-quality development of the real economy and boosted credit extensions in fields like advanced manufacturing, green finance, technology finance and inclusive finance. The Bank deeply tapped into market gaps and achieved relatively rapid growth in the scale of corporate loans.

As at the end of the reporting period, the top five industries to which the Bank granted corporate loans were transportation, storage and postal services; manufacturing; water conservancy, environmental and public facilities management; wholesale and retail; and leasing and commercial services. The balance of loans extended to the top five industries in aggregate accounted for 62.76% of total corporate loans, representing a decrease of 0.68 percentage point compared with the prior year-end.

### Corporate Loans by Industry

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Transportation, storage and postal services	831,887	19.85	830,416	22.76
Manufacturing	671,252	16.02	577,205	15.82
Water conservancy, environmental and public facilities management	406,740	9.71	303,444	8.32
Wholesale and retail	365,184	8.72	290,923	7.97
Leasing and commercial services	354,424	8.46	277,904	7.62
Financial services	339,970	8.11	294,995	8.08
Real estate	336,392	8.03	308,590	8.46
Production and supply of electricity, heating, gas and water	310,221	7.40	287,913	7.89
Construction	248,846	5.94	228,512	6.26
Mining	106,835	2.55	86,856	2.38
Other industries <sup>(1)</sup>	218,510	5.21	162,405	4.44
<b>Total corporate loans</b>	<b>4,190,261</b>	<b>100.00</b>	<b>3,649,163</b>	<b>100.00</b>

Note (1): Other industries consist of the agriculture, forestry, animal husbandry and fishery; information transmission, computer services and the software industry, etc.

### Discounted Bills

As at the end of the reporting period, the Bank's discounted bills amounted to RMB485,547 million, representing a decrease of RMB6,909 million, or 1.40% compared with the prior year-end, mainly because the Bank continued to optimize the asset structure and reduced the size of low-yield bill assets.



# Analysis of Financial Statements

## Financial Investments

During the reporting period, the Bank focused on creating the financial market business as one of its differentiated growth poles, formulated rational investment strategies adapted to interest rate fluctuations, optimized the asset allocation structure, and improved asset turnover efficiency, resulting in a steady growth in scale of financial investments.

As at the end of the reporting period, the Bank's financial investments amounted to RMB6,170,869 million, representing an increase of RMB166,742 million, or 2.78% compared with the prior year-end. In terms of product, the increase was primarily in the scale of financial assets such as debt securities and interbank certificates of deposit, etc. Among them, investment in debt securities amounted to RMB4,778,290 million, representing an increase of RMB140,327 million or 3.03% compared with the prior year-end; and interbank certificates of deposit amounted to RMB465,629 million, representing an increase of RMB45,869 million or 10.93% compared with the prior year-end. In terms of measurement approach, the financial assets measured at fair value through profit or loss amounted to RMB1,087,699 million, representing an increase of RMB63,534 million, or 6.20% compared with the prior year-end; and the financial assets measured at fair value through other comprehensive income-debt instruments amounted to RMB684,683 million, representing an increase of RMB15,871 million or 2.37% compared with the prior year-end, which were both attributable to the increase in the scale of interbank certificates of deposit. The financial assets measured at amortized cost amounted to RMB4,393,840 million, representing an increase of RMB87,327 million or 2.03% compared with the prior year-end, which was primarily attributable to the increase in the scale of debt securities.

## Investments by Product

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Debt securities	4,778,290	77.43	4,637,963	77.25
Securities investment funds	638,768	10.35	658,786	10.97
Interbank certificates of deposit	465,629	7.55	419,760	6.99
Asset management plans	219,821	3.56	200,820	3.34
Trust investment plans	60,910	0.99	78,530	1.31
Others	7,451	0.12	8,268	0.14
<b>Total financial investments</b>	<b>6,170,869</b>	<b>100.00</b>	<b>6,004,127</b>	<b>100.00</b>

### Financial Investments by Measurement Approach

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets measured at fair value through profit or loss	1,087,699	17.63	1,024,165	17.06
Financial assets measured at fair value through other comprehensive income-debt instruments	684,683	11.10	668,812	11.14
Financial assets measured at fair value through other comprehensive income-equity instruments	4,647	0.07	4,637	0.07
Financial assets measured at amortized cost	4,393,840	71.20	4,306,513	71.73
<b>Total financial investments</b>	<b>6,170,869</b>	<b>100.00</b>	<b>6,004,127</b>	<b>100.00</b>

### Investment Structure by Type of Investment Instruments

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Debt instruments	6,165,160	99.91	5,998,356	99.90
Equity instruments	5,709	0.09	5,771	0.10
<b>Total financial investments</b>	<b>6,170,869</b>	<b>100.00</b>	<b>6,004,127</b>	<b>100.00</b>

### Investments in Debt Securities

As at the end of the reporting period, the Bank's investments in debt securities amounted to RMB4,778,290 million, representing an increase of RMB140,327 million or 3.03% compared with the prior year-end. The increase was mainly due to the Bank's continuous optimization of its bond investment structure and increased investment in government bonds.



# Analysis of Financial Statements

## Investments in Debt Securities by Issuing Institution

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Bonds issued by financial institutions	2,314,567	48.44	2,396,235	51.66
Government bonds	2,250,002	47.09	2,014,553	43.44
Corporate bonds	213,721	4.47	227,175	4.90
<b>Total investments in debt securities</b>	<b>4,778,290</b>	<b>100.00</b>	<b>4,637,963</b>	<b>100.00</b>

## Investments in Debt Securities by Remaining Maturity

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Overdue	10	0.00	10	0.00
Within 3 months	233,601	4.89	121,874	2.63
3-12 months	498,161	10.43	546,722	11.79
1-5 years	2,358,962	49.37	2,174,783	46.89
Over 5 years	1,687,556	35.31	1,794,574	38.69
<b>Total investments in debt securities</b>	<b>4,778,290</b>	<b>100.00</b>	<b>4,637,963</b>	<b>100.00</b>

## Investments in Debt Securities by Currency

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB	4,730,271	99.00	4,588,306	98.93
Foreign currencies	48,019	1.00	49,657	1.07
<b>Total investments in debt securities</b>	<b>4,778,290</b>	<b>100.00</b>	<b>4,637,963</b>	<b>100.00</b>

## Financial Bonds

As at the end of the reporting period, the Bank held RMB2,314,567 million of bonds issued by financial institutions, of which, bonds issued by policy banks amounted to RMB1,824,118 million, accounting for 78.81% of the total.

### Top Ten Financial Bonds in Terms of Par Value

*In RMB million, except for percentages*

Debt securities	Par value	Annual interest rate (%)	Maturity date	Allowance for impairment losses <sup>(1)</sup>
2015 Policy Financial Bonds	52,135.01	3.71	2025/8/31	–
2021 Policy Financial Bonds	44,935.00	3.41	2031/6/7	–
2021 Policy Financial Bonds	37,330.00	3.12	2031/9/13	–
2017 Policy Financial Bonds	34,530.00	4.04	2027/4/10	–
2022 Policy Financial Bonds	33,960.00	2.61	2027/1/27	–
2016 Policy Financial Bonds	33,710.00	3.05	2026/8/25	–
2019 Policy Financial Bonds	33,580.00	3.48	2029/1/8	–
2022 Policy Financial Bonds	31,320.00	2.91	2029/2/21	–
2021 Policy Financial Bonds	30,150.00	3.48	2028/2/4	–
2015 Policy Financial Bonds	28,823.84	2.29	2035/9/28	–

Note (1): Excludes allowance for impairment losses for the stage 1 set aside in accordance with the new financial instrument standards.

## Liabilities

The Bank earnestly implemented regulatory requirements, continuously improved the liability quality management framework, and regarded high-quality liabilities as the basis for steady operations and the cornerstone for serving the real economy. During the reporting period, the Bank continuously consolidated the scale and quality of customers, took general deposits as the focus of core liability businesses, achieved steady growth in the scale of deposits and sustained a stable source of deposits. It adhered to the principle of balanced development between volume and pricing, strengthened pricing management and promoted the steady decline of the cost of liabilities. It proactively expanded diversified funding channels and improved diversity in the liability structure. It scientifically made coordinated arrangement for funding sources as well as the total amount, structure and pace of utilization, and realized a comprehensive balance between liquidity and profitability. It adhered to compliance in business operation, carried out transactions, accounting and statistics of liabilities in a legally compliant way, and firmly guarded against risks. The quality of liability business improved steadily, with the relevant indicators performing well.

As at the end of the reporting period, the Bank's total liabilities amounted to RMB17,049,715 million, representing an increase of RMB996,454 million, or 6.21% compared with the prior year-end. Customer deposits amounted to RMB16,108,809 million, representing an increase of RMB821,268 million, or 5.37% compared with the prior year-end; deposits and placements from banks and other financial institutions as well as financial assets sold under repurchase agreements amounted to a total of RMB518,662 million, representing an increase of RMB141,240 million, or 37.42% compared with the prior year-end.



# Analysis of Financial Statements

## Key Items of Liabilities

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Customer deposits	16,108,809	94.48	15,287,541	95.23
Deposits from banks and other financial institutions	234,266	1.37	135,599	0.84
Placements from banks and other financial institutions	56,367	0.33	47,299	0.29
Financial assets sold under repurchase agreements	228,029	1.34	194,524	1.21
Debt securities issued	265,421	1.56	241,980	1.51
Borrowings from central bank	26,963	0.16	26,138	0.16
Other liabilities	129,860	0.76	120,180	0.76
<b>Total liabilities</b>	<b>17,049,715</b>	<b>100.00</b>	<b>16,053,261</b>	<b>100.00</b>

## Customer Deposits

As at the end of the reporting period, the Bank's customer deposits amounted to RMB16,108,809 million, representing an increase of RMB821,268 million, or 5.37% compared with the prior year-end. The scale of core liabilities maintained steady growth.

In particular, personal deposits amounted to RMB14,219,682 million, representing an increase of RMB591,144 million, or 4.34% compared with the prior year-end. It was mainly driven by growth in deposits with maturities of one year or less as the Bank adhered to the philosophy of high-quality deposit development, actively expanded sources of personal deposits and continued to optimize the structure of deposits. Corporate deposits amounted to RMB1,885,870 million, representing an increase of RMB229,623 million, or 13.86% compared with the prior year-end. It was mainly because the Bank thoroughly enhanced the new "1 plus N" framework, and further developed the services for customers with the Bank acting as the lead bank, resulting in relatively fast growth in corporate deposits.

### Customer Deposits by Product and Customer

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal deposits	14,219,682	88.27	13,628,538	89.15
Demand deposits	3,164,835	19.65	3,239,491	21.19
Time deposits	11,054,847	68.62	10,389,047	67.96
Corporate deposits	1,885,870	11.71	1,656,247	10.83
Demand deposits	949,731	5.90	904,244	5.91
Time deposits	936,139	5.81	752,003	4.92
Other deposits <sup>(1)</sup>	3,257	0.02	2,756	0.02
<b>Customer deposits</b>	<b>16,108,809</b>	<b>100.00</b>	<b>15,287,541</b>	<b>100.00</b>

Note (1): Other deposits consist of remittance payable, credit card deposits, outbound remittance, etc.

### Customer Deposits by Geographical Region

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	2,696	0.02	2,692	0.02
Yangtze River Delta	2,664,073	16.54	2,478,451	16.21
Pearl River Delta	1,456,004	9.04	1,366,740	8.94
Bohai Rim	2,445,716	15.18	2,355,917	15.41
Central China	5,079,705	31.53	4,806,448	31.44
Western China	3,341,280	20.74	3,174,005	20.76
Northeastern China	1,119,335	6.95	1,103,288	7.22
<b>Customer deposits</b>	<b>16,108,809</b>	<b>100.00</b>	<b>15,287,541</b>	<b>100.00</b>



# Analysis of Financial Statements

## Customer Deposits by Remaining Maturity

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Repayable on demand	4,211,999	26.15	4,215,516	27.57
Within 3 months	2,051,148	12.73	4,448,012	29.10
3-12 months	8,291,290	51.47	5,324,083	34.83
1-5 years	1,554,372	9.65	1,299,930	8.50
<b>Customer deposits</b>	<b>16,108,809</b>	<b>100.00</b>	<b>15,287,541</b>	<b>100.00</b>

## Equity

As at the end of the reporting period, the Bank's total equity amounted to RMB1,140,806 million, representing an increase of RMB109,157 million, or 10.58% compared with the prior year-end, which was mainly attributable to the issuance of A shares of the Bank to MOF, China Mobile Communications Group Co., Ltd. and China State Shipbuilding Corporation Limited during the reporting period.

## Composition of Equity

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Share capital	120,095	10.53	99,161	9.61
Other equity instruments – perpetual bonds	149,996	13.15	199,986	19.39
Capital reserve	271,697	23.82	162,681	15.77
Other comprehensive income	6,282	0.55	9,071	0.88
Surplus reserve	75,540	6.62	75,540	7.32
General reserve	219,993	19.28	219,887	21.31
Retained earnings	295,036	25.86	263,343	25.53
<b>Equity attributable to equity holders of the Bank</b>	<b>1,138,639</b>	<b>99.81</b>	<b>1,029,669</b>	<b>99.81</b>
Non-controlling interests	2,167	0.19	1,980	0.19
<b>Total equity</b>	<b>1,140,806</b>	<b>100.00</b>	<b>1,031,649</b>	<b>100.00</b>

## Off-Balance Sheet Items

The Bank's off-balance sheet items primarily include derivative financial instruments, contingent liabilities and commitments.

Derivative financial instruments mainly include interest rate contracts, exchange rate contracts and others. For details of notional amount and fair value of derivative financial instruments, please refer to "Notes to the Condensed Consolidated Financial Statements – 15 Derivative financial assets and liabilities".

Contingent liabilities and commitments mainly consist of lawsuits and claims, capital commitments, credit commitments, collateralized and pledged assets, and commitments on redemption of government bonds. For details of contingent liabilities and commitments, please refer to "Notes to the Condensed Consolidated Financial Statements – 38 Contingent liabilities and commitments". Credit commitments consist of loan commitments, bank acceptances, guarantees and letters of guarantee, letters of credit and unused credit card commitments.

### Components of Credit Commitments

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Loan commitments	23,269	2.20	27,543	2.88
Bank acceptances	231,937	21.96	186,026	19.45
Guarantees and letters of guarantee	143,735	13.61	123,816	12.95
Letters of credit	171,256	16.22	127,969	13.38
Unused credit card commitments	485,858	46.01	490,968	51.34
<b>Total credit commitments</b>	<b>1,056,055</b>	<b>100.00</b>	<b>956,322</b>	<b>100.00</b>



# Analysis of Financial Statements

## Analysis of Cash Flow Statement

During the reporting period, net cash inflow generated from operating activities of the Bank was RMB183,699 million, representing a year-on-year increase of RMB52,767 million, mainly due to the increase in cash received from deposits from banks and other financial institutions, bonds sold under repurchase agreements and other businesses for the period compared with the same period of the prior year.

During the reporting period, net cash outflow used in investing activities of the Bank amounted to RMB38,813 million, representing a year-on-year decrease of RMB159,120 million, primarily due to the increase in cash received from bond trading compared with the same period of the prior year.

During the reporting period, net cash inflow generated from financing activities of the Bank was RMB66,968 million, compared with a net cash outflow of RMB108,600 million in the same period of the prior year, mainly due to the increase in cash received from the issuance of interbank certificates of deposits and the issuance of A shares to specific subscribers for the period.

## Other Financial Information

### Explanation of Changes in Accounting Policies

There were no significant changes in accounting policies of the Bank during the reporting period.

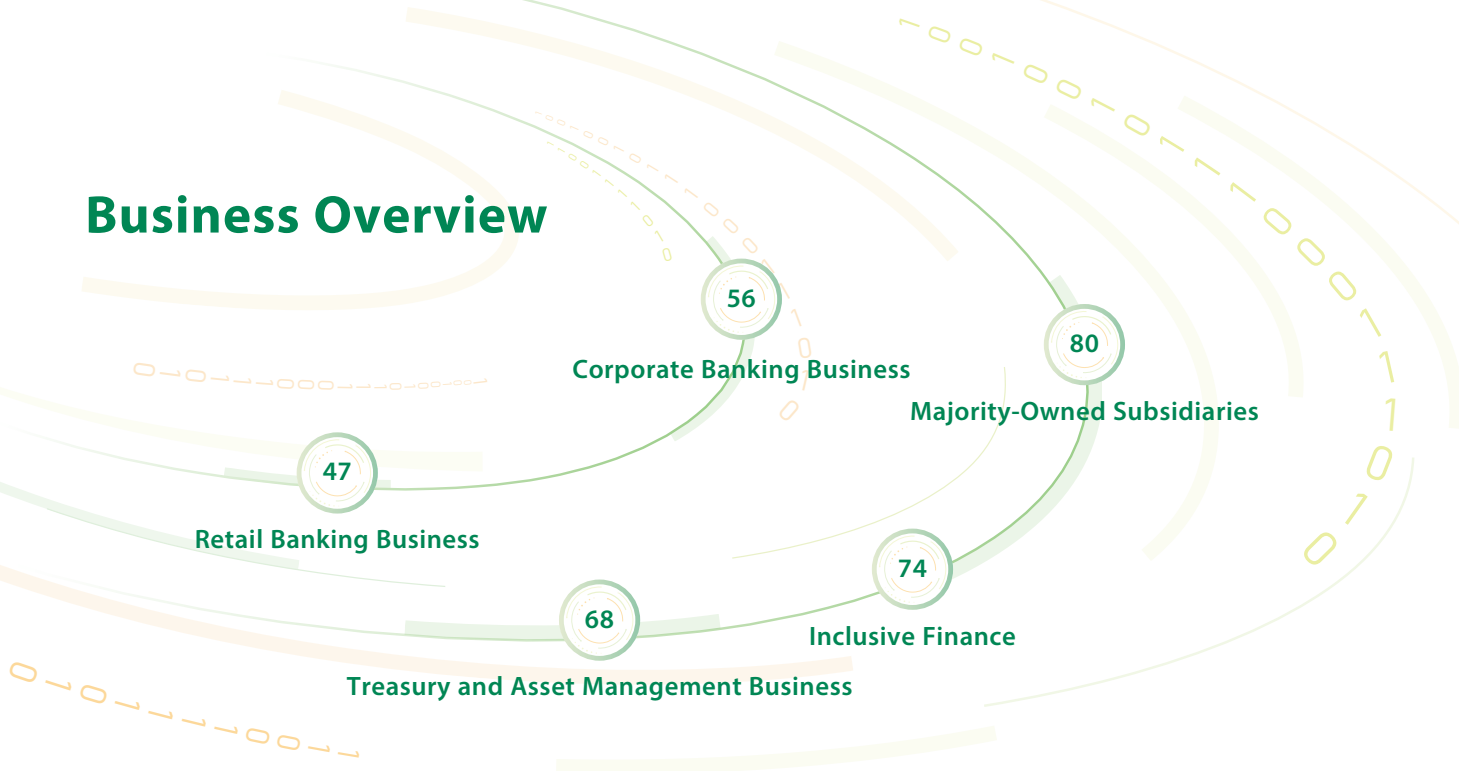
### Explanation of Differences in Financial Statements Prepared Under Domestic and International Accounting Standards

There was no difference between the net profit attributable to equity holders of the Bank during the reporting period and the equity attributable to equity holders of the Bank at the end of the reporting period in the financial statements prepared by the Bank under PRC GAAP and the corresponding figures prepared by the Bank under IFRSs.

### Information on Debt Securities

During the reporting period, the Bank did not issue any enterprise bonds, corporate bonds or debt financing instruments of non-financial enterprises that need to be disclosed in accordance with the Standards Concerning the Contents and Formats of Information Disclosure by Companies Publicly Offering Securities No. 3 – Contents and Formats of Interim Reports and the Management Measures for the Information Disclosure of Corporate Credit Bonds.

# Business Overview



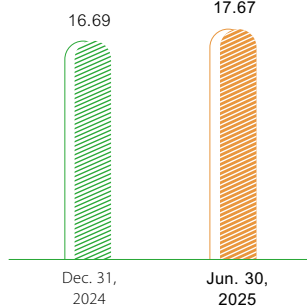
## Retail Banking Business

The Bank served **674** million personal customers.

AUM of personal customers amounted to RMB **17.67** trillion, up by RMB **980** billion from the prior year-end.

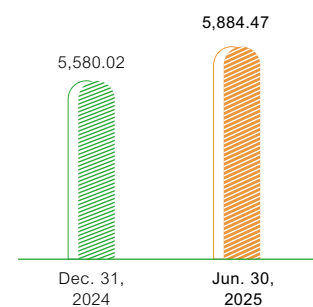
**AUM**  
(In RMB trillion)

Increase from the prior year-end  
**5.87%**



**Number of VIP customers**  
(In 10,000)

Increase from the prior year-end  
**5.46%**



Unswervingly following the strategy of building a first-tier large retail bank, the Bank fulfilled its commitment to serving the real economy, and ensured the quality and effectiveness in advancing the “five priorities” of the financial sector. It adhered to a customer-centric and market-oriented approach, upgraded operational capabilities, innovated institutional reforms, unleashed development momentum, and strove to become a bank of choice for personal finance. As at the end of the reporting period, personal deposits totaled RMB14.22 trillion, up by RMB591,144 million over the prior year-end; and personal loans amounted to RMB4.86 trillion, up by RMB88,793 million from the prior year-end.



## Retail Banking Business

The Bank advanced the tiered and segmented customer service model and continuously enhanced financial service experience and service quality. On the one hand, the Bank refined the tiered customer service framework, and provided convenient and high-quality basic financial services to mass-market customers. Under the guidance of investment research, it seized market opportunities, continuously advanced capability building for wealth management, and supported customers' wealth growth by professional expertise. On the other hand, focusing on the needs of special customer groups, the Bank provided customers with differentiated integrated financial services. It built a "three horizontals and three verticals" multi-dimensional pension finance framework, innovatively introduced a credit management model with credit limit auto-renewal, established a comprehensive payment and settlement platform, and created distinctive solutions for closed-loop settlement markets, injecting financial vitality into the creation of a better life for customers.

The Bank strengthened the two engines of management and innovation to create a new model for high-quality development. It strengthened operation management, and achieved intelligent alert and centralized collection for retail credit nationwide. The Bank advanced proactive credit extension for Sannong customers, and promoted the spending of existing high-quality customers. It deepened the integration of merchant acquiring and credit services, and built an ecosystem-based merchant service framework. The Bank accelerated technological innovation, upgraded the digital customer lifecycle management framework, and optimized service experience. The Bank also focused on the scenario-based ecosystem, worked to introduce scenarios while extending services at the same time, optimized scenario-based services with PSBC characteristics, and achieved multi-sector coverage by ecosystem scenarios.

The Bank implemented the national strategic plans to inject new momentum into resident consumption. By seizing the opportunities presented by policies aimed at expanding domestic demand and boosting consumption, the Bank promoted the improvement of people's livelihoods and consumption stimulation in an integrated way. Focusing on customer service needs in specific scenarios, the Bank targeted popular consumption sectors such as cultural tourism, dining and shopping, and unlocked customers' consumption potential through promotional activities, instant discounts, and cross-business linkage. Focusing on customers' consumption and financing needs, the Bank tailored "PSBC Score", an exclusive credit score system for customers, to provide differentiated loan services. The Bank conducted "proactive credit extension" to offer customers an "instant loan approval" experience. It organized the "PSBC-Sponsored Car Purchase Season for Rural Areas" to provide exclusive car purchase discounts, trade-in benefits and financial subsidies, injecting new momentum into consumption in counties and townships.

### Tiered Customer Services

The Bank continued to advance the development of the tiered customer service framework, adhered to chain-style operation, upgraded the customer acquisition model, focused on the needs of customers at different levels, and provided differentiated asset allocation and integrated services.

### Winning Mass-Market Customers through Refined Services

To cater to the diverse financial needs of mass-market customers, the Bank provided them with basic financial services such as deposit, remittance, payment and settlement, and provided customers with personalized service experience.

**The Bank consolidated traditional advantages and laid a solid foundation for inclusive finance.**

The Bank leveraged its advantages in the county-level network and conducted the “PSBC Love Homebound” campaign for migrant workers returning to their hometowns and other campaigns during the Spring Festival peak season. Personal deposits in counties and areas below the county level accounted for nearly 70% of the total personal deposits of the Bank. The Bank enriched products tailored to key customer groups such as middle-aged and senior customers, social security customers and payroll service customers, and precisely addressed the differentiated needs of various customers. The Bank also expanded the sources of demand deposits, vigorously promoted closed-loop settlement markets, and met customers’ financial and non-financial service needs.

**The Bank served the people through financial services and improved service quality.**

On the one hand, the Bank optimized the debit card product system, met the customization needs of key customer groups such as family and merchant customers, upgraded dedicated marketing campaigns and benefits for festivals and holidays, and enhanced attentive services. During the reporting period, the spending via the Bank’s debit cards totaled RMB3.95

trillion. On the other hand, the Bank also upgraded the cross-border payment service framework, provided personal customers with various international settlement services such as cross-border telegraphic transfer (T/T) and Western Union remittance. It also provided Cross-Border Wealth Management Connect (Southbound) services for customers in the Greater Bay Area, and rendered payment services more inclusive and convenient. During the reporting period, the Bank completed 75.4 thousand international settlement transactions, with a transaction volume of USD219 million.

**The Bank innovated payment transformation and deepened smart operations.**

The Bank focused on “refined management, openness and cooperation, and win-win collaboration” and created a new intensive operation model for electronic payment via debit cards. The Bank upgraded the management mechanism, strengthened the penetrating management of card binding at outlets, and promoted refined control over electronic payment limits. The Bank also strengthened coordination and synergy, promoted the “Smart Versatile Voucher Platform”, and fostered the integrated development of multiple businesses. During the reporting period, the transaction volume of electronic payments reached RMB3.87 trillion.



▲ Custom card design of “MSE Business Card”



▲ Custom card design of “Junior Treasure Card”



▲ Custom card design of “Family Blessing Card”



Scan the QR code to apply for a customized card of PSBC

# Retail Banking Business



Column

## Building a New Model for Personal Settlement Services to Facilitate Rural Revitalization and High-Quality Development of the Real Economy

Under the strategic initiative to comprehensively promote rural revitalization and accelerate the building of China's strength in agriculture, the Bank leveraged its unique advantages in an extensive network and business presence in counties, implemented a differentiated service strategy tailored to the unique market characteristics of different regions and industries, and offered comprehensive financial services integrating payment and settlement, credit and financing as well as wealth management and launched the "MultiMarket Pay", an innovative solution. As at the end of the reporting period, the "MultiMarket Pay" has been applied in over 160 prefecture-level cities nationwide, which provides efficient and intelligent financial services for ecological scenarios such as farming, forestry, animal husbandry, side-line production and fishery.

PSBC Heilongjiang Branch actively served customers engaged in grain trade, including corn, soybeans, rice, and seeds. The branch collected customer needs through on-site visits and provided customers with comprehensive financial service solutions, including "MultiMarket Pay", specialty cards, certificates of deposit, customized wealth management products, preferential loan interest rates, etc., to comprehensively address customers' financial needs. PSBC Handan Branch in Hebei Province utilized the "MultiMarket Pay" solution to provide customers with digital financial instrument and assist customers in efficiently completing payment and settlement transactions, offering financial technology support to promote rural revitalization in the local area.

Going forward, the Bank will continue to adhere to its positioning of serving Sannong customers, urban and rural residents and SMEs, continuously expand the closed-loop settlement markets and develop more industry-specific payment and settlement services to contribute to rural revitalization and the high-quality development of the real economy.



## Providing Professional Support to Accompany Wealth Customers

The Bank focused on the comprehensive and personalized financial needs of wealth customers. At the beginning of 2025, the Bank established the Wealth Management Department as a strategic move and comprehensively advanced the core strategy to develop the wealth management business. It systemically transformed its business development model, upgraded its service framework, enhanced core professional capabilities, and provided comprehensive and professional financial services including asset allocation, insurance coverage and wealth inheritance, thereby helping customers achieve wealth preservation and appreciation.

**The Bank developed a new model for managing special customer groups and continuously upgraded its service framework.** Focusing on customer needs in core scenarios such as children's education planning and asset inheritance, the Bank innovatively launched branded customer activities including "Empowering Growth for a Better Future", and upgraded its standardized service framework to a targeted service framework. In terms of private banking business, the Bank developed exclusive products and benefits, accelerated the development of private banking centers, and rapidly enhanced service capabilities for high-net-worth individuals through more professional and differentiated services. As at the end of the reporting period, the number of Fujia customers<sup>1</sup> reached 6,441.0 thousand, an increase of 10.97% from the end of the previous year. The number of Dingfu customers reached 41.4 thousand, an increase of 21.28% from the end of the previous year.

**The Bank strengthened the guiding role of investment research and established a full-process, closed-loop asset allocation mechanism.** The Bank innovatively established a full-chain investment decision-making meeting mechanism featuring market analysis and prediction, product selection

and matching, and asset allocation. The Bank conducted monthly communication with internal and external senior investment research experts to analyze macroeconomic trends and performance of major asset categories, so as to capture market opportunities. The Bank offered professional asset allocation strategies and solutions, and helped customers achieve steady wealth appreciation in a low-interest-rate environment.

**The Bank further upgraded its product framework in response to customers' diverse asset allocation needs.**

**Regarding the fund business,** the Bank intensified the promotion of the "U Select Fund" pool, and provided quick fund redemption services. As at the end of the reporting period, the scale of fund business reached RMB94,943 million, an increase of 12.69% over the prior year-end.

**Regarding the insurance business,** the Bank intensified the promotion of participating insurance, annuity insurance, and protection-type products and actively explored online insurance operation models. During the reporting period, sales of agency long-term regular premiums reached RMB74,522 million, a year-on-year increase of 10.16%. **Regarding the wealth management and asset management businesses,** the Bank acquired customers in a targeted way through products such as cash management and fixed-income products with low volatility, and expanded the "fixed-income+" product to enhance return elasticity. During the reporting period, the Bank's agency sales of wealth management products increased by RMB147,075 million, a year-on-year increase of 27.99%. As at the end of the reporting period, the scale of existing asset management plans (including trust plans) reached RMB129,376 million, an increase of 22.54% over the prior year-end. **Regarding the precious metals business,** the Bank strengthened the gold investment-focused product matrix including branded gold products and gold accumulation plan. During the reporting period, the transaction volume of gold accumulation plan reached RMB5,569 million, a year-on-year increase of 238.78%. The sales of PSBC Gold reached RMB1,424 million, a year-on-year increase of 69.16%.

<sup>1</sup> The Bank regards customers with assets of RMB100,000 and above as VIP customers. Among them, customers with assets between RMB500,000 (inclusive) and RMB6 million are Fujia customers, and customers with assets of RMB6 million and above are Dingfu customers.

## Retail Banking Business



Column

### Intensifying Efforts to Develop a Wealth Management Team and Building Core Competitiveness in Wealth Management with Professional Services

The Bank implemented the requirements of the strategic development of refined management, continuously enhanced the professional capabilities of its wealth management team, and established the “Yunfan” (CloudSail) wealth management team support platform. The Bank leveraged digital means to establish a closed-loop growth cycle for wealth advisors, smoothed the “people-skill-efficiency” comprehensive management process, provided sustainable human resources support for wealth management business, and better served customers in asset allocation.

The “Yunfan” wealth management team support platform is empowered by technology and data. The Bank strove to develop three core modules so as to propel the digital and intelligent development of the wealth management team. Specifically, **the Bank developed the “Self-Insight” assessment center** to comprehensively capture the “self-portraits” of wealth advisors. The Bank dynamically captured and analyzed wealth advisors’ professional capabilities, customer business behaviors and growth potential, created a 360-degree panoramic profile, generated personalized recommendations for growth, and provided tailored training and guidance. **The Bank developed the “Forge-Edge” learning map** to provide well-conceived paths for growth. The Bank developed a competency map centering around customer demands and job competencies, broke down key competencies required for wealth advisors to automatically generate curriculum tailored to different learners based on their panoramic profiles, quantitatively tracked training outcomes, made dynamic adjustments, and enhanced professional capabilities on a large scale. **The Bank developed the “Wind Braving” empowerment zone** to intelligently drive the real-scenario platform. The Bank deeply integrated advanced technologies such as AI large models, speech recognition and semantic understanding, centered around key customer service stages, and enabled wealth advisors to conduct practical exercises in multiple scenarios. The Bank also developed a four-step work approach for wealth advisors focusing on the entire customer service process, implemented standard customer management procedures, and enabled a large number of wealth advisors to significantly increase their productivity.

By building the “Yunfan” wealth management team support platform, the Bank developed a long-term, duplicatable, iterative and scalable team development mechanism, further enhanced professional service capabilities, fortified the bedrock and cornerstone of wealth management capabilities for the Bank, and supported the continued expansion of wealth management business and the steady improvement of income quality.

### Services for Special Customer Groups

The Bank adhered to the political and people-oriented nature of financial work, gave full play to its advantages when dealing with special customer groups involving pensions, agency payroll payment, merchants, credit cards and loans, met customers’ diverse and differentiated needs for comprehensive financial services, and enhanced its ability to create value for customers.

#### Providing Personal Pension Customers with Featured Services

The Bank thoroughly implemented the strategic plan of the CPC Central Committee and the State Council on

addressing population aging, provided differentiated financial products and services, and met customers’ pension finance demands. The Bank provided extensive services for urban and rural basic pension customers and leveraged its network advantages to promote integrated social security and banking services such as “Accessible Social Security”. As at the end of the reporting period, nearly 130 million financial social security cards were issued. The Bank actively supported individuals preparing for retirement in building pension funds and upgraded the one-stop, lifecycle personal pension services. As at the end of the reporting period, the number of personal pension accounts exceeded 10 million.

## Activating Agency Payment Customers by Long-term Services

The Bank fully integrated internal and external resources, deepened the linkage between retail and corporate banking, retail coordination, and cross-segment collaboration, and built a long-term customer acquisition framework. With an innovation-driven approach, the Bank launched the “Yixintong” (Easy Salary) agency payroll platform, provided fee waivers to enterprises receiving payroll services for the first year across all channels, and offered more convenient payroll tools. With precise customer reach as a key approach, the Bank established an online service hub for payroll customers through the “Zhanggongzi” (Mobile Salary) section, built a full-process and comprehensive operation framework, and ensured more efficient customer acquisition and retention as well as more attentive services. During the reporting period, the Bank’s agency collection amounted to RMB322,399 million, and agency distribution totaled RMB998,479 million, of which the agency collection of social security pension amounted to RMB22,374 million and the agency payment of social security pension amounted to RMB510,728 million.

## Empowering Merchant Customers with Integrated Innovation

The Bank drove the upgrading of the ecosystem-based operation of merchants through product iteration and scenario development. The Bank launched acquiring-and-credit integrated products such as a “higher credit limits for more acquiring” combination product and “credit payment”, promoted the transformation of transaction data into the credit chain, and provided merchants with convenient financing support. The Bank independently developed the “Youhuifu • Huishangtong” (PSBC Payment • Smart Business Access) resident service SaaS (Software as a Service) product, upgraded industry scenario solutions and the “e-Huitong” joint business district solution, built an “acquiring + credit + SaaS” merchant service ecosystem, and helped merchants enhance their operation efficiency. As at the end of the reporting period, both the outstanding credit and AUM contribution of acquiring merchants exceeded RMB100 billion.

## Activating Credit Card Customers through Refined Operations

The Bank seized the opportunity presented by the country’s series of policies to expand domestic demand and boost consumption, and leveraged the important role of credit cards in boosting consumption. It consolidated its intensive operation capabilities, enhanced the level of refined management, continuously improved the quality and stickiness of credit card customers, drove the steady and sustainable development of the credit card business, and provided high-quality financial services for retail customers. During the reporting period, spending via credit cards amounted to RMB456,442 million. As at the end of the reporting period, the number of credit cards in circulation reached 38,575.6 thousand. The non-performing ratio was 1.55%, up by 0.07 percentage point from the prior year-end.

## The Bank strengthened precision marketing and developed consumption scenarios.

The Bank launched marketing campaigns to promote account binding, activation and consumption on online payment platforms such as Alipay and WeChat, optimized campaign rules, continuously improved the efficiency of precision marketing, and went all out to expand the scale of quick payment consumption. The number of users participating in the campaigns exceeded 40 million person-times and the consumption volume went up by over RMB30 billion. The Bank partnered with China UnionPay to launch a trade-in program that focused on consumer sectors such as home furnishings, household appliances, 3C digital products, and automobiles, created scenarios offering more than RMB100 million in consumer subsidies, enhanced the quality of convenient and beneficial services for the public, and provided good financial services for consumer goods trade-ins. **The Bank improved customer activation and upgraded the product system.** The Bank established a high-quality customer acquisition framework tailored to customer groups, regions and scenarios, continuously strengthened the conversion of existing customers to credit card customers, stepped up collaboration between business lines and between wholesale and retail businesses, and steadily improved the quality of new customers. The Bank improved the customer activation



## Retail Banking Business

strategy, engaged customers through multiple channels, optimized the customer transaction process, and gradually increased the stickiness of credit card customers. The Bank also upgraded the product system for high-end customers, issued the Dingsheng Platinum Credit Card and Dingchang Platinum Credit Card, offered value-added services covering business travel, medical care and healthcare benefits, and provided cardholders with a high-quality experience. **The Bank enriched financial services and expanded brand influence.** The Bank adapted to new trends and changes in the consumer market, optimized the credit card asset structure, enriched credit card installment service products and brands based on various consumption scenarios, and accelerated the development of “Joy Installment”, merchant installment and other scenario-based installment services. The Bank strengthened the development of the intensive operation framework and capacity building, further optimized processes, enhanced online service capabilities, and continuously improved financial service satisfaction.



### Supplementary Case

By integrating finance, internet platforms and scenarios, PSBC Hunan Branch pioneered a “bank-enterprise platform” collaborative model to break new ground in SaaS solutions for the catering sector, concluded the Bank’s first cooperative deal with Meituan Acquiring partner merchant, and established a three-dimensional service model encompassing payment, settlement, fund management, and supply chain financing. Within two months of its launch, the project drove average daily deposits up by RMB8 million, setting a benchmark for digital transformation in serving the chain restaurant vertical.

### Leveraging Financial Strength to Support Credit Customers

#### Serving Consumers with In-depth Management and Services

The Bank focused on serving resident consumption, seized policy opportunities, and continuously strengthened consumer credit support in key areas. The Bank steadily

developed personal residential mortgage loan business, strengthened consumer finance support for areas such as automobiles and diversified consumption, and met the diverse consumption needs of residents. As at the end of the reporting period, the balance of personal consumer loans stood at RMB3.03 trillion, with a net increase of RMB36,981 million from the end of the previous year, of which the net increase of housing loans was RMB21,316 million and the net increase of other consumer loans was RMB15,665 million.

In consumer credit business, the Bank was committed to enhancing its capabilities in serving residential consumption, leveraged policy opportunities and innovative services, enhanced refined management capabilities, and built differentiated development advantages. **Internally, the Bank deepened innovation and improved the effectiveness of customer acquisition and activation.**

The Bank deepened proactive credit extension, rolled out the product “Youxiangfen” (PSBC Score), and enhanced the accessibility of consumer credit for residents. The Bank innovated the credit limit management model, promoted credit limit auto-renewal for existing customers, facilitated disbursement, and improved customer experience.

**Externally, the Bank leveraged its resource advantages and improved scenario-based service capabilities.** In response to market changes, the Bank focused on vibrant areas and high-quality channels in housing credit business, intensified efforts in cities with higher levels of urbanization, consolidated efforts in high-quality county-level markets, and fully supported residents’ rigid and improvement-oriented home purchase needs. The Bank seized the opportunities brought by various policies to boost consumption, held the fifth “PSBC-Sponsored Car Purchase Season for Rural Areas” campaign, collaborated with OEMs to organize marketing campaigns, and held trade-in auto shows.

The Bank focused on customer experience, enhanced service capabilities, continuously refined the online process, and provided residents with convenient services at their doorsteps. The Bank deepened the asset-light online credit acquisition model for online credit line businesses; launched a remote acceptance channel on WeChat for housing loans,

continuously optimized convenient online services, and further improved business processing efficiency. The Bank accelerated the digitalization and intensive transformation and upgrading of consumer credit. The Bank promoted centralized approval, unified risk control standards across the Bank, iterated intelligent risk control, significantly improved the accuracy of risk identification, and supported the high-quality development of consumer credit business. The Bank also implemented intelligent early warning and centralized collection nationwide, and realized end-to-end closed-loop management of consumer credit to empower efficient business expansion.

### Supporting Personal Business Customers with High-Quality Services

The Bank took digital transformation and intensive operation as main tasks and actively optimized product elements, service models and risk control strategies. While ensuring risks were under control, the Bank increased the supply of micro loans and fully supported farmers, self-employed individuals and MSE owners in their development and production. As at the end of the reporting period, the outstanding personal micro loans amounted to RMB1.60 trillion, an increase of RMB65,327 million or 4.25% over the prior year-end.

**The Bank upgraded the product system.** The Bank drove the process reengineering of the micro loan products, launched the Agricultural and Animal Husbandry Loan products, and achieved higher operational efficiency. To meet customer and market needs, the Bank continuously optimized product elements and business processes of mortgage loans and enhanced its business competitiveness. The Bank completed the integration of Industrial Loan business solutions, established a categorized management model consisting of general solutions and exclusive solutions, and enhanced the agility of solutions and customer access. **The Bank optimized service models.** The Bank further advanced the proactive credit extension projects for Sannong business, promoted the management

of existing high-quality customers at the Head Office, and enhanced the quality and efficiency of Head Office operations. The Bank implemented the “Empowerment Action” for merchants and “Million Program” for farmers, developed differentiated business solutions, and promoted batch customer acquisition in key scenarios and industries. The Bank stepped up the use of external data, enhanced the efficiency of automated approval, and enhanced service timeliness. **The Bank strengthened risk control.** The Bank launched an initiative to improve the asset quality of micro loans. Focusing on the six areas of “managing access, managing overdue loans, managing non-performing loans, managing disposal, identifying the risk of existing loans, and managing workforce”, the Bank increased the proportion of loans to high-quality customers and took multiple measures to strengthen asset quality management.

#### Supplementary Case

The Bank actively implemented the strategic plan for all-around rural revitalization, responded to the vehicle trade-in policy, and continued to carry out the “PSBC-Sponsored Car Purchase Season for Rural Areas” campaign. During the campaign, the Bank conducted joint marketing with OEMs, provided replacement subsidies and preferential financial policies for major trade-in models, fully addressed the car purchase and replacement needs of county residents, and focused on supporting consumption upgrading of NEV and mid-to-high-end brands. PSBC Chengde Branch in Hebei, in accordance with the planning of the Head Office and the branch, innovatively created a “finance + scenarios” service model, assigned dedicated customer managers to 4S stores, and provided consumers with one-stop services including used car valuation, government subsidy application, and preferential car loans. Through the combination of on-site services, digital tools and government-bank collaboration, the branch injected new impetus into automobile consumption.

## Corporate Banking Business

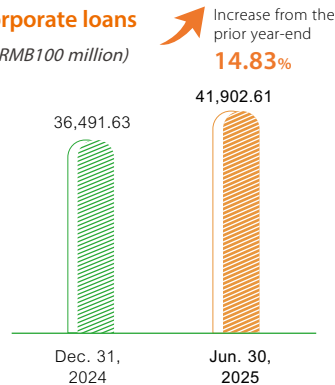
The number of corporate clients reached **1,889.4** thousand, with **155.6** thousand clients newly acquired in the first half of the year, and the aggregate number of corporate clients grew by **4.71%** over the prior year-end.

The Bank served over **100** thousand sci-tech enterprises, with the balance of technology loans exceeding **RMB930** billion.

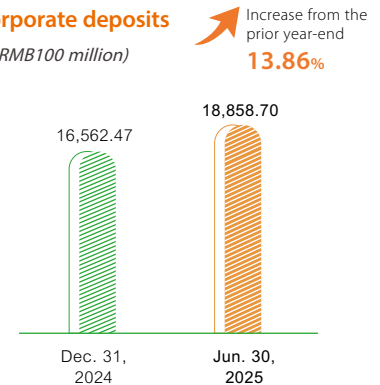
The finance product aggregate (FPA) totaled **RMB6.43** trillion, up by **RMB0.87** trillion or **15.72%** over the prior year-end.

The operating income of corporate banking business was **RMB40,746** million, a year-on-year increase of **19.99%**.

**Corporate loans**  
(In RMB100 million)



**Corporate deposits**  
(In RMB100 million)



The Bank upheld a client-centric and market-oriented approach in corporate banking business, remained firm in deepening reforms, exerted precise efforts to pursue sustainable value creation, and achieved parallel advancement and mutual reinforcement between business development and framework development. As at the end of the reporting period, the number of corporate clients reached 1,889.4 thousand, with 155.6 thousand clients newly acquired in the first half of the year, and the aggregate number of corporate clients grew by 4.71% over the prior year-end. The Bank established a multi-tiered framework of specialized institutions for technology finance, continuously strengthened financial support for sci-tech enterprises, and served over 100 thousand such enterprises, with the balance of technology loans exceeding RMB930 billion. FPA totaled RMB6.43 trillion, up by RMB0.87 trillion or 15.72% over the prior year-end. Corporate loans reached RMB4,190,261 million, an increase of RMB541,098 million or 14.83% compared to the end of the previous year. Corporate deposits stood at RMB1,885.87 billion, an increase of RMB229,623 million or 13.86% compared to the end of the previous year. During the reporting period, the operating income of corporate banking business was RMB40,746 million, a year-on-year increase of 19.99%, with the intermediary business income of corporate banking up by 41.62% year on year.

### Boosting the Efficiency of Serving the Real Economy

**The Bank solidly boosted coordinated regional development.** The Bank actively channeled funds toward strategic regions, policy-related businesses and key industries, actively served national development strategies for key areas, and contributed to the coordinated development of the Beijing-Tianjin-Hebei Region, the construction of Xiong'an New Area, the integration of the Yangtze River Delta, the ecological protection of the Yellow River Basin, the development of Guangdong-Hong Kong-Macao Greater Bay Area and the building of the Hainan Free Trade Port. As at the end of the reporting period, the balance of corporate loans to key regions grew by 17.65% over the prior year-end.

**The Bank helped foster a new development model for real estate at a faster pace.**

The Bank fully implemented the country's real estate policy, created a series of real estate-related products, and built a financial service framework that aligned with the new mode of real estate development. It properly distinguished between the project risk and the risk of the operating entities, met the reasonable financing needs of real estate enterprises, increased support to meet the financing needs of real estate enterprises for revitalizing existing assets, and promoted the ongoing development of the coordination mechanism for real estate financing. It actively supported urban renewal projects, fulfilled the responsibility of a major state-owned bank, supported the stabilization and recovery of the real estate market, and contributed to the stable, sound and high-quality development of the real estate market.

**The Bank served the high-quality development of the manufacturing sector.**

The Bank unswervingly implemented the strategy of building China into a manufacturing powerhouse, and strengthened policy support and resource guarantee. It optimized financial products and service models, increased financial supply in key areas such as advanced manufacturing, industrial transformation and upgrading, green development of industries, as well as the security and stability of industrial chains and supply chains, and actively supported enterprises in equipment renewal and technology transformation. As at the end of the reporting period, the balance of medium and long-term loans to the manufacturing sector increased by 8.53% over the prior year-end.

**The Bank accelerated the advancement of rural revitalization through financial services.**

With the new "1 plus N" operation and service framework<sup>1</sup> and GBC (Government, Business and Customer) linkage as the central focus, the Bank took the list of leading enterprises in agricultural industrialization as the lever for action, advanced financial services in agricultural infrastructure and rural infrastructure as well as important areas such as modern protected agriculture, high-standard farmland, and agricultural product distribution markets, and promoted the steady development of agriculture-related business. As at the end of the reporting period, the balance of agriculture-related corporate loans grew by 15.06% over the prior year-end.

**The Bank served the low-carbon transition of the economy and the society in a targeted way.**

Regarding green finance, the Bank focused on key areas such as energy conservation and carbon reduction, environmental protection and resource recycling, strengthened policy support, and increased credit supply. Regarding transition finance, the Bank deepened practical exploration, launched a number of benchmark projects in carbon-intensive industries such as aviation and coking, and established regional models. As at the end of the reporting period, the balance of wholesale green loans grew by 11.59% over the prior year-end. The Bank achieved initial results in transition finance practices.

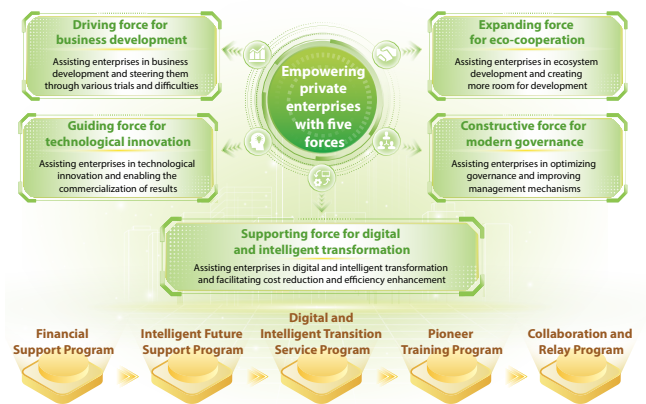
<sup>1</sup> The new "1 plus N" operation and service framework refers to a framework under which the Bank carries out reform and in-depth application of the operation mechanism and develops a marketing support service framework that integrates the front, middle and back offices by focusing on the six dimensions of client, product, collaboration, service, risk and technology.

## Corporate Banking Business

**The Bank provided financial support for the high-quality development of the pension industry.** The Bank promoted the “5-2-3” integrated marketing framework<sup>1</sup>, strengthened supportive measures, and successfully implemented a number of key projects based on various industry operation models, including “acquisition + transformation”, “construction + entrusted operation” and “integration of medical and elderly care services”. The Bank actively implemented the service consumption and elderly care relending policy of the PBC. Under the guidance of local PBC branches, many PSBC branches issued their first elderly care industrial loans in their respective provinces since the introduction of the new policy.

**The Bank continued to strengthen financial support for private enterprises.** The Bank signed a strategic cooperation agreement with the All-China Federation of Industry and Commerce, co-hosted an event themed “PSBC-Enterprise Collaboration for New Progress” that connected private enterprises with the Bank, and jointly launched the “Five-Force Empowerment” special initiative for private enterprises. PSBC local branches across the country fully engaged with the All-China Federation of Industry and Commerce, signed cooperation agreements with over 300 chambers

of commerce and associations, and empowered the high-quality development of private enterprises. The Bank focused on advantageous industries such as modern manufacturing as well as future industries such as biotechnology and bio-manufacturing, increased support for private enterprises in priority industries and relevant industry segments, and effectively enhanced its professional capabilities in serving private enterprises. As at the end of the reporting period, the Bank’s balance of loans to private enterprises reached RMB2.64 trillion, ranking in the forefront among major state-owned banks in terms of the share in total loans to customers.



<sup>1</sup> The “5-2-3” integrated marketing framework refers to “five key areas, two strategies, and three types of marketing and service models”. The Bank focuses on five key areas, namely health care and wellness travel, integration of medical and elderly care services, institutional elderly care, smart health care and elderly care, and silver product manufacturing; strengthens its client group strategy and regional strategy; and innovatively promotes integrated marketing and service model serving the full-life cycle of projects, the marketing and service model for the whole industry chain, and the GBC (government, business, customer) linkage marketing and service model.

### Supplementary Cases

A Jiangxi-based aviation equipment company is a key supplier to companies such as Commercial Aircraft Corporation of China (COMAC) and Aviation Industry Corporation of China (AVIC), whose independently developed large-scale aviation metal structural component manufacturing technology fills a void in China. However, traditional credit products could hardly meet the company's needs since the aviation industry is characterized by long R&D cycles and heavy asset input. Given this situation, the Bank proactively customized a financial service solution for the company, applied the "technology flow" evaluation framework, and issued a sci-tech credit loan worth RMB34 million, which addressed the company's funding challenges in a critical development phase and helped it overcome bottlenecks in upgrading key equipment.

The Bank fulfilled its responsibility as a major bank through concrete actions and demonstrated the profound connotation of serving private enterprises with financial support. To precisely serve the development of private enterprises in Zhejiang Province, PSBC Zhejiang Branch, through collaboration between the Head Office, branch and sub-branch, established a professional service team to tailor comprehensive financial service solutions for Geely Holding Group. Since the establishment of the partnership in 2015, PSBC Zhejiang Branch and Geely Holding Group have continued to expand the cooperation in scope and in volume. Their cooperation covers various businesses of Geely Holding Group such as complete vehicle manufacturing and auto parts procurement as well as upstream and downstream supply chains. PSBC Zhejiang Branch actively implemented the lead bank strategy, upheld the service philosophy of "sincerity, devotion and dedication for customer satisfaction", and offered a variety of financial products such as working capital loans, project loans, M&A financing, trade financing and settlement, to meet the financing needs of the entire supply chain in a targeted way. The branch provided over RMB10 billion in financing support to the industrial chain enterprises of Geely Holding Group and served 100% of its core subsidiaries.

**The Bank continuously strengthened its service capabilities in technology finance. The Bank strengthened top-level design.** The Head Office set up a technology finance task force and a technology finance center to promote key initiatives in technology finance, such as industry research, risk control framework development, market expansion, technological empowerment, investment and loan coordination as well as resource support, thereby driving innovation and breakthroughs in technology finance business across the Bank. **The Bank upgraded service models.** The Bank released the "Together We Win" comprehensive service plan, successfully held an event themed "Tech Enterprises Meet PSBC", and gave full play to its retail finance advantages and corporate service experience. The Bank actively utilized the "five-dimensional collaboration" comprehensive service characterized by featured products, collaborative services,

digital and intelligent support, talent training and ecosystem empowerment to realize dual empowerment of enterprises in terms of the hard technology and talent soft power.

**The Bank optimized the organizational structure.** The Bank continued to develop the multi-tiered professional framework for specialized, distinctive and demonstrational institutions in technology finance, promoted the establishment of the Level I Department of the Technology Finance Business in key tier-1 branches, and focused on life-cycle financial services for hard technology enterprises. **The Bank deepened ecosystem cooperation.** The Bank worked with the SSE to organize a special event themed "Visiting the SSE, PSBC with You", helped address the financing challenges faced by sci-tech enterprises, jointly built a service platform featuring intelligent integration and digital transformation, and empowered enterprises' transformation and development with comprehensive services.



## Corporate Banking Business



### Supplementary Case

The Bank thoroughly implemented the policy requirement of providing financial support for technological innovation, focused on the needs of traditional industries in transformation and upgrading, continuously increased financial support, and contributed PSBC strength to building a manufacturing powerhouse. A valve company in Yangquan, Shanxi, a national “little giant” enterprise that uses special and sophisticated technologies to produce novel and unique products, faced a funding gap in raw material procurement due to a significant increase in orders. In light of the company’s qualification as an enterprise that uses special and sophisticated technologies to produce novel and unique products, PSBC Shanxi Branch offered the company a sci-tech credit loan product that precisely met its demand and provided the company with a medium- to long-term loan of RMB17.2 million. The branch also stayed committed to providing lead bank services, offered the company comprehensive financial services including letters of guarantee, fund settlement, payroll service and employee service, became the company’s primary banking partner and empowered it to grow rapidly.

## Product and Service Innovation

### Treasury Management and Channel Services

**The Bank pursued chain-based upgrading and deepened the development of supply chain finance and logistics finance.** The Bank enhanced the efficiency of the “U-Chain Smart Finance” platform, accelerated its transformation into a pioneer of scenario-based financial solutions and a builder of industry ecosystems, focused on provincial-level leading enterprise in industrial chains and regional industrial clusters, adopted measures tailored to industrial chains and industries, empowered industrial development, and refined financing models for over ten industrial chains, including automobiles, pharmaceuticals, new energy, semiconductor, e-commerce platform, shipping, and construction. The Bank strengthened its digital and intelligent supply chain finance product matrix, continuously innovated the supply chain finance service model featuring non-reliance on the credit line and guarantee from core enterprises yet with linkage to core enterprises, optimized the asset pool product framework, and provided enterprises with efficient liquidity management

tools. The Bank made concerted efforts to develop a logistics finance ecosystem, integrated the collaborative resources of China Post Group, deepened integrated “logistics + finance” services in scenarios such as pharmaceutical distribution, agricultural production and marketing, freight settlement, and overseas expansion of the manufacturing industry, actively expanded into shipping finance, China-Europe Railway Express service, commercial and trade circulation, specialized operations of logistics supply chains of central and state-owned enterprises, and the scale-up development of leading private logistics enterprises, and created a unique logistics finance service model with postal characteristics. As at the end of the reporting period, the number of core corporate clients grew by 32.05% from the prior year-end, and the number of financing clients on the chain increased by 23.00% from the prior year-end.

**The Bank expanded scenarios and developed a new space for scenario-based financial services.** Based on the three major business forms of supply chain finance, trade finance and cross-border finance, the Bank deepened the upgrading of the “5U”<sup>1</sup> service framework, developed a new pattern for trade finance that is intelligent, scenario-based and convenient, and continuously enhanced its digital and intelligent service capabilities. The Bank enhanced the scenario applicability of the “Six Easy”<sup>2</sup> product series, delved into niche sectors, innovatively expanded into emerging scenarios such as bidding and procurement, factoring repayment fund supervision, and housing maintenance fund supervision, consolidated traditional scenarios such as operations management, collection, payment, and settlement as well as fund supervision, and achieved deep synergy with enterprises. The Bank leveraged innovations in intelligent tools and launched a new process featuring “no-code development + business configuration and deployment”. Through visual drag-and-drop, pre-built components, and template-based functions, the Bank created a highly efficient configuration-driven business rollout model and reduced the rollout time for standard scenarios to 10 minutes. The Bank improved the scenario-based service operations framework, developed a multi-scenario solution and product matrix, and strengthened brand promotion. The Bank also established a dedicated client service framework encompassing online client service, WeChat Work, remote conferencing, shared-screen client service, and 95580 voice service, improving service response efficiency.

1 “5U” refers to the supply chain service framework of U-Chain, U-Certificate, U-Acceptance, U-Letter and U-Remittance.

2 “Six Easy” refers to the service framework of “Easy Corporate Link”, “Easy Corporate Collection”, “Easy Corporate Payment”, “Easy Aggregation”, “Easy Corporate Business” and “Easy Corporate Management”.



Column

## Pursuing Industry-Finance Connection and Sustainable Development of Logistics: Taking Multiple Measures to Make Breakthroughs in Logistics Finance

Guided by national policies, the Bank actively implemented the national plan of accelerating the development of a modern industrial system supported by the real economy, leveraged the “four-in-one” diversified resource advantages of China Post Group, deepened scenarios, created a unique logistics finance service model centering around “3+5+N” key areas, continuously enhanced service capabilities, worked to build an integrated ecosystem, and strove to develop logistics finance into a differentiated growth pole of the Bank.

### Enhancing Service Capabilities: Developing and Launching a Core Product Matrix and Industry Solutions for Integrated Logistics Finance Development

The Bank focused on the three key initiatives of building a modern industrial framework, developing economy in county-level rural areas, and fostering a digital and intelligent development ecosystem. The Bank launched five characteristic service models, namely “Cross-Border Ease”, “Store Access”, “Production & Sales Access”, “Freight Access”, and “Factory Access”, fully considered the characteristics of industrial chains in various provinces and the needs of industry clients, pioneered “N” characteristic logistics finance models in automobiles, medicine, cross-border business, agriculture-related business, and other advantageous sectors, and gradually developed the ability to deliver industry-level solutions.



### Fostering an Integrated Ecosystem: Building a Collaborative Ecosystem Integrating Scenarios, Finance and Logistics and Promoting the Digital and Intelligent Development of Logistics Finance

Adhering to the principle of expanding scenarios, establishing platforms, and building ecosystems, the Bank developed an industrial chain financial ecosystem through digital and intelligent development. Utilizing its independently developed and operated U-Chain supply chain financial service platform and treasury development capabilities, the Bank built a collaborative ecosystem integrating scenarios, finance and logistics, effectively addressed the problem of low level of digitalization in the commercial and trade circulation framework, promoted the openness and interconnection of logistics data, and advanced the digital and intelligent development of logistics finance.

PSBC Jiangxi Branch collaborated with local government departments to build a public logistics platform. The platform includes functional modules such as logistics public information services, logistics matchmaking, logistics mall, and logistics supply chain finance. It effectively matches corporate logistics needs with public transportation resources, enables the public sharing of logistics information as well as closed-loop management of transactions and funds, and provides reference for addressing information asymmetry in the logistics market and effectively improving financing availability for small and medium-sized logistics enterprises.



## Corporate Banking Business

**The Bank unleashed the vitality of intelligent treasury services through digital and intelligent means.** The Bank deepened the development of the digital and intelligent integrated service platform (treasury) and achieved breakthroughs in large-scale application. “Yicaizi (Treasury Cloud)” was deployed in 52 industry-leading clients in key sectors such as manufacturing, new energy, retail consumption, as well as specialized and sophisticated technologies that produce novel and unique products. Relying on 11 functional centers, the Bank developed a scenario-based service matrix and provided comprehensive support for enterprises’ treasury management needs for “visibility, control, flexibility and optimal use”. The Bank refined the cash management product framework, promoted the upgrading of the core products of “Yizhangtong (Easy Account)”, innovated the automated assembly paradigm for cash management, and continuously expanded the depth of scenario-based settlement services.

**Driven by technology, the Bank innovatively created new service scenarios for smart government services.** The Bank actively responded to national strategies, empowered the service for government service and people’s livelihood through financial technology, continuously enriched the government finance cloud platform, innovatively developed

characteristic service solutions such as “Smart Business Association” and “Civil Affairs U Capital Verification”, and continuously iterated the functions of subsystems such as “medical account connection”, “agricultural business matchmaking”, “smart education”, and “smart bankruptcy management”. Aiming for digital transformation, data-driven management and intelligent operations, the Bank realized in-depth integration of digital and intelligent means with service scenarios such as healthcare and education.

**The Bank built a new ecosystem for agency fiscal service through business-technology integration.** In active response to the national plan for the integrated fiscal budget management reform, the Bank leveraged financial technology to actively promote the transformation and upgrading of agency fiscal services, continuously optimized systematic solutions such as smart treasury and digital fiscal service, and enhanced service efficiency. The Bank was rated “Excellent” in the 2024 MOF comprehensive evaluation of agency banks in terms of “Central Government Treasury Centralized Payment Fiscal Zero-balance Payment”, “Central Government Treasury Centralized Payment Budget Unit Zero-balance Payment”, and “Central Government Non-tax Revenue Collection Business”.



Column

## Leveraging the Advantages in Leading Syndicated Loans and Boosting the Development of the Real Economy

The Bank actively responded to national policy guidance, focused on the “five priorities” of the financial sector, leveraged its strengths in syndicated loan business, served as the lead bank, provided strong financial support for major projects and enterprises, bolstered the implementation of a number of key projects including new energy power generation, elderly care and wellness, rural revitalization, sci-tech industrial parks, and digital logistics parks, and promoted the high-quality development of the real economy. During the reporting period, the Bank led 155 new syndicated loans, with the total amount of syndicated loans reaching RMB183,347 million.

A smart home industrial park in Xizang is the first model industrial park for modern homes in Lhasa that integrates social, specialized, information-based, and intelligent elements. Through the large-scale application of green, low-carbon, and eco-friendly technologies, intelligent production equipment, and clean energy technologies, the project has significantly improved the environmental protection standards and resource utilization efficiency of the industry. It is a demonstration project for developing new quality productive forces and serving the “dual carbon” strategy. PSBC Xizang Autonomous Region Branch served as the sole lead bank and correspondent bank to coordinate syndicated loan formation throughout the process, maintained close communication and collaboration between front and middle offices, and ensured efficient credit approval. The Head Office collaborated with the branch to properly complete tasks such as the syndicated loan scheme design and the coordination and communication with participating banks. Ultimately, the branch successfully formed a syndicated loan, supported project implementation, provided financial support for industrial upgrading and improvement of people’s livelihood in China’s border areas, and contributed PSBC strength to writing a new chapter of the long-term peace and stability as well as the high-quality development of the snow-covered plateau.

A cultural tourism enterprise in Shaanxi planned a cultural tourism project in an old revolutionary base area. The project, featuring “red culture, immersive experience, and industrial innovation”, represents a new model for the integrated development of culture and tourism. Centering around the theme of “The Memory of Yan’an”, the project restored and reconstructed buildings of the old neighborhoods in Yan’an in the 1930s. It is the first comprehensive industrial integration platform in China that integrates revolutionary study tours, national defense education, reproduction and inheritance of intangible cultural heritage, rural revitalization practices, sports, wellness, and leisure. PSBC Shaanxi Branch implemented the new “1 plus N” operation and service framework, established project teams, fully played its role as a lead bank, leveraged its channel advantages, and coordinated with 12 interbank institutions to form the syndicated loan. Ultimately, the branch efficiently formed the syndicated loan, facilitated the smooth implementation of the project, contributed PSBC strength to the promotion of “red culture” and the development of old revolutionary base areas, enabled “red culture” to flourish with more economic vitality and social value in the new era, and wrote a new chapter in the integrated development of “red culture” and tourism.



▲ “The Memory of Yan’an” was performed at the Golden Yan’an Revolutionary Study Tour Education Base



## Corporate Banking Business

### Financing, Credit Facility and Advisory Services

The Bank adhered to a dual-driven approach of “financing and advisory” in investment banking business and continuously enhanced its comprehensive service capabilities in integrated commercial banking and investment banking. During the reporting period, the intermediary business income of investment banking recorded RMB3,608 million, up by 48.23% year on year.

**The Bank proactively served major national strategies and key areas and effectively promoted the “five priorities” of the financial sector.** The Bank served major new infrastructure projects and industrial upgrading by leading syndicated loans and supported the implementation of a number of syndicated projects in clean energy, elderly care, rural revitalization, and new quality productive forces. The Bank supported the technology finance strategy through bond financing and underwrote the country’s first batch of technological innovation bonds, serving such issuers as financial institutions, private sci-tech enterprises, and equity investment institutions. The Bank effectively expanded the financing channels of sci-tech enterprises and leveraged the market-based mechanism to channel private capital precisely to hard technology sectors.

**The Bank continuously boosted mergers and acquisitions (M&A) finance and supported industrial integration and the development of new quality productive forces.**

The Bank leveraged its unique strengths in M&A finance and provided comprehensive M&A finance services in areas such as the M&A and restructuring of listed companies, the transformation and development of state-owned enterprises, and M&A of sci-tech enterprises. As at the end of the reporting period, the balance of M&A loans increased by 21.18% compared with the end of the previous year. The Bank also issued the first batch of M&A loans to sci-tech enterprises to support their M&A, restructuring, and innovative development.

**The Bank prioritized digital and intelligent empowerment and developed a high-standard “Smart Investment Banking”.**

Regarding key systems, the Bank completed Phase II of the bond underwriting and distribution system and the investment banking comprehensive operation system, as well as the development of the core functions of the “U Advice” advisory service system, which marked a new step forward in the “Smart Investment Banking” 2.0 initiative, and brought client services and intelligent capabilities to a new level. Regarding innovative tools, the Bank launched “You Xiaobao”, the market’s first AI trading robot for investment banking scenarios, enabling intelligent quotation inquiry for underwriting transactions, full-process risk control management, and transaction data statistics. The Bank also launched an investment banking digital assistant and innovated an interactive intelligent Q&A work scenario.

### Business Framework Development

**The Bank promoted the in-depth advancement of the new “1 plus N” framework.**

The Bank optimized the corporate lead-bank client evaluation framework and strengthened the comprehensive development of lead-bank clients and chain-based client expansion. To become the “primary banking partner”, the Bank enhanced comprehensive value creation for clients and proactively responded to the low-interest-rate market environment. By fully applying the “1+N+X” performance appraisal scheme and using real performance data to verify results, the Bank formed a closed loop to drive in-depth, consistent implementation of the new system, integrated various initiatives including comprehensive marketing by client managers, tiered and categorized management of clients, and “iron triangle” operating mechanism, continuously stimulated reform momentum, and enhanced comprehensive service capabilities.

**The Bank fully promoted the corporate wealth management framework**, developing it into a key area and crucial driver for the transition toward asset-light operations. The Bank created wealth profiles for corporate clients. Focusing on client needs and experience, the Bank leveraged the corporate wealth service system, optimized full-process corporate wealth services, and established a market-oriented, full-process client support mechanism across pre-sales, in-sales, and after-sales stages. The Bank expanded the “circle of partners” for corporate wealth management, leveraged channel advantages and professional capabilities, enriched the corporate wealth product matrix, met the differentiated needs of clients with different risk preferences, and provided a diverse range of corporate wealth products.

**The Bank continuously advanced the development of government-business-customer (GBC) linkage system.**

The Bank thoroughly implemented national development strategies, focused on the needs of the people, established a GBC-M<sup>1</sup> linkage ecosystem, and empowered the new development paradigm. Positioning this year as the year of GBC linkage enhancement, the Bank launched a large-scale visit to institutional customers, closely followed the momentum of sector fund flows, and refined its tiered service standards for universal coverage. The Bank expanded the client base, attracted funds, and built an ecosystem around linkage scenarios, thereby effectively consolidating its foundation, enhancing its service capabilities, and strengthening the quality and efficiency of synergy. Taking the provident fund as an example, the Bank established a comprehensive, multi-dimensional service ecosystem through GBC linkage, liaised with local housing provident

fund management centers, provided deposit collection, entrusted loans, and value preservation and appreciation services, actively promoted the development of “housing provident fund + e-CNY” application scenarios, and served provident fund contributing units. The Bank also actively promoted the implementation of the housing provident fund policy for flexible employees and met their needs for comprehensive financial services.

**The Bank deepened the three-dimensional marketing model for corporate clients that integrated online, offline and remote channels.**

The Bank established a closed-loop, full-lifecycle operation mechanism encompassing client acquisition, client activation, client retention, and value conversion. The Bank moved faster to improve the five online operation platforms, namely corporate online banking, corporate mobile banking, “PSBC Corporate Assistant” applet, “corporate WeChat banking”, and “Yiqidian” (corporate banking guide). The Bank innovatively launched transfer fee coupons and conducted the “New Client Transaction Reward” online benefit activity to meet diversified needs of clients. To enhance the value of MSEs, the Bank continuously enriched the three-dimensional marketing scenario library, strategy library, and resource library and achieved the flexible adaptation and efficient execution of marketing strategies. Meanwhile, the Bank improved the full-lifecycle operation mechanism for MSEs without loans and promoted the remote customer service via WeChat Work. Focusing on key scenarios such as chain-based client acquisition, new client activation, key product promotion, and settlement amount increase, the Bank continuously implemented three-dimensional marketing through collaboration between the Head Office and branches.

<sup>1</sup> GBC-M linkage refers to creating a scenario-based ecosystem and closed-loop chain serving G-end (Government), B-end (Business), C-end (Customer), and M-end (Merchant) through collaboration.

## Corporate Banking Business



Column

### From Single-Point Breakthrough to Ecosystem Restructuring: Innovative Practices in Industrial Chain and Supply Chain Finance

The Bank closely followed the plans of the CPC Central Committee such as “accelerating the development of a modern industrial system supported by the real economy” and “enhancing the resilience and safety level of industrial and supply chains”, dedicated to industrial chain and supply chain finance, adhered to the development philosophy of “serving the real economy, utilizing digital and intelligent technology, and building a win-win ecosystem”, achieved systematic breakthroughs in the four dimensions of innovatively restructuring the product matrix, tailoring comprehensive industrial service solutions, building an industrial finance ecosystem, and creating a distinctive industrial financial service brand, and gradually formed a sustainable development path with distinct PSBC characteristics.

As at the end of the reporting period, the scale of supply chain finance business of the Bank increased by 25.92% over the prior year-end, the number of core corporate clients increased by 32.05% over the prior year-end, and the number of financing clients on the chain increased by 23.00% over the prior year-end. Meanwhile, the Bank gradually established a supply chain finance development framework characterized by steady scale expansion, diversified product innovation and effective brand promotion.

#### Building a Full-Scenario Product Matrix and Empowering Industrial Chain Finance with a Dual-driven Approach

The Bank adopted a dual-driven model of “core-anchored products to strengthen chains + non-core products to expand chains”. The Bank developed the U<sup>+</sup> series digital supply chain product framework and formed a financing service network covering all supply chain scenarios. For upstream procurement of core enterprises, the Bank rolled out products such as U Credit Factoring and supply chain bills. By providing credit support for core enterprises, the Bank helped upstream SMEs obtain low-cost financing. For downstream sales of core enterprises, the Bank rolled out the “Auto Acquisition Loan 3.0” auto finance product, provided dealers with fully online auto purchase financing through direct platform connection, and strengthened OEM sales channels. For the financing of MSEs on the chain with non-reliance on core enterprises, the Bank developed a product featuring non-reliance on the credit line and guarantee from core enterprises yet with linkage to core enterprises, transformed entity credit into data credit, and deeply integrated into the production and operation scenarios of industry clients. For the liquid asset management needs of enterprises, the Bank innovatively launched the asset pool product and enabled enterprises to conveniently manage credit, maturity and amount.

#### Developing Industry Solutions through Horizontal and Vertical Collaboration and Precisely Serving Regional Industrial Upgrading

The Bank took the “One Thousand Chains and Ten Thousand Enterprises” industrial finance initiative as a strategic approach, established a three-dimensional service pattern featuring “horizontal expansion across all industries and vertical extension of supply chains to focus on distinctive sectors”, and promoted the deep integration of industrial chain finance services with regional economic development.

Horizontally, the Bank focused on eight key industries, including new energy vehicles and new infrastructure. Based on its unified and well-coordinated service mechanism across the Bank, the Bank leveraged its physical network advantages, coordinated with cross-regional branches, established an industry-finance cooperation ecosystem platform, and generated the development effect of “serving one industrial chain leader, driving one industrial chain, and leading one industrial cluster”. Vertically, the Bank focused on strategies tailored to industrial chains and established a closed-loop, comprehensive service mechanism encompassing research, customization, marketing, implementation, and promotion. The Bank intensified efforts in eight featured scenarios including integrated circuits and new chemical materials, collaborated with industry institutions to conduct industry research, and customized comprehensive financial solutions including financing, cash management, etc. for provincial industrial chain leaders and supporting SMEs. For example, in the new energy industry, the Bank offered a combination of supply chain financing and green finance services to support the technology upgrades of enterprises across the industrial chain and establish a benchmark for regional industrial development.

Through the development of the horizontal and vertical collaboration framework, the Bank established a service network covering key regions and penetrating core industrial clusters. The Bank supported industrial chain leaders in enhancing their control over industrial chains, precisely allocated financial resources to SMEs, helped build a regional industrial ecosystem in which leading enterprises play a leading role and supporting enterprises play a collaborative role, and contributed to smoothing the domestic circulation and enhancing the resilience of industrial chains.

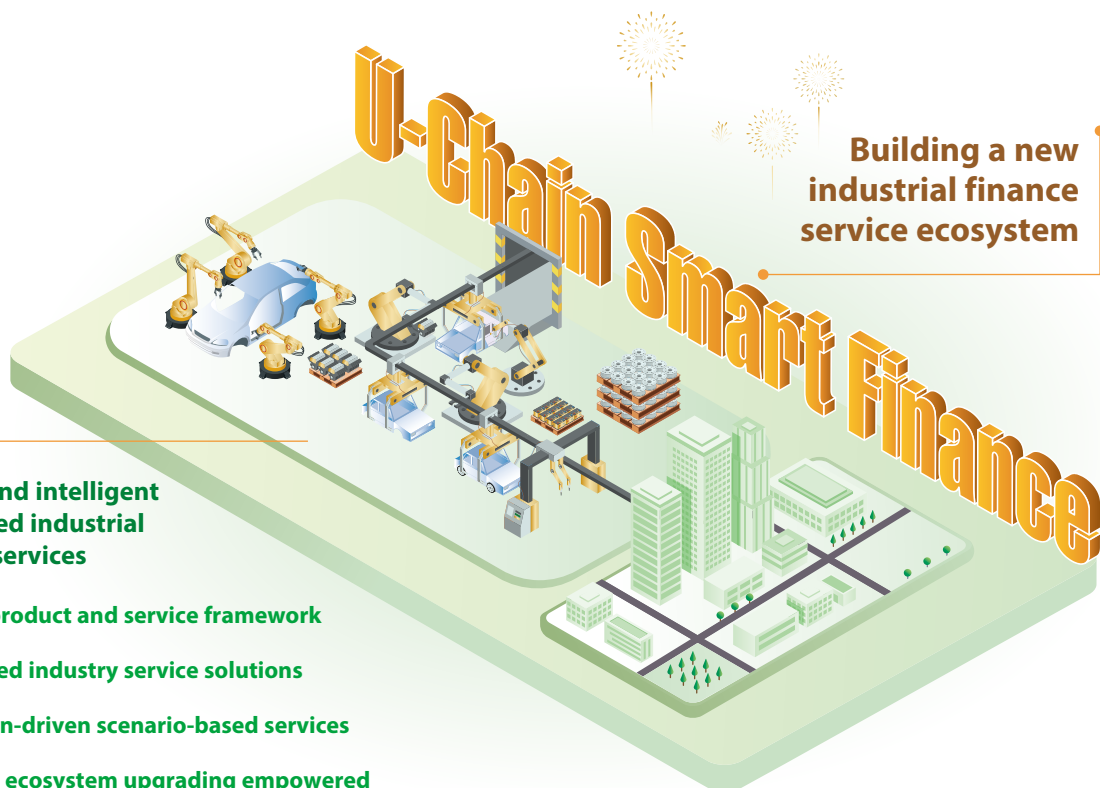
## Developing an Industrial Ecosystem with Technology and Promoting Industry-Finance Connection in an Open and Collaborative Way

The Bank adhered to the advanced philosophy of expanding scenarios, establishing platforms, and building ecosystems and led the development of an industrial chain finance ecosystem through digital and intelligent development.

Firstly, the Bank leveraged cutting-edge technologies such as blockchain, big data, and AI, empowered innovation in digital supply chain finance products, independently developed the U-Chain supply chain financial service platform, and built a differentiated operation framework tailored to digital supply chain finance business. Secondly, the Bank continued to deepen the eco-interconnection between the U Chain platform, industrial chain leaders, and platforms of third-party institutions, achieved a seamless connection between platforms, clients, and data, and fostered a virtuous eco-cycle of client acquisition and scenario expansion. The Bank has achieved direct system connection with nearly 100 leading central and state-owned enterprises and third-party platforms in manufacturing, new energy, and construction, laying a solid foundation for building an open and shared industrial finance ecosystem.

## Building the “U-Chain Smart Finance” Service Brand and Enhancing the Industrial Influence of Industrial Chain Finance

With “digital and intelligent development and industry-finance connection” as its core philosophy, the Bank launched the “U-Chain Smart Finance” brand, “5U” basic product matrix, and industrial chain finance solutions for sectors such as aviation, automotive, and construction. The Head Office and branches jointly promoted products, strengthening the professional image of “major state-owned bank + industrial chain finance”. Focusing on innovative products and services as well as regional characteristic finance, the Bank continued to expand its market influence, developed a benchmark brand in industrial chain and supply chain finance, and provided strong financial support for smoothing the domestic circulation and enhancing the resilience of industrial and supply chains.



**Digital and intelligent integrated industrial finance services**

- U+ basic product and service framework
- Customized industry service solutions
- Innovation-driven scenario-based services
- Industrial ecosystem upgrading empowered by digital technology

## Treasury and Asset Management Business

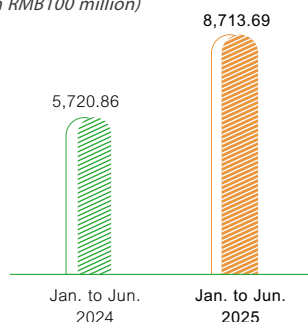
The asset size of treasury business reached RMB **7.35** trillion, an increase of **7.35%** from the prior year-end.

Assets under custody increased by RMB **563,617** million from the prior year-end, and the year-on-year increase of fee income was higher than the industry average by **14.80** percentage points.

The scale of wealth management products exceeded RMB **1.2** trillion, an increase of **17.54%** from the prior year-end.

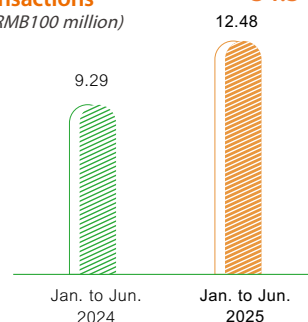
**Market-making trading volume**  
(In RMB100 million)

Year-on-year increase  
**52.31%**



**Non-interest income from the bill transactions**  
(In RMB100 million)

Year-on-year increase  
**34.34%**



The Bank adhered to an integrated business philosophy, fully leveraged its unique advantage in interbank finance, promoted diversified value contribution through a comprehensive business layout, and strove to become a benchmark bank in interbank finance characterized by in-depth client cooperation, full-spectrum product offerings, strong innovation capabilities, extensive platform coverage, significant market influence and excellent profitability. **Cooperation with interbank client was continuously deepened.** The Bank adhered to an open, integrated and win-win cooperation philosophy, developed an all-encompassing cooperation framework covering assets, liabilities and intermediary services, and continuously deepened cooperation. As at the end of the reporting period, the number of interbank customers in cooperation reached nearly 3,300. **Platform-based service scenarios became more diverse.** The Bank continued to enrich the scenarios on the “Together We Thrive” interbank ecosystem platform, launched the digital currency hall, upgraded the one-stop convenient services of the custodian business hall, and built an integrated business layout of “nine halls, three zones and two channels”<sup>1</sup>. As at the end of the reporting period, over 2,500 institutions had registered on the platform, with a cumulative trading volume of over RMB7 trillion. **The Bank continuously expanded the digital and intelligent development of interbank business.** The Bank established an independently controllable and industry-leading digital financial market system cluster with high performance. The third-generation core system for treasury business achieved a tenfold increase in peak load capacity, and the approval time for a single transaction was reduced to the millisecond level. Leveraging the “Yinghai” decision-making engine featuring data empowerment, a technology-driven approach, and scenario interconnectivity, the Bank released over 170 PSBC Insight reports in five series for the year 2024, enabling in-depth insights for the banking industry through holistic data support.

<sup>1</sup> The “nine halls, three zones, and two channels” refers to the billing hall, treasury hall, fund hall, wealth management hall, asset management hall, bond hall, ABS hall, custodian business hall, digital currency hall, data insight zone, investment research zone, member center, PC channel, and app channel.

## Financial Interbank Business

### Interbank Investment and Financing Business

The Bank maintained an overall balance among security, liquidity and returns, actively seized market opportunities, optimized the investment and financing asset structure, and continuously boosted the quality and efficiency of operation and development. As at the end of the reporting period, the scale of investment and financing business exceeded RMB 1.7 trillion. Specifically, pledged interbank deposits amounted to over RMB100 billion, effectively increasing returns, saving capital and mitigating risks. The Bank developed interbank certificates of deposit in both the primary market and the secondary market, continuously enhancing its investment and trading capabilities. During the reporting period, the Bank continuously enhanced its capability of managing fund investment, with the non-interest income going up by 4.51% year on year. The Bank's asset securitization drove the coordinated development of businesses including underwriting, custody, deposits and loans through the investment business. Therefore, comprehensive returns continued to improve.

### Bill Business

The Bank continuously advanced the digital and intelligent development as well as trading transformation of its bill business, and constantly improved business management as well as the quality and efficiency of customer services. During the reporting period, the volume of discounting transactions amounted to RMB606,656 million, a year-on-year increase of 28.05%. The Bank served 13,699 corporate clients, a year-on-year increase of 12.26%, 96.63% of which were SME clients. Relying on the "Together We Thrive" interbank ecosystem platform, the Bank continuously improved the development of digital and intelligent channels, strengthened bill circulation and trading, and significantly enhanced its trading capabilities, with steady growth in non-interest income. Non-interest income from bill business reached RMB1,248 million, a year-on-year increase of 34.34%.

# Treasury and Asset Management Business



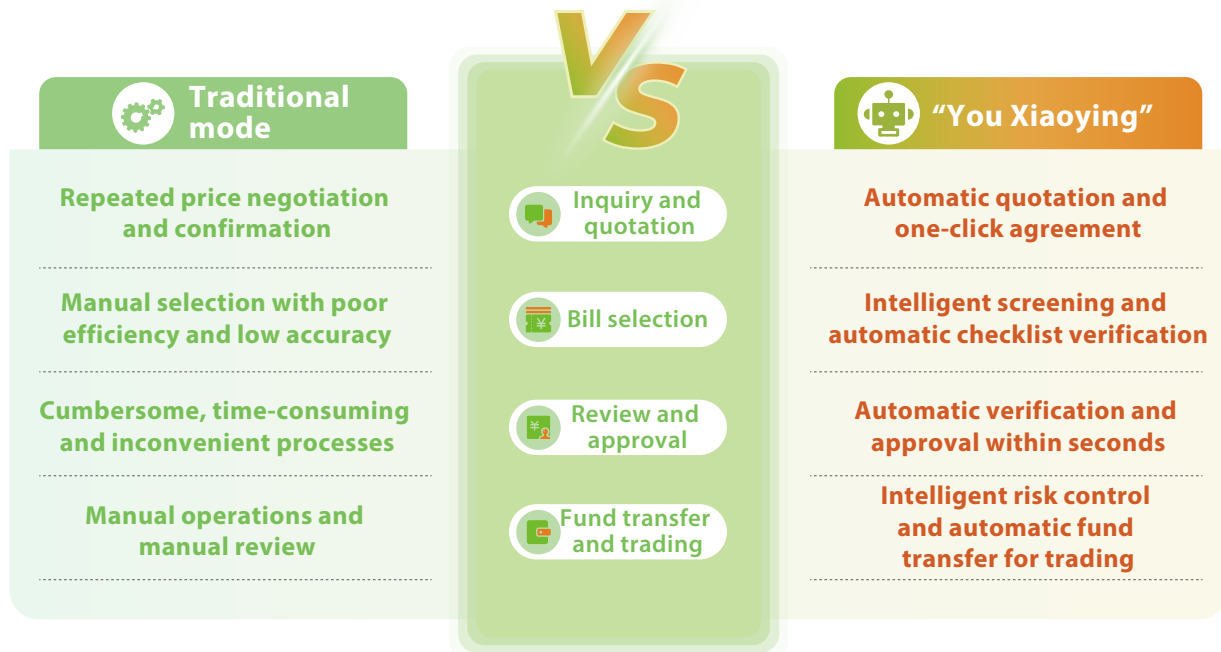
Column

## Launching the Bill Trading Robot “You Xiaoying” and Leveraging AI Technology to Unleash Momentum of Bill Business

Driven by technological innovation, the Bank actively explored the innovative application of cutting-edge technologies in bill business. In January 2025, the bill trading robot “You Xiaoying” was launched on the “Together We Thrive” interbank ecosystem platform. The Bank leveraged AI technology to empower the entire bill trading process, facilitated inquiry, bill selection, approval, fund disbursement and other transaction steps, and effectively improved the efficiency of financial service and customer experience.

Built on the Bank’s fully self-developed technology architecture, “You Xiaoying” deeply integrates cutting-edge technologies such as large language models, Robotic Process Automation (RPA), and multimodal recognition, and achieves intelligent coverage across all categories and whole processes of bill trading. Its core functions include tracking market dynamics in real time, intelligent assistance in decision-making of trading, intelligent product launch, intelligent inquiry trading, and automatic business report generation. “You Xiaoying” significantly improves the trading efficiency, mitigates business risks through the intelligent risk control system, and remarkably enhances the quality and efficiency of operation and management.

Looking ahead, the Bank will continue to advance the intelligent application of “You Xiaoying”. On the one hand, the Bank will strengthen the deep integration of large models with business systems to create a more intelligent and efficient bill trading service platform. On the other hand, the Bank will also collaborate with interbank institutions to explore intelligent pricing, trading automation and other frontiers and make breakthroughs in innovative application of financial technology. Taking the bill trading robot “You Xiaoying” as a digital propeller, the Bank will continuously strengthen technological empowerment and contribute innovative insights and practical experience to the digital and intelligent development of bill business.



## Depository Business

The Bank consistently provided customers with diversified depository and settlement services in securities, futures, gold and insurance asset management. As at the end of the reporting period, the Bank carried out in-depth cooperation with nine trading and settlement financial institutions and 167 securities and futures financial institutions, with a total of 9,884.3 thousand contracted accounts, which represented an increase of 3.57% from the prior year-end. During the reporting period, the depository transactions amounted to RMB1.98 trillion.

## Asset Agency Sales Business

The Bank leveraged its advantage of interbank ecosystem, focused on new drivers of value creation through asset allocation, asset trading, asset sales and asset custody, relied on mutual funds, insurance asset management and bank wealth management products, and explored collaborative development of businesses integrating investment, sales and custody businesses. As at the end of the reporting period, the cumulative trading volume of interbank agency fund sales exceeded RMB600 billion.

## Financial Market Business

The Bank pursued prudent operation in financial market business, closely followed national strategic guidance, and actively served the real economy. It carried out in-depth analyses of market movements, capitalized on macroeconomic policies and market opportunities, and dynamically optimized asset allocation. It strengthened technological empowerment as well as digital and intelligent development, continuously enhanced risk management capabilities, promoted the rapid development of trading capabilities, and continuously enhanced core competitiveness.

## Trading Business

In terms of the money market, the Bank actively fulfilled the responsibilities as a primary dealer for open market operations of the PBC, fully engaged in the implementation of monetary policy instruments, assisted the central bank in transmitting liquidity to the market, and effectively played the role of a major state-owned bank as a market stabilizer. The Bank built three-dimensional, multi-currency investment and financing channels, continuously optimized the money market AI trading robot, and improved the efficiency of fund utilization while ensuring liquidity security.

In terms of trading and market-making, the Bank continued to strengthen digital empowerment. Leveraging the electronic trading system, the Bank deepened the research and application of diversified trading strategies, actively conducted portfolio trading and quantitative trading, enhanced the frequency of swing trading operations, and effectively improved the profitability of the trading business. Leveraging its diversified bond holdings, intelligent system clusters, and research-driven investment strategies, the Bank

established a refined quotation framework covering products of all maturities, significantly enhancing its market influence. During the reporting period, the Bank's market-making trading volume increased by 52.31% year on year. The Bank expanded product innovation, developed innovative trading products such as standard interest rate swaps and bond baskets, and received a number of awards such as "Market Impact Leader of the Year" and "Market Business Innovator".

In terms of precious metals trading, the Bank continuously enriched trading products and business models, strengthened the gold investment-focused agency product matrix, and leveraged technology to enhance trading capabilities and market activity. Revenue from the precious metals business increased by 176.36% year on year. The Bank was designated as a standing director institution of the China Gold Association and approved as a pilot market maker in the interbank gold price inquiry market. The Bank will leverage the new qualification to further deepen product innovation, enhance service capabilities, and provide customers with more comprehensive and professional precious metal investment and trading services.

## Bond Investments

The Bank made solid efforts to implement major national strategies and plans, actively boosted the "five priorities" of the financial sector, and supported the transformation, upgrading and high-quality development of the real economy. The Bank maintained its investment in government bonds, with the investment scale increasing by 11.69% compared to the prior year-end. The Bank acted as a Class A government bond underwriter. During the reporting period, the Bank underwrote RMB316,190 million of government bonds, a year-on-year increase of 63.19%. The Bank refined the credit bond investment strategy, actively empowered investment research decision-making with technology, built core business scenarios, used AI to gain insights into the market and identify risks, improved investment research efficiency as well as the quality and efficiency of risk management, and worked to strengthen financial services for high-quality enterprises in sectors aligned with national strategies such as sci-tech innovation, rural revitalization, and SMEs. Guided by the green development philosophy, the Bank contributed to ecological conservation. The scale of the Bank's investment in green bonds continued to grow, and the Bank has been recognized as an "Excellent Institutional Investor of ChinaBond Green Bond Index" for six consecutive years.

The Bank adhered to the guidance of investment research, continuously tracked market movements, coordinated asset returns and risk management, properly formulated investment strategies in response to interest rate fluctuations, timely adjusted investment pace and portfolio structure, and seized market opportunities. As at the end of the reporting period, the Bank's bond investments amounted to RMB4,778.290 billion, an increase of RMB140,327 million or 3.03% compared with the prior year-end.



## Treasury and Asset Management Business



Column

### Promoting the Innovative Development of the Bond Market and Actively Developing the “Bond Basket” Business

The bond basket is a standardized trading instrument that allows institutional investors in the interbank market to conduct strategic trading, index tracking, or other operations using a basket of bond portfolios. It offers advantages such as enhanced trading efficiency, reduced costs and flexible asset allocation. It contributes to the in-depth development of the bond market and represents a key innovation under the strategic plan for building a financial powerhouse.

The Bank thoroughly implemented the requirements for the development of technology finance and digital finance, utilized such resource advantages as diversified portfolios, intelligent systems, integrated investment research and quantitative pricing, launched a variety of bond basket products covering a wide range of themes and maturities, continuously offered bilateral quotes, and achieved positive results in stimulating market transactions and serving the real economy.

#### Promoting the “Five Priorities” of the Financial Sector with High-Quality Development and Innovatively Launching Multiple Thematic Credit Bond Basket Products

The Bank actively responded to national strategies and improved the quality and efficiency of its services to the real economy. In November 2024, the Bank launched its first bond basket product – PSBC Preferred Agricultural Benefit Interbank Certificate of Deposit Basket, provided investors with an efficient trading channel, demonstrated its commitment to providing high-quality, efficient and comprehensive services for agriculture, rural areas and farmers, and actively contributed to rural revitalization. Targeting key areas of national support, the Bank successively launched thematic products such as the “Clean Energy Credit Bond Basket” and “Short- to Medium-Duration Sci-Tech Innovation Bond Basket”. Among them, the “Clean Energy Credit Bond Basket” was recognized as an “Active Basket” by China Foreign Exchange Trade System, effectively supporting the development of green finance. The “Sci-Tech Innovation Bond Basket” achieved the Bank’s “three firsts” — being among the first batch of institutions to participate in primary market bidding, to complete market-making transactions in the secondary market, and to launch thematic basket products. The product directed market funds toward early-stage, small-scale and long-term projects that focused on hard technology, providing strong financial support for sci-tech innovation.

#### Facilitating Diversified Asset Allocation, Enhancing Market Liquidity and Creating Distinctive Interest Rate Bond Basket Products

To meet the diverse investment needs of customers, the Bank launched characteristic products such as the “New and Existing 10-Year Government Bond Interest Spread Basket” and “Discounted Government Bond Basket”, providing investors with a diversified asset allocation platform. Specifically, the “New and Existing 10-Year Government Bond Interest Spread Basket” consists of three 10-year government bonds, including both new issues and existing issues. The Bank dynamically adjusted the basket based on trading conditions in relevant bond markets, maintained sound liquidity, and assisted domestic and foreign investors in strategic trading. The “Discounted Government Bond Basket” better meets investors’ needs for the allocation and trading of discount government bonds and contributes to enhancing the overall liquidity and the pricing efficiency of the discount bond market.

Going forward, the Bank will stay committed to serving national strategies and building a financial powerhouse and deepen the transformation of its financial market business. Focusing on core capabilities such as intelligent market-making, precise pricing and digital risk control, the Bank will continuously upgrade its bond basket product framework, build a competitive market service platform, and make greater contributions to the development of the real economy and the high-quality operation of the financial market.

## Custody Business

The Bank strengthened proactive marketing, deepened capacity building, and effectively promoted the implementation of the “bank-wide custody business initiative” in branches and sub-branches. The Bank optimized product layout, unlocked synergies, and promoted the quality and efficiency improvement of key custody businesses such as mutual funds, insurance funds, and bank wealth management products. As at the end of the reporting period, the scale of custody business reached RMB5.99 trillion, an increase of RMB563,617 million or over 10% compared to the prior year-end. The Bank also stepped up proactive marketing, tapped into growth potential, and facilitated the diversified development of businesses such as trust plans. During the reporting period, fee income from the custody business increased by over 17% year on year, 14.80 percentage points higher than the industry average.

The Bank actively supported the “five priorities” of the financial sector and provided high-quality custody services for themed asset securitization custody products such as those tailored for shift from old growth drivers to new ones, high-end manufacturing, and specialized and sophisticated enterprises that produce novel and unique products, demonstrating its commitment as a major bank. The Bank continuously improved the quality and efficiency of intensive operations. As at the end of the reporting period, the per capita operational efficiency improved by about 16% year on year. The Bank steadily advanced the independent development of its core custody system and successfully launched phase I functions. The Bank has been recognized as “Outstanding Asset Custody Institution” by China Central Depository & Clearing Co., Ltd. for three consecutive years and has been awarded the “Excellent Settlement Member” by Shanghai Clearing House for two consecutive years, steadily increasing its industry influence.

For the development of the Bank’s wealth management business, please refer to “Business Overview – Majority-Owned Subsidiaries – PSBC Wealth Management”.

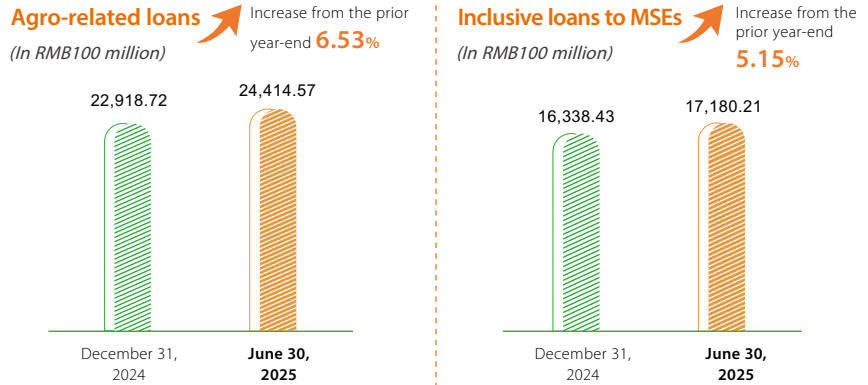
## Inclusive Finance

The balance of agro-related loans recorded RMB **2.44** trillion, accounting for over **25%** of total loans to customers.

The balance of inclusive loans to MSEs amounted to RMB **1.72** trillion, accounting for over **18%** of total loans to customers.

The Bank actively empowered the digital transformation of enterprises, and served over **110** thousand clients through the “PSBC Facilitates Operations” platform on a cumulative basis.

The Bank further advanced the MSE financing coordination mechanism and paid visits to over **1.4** million clients, granting over RMB **850** billion of credit on a cumulative basis.



The Bank made solid efforts to advance inclusive finance as one of the “five priorities” of the financial sector and continued to advance the development of a long-term mechanism for inclusive finance. Supported by specialized frameworks, the Bank strengthened resource allocation, increased credit supply, optimized product and service supply, and provided customers with comprehensive financial solutions. Driven by digital and intelligent transformation and intensive operation, the Bank moved faster to innovate and transform its service model, promoted the establishment of a multi-tiered, all-encompassing, differentiated and sustainable inclusive finance service framework, and continuously improved service coverage and accessibility. As at the end of the reporting period, the balance of the Bank’s agro-related loans amounted to RMB2.44 trillion, and the balance of its inclusive loans to MSEs totaled RMB1.72 trillion, with both of their proportions of total loans to customers ranking in the forefront among major state-owned banks.

### Rural Revitalization

The Bank thoroughly implemented the decisions and plans of the CPC Central Committee and the State Council regarding advancing all-around rural revitalization, and issued the Opinions of Postal Savings Bank of China on Further Deepening Rural Reform and Solidly Promoting All-around Rural Revitalization. By focusing on key areas such as the supply of grain and other important agricultural products, consolidating and expanding achievements in poverty alleviation, county-level industrial development for prosperity, and rural development, the Bank followed the main line of digital transformation and intensive operation, continuously enriched its financial product framework, expanded financial support to cover more sectors, and increased agro-related credit supply, so as to bolster all-around rural revitalization alongside agricultural and rural modernization. As at the end of the reporting period, the balance of agro-related loans amounted to RMB2.44 trillion, representing an increase of RMB149,585 million from the prior year-end and accounting for over one-fourth of the loans to customers, a level that ranked among the top of major state-owned banks in China.



### Going All Out to Ensure National Food Security

Seizing the policy opportunities such as the pilot program for interest discounts on special loans for grain and oil crop planting, the Bank provided preferential interest rates for pilot areas. It optimized micro loan products for the staple grain cultivation industry. The Bank refined due diligence requirements for customers covered by agricultural insurance data, improved operational efficiency and customer experience, and fully ensured financial support for spring farming preparations. The Bank made early deployment of summer grain acquisition services, optimized credit product features of summer grain acquisition, and provided targeted policy support for major grain-producing provinces. As at the end of the reporting period, the balance of loans in key grain areas amounted to RMB224,423 million, up by 21.28% from the prior year-end.

### Helping Consolidate and Expand Achievements in Poverty Alleviation

The Bank continued to implement differentiated financial support policies for areas lifted out of poverty and key counties receiving national assistance for rural revitalization, increased credit support, and met the needs of areas lifted out of poverty for industrial and rural development. The Bank formulated an annual work plan on targeted assistance, coordinated internal and external resources, and helped counties receiving targeted assistance to prevent large-scale relapse into or occurrence of poverty. As at the end of the reporting period, the balance of the Bank's loans to areas lifted out of poverty (832 counties) amounted to RMB606,492 million, an increase of RMB41,856 million as compared with the prior year-end. The balance of the Bank's loans to 160 key counties receiving national assistance for rural revitalization was RMB72,925 million, an increase of RMB5,671 million or 8.43% from the prior year-end, higher than the average growth rate of the Bank's total loans.

### Serving County-level Industrial Development for Prosperity

The Bank focused on competitive specialty industries and industrial clusters in various counties and actively promoted the business development model characterized by solutions tailored for each sector and enterprise. The Bank further optimized the management framework of individual-targeted Industrial Loan programs, established a categorized management model consisting of "general programs plus exclusive programs", and enhanced the agility of programs and customer eligibility. The Bank innovatively launched the "Cluster E Loan" targeting county-level specialty industrial clusters, formulated targeted risk control strategies in light of their business characteristics, and supported the development of specialty industrial clusters in rural areas. The Bank established a whitelist management mechanism for leading agricultural enterprises, promoted differentiated strategies, targeted marketing, and comprehensive services for whitelist customers, strove to become the lead bank for leading agricultural enterprises, and advanced the extension, supplementation and strengthening of rural industrial chains.

### Supporting the Development of Agricultural and Rural Infrastructure

The Bank formulated an annual rural infrastructure business development plan, focused on increasing medium- to long-term credit support for water supply, electricity, heating and gas projects, and promoted integrated county-township infrastructure development. The Bank optimized loan products for people's livelihood sectors, actively served rural ecological environment improvement, and addressed inadequacies in county-level public services. The Bank formulated a strategy for expanding high-standard farmland business, refined the management requirements for high-standard farmland and cultivated land businesses, and standardized high-standard farmland and cultivated land business development. The Bank increased financial support for protected agriculture, took modern protected fishery as a breakthrough point, and drove growth in modern protected agriculture.

## Inclusive Finance

### Innovating Effective Service Models for Rural Revitalization

The Bank implemented the “Million Program” for farmers, focused on characteristic rural agriculture and livestock farming scenarios, actively introduced external data sources, optimized product features and processes, and improved the quality and efficiency of services for key industries. The Bank promoted the Henan service model involving “100 counties, 1,000 towns and 10,000 villages”, advanced bank-government and bank-village platform collaboration, and boosted the scale-up development of the rural market through collaboration across counties, towns and villages. The Bank implemented the “Initiative of Serving Strong Counties and Wealthy Towns”, focused on strong counties and wealthy towns with stable industrial development, a strong customer base and robust business demand, and increased resource input to achieve breakthroughs in key regions. The Bank deepened cooperation with China Post Group, jointly launched the 2025 “Postal Benefits for Farmers in 10,000 Villages” special campaign, fully leveraged resources such as express delivery and e-commerce, and efficiently provided comprehensive services for creditworthy villages.

### Enhancing Capabilities to Prevent and Control Risks Associated with Sannong Finance

The Bank strictly controlled access to business, stepped up the application of external data, comprehensively optimized risk strategies, promoted centralized review and approval operations, and increased the proportion of loans granted to quality customers. The Bank optimized the post-lending management framework, promoted the centralized operation of low risk warning, verification, and follow-up, optimized post-lending warning rules, advanced the development of a dedicated collection team, and further enhanced the accuracy and professionalism of post-lending management. The Bank endeavored to mitigate existing risks, re-inspected customers with medium ratings, established a clear understanding of existing business risks, further optimized risk mitigation policies, and implemented differentiated strategies to properly address risks. The Bank also strengthened the development of the customer manager team, promoted team-based operations, and conducted skills competitions and the training initiative of “Earhead Program”, to consolidate the foundation for business development.



▲ The tilapia standardized demonstration farm, a “Sannong” project supported by PSBC Maoming Branch in Guangdong



Column

## Removing Barriers in the Industrial Chain of Financial Services for the Ginseng Industry and Boosting the Comprehensive Revitalization and Development of Northeastern China

Ginseng is the treasure of the Chinese nation. It is the most distinctive, competitive and promising product with great profitability in Jilin Province, a province that produces 60% and 40% of ginseng in China and the world, respectively. PSBC Jilin Branch strengthened top-level design, built a comprehensive service framework, innovated the financial service model, and enhanced risk management capabilities, in a bid to delve into every link in ginseng industrial finance and boost the full revitalization of northeastern China.

### Firstly, PSBC Jilin Branch strengthened top-level design and established a work mechanism characterized by special efforts, task forces, and experts.

Leveraging its resource advantages, PSBC Jilin Branch specifically issued the Three-year Plan for Providing Financial Support for the High-Quality Development of the Ginseng Industry and established a task force on financial services for the ginseng industry. The branch formed a ground promotion team for the ginseng industry targeting major ginseng producing areas such as Baishan, Tonghua, Yanbian and Jilin and developed featured sub-branches and ginseng experts targeting the four major ginseng markets, namely the Wanliang market in Fusong, Kuaida market in Tonghua, Qinghe market in Ji'an, and Pengcheng market in Yanji, thereby comprehensively enhancing financial service capabilities across the entire industrial chain.



**Secondly, PSBC Jilin Branch built a comprehensive financial service framework covering the entire life cycle of the industry.** Based on the financing needs of ginseng farmers and the ginseng growth cycle, PSBC Jilin Branch customized a loan of 3-5 years, pioneered the "PSBC Jilin Branch Ginseng Loan" product series in the banking industry, and leveraged the ginseng industry to boost the income of the people lifted out of poverty and those returning to their hometowns to start business. The branch strengthened cross-department collaboration within the corporate banking sector, offered personal loans of up to RMB10 million or corporate loans of up to RMB100 million to ginseng processing and sales enterprises, and fully supported the diversified development of ginseng food, medicine, health products, cosmetics, and biological products in Jilin Province. The branch gave play to its unique advantage in the collaboration between PSBC and China Post Group, seamlessly integrated its extensive network with professional services, and provided comprehensive services for the ginseng market, including finance, delivery and channels. As at the end of the reporting period, the branch granted loans totaling over RMB8 billion to Jilin's distinctive ginseng industry, with a balance of nearly RMB2 billion.

**Thirdly, PSBC Jilin Branch leveraged digital transformation to create a new, convenient and efficient experience.** Seizing the opportunities presented by the initiative of empowering rural revitalization with financial technology, the branch worked closely with Jilin Province Agricultural Financing Guarantee Co., Ltd. and pioneered "Speedy Loan – Agricultural Guarantee" and "Industrial Loan – Agricultural Guarantee", two credit products that are fully handled online. The customer loan application time was reduced from one week (for traditional business) to one day (loan application and disbursement on the same day) at the fastest, which promoted the technological, digital and intelligent development of ginseng industrial services. The branch effectively utilized the Unified Registration System for Movable Property Financing of the PBC, innovatively developed the "Ginseng Movable Property Pledge Loan", and truly transformed ginseng from a "local specialty" into a "valuable asset". The branch opened a green approval channel for the ginseng industry, provided high-quality services featuring prioritized investigation and approval, offered customers one-stop financial services including characteristic themed cards and exclusive value-added benefits for credit card users, and significantly enhanced customer experience and satisfaction.

**Fourthly, PSBC Jilin Branch continued to solidify the foundation for high-quality industrial development.** The branch strengthened source control through multi-dimensional analysis of potential risks in ginseng sales, prices, market fluctuations, and payment and settlement. The branch closely monitored policy, market and customer dynamics to adjust credit strategies and strengthened risk prevention on an ongoing basis. The branch also strengthened risk mitigation and phase-out of high-risk customers, continuously enhanced risk mitigation capabilities, and established a full-process, high-standard risk management framework. As at the end of the reporting period, the NPL ratio for the ginseng industry in Jilin Province stood at 0.77%, 0.45 percentage point lower than the NPL ratio for total loans.



## Inclusive Finance

### MSE Finance

The Bank worked to ensure the volume, improve the quality, stabilize the price, and optimize the structure of financial services for MSEs, strengthened the innovation of customer service models, advanced digital, intelligent and intensive transformation, accelerated product innovation and process reengineering, upgraded scenario-based finance and lead bank services, continuously improved the whole-process intelligent risk control framework, and promoted the steady development of MSE finance. As at the end of the reporting period, the Bank's balance of inclusive loans to MSEs reached RMB1.72 trillion, with its proportion of total loans to customers remained in the forefront among major state-owned banks.

### Strengthening the "Scenario+" Customer Service Framework

The Bank further advanced the MSE financing coordination mechanism and actively contributed to all aspects of the mechanism. Through the "Enterprise and Household Outreach" initiative, the Bank reached out to a wide range of business entities, accurately matched their financing needs, highlighted financial support in key areas, and ensured accessible credit funds for grassroots-level enterprises, fast and convenient services, and appropriate interest rates. The Bank reached over 1.4 million customers and granted over RMB850 billion in credit to business entities on the recommended list. The Bank continued to deepen the multi-dimensional service framework, focused on key areas such as industrial parks, industrial chains, and industrial clusters, continuously enriched business penetration scenarios, and accelerated scenario-based transformation. Leveraging the new industrial chain financing model with less reliance on the credit line and guarantee from core enterprises, the Bank reached upstream and downstream customers of core enterprises in batches by industry and provided convenient services for them.

#### Supplementary Case

Given the long cycle and slow repayment of the aviation industry, PSBC Shaanxi Branch tailored the "Aviation Cluster Loan" for enterprises, innovatively adopted the "supply chain financing" model, developed the "Aviation Industry Small Scenario" platform, provided online and batch financing services for suppliers of core regional enterprises, shortened the payment cycle to 30 days, covered over 20 small and medium-sized supporting enterprises, and drove a 40% increase in capital efficiency across the industry chain. Through industry-university-research collaborative innovation, PSBC Xi'an Branch collaborated with The First Aircraft Institute of the Aviation Industry Corporation of China, Ltd. and Chang'an Pilot Laboratory to provide "Technology Transformation Special Loan" for enterprises, helping them overcome bottlenecks in aviation composite material technologies and promoting the implementation and mass production of three scientific and technological achievements.

#### Supplementary Case

Xingcheng City in Huludao City, Liaoning Province was designated as a key county for cultivating industrial single-item (swimwear) champions in Liaoning Province in 2024, whose swimwear industry accounts for over 40% of the domestic market share and over 25% of the global market share, respectively. PSBC Huludao Branch actively promoted the "one county, one cluster" integrated credit extension service model, signed a cooperation agreement with Xingcheng Swimwear Industry Association, provided integrated credit for the swimwear industry, broke the collateral threshold, promoted the expansion of loan recipients and loan coverage, and granted credit to all eligible entities. The branch also deepened bank-government cooperation and carried out themed programs in industrial parks, markets, and business districts such as the Beiguan Swimwear Industrial Park and Linhe Industrial Park to extend loans to industrial parks, bases and industries, thereby supporting the development of local distinctive industries.

## Upgrading the “Credit+” Comprehensive Service Model

The Bank further advanced lead bank customer services. Leveraging the “5U” series of trade finance and supply chain as well as the “Six Easy” digital and intelligent settlement service system, the Bank provided companion services for customers in integrated financing, payment and settlement, wealth management, and financial services for corporate consumption scenarios, serving as their attentive financial butler. The Bank continuously optimized the credit product framework, met the medium- and long-term credit needs of enterprises such as equipment renewal and technological transformation through fixed asset loan products, increased support for loan renewal, properly categorized loan renewal risks, and supported medium-sized enterprises in loan renewal on a phased basis. The Bank continuously optimized the PSBC Facilitates Corporate Operation platform, a one-stop digital management platform for enterprises, provided enterprises with nine key functions including financial management, invoice management, purchase, sales and inventory management as well as payroll management, integrated account, settlement, financing and other financial services, continuously enriched service scenarios, and actively supported the digital transformation of enterprises. As at the end of the reporting period, the Bank served over 110 thousand customers.

## Deepening Digital, Intelligent and Intensive Transformation

The Bank innovated digital and intelligent customer management tools, established a full-cycle, intensive operation mechanism for MSEs characterized by precise engagement, in-depth service and intelligent operations, and promoted all-round, closed-loop management. The Bank continued to reshape the credit business process, implemented intensive review, optimized operation procedures, and effectively enhanced customer experience. The Bank improved the full-process intelligent risk control framework characterized by a data-driven approach, offline engagement and intensive review, strengthened control over offline customer engagement and key links, and took customers’ operation situations into account. Assisted by digital risk control models, the Bank applied new technologies and approaches such as knowledge graphs and fusion models to continuously improve the effectiveness of risk warning and firmly guard against risks. The Bank made all-round efforts to promote the intensive post-lending management model and built early warning models. Through the off-site monitoring process combining automatic warnings and manual outbound calls, the Bank achieved automated risk warning, centralized processing of warning signals, and tiered risk management.



## Majority-Owned Subsidiaries

The Bank has three majority-owned subsidiaries, namely PSBC Wealth Management, PSBC Consumer Finance and YOU+ BANK. During the reporting period, the Bank strengthened the management of the directors and supervisors assigned to these companies and continuously enhanced comprehensive control over their corporate governance, finance, capital and risks. These subsidiaries adhered to differentiated positioning, promoted business transformation and upgrading, and actively gave play to their synergy, so as to continuously enhance the comprehensive financial service capabilities of the Bank Group.



PSBC Wealth Management was established on December 18, 2019, with a registered capital of RMB8 billion, in which the Bank holds a 100% stake. Its business scope is: public issuance of wealth management products to the general public, investment and management of entrusted assets for investors; non-public issuance of wealth management products to eligible investors, investment and management of entrusted assets for investors; financial advisory and consulting services, etc. As at the end of the reporting period, PSBC Wealth Management had total assets of RMB14,459 million and net assets of RMB14,239 million. During the reporting period, it realized an operating income of RMB901 million and recorded a net profit of RMB560 million.

In the first half of 2025, PSBC Wealth Management moved faster to develop itself into a first-class bank-owned asset management company. To this end, the company seized the strategic opportunities of transformation and development, deepened the implementation of integrated, digital, intelligent and refined transformation through reform and innovation to enhance endogenous capacities, implemented the business philosophy of “maintaining steady growth, enhancing competence, focusing on innovation, strengthening marketing efforts, and advancing transformation”, strengthened core functions, enhanced core competitiveness, and strengthened, optimized and developed wealth management business at a faster pace.

**PSBC Wealth Management adhered to serving national strategies and supported the “five priorities” of the financial sector.** Firstly, the company facilitated technology finance. Its investment in science and technology innovation bonds reached RMB23,619 million, an increase of 13.50% from the prior year-end, accounting for 3.78% of the bond balance. Equity assets in the science and technology sector reached RMB1,389 million, an increase of 269.41% from the prior year-end, accounting for 21.96% of equity assets. The company actively participated in Hong Kong IPOs and invested in technology companies such as CATL and Sanhua Intelligent Controls. The scale of technology-themed products reached RMB1,488 million. Secondly, the company practiced green finance and continuously expanded green investments. Green/ESG-themed bonds accounted for 2.66% of bond assets, and green equity assets accounted for 13.66% of equity assets. The scale of green/ESG-themed products reached RMB5,962 million. Thirdly, the company promoted inclusive finance. The scale of bonds supporting SMEs, rural revitalization, private economy and other sectors amounted to RMB38,497 million, and closed-end themed products with a term of one year or more amounted to RMB186,612 million, an increase of 42.34% from the prior year-end. Fourthly, the company advanced pension finance. The scale of closed-end retirement wealth management products and pension products reached RMB5,416 million and RMB18,914 million, respectively, with annualized returns of 3.89% and 4.07% since their launch, respectively, ranking among the top in the industry. Fifthly, the company pushed forward digital finance with great efforts. The company comprehensively advanced its IT development plan featuring digital and intelligent integration, enabled end-to-end online management of business processes, and achieved increasingly significant results in digital transformation across seven key dimensions, including strategic investment, all-touchpoint customer support, digital products, efficient operations, intelligent risk control, refined management, and innovative technology.

**PSBC Wealth Management focused on enhancing core competitiveness and accelerated the high-quality development of wealth management business.**

As at the end of the reporting period, the products managed by PSBC Wealth Management totaled RMB1,201,925 million, an increase of 17.54% from the prior year-end, ranking among the top in the industry in terms of both volume increase and growth rate. Specifically, the scale of products in PSBC channels increased by RMB110,674 million compared with the prior year-end, the scale of products in third-party agency sales channels increased by RMB67,724 million compared with the prior year-end, and the scale of products in institutional direct sales channels increased by RMB996 million compared with the prior year-end. Net-value products amounted to RMB1,184,704 million, an increase of RMB185,468 million from the prior year-end, accounting for 98.57% of all products. Firstly, the company further optimized the product structure. The share of products with a one-year or longer maturity reached 27.93%, and “fixed-income+” products amounted to RMB258,159 million, an increase of RMB63,124 million from the prior year-end, demonstrating a balanced product structure. Secondly, product performance improved with adherence to the principle of low-volatility and stability, and 100% of closed-end “fixed-income+” products reached the performance benchmark targets, ranking among the top in the industry. Thirdly, customer services were advanced. By making full use of collaboration between PSBC and China Post Group, the company launched nearly 280 activities including channel collaboration and product training, etc., covering nearly 30 thousand person-times. Third-party agency sales were expanded and accelerated, with a total of 45 channels outside the Bank signed. The scale of institutional wealth management continued to grow, and maintained a leading position in the industry in terms of its growth rate.

**PSBC Wealth Management focused on digital operations and intelligent empowerment and drove business model transformation.** Firstly, the company comprehensively advanced its IT development plan featuring digital and intelligent integration, focused on key areas, made

coordinated efforts to promote the development of 31 key projects, delivered 670 digital requirements on a cumulative basis, and completed 166 system iterations and upgrades, demonstrating its growing digital and intelligent capabilities. Secondly, the company intelligently upgraded precision marketing and innovatively created a full-process marketing solution encompassing tag finalization, intelligent customer acquisition, and performance monitoring. The company finalized over 80 customer tags, filtered customer groups by tag combinations, and shifted from experience-driven to data-driven marketing. Thirdly, the company made breakthroughs in automatic investment research and trading, reestablished the workflow of investment managers, and enabled intelligent position calculation, dynamic management of pledged securities repositories, and automatic reverse repo order placement, significantly improving the trading efficiency of treasury business.

**PSBC Wealth Management prioritized risk control to provide solid support for high-quality development.**

Firstly, the company strengthened distributed product risk management, enhanced the full-process management of product risk indicators, and improved its capability to foresee drawdowns in the net asset value of products. The company strengthened distributed asset risk management, implemented differentiated management for investment strategy risks, strengthened the management of cooperative institutions, conducted duration management following the principle of substance over form, and improved risk warning and exit mechanisms. The company also optimized and created evaluation criteria commensurate with product positioning. Secondly, the company closely followed regulatory policy developments, pursued practical results, and steadily advanced legal compliance efforts. The company strengthened look-through regulatory responsibilities, clarified the principles for look-through management of underlying assets, transactions, and valuations, and received no regulatory notices on problems in the first half of the year. Dedicated to legal affairs, the company won the “Highly Commended Legal Team” Award of the In-house Counsel Awards 2025 presented by China Business Law Journal.



## Majority-Owned Subsidiaries



**中邮消费金融有限公司**  
PSBC CONSUMER FINANCE CO.,LTD.

PSBC Consumer Finance was established on November 19, 2015, with a registered capital of RMB3 billion, in which the Bank holds a 70.50% stake. Its business scope is: granting personal consumer loans; accepting deposits from shareholders and their domestic subsidiaries as well as parent companies of the groups to which shareholders belong and their domestic subsidiaries; borrowing from domestic financial institutions; borrowing from overseas financial institutions that are shareholders of the company; issuing non-capital bonds; interbank funding; advisory and agency services related to consumer finance, etc. As at the end of the reporting period, PSBC Consumer Finance had total assets of RMB72,351 million and net assets of RMB7,346 million. During the reporting period, the company realized operating income of RMB3,972 million and recorded a net profit of RMB633 million.

**PSBC Consumer Finance fully implemented the “five priorities” of the financial sector.** The company actively implemented the decisions and plans of the CPC Central Committee and the State Council and promoted the “five priorities” of the financial sector. Regarding inclusive finance, the company focused on local small businesses and scenarios and leveraged scenario data and targeted credit granting to improve the quality and effectiveness of inclusive financial services for the real economy. Regarding green finance, the company increased support for trade-ins, eco-friendly consumption and other fields, organized special campaigns such as the “Super Renewal Festival” and “PSBC Forest Carbon Account”, and injected vitality into the innovative development of the consumer market through innovative approaches. Regarding digital finance, the company continued to deepen digital transformation, focused on “data + technology + scenarios”, deeply integrated digital technology with financial services, improved the efficiency of financial services, expanded service boundaries, and built a smart financial ecosystem.

**PSBC Consumer Finance actively fulfilled its social responsibilities.** The company implemented inclusive finance policies, improved the accessibility of consumer finance, and extended financial services to more customer segments. In accordance with regulatory guidance and requirements, the company steadily moved forward with interest rate reductions and made reasonable interest concessions to consumers. During the reporting period, the company’s comprehensive loan pricing decreased by 21 bps compared to the prior year-end. The company issued RMB103.8 billion in inclusive loans, continuously increased the supply of consumer credit services, and promoted the prosperity of the consumer market. The company provided 25.3 thousand customers with special interest and fee reductions, repayment deferrals, loan extensions, credit support programs and mediation services, reduced or exempted a total of RMB104,627.1 thousand of interest and fees for customers, and further practiced inclusive finance.

**PSBC Consumer Finance continuously promoted high-quality development.** First, the company improved the risk control framework and solidified business foundation. The company closely followed business objectives, improved comprehensive risk management, and enhanced core risk control capabilities. The company optimized asset portfolios and risk strategies, focused on resources, strengthened business support, and continuously improved its forward-looking risk analysis capabilities. Second, the company strengthened the main platforms of directly-operated business and drove business transformation. The company focused on the six-ring strategy and relaunched version 3.0 of the PSBC Consumer Finance Wallet app. With focus on key areas such as key business upgrades and the application of large AI models, the company achieved synergic effects of business-driven technology and technology-empowered business to enhance the efficiency of digital transformation. Third, the company boosted rural revitalization with technology and expanded the scenarios of agriculture-related financial services. The company conducted in-depth research on



agriculture-related data, enriched customer portraits, developed rural consumer finance products and services through the “Village Doctor Empowerment Program”, a public welfare program, and expanded new channels for agricultural-related pilot projects.

**PSBC Consumer Finance accelerated digital transformation in all aspects.** In line with the strategic goal of “technology first”, the company deepened technological innovation and application, strengthened system automation and intelligent development, and empowered digital business transformation and management improvement. First, the company stepped up data governance. The company enhanced the integration of data with business operations and optimized data application experience. Second, the company innovated platform development. The company utilized large models to identify customer pain points, developed digital employees across various fields, and upgraded the You Yuanjian (PSBC Foresight) office assistant to version 2.0. Third, the company consolidated the foundation of technological capabilities. Closely aligning with the corporate strategy, the company implemented IT planning and architecture management, steadily advanced the application of intelligent technologies, and empowered efficiency improvement across various fields. As at the end of the reporting period, the company had a total of 104 granted patents and 121 software copyrights, significantly enhancing its technological competitiveness.



YOU+ BANK was established on January 7, 2022, with a registered capital of RMB5 billion, in which the Bank holds a 100% stake. Its business scope is: absorbing deposits from the public, mainly from individuals and MSEs; providing short, medium and long-term loans mainly to individuals and MSEs; domestic and foreign settlement through electronic channels; electronic bill acceptance and discount; issuing financial bonds; buying and selling government bonds and financial bonds; interbank lending; buying and selling foreign exchange by itself or as an agent; bank card business; agency collection and payment of funds and bancassurance, etc. As at the end of the reporting period, the company had total assets of RMB12,005 million and net assets of RMB4,042 million. During the reporting period, the company realized operating income of RMB150 million and recorded a net profit of RMB-118 million, achieving a 38.74% loss reduction year on year.

Guided by the “five priorities” of the financial sector, YOU+ BANK stayed true to the original mission of “serving Sannong customers, facilitating MSEs, and benefiting the public”, focused on the core businesses of inclusive credit, actively expanded online operations, and facilitated urban and rural payment services. The company adhered to a prudent business philosophy, consolidated the management foundation, strengthened technology finance, enhanced risk management capabilities, ensured that no systemic risks arose, and achieved steady development. As at the end of the reporting period, YOU+ BANK had over 20 million registered users in total.



## Majority-Owned Subsidiaries

**Regarding inclusive credit,** YOU+ BANK centered on the “YOU+ Loan” product framework to build a market framework targeting inclusive finance customers, redoubled efforts to improve adaptability, industrial nature, and repurchase rate, promoted product iteration and innovation, improved channel expansion and development, and established a customer operation framework. The company improved the pricing benchmark management mechanism. The company also optimized its credit renewal process and deepened the development of its risk control and management framework.

**Regarding wealth management business for mass customers,** YOU+ BANK continuously upgraded wealth management products and iteratively improved transaction functions. The company enhanced transaction experience based on the transaction characteristics of county-level customers and mass customers, deployed an intelligent marketing decision-making system, and iterated its membership level framework. The company strengthened partner management, effectively monitored the operations of wealth management subsidiary companies, and enhanced product selection and management capabilities. The company also upgraded “Her Wealth Management” brand marketing efforts. In the first half of the year, the brand section recorded a transaction volume of over RMB69 million, an increase of 330.70% compared with the second half of last year.

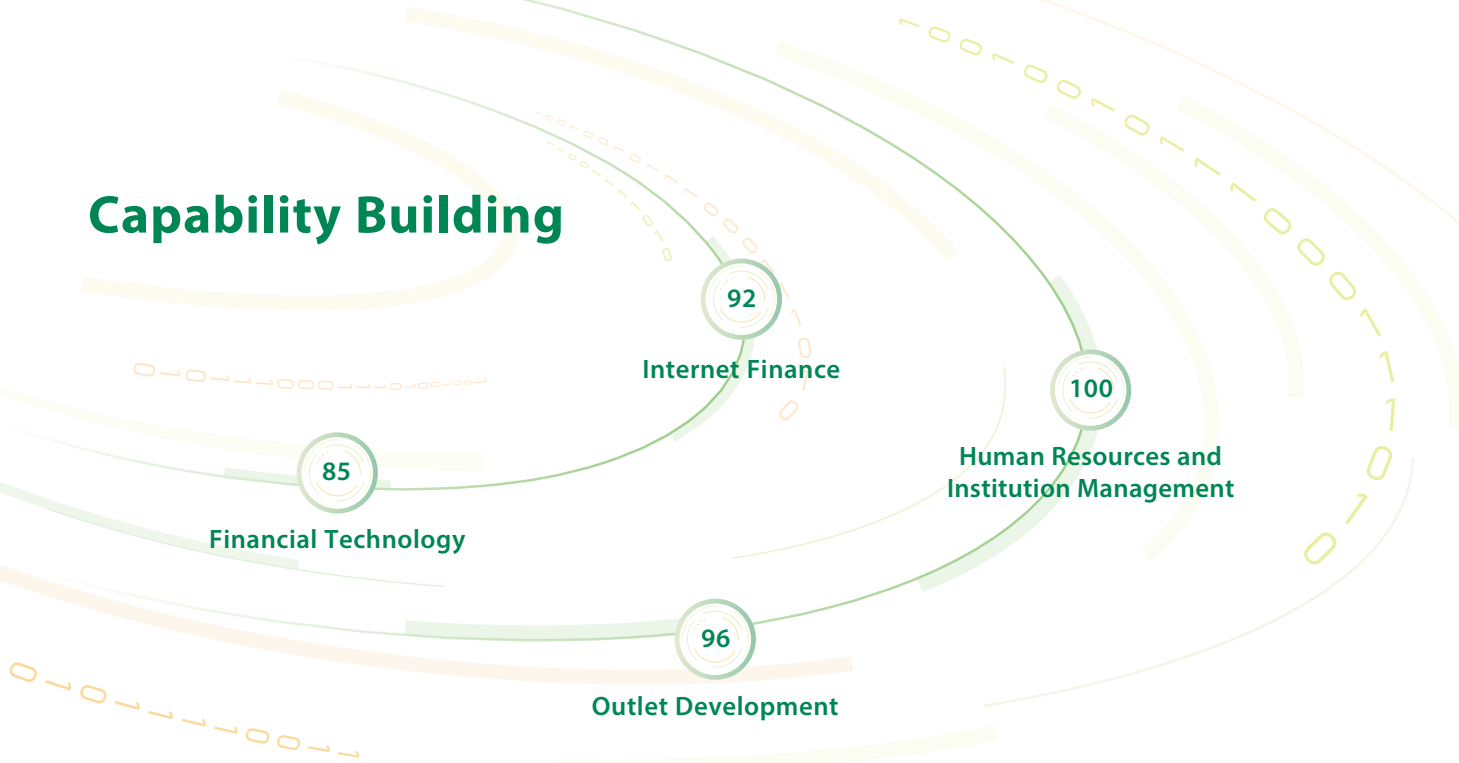
**Regarding facilitating urban and rural payment services,** YOU+ BANK built the “YOU+ Connect” product framework, developed a product matrix that benefits businesses and agricultural products, focused on scenario development, enhanced product security, optimized customer experience, and strengthened payment functions. As at the end of the reporting period, the business benefit service had served over 90 thousand micro and small-sized merchants in seven provinces (municipalities) on a cumulative basis, effectively supporting their business development. In the first half of 2025, the agricultural product benefit service was piloted in five agricultural production areas, which addressed problems encountered by farmers including slow settlement and

reconciliation challenges and facilitated payment services for the procurement of agricultural products in both urban and rural areas.

**Regarding risk management,** YOU+ BANK took a risk-based approach and ensured compliance from the source. The company shored up weak links, consolidated established strengths, and strengthened the comprehensive risk management framework. The company strictly controlled new risks, mitigated existing risks, and enhanced forward-looking risk warning capabilities. The company strengthened the whole-process risk control collaboration mechanism encompassing pre-lending, in-lending and post-lending processes, advanced risk data governance, and improved the accuracy of risk identification and measurement. The company improved the internal control and compliance framework, enhanced the work mechanism for law-based bank governance, strengthened the internal control and compliance policy framework, enhanced the awareness of prioritizing policies, and upheld the risk and compliance bottom line. The company also deepened the full-process management of consumer protection, focused on the tracing and rectification of key issues, and effectively safeguarded the rights and interests of consumers.

**Regarding technology finance,** YOU+ BANK followed the principle of “planning first and implementation in parallel”, strengthened architectural design, and drove business development and innovation. The company upgraded the IT architecture, strengthened the planning and implementation of the application architecture, data architecture, and security architecture, and strengthened system stability and enhanced scalability. The company optimized core business systems to improve processing efficiency and controllability. The company optimized cloud resource and storage management to improve resource utilization. The company also explored the development of AI infrastructure capabilities to provide a stable and efficient technical foundation for business scenarios such as intelligent risk control and precision marketing.

# Capability Building



## Financial Technology

The digital and intelligent ecosystem cluster of smart investment banking was put into operation.

The first batch of business functions of the third-generation core system for treasury business commenced live operation.

Over **2,500** scenarios were made available on the ecosystem collaboration middle office.

The real-time data warehouse of the big data platform processed over **5** billion data entries per day on average, a year-on-year increase of about **80%**.

The Bank went all out to achieve distinctive development, actively developed advantages in digital and intelligent transformation, empowered internal and external services with technology applications, drove transformation and development through technological innovation, dedicated constant effort to digital finance as one of the “five priorities” of the financial sector, and provided new technological impetus for high-quality development.

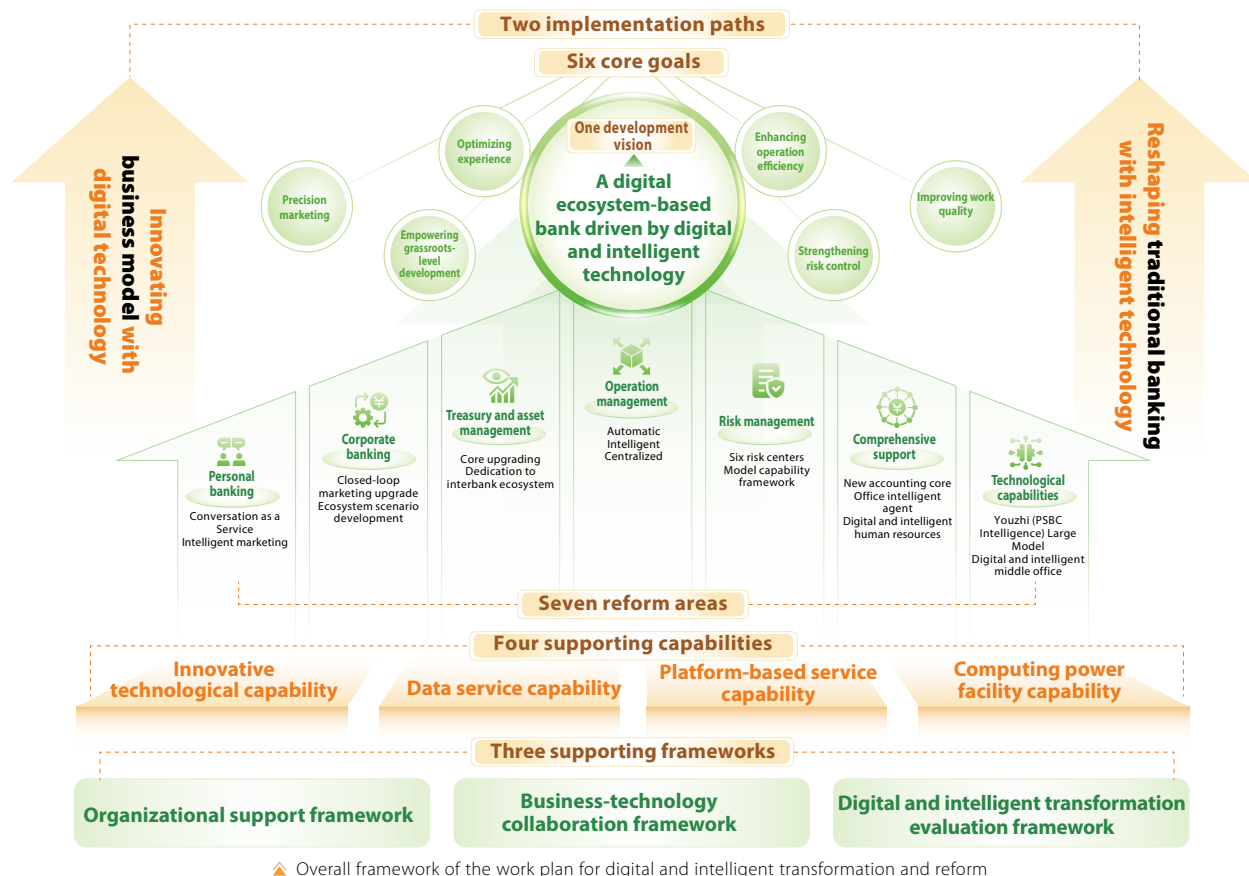
### Comprehensively Building Digital and Intelligent Advantages

The Bank closely monitored financial technology dynamics, adhered to the guidance of strategic planning, comprehensively deepened the application of new technologies, continuously upgraded products and services, and drove digital and intelligent transformation and development.

### Accelerating the Deployment of Digital and Intelligent Transformation

Amidst the digital transformation, the Bank adhered to a dual-track strategy of “innovating the digital business model” and “reshaping traditional banking with intelligent technology”, actively developed digital and intelligent advantages, and drove new growth through new productive forces and modes of production. The Bank formulated the Work Plan for Digital and Intelligent Transformation and Reform of Postal Savings Bank of China and established an overall framework consisting of one development vision, two implementation paths, six core goals, seven reform areas, four supporting capabilities, and three support frameworks. To build a digital and intelligent ecosystem-based bank, the Bank upheld the value proposition of “improving the quality of customer service and enhancing the efficiency of internal management”, launched reforms in seven areas including personal banking, corporate banking, treasury and asset management, operation management, risk management, comprehensive support, and technological capabilities, and moved faster to build a more intelligent first-tier large retail bank.

# Financial Technology



## Column Fully Embracing "AI+" and Exploring New Modes Empowered by Large Models

As the society undergoes an unprecedented digital and intelligent revolution, the new-generation AI technology with large models at its core has become a key engine for the transformation and upgrading of the banking industry. The Bank proactively seized opportunities of the times, accelerated the development of new quality productive forces through technological innovation, and propelled high-quality business development.

To align closely with the strategic planning for digital and intelligent transformation, the Bank implemented forward-looking top-level design and comprehensive planning for AI application. The Bank formulated the AI Development Plan of Postal Savings Bank of China that encompasses five aspects, covering infrastructure, platform tools, service capabilities, scenario applications, and security management. The Bank will achieve flexible computing power management and on-demand replacement of foundation models. Regarding model capability development, the Bank will leverage a comprehensive approach that encompasses "selection, training, utilization, and retention" to create a multi-domain, comprehensive AI model matrix. The Bank will establish a closed-loop mechanism characterized by demand-driven model optimization and model-empowered business upgrading, continuously receive scenario data feedback, dynamically optimize and iterate models, achieve the mutual and integrated development of AI models and business, and build the core engine for digital and intelligent corporate development.

The Bank made in-depth deployment of large model technology, integrated large model technology into the entire process of financial services, drove business innovation, achieved AI application across front, middle and back offices, and strove to achieve "whole process, comprehensive area and full time" digital and intelligent development in the financial sector. The Bank established an enterprise-level large model working group, built basic platforms for intelligent agent development and AI computing power management, and promoted the implementation of the panoramic view of large model business capabilities by using large model application capabilities and business fields as the horizontal and vertical axes. In line with the principle of "overall planning and classified implementation", the Bank developed new business models based on six key value dimensions of empowering community-level development, supporting precision marketing, improving risk control quality and efficiency, enhancing operational capabilities, optimizing customer experience, and improving work efficiency. As at the end of the reporting period, the development of over 230 scenarios were consolidated, covering all lines of business.



## Improving Service Quality and Efficiency with Intelligent Technology

**In terms of smart marketing**, the Bank built an intelligent recommendation model for all retail customers and all product categories to support hyper-personalized optimal matching for wealth management and fund products, further enhancing the efficiency of customer acquisition. **In terms of smart credit**, the Bank launched intelligent loan review scenarios, realized intelligent analysis of document imaging for an average of over 100 thousand transactions per day, and improved the efficiency and quality of initial review by customer managers. **In terms of smart investment banking**, the Bank launched a digital and intelligent ecosystem group. Leveraging new technologies such as large models and big data, the Bank achieved the online, automatic and intelligent handling of business processes such as origination, execution, underwriting, risk control, and investment banking ecosystem, reducing the processing time for a single bond transaction by approximately 93%. **In terms of smart interbank businesses**, the Bank launched the bill robot “You Xiaoying” and fully integrated it with “Together We Thrive” interbank ecosystem platform. By utilizing large

models, RPA, multimodal recognition and other technologies, it achieved full-process intelligent management of all types of bills, and significantly enhanced transaction execution efficiency. **In terms of smart custody**, the Bank integrated 650 indicators, provided customized reports for scenarios such as risk warning, performance evaluation and product evaluation, predicted market sentiment, and assisted customers in making investment decisions. **In terms of smart office**, the Bank launched the “Intelligent Meeting Assistant” that integrates the core capabilities of multiple large models, enabling full-process intelligent management of meeting scheduling and minutes generation and significantly improving meeting efficiency. **In terms of RPA application**, the Bank deployed over 2,000 RPAs, launched over 4,000 automated processes, completed execution for over eight million times, and applied cash operation monitoring business data processing and automatic annual inspections of institution settlement accounts in over 20 provinces nationwide, effectively empowering grassroots-level institutions to improve quality and efficiency.

# Financial Technology



Column

## Launching “Smart Investment Banking” and Developing a New Digital and Intelligent Service Ecosystem

The Bank developed the “Smart Investment Banking” ecosystem group to advance greater self-reliance and strength in science and technology, develop diversified financing, better leverage the role of the capital market as a hub, and focus on high-quality financial development. Centering around serving national strategies and improving customer satisfaction, the Bank developed six capabilities for the “Smart Investment Banking” initiative, including the investment banking data-driven decision-making capability, intelligent management and operations capability, intelligent service capability, collaboration capability, real-time risk control capability, and investment banking ecosystem connection capability. These capabilities played a unique role in promoting technological innovation and green development.

Firstly, the Bank developed the AI-driven intelligent core of investment banking to improve the efficiency of both service and management. The Bank pioneered “You Xiaobao”, the first AI trading robot for investment banking scenarios. The robot supported intelligent price inquiries and increased transaction efficiency by over 95%. The Bank developed an intelligent writing assistance tool based on large models, reducing the overall time for due diligence report preparation and review by over 87%. The Bank also established an intelligent diagnosis system that incorporates expert experience and rules to produce financial diagnostic reports that integrate analysis conclusions, risk alerts, and management advice, thereby assisting customers in decision-making.

Secondly, the Bank developed an intelligent financial advisory service platform to enhance the accuracy of investment and financing decision-making. The Bank leveraged AI and big data technologies, integrated macroeconomic and microeconomic data, the latest news, in-depth research reports, project resources and other industry factors, provided enterprises with comprehensive advisory services including specialized and differentiated investment and financing matchmaking as well as financial diagnosis, and fostered a new model for value creation.

Thirdly, the Bank built a new, compliant and efficient centralized platform to improve the efficiency of business operation. The Bank established a system integrating front, middle and back-office operations for bond underwriting and distribution, developed unified standards to enhance the efficiency of vertical system management, accelerated and enhanced efficiency across ten business scenarios including automatic pricing and placement data capture, and reduced the time for a single transaction by approximately 93%.



▲ A new centralized platform for accelerating the development of 10 core business scenarios in investment banking



## Driving Product Innovation and Upgrading with Digital Technology

The first batch of business functions of the **third-generation core system for treasury businesses** was put into operation. Based on domestic servers, domestic operating systems and domestic databases, and by leveraging proprietary distributed technology platforms, the Bank upgraded key links of the system including front-office trading management, middle-office risk control and back-office clearing and settlement. The system's load peak increased by more than tenfold; the review and approval time for a single transaction was reduced by 97%; and the time for end-of-day batch processing was reduced by 90%. The system secured the stable operation of treasury business assets amounting to trillions of RMB such as bonds, foreign exchange, and interbank certificates of deposit. The Bank fully adapted its **mobile banking** to HarmonyOS and launched "installation-free, click-to-use" high-frequency services such as account inquiries, fund transfer, remittance, etc. By integrating gesture interaction with AI recognition technology, the Bank developed an intent-driven circular selection transfer function to provide a more natural and convenient transaction experience. **Virtual business halls** offered a new "online + offline" experience. PSBC Chongqing Branch launched a dedicated space for anti-fraud and AML publicity in its virtual business hall, allowing customers to enhance their awareness of risks such as telecommunications fraud and money laundering through an immersive experience. PSBC Beijing Branch launched a virtual business hall experience zone of an unmanned bank. The branch also leveraged offline activities to provide customers with exclusive benefits such as cloud photo printing.

## Accelerating the Formation of New Quality Productive Forces

The Bank made solid efforts to conclude the 14th Five-Year Plan and conduct a preliminary study on the 15th Five-Year Plan for the IT segment. The Bank strengthened the digital capability foundation, enhanced digital and intelligent operations and maintenance ("O&M"), solidified middle office capabilities, safeguarded the security bottom line, and continuously deepened digital transformation.

### **The Bank strengthened the digital capability foundation.**

During the reporting period, the Bank added over 500,000 vCPUs (Virtual Central Processing Units) of general-purpose computing resources to facilitate the implementation of distributed innovative technology stacks, accelerate application transformation, and drive the development of information technology. The Bank set up an enterprise-level AI resource hub and established an AI computing power resource pool with 1,000-card-scale domestic chips as the core, which marked the completion of the upgrade from "single-device, single-card" to large-scale clusters, and promoted the transition of AI services from perceptive insight to generative creation. **The Bank established an autonomous and controllable intelligent agent development platform.** The platform offers common tools for document processing and database processing, supports the development of intelligent agent applications through visual drag-and-drop, and supports the development of scenarios such as intelligent O&M. This effectively lowered the threshold for applying large models and improved the development efficiency of intelligent applications. **The Bank also created a large model platform application service system.** Through the three-level interfaces of atomic capabilities, composite services, and application demonstration, the platform enables flexible combination of AI capabilities and rapid implementation of scenarios and empowers multiple business scenarios around the service ecosystem of "improving customer service quality + improving internal management efficiency".



## Financial Technology

**The Bank enhanced digital and intelligent O&M.** The Bank deepened the application of the integrated O&M platform, established a collaborative O&M system integrating monitoring, management, prevention, and control, achieved standardized and online O&M processes, and reduced the average time for equipment inspection by over 90% compared with manual operations. The Bank deeply integrated large language model technology into O&M scenarios, completed pilot projects in key scenarios such as O&M work orders, system logs, and monitoring alerts, and promoted the upgrade of the O&M model toward an intelligent-driven paradigm.

**The Bank solidified middle office capabilities.** The Bank developed a closed-loop “scenario + finance” service ecosystem for the **ecosystem collaboration middle office**, supporting rapid integration of external scenarios and rapid output of internal service capabilities and opening nearly 700 APIs, over 50 interfaces, and over 2,500 scenarios. The Bank improved the operation and management efficiency of the **operation middle office**, reducing the average time for centralized processing of corporate settlement business by approximately 42%. The Bank enhanced the capabilities of the **data middle office** to provide technical support for mixed scenarios involving high-concurrency requests and

complex queries and calculations, providing 432 data service interfaces, a year-on-year increase of approximately 33%, and supporting scenarios such as marketing management, risk monitoring, and operation management. The Bank enhanced the capabilities of the real-time data warehouse of the **big data platform**, processing over five billion data entries per day on average, a year-on-year increase of about 80%, and supporting 114 real-time business scenarios such as risk prevention and control.

**The Bank safeguarded the security bottom line.** **Regarding cybersecurity**, the Bank deployed and rolled out security tools such as IoT security software, enhanced its capabilities to analyze network alarms when integrating the situational awareness platform and security big data platform with the Bank’s large models, and promoted automated and intelligent cybersecurity. **Regarding data security**, the Bank innovatively adopted the dual-engine model of “rules + models” to achieve intelligent classification and grading of data assets and improve the quality and efficiency of data security management. **Regarding R&D security**, the Bank launched an integrated development security management system, strengthened information system security development, created unified assessment and testing exit criteria, and enhanced the quality of system security delivery.



## Column

## Deepening Business-Technology Integration and Developing a High-caliber Professional Workforce

The Bank was committed to developing a versatile workforce with both business and technical expertise, strengthened technological service awareness, and integrated the customer-centric approach into the entire process of data services, product innovation, and customer experience. The R&D team had a thorough understanding of market needs, proactively focused on customer pain points, and designed and created digital and intelligent products with enhanced services and efficiency, with the goal of providing an ultimate customer experience.

In terms of data services, to further promote the integration of business and data and comprehensively improve the quality and efficiency of data application, the Bank proactively deployed the digital workforce and launched a special action plan for data service engineers. Data analysts and miners with modeling, data and business expertise were assigned to provide on-site support for data requests, promptly understand business demands, and serve as a bridge connecting business and data. The Bank fully integrated resources across multiple data teams including data analysis, unified reporting, data extraction, large model, external data, and real-time data warehouse, drove data service by segment, promoted demand R&D with a holistic approach, and improved data support efficiency. In the first half of 2025, the Bank led the way in deploying data service engineers in the corporate finance segment, providing solid support for building an intelligent, agile, and efficient modern financial service framework.

In terms of product innovation, to accelerate the transformation of financial services, the Bank selected innovative elite personnel with strong execution to deepen the construction of cloud counter system, establish a new business operation and customer service model, and overcome core audio-visual technology challenges, thereby achieving full-stack independence and controllability. As at the end of the reporting period, the cloud counter system was deployed in over 30 thousand devices in outlets nationwide. The Bank continued to promote the construction of the “cloud counter digital avatar” to remotely assist in offline business handling, with the efficiency of single-transaction handling improving by approximately 40%.

In terms of user experience, to accelerate the development of experience-driven R&D capabilities and achieve product innovation and value creation, the Bank established a user experience team with expertise in customer engagement, products, and operations. The Bank integrated user experience into the entire product R&D process, proactively identified customer needs, rapidly responded to market changes, and reshaped the model of customer services empowered by financial technology. The Bank actively participated in the discussion about and preparation of national and group standards and took the lead in publishing group standards on user experience. The Bank pioneered the “User Experience Lab”, gained insights into core customer and business needs, and established a tiered testing and evaluation framework encompassing usability testing, public testing, and customer journey evaluation, with an aim to safeguard product quality. The Bank also strengthened the operational data analysis, precisely identified and optimized breakthrough points, and drove business process optimization and continuous product innovation.





## Internet Finance

The number of monthly active users (MAUs) on mobile banking reached nearly **86** million.

The number of personal wallets opened via the e-CNY app exceeded **33** million, ranking **first** in the industry.

The number of MAUs on the credit card app reached nearly **7.5** million.

## Strengthening the Support of Core Digital and Intelligent Platforms

### Personal Electronic Banking

#### Mobile Banking

The Bank constantly improved its mobile banking service capabilities. The Bank added the hot news section to the homepage to strengthen content operations; redesigned key features such as the security center and payroll customer section to offer a minimalist experience; optimized the homepage layout of the large-font interface to enhance elderly-friendly services; completed the rollout of intelligent assistant nationwide and enriched its functions to cover transactions like account inquiries, transfers and payments, thereby boosting the convenience of intelligent services. The Bank optimized processes such as credit card activation and real-name registration to provide a one-stop experience for new customers activating cards and opening mobile banking. The Bank also improved credit card functionality by adding functions of one-click credit limit adjustment, spending analysis, card replacement/reissue, card renewal, etc., to enhance user experience.

As at the end of the reporting period, the Bank had nearly 86 million MAUs.

#### WeChat Work

The Bank promoted all-round adoption of WeChat Work, continuously improved foundational marketing capabilities including product libraries, content libraries, poster libraries and knowledge bases, empowered marketing personnel, and enhanced customer service capabilities. The Bank established a WeChat Work customer tagging system for precise customer acquisition and tiered and segmented customer operation. The Bank also integrated its popular campaigns to provide customers with more professional and personalized companionship-based services.

#### Remote Banking

The Bank continued to focus on innovating remote intelligent services and upgraded comprehensive remote customer services. The Bank accelerated the application of large language models in customer service scenarios such as intelligent outbound calls, intelligent assistant and agent assistant to enhance personalized interaction and targeted service capabilities. The Bank also advanced the development of cloud-based processing scenarios and innovatively launched a service model in which digital employees handle transactions via videos, thereby providing customers with a more secure and convenient remote financial services experience.

## Credit Card App

The Bank continued to advance the digital transformation of credit card business, optimized the service experience of the credit card app, and added and optimized over 300 features. The Bank upgraded the channel interface of the credit card app, highlighted key features, marketing activities and life scenarios, and optimized the “Featured”, “Benefits”, “Credit Card” and “My Channels” to deliver more user-friendly and convenient services; redesigned interface interactions and optimized functions such as balance checking and repayment, statement installments, cash installments and QR code payments; optimized the security center section, added the customer protection section, and created a new intelligent customer service image. New user guide and app user instructions were introduced for the large-font version of credit card app. An educational “Financial Tips” section was added to ensure earnest implementation of national policies on elderly-friendly adaptation.

## Credit Card Customer Service Hotline

The Bank further expanded the online intelligent service framework, continuously expanded the application scenarios of intelligent trading robots and digital employees, and achieved comprehensive coverage of credit card inquiry business. During the reporting period, 7×24 around-the-clock digital and intelligent services were offered 4.9 million times and twelve new transaction functions were added to the intelligent robots, further boosting the customer attraction capabilities of online channels. The Bank moved faster to upgrade multimedia and video customer service models, enhanced the efficiency of one-to-many concurrent services of multimedia customer service, and added 18 transaction functions to video customer service, in a bid to provide high-quality services for credit card customers.

## Corporate Electronic Banking

The Bank focused on digital and intelligent empowerment to develop a corporate digital financial service portal with a better experience and higher efficiency. The Bank completed localization adaptation of its corporate internet banking and corporate mobile banking, achieving compatibility with multiple domestic operating systems and browsers. It comprehensively enhanced bulk services and data exchange efficiency to support integrated operations for intra-bank transfer, inter-bank remittance, and hybrid transaction modes. It expanded the transaction detail bulk download capacity to 40 thousand entries per file, and realized receipt template customization and instant encrypted email delivery. It developed intelligent payment routing engines and preferred real-time clearing links to improve the efficiency of inter-bank small-amount payments and realize minute-level settlement. It enhanced the capabilities for processing rare Chinese characters across nearly 400 business scenarios in all channels. It added five mobile scenario-based review and approval services, including corporate wealth management contract signing and bundled product fee payment. It improved the intelligent customer service system of corporate e-banking, and advanced the revamping of the online customer service interface and the improvement of intelligent search capability.

## Improving Refined Service Operation Capabilities

### Continuously Deepening the Online Operation Framework

The Bank further deepened the digital customer life-cycle operation system, enhanced the precision of online customer engagement, accurately identified key customer touchpoints, and provided differentiated financial products, services and benefits based on a tiered, segmented and scenario-based operation model. Focusing on customer segments such as



## Internet Finance

payroll service, wealth management and credit card, and guided by a value creation-oriented approach, the Bank continuously optimized online financial service experience, and provided customers with more precise and effective digital financial services.

### Comprehensively Enhancing Digital Risk Control Capabilities

The Bank adopted a dual-driven approach of security enhancement and seamless security protection for mobile banking to continuously strengthen its core risk management capabilities. The Bank restructured the security section and upgraded the user interface (UI) of the security center to render security features more convenient and user-friendly; launched the security education section to raise customer awareness of risk prevention; improved the intelligent risk control system for protecting potential victims of telecom network fraud through electronic channels, strengthened risk early-warning and critical information verification, and fulfilled the primary responsibility of financial institutions in combating fraud.

### Developing a Multi-Channel Joint Operation Model

The Bank expanded online credit card channel operation, launched features such as special offers for credit card users and trade-in sections on mobile banking, deeply integrated the online credit card operations system with the mobile banking marketing middle office, and established a mechanism characterized by unified approval and multi-channel simultaneous release. During the reporting period, the total number of users who clicked for credit card business on the credit card app and mobile banking reached 769 million, a year-on-year increase of 40.81%. The Bank refined digital and intelligent corporate customer operations, advanced the “New Customer Transaction Gift” online benefit program, analyzed data on new customer preferences, customer tier, and held products to identify target customer

groups, utilized a three-dimensional marketing tool integrating online, offline and remote channels to reach customers, and enhanced the engagement and transaction stickiness of new corporate customers.

### Building a Diverse Application Scenario-Based Ecosystem

#### Personal E-Banking

The Bank continued to strengthen the development of the ecosystem for non-financial scenarios including postal services, consumption, and information services on mobile banking. The Bank worked to introduce scenarios while extending services, focused on high-frequency life scenarios, deepened scenario-based services with PSBC characteristics, and achieved multi-sector coverage of ecosystem scenarios. The Bank optimized the coffee & beverages section and the life & entertainment section on the credit card app and created vertical life scenarios to engage and retain customers. At present, the credit card app has established a life scenario-based ecosystem with a focus on business districts and supplemented by 13 scenarios including coffee & beverages, mobile top-up, vehicle service, and mall installment service, to meet the small-amount, high-frequency consumption needs of customers.

#### Corporate E-Banking

The Bank actively integrated itself into the business ecosystem of enterprises. The Bank created the “corporate + individual” account panoramic view for MSE owners on corporate online banking. The Bank also built a hub for corporate business scenarios on corporate mobile banking, offering services in seven high-frequency non-financial scenario services, including corporate finance and taxation, operations, office, payroll, invoicing, expense control, and life.



## Column

## Accelerating the Development of an E-CNY Scenario-Based Ecosystem to Facilitate Payment

The Bank thoroughly implemented the requirement of “steady advancement of e-CNY research and development and application” put forward at the Third Plenary Session of the 20th CPC Central Committee, persisted in scenario innovation, explored value application, continuously enriched and improved the e-CNY application ecosystem, and achieved breakthroughs in areas such as smart contract, rural revitalization, and cross-border payment. With more convenient payment applications and broader scenario coverage, the Bank extended financial services to more people and continuously unleashed innovation momentum. As at the end of the reporting period, the number of personal wallets of the Bank opened via the e-CNY app exceeded 33 million, ranking first in the industry.

**Expanding the application of smart contracts.** The Bank had over 790 prepaid merchants in the Yuan Guanjia (Secured Pay) Mall on the e-CNY app, maintaining a leading position in the industry. The Bank innovatively launched the smart contract supply chain financing service, providing smarter and more secure e-CNY financing solutions for upstream and downstream enterprises in industrial chains.

**Supporting rural revitalization.** The Bank continuously deepened the development of e-CNY acceptance environments in rural areas, focused on the grain purchase industrial chain, took grain processing enterprises as core nodes, and provided e-CNY grain purchase payment transaction and settlement services for growers and farmers through digital wallets on a pilot basis.

**Exploring the application of e-CNY in cross-border payment.** The Bank actively expanded the application of the multi-central bank digital currency bridge (m-CBDC Bridge), upgraded cross-border payment services, achieved full offline and online coverage of m-CBDC Bridge services, provided customers with round-the-clock cross-border payment services, and facilitated the efficient cross-border fund flow of enterprises.

**Establishing a multi-level intelligent profit distribution system.** The Bank launched its first e-CNY profit distribution application scenario that flexibly combines profit distribution ratios and settlement cycles to facilitate the flow of funds between platforms, merchants and consumers. The Bank completed e-CNY transaction profit distribution for over 300 merchants, improving fund processing efficiency.

**Innovating the application of hardware wallets.** The Bank ingeniously launched the country’s first e-CNY hardware wallet themed on the Water-Sprinkling Festival and rolled out Chinese zodiac-themed hardware wallets for the Year of the Loong (2024) and the Year of the Snake (2025). The small wallets captured the unique charm of traditional culture. The Bank further enriched the variety of hardware wallet offerings and injected new vitality into e-CNY promotion efforts. The Bank expanded hardware wallet opening channels and enabled foreigners in China to apply for and top up hardware wallets through intelligent teller machines (ITM). The Bank also explored launching visual hardware wallets for seniors, students, and foreign visitors to China to facilitate payment.



▲ Water-Sprinkling Festival-themed hardware wallet



▲ Chinese zodiac-themed hardware wallet



▲ Visual hardware wallet





## Outlet Development

The Bank comprehensively promoted “PSBC Assistant”, which made more than **1.25** million automated responses at the counter.

The Bank applied the **Cloud Counter Model** on a large scale, with an average of **43,900** remote reviews and remote transactions handled per day.

The Bank made **7,094** “PSBC Care Stations” available to fulfill its original aspiration of serving the people through financial services.

The Bank organized over **3,700** themed activities, covering traditional festivals, senior high school and college entrance exams, cultural tourism, etc.

The Bank continued to optimize the distribution of offline channels and promoted outlet transformation and upgrading; continuously expanded the coverage of financial services and improved the convenience and accessibility of financial services; continuously expanded the application scenarios of “digital human” plus “Cloud Counter” service on self-service equipment and enhanced its capabilities to interact with customers in real time; continuously deepened the differentiated outlet development model, developed various featured outlets in light of local conditions, and improved the quality of offline financial services.

### Optimizing Outlet Image and Layout

Outlets are the most basic units for banks’ operations and development as well as the forefront of their public service efforts. While maintaining a stable total number of outlets, the Bank continued to optimize its outlet layout. The Bank built, relocated, transformed and closed outlets in key areas, important industrial parks, neighborhoods, and communities with high economic vitality, diverse entities and distinct

scenarios. Since 2024, the Bank has adjusted 90 redundant outlets and newly added 29 outlets in key areas such as new cities, new districts and new parks. The Bank continued to increase resource input into county-level outlets, continuously improving the convenience and accessibility of financial services. The Bank also continued to advance the development of flagship brand outlets and outlet renovation, to enhance outlet visibility and brand image. As at the end of the reporting period, the Bank had 39,188 outlets, developed 201 flagship brand outlets, and deployed 71,435 automated teller machines (ATMs) and 50,349 ITMs. During the reporting period, a total of 197 outlets were comprehensively renovated.

### Transforming Outlet Operations

The Bank accelerated the integrated and digital transformation of outlet management. The Bank actively explored the category- and class-based management model for outlets and guided and stimulated the operational vitality of outlets through differentiated resource allocation. The Bank completed the promotion of the outlet system integration project. In line with the principles of “system integration, data connectivity, burden alleviation and empowerment”, the Bank advanced the integration of outlet business handling and internal management systems and developed convenient and efficient tools for outlet operation and management.

The Bank continuously enhanced the intelligent and intensive customer services of outlets. The Bank applied the Cloud Counter service model that integrates “remote and on-site” services on a large scale, empowered business development through mobile business development devices that adopt the Cloud Counter service model, accelerated the development and promotion of smart counters, reshaped remote handling processes, streamlined transaction steps, and optimized business processes, to provide outlet customers with new and user-friendly remote services.



The Bank moved faster to empower intensive operations with artificial intelligence. The Bank created a new and friendly “digital human” image, expanded the application scenarios of “digital human” plus “Cloud Counter” service on self-service equipment, and applied large model technology and human-driven functions to further enhance the real-time interaction between “digital human” and customers. During the reporting period, an average of 43.9 thousand remote reviews and remote transactions were handled per day, the frequency of mobile business development outreach increased by 67.66% year on year, and transaction volume increased by 55.62% year on year, effectively improving customer acquisition capabilities of outlets. The Bank deployed a total of 403 smart counter devices and enabled “digital human” business consultation and transaction guidance functions on 7,729 ITMs, giving full play to the efficiency of channel services.

The Bank continued to empower outlet operations with new technologies. The Bank comprehensively promoted “PSBC Assistant”, an AI-powered Q&A tool, enabling employee access through multiple channels including counters, business development terminals, and the Youlian (PSBC Link) app. The Bank also deepened the application of large model technology in AI-powered Q&A, continuously expanded the scope of knowledge base, and enhanced the accuracy and effectiveness of Q&A. As at the end of the reporting period, more than 1.25 million automated responses were made at the counter and over 20,000 manual responses were made by the expert group. The Bank quickly and accurately resolved business issues proposed by outlet employees and effectively enhanced the service capabilities of outlets.

## Enhancing Outlet Services

The Bank continuously enhanced elderly-friendly financial services and actively contributed to the building of an age-friendly society. The Bank launched the “Nuanyang Jinhui” (Warmth for the Golden Years) initiative, optimized traditional services, improved smart applications, enriched elderly-friendly products, strengthened risk control, and took a combination of measures to build a senior-friendly service framework encompassing “Jinhui Elderly Care, Jinhui Elderly Assistance, Jinhui Elderly Benefit, and Jinhui Elderly Protection”, striving to provide better and warmer services for senior customers.

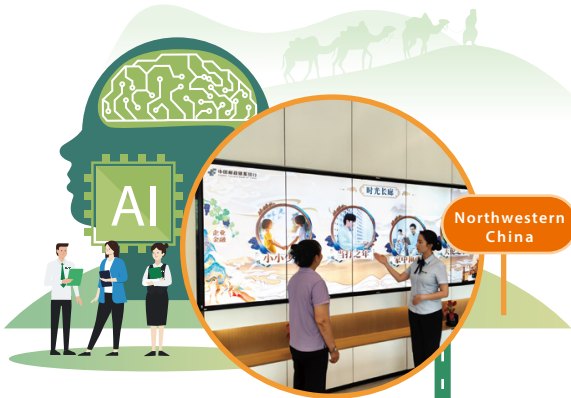
The Bank strengthened the public-benefit services provided by “PSBC Care Stations”. Relying on the 7,094 “PSBC Care Stations”, the Bank continued to provide considerate public services for outdoor workers, examinees, the elderly, and other social groups. The Bank also organized over 3,700 themed activities, covering traditional festivals, senior high school and college entrance exams, cultural tourism, etc., to serve people's livelihoods, convey humanistic care, and build new bonds for a harmonious society.

# Outlet Development



## Column Building Flagship Brand Outlets and Creating New Regional Financial Landmarks

To further enhance brand influence and provide customers with more convenient, efficient, and professional financial services, the Bank built a number of flagship brand outlets across the country featuring high visibility, good image, excellent services and robust functions. These outlets enabled the Bank to make new contributions and demonstrate its commitment to serving the people's livelihood.



### PSBC Urumqi Economic and Technological Development Zone Sub-branch in Xinjiang: A Smart Bank on the Silk Road

PSBC Urumqi Economic and Technological Development Zone Sub-branch is the first "Smart Bank" flagship brand outlet in Xinjiang. Focusing on green finance and digital finance, the sub-branch deployed intelligent interactive devices such as the "virtual digital assistant", "Smart Party Building Workstation", "Time Corridor", "Floating Book Bar", and "smart IoT low-carbon control and management device". Leveraging big data and artificial intelligence, the sub-branch integrated intelligent financial services into customers' daily lives. The sub-branch actively provided financial support for the development of China (Xinjiang) Pilot Free Trade Zone and continued to provide more considerate, comprehensive, and in-depth financial services for residents of all ethnic groups in Urumqi. As at the end of the reporting period, the sub-branch served 265 enterprises of various types in the Urumqi area of the China (Xinjiang) Pilot Free Trade Zone, providing loans totaling RMB1,633 million. The sub-branch served 720 merchants, providing loans totaling RMB162 million.

### PSBC Chongqing Directly Affiliated Sub-branch: A Green and Low-carbon Sub-branch in a Western Mountain City

PSBC Chongqing Directly Affiliated Sub-branch, as one of the first flagship brand outlets of the Bank, has deeply adhered to and practiced the "green, eco-friendly and low-carbon" philosophy. Leveraging the development of smart outlets, the sub-branch seamlessly integrated technology empowerment with low-carbon operations to create efficient and convenient intelligent service scenarios. In response to the call to develop a green finance reform and innovation pilot zone in Chongqing, the sub-branch continuously increased green credit supply in such key areas as clean energy and urban public rail transit. The sub-branch was recognized as "Green Sub-branch" by the NFRA Chongqing Local Office. As at the end of the reporting period, the green loan balance of the sub-branch reached RMB4,303 million, demonstrating its strong financial support for the green and low-carbon transformation in the region.



### PSBC Hefei Science and Technology Sub-branch in Anhui: A Technology Finance Flagship Outlet in the Science & Technology Innovation Valley

PSBC Hefei Science and Technology Sub-branch is located in Hefei National High-tech Industry Development Zone. In 2022, the sub-branch was recognized as "Featured Sub-branch for Sci-Tech Financial Services" by the NFRA Anhui Local Office. The sub-branch thoughtfully set up the Sci-Tech Innovation Station, Sci-Tech Innovation Enterprise Roadshow Center, sci-tech product showcase and other modules, and created financial service scenarios that integrated business negotiations, exchanges and cooperation, product display, promotion and other functions. Aligning with customer needs, the sub-branch focused on the leading industries of the high-tech industry development zone to provide customized financial services for enterprises in all links of the industrial chain. As at the end of the reporting period, the sub-branch's outstanding loans to sci-tech enterprises stood at RMB791 million, accounting for 71.71% of total loans to small-sized enterprises.



### PSBC Jinpu New Area Sub-branch in Dalian: A Jinhui Station in a Coastal City

Given the high proportion of senior customers at outlets, PSBC Jinpu New Area Sub-branch worked to optimize services and innovate products, in a bid to enhance the sense of fulfillment, happiness and security of senior customers in accessing and using financial services. The sub-branch set up elderly-friendly amenities such as courtesy seats, courtesy counters and barrier-free ramps, creating a warm and considerate service environment for senior customers. Furthermore, the sub-branch recommended exclusive wealth management products to senior customers based on their risk appetite and volatility tolerance, to help them live a happy and fulfilling life during their golden years. During the reporting period, the sub-branch sold over RMB20 million elderly friendly financial products. As at the end of the reporting period, the balance of the total assets of senior customers of the sub-branch reached approximately RMB231 million.

Northeastern  
China



### PSBC Tongzhou Canal Business District Sub-branch in Beijing: A HarmonyOS Bank on the Time-honored Grand Canal

PSBC Tongzhou Canal Business District Sub-branch, as the Bank's first HarmonyOS bank, illuminated the time-honored Grand Canal with digital technology. The sub-branch set up a HarmonyOS ecosystem bank experience zone. By leveraging the core advantages of "distributed architecture and full-scenario intelligence" of HarmonyOS, the sub-branch deeply integrated traditional banking businesses with innovative technologies. Empowered by technology, the sub-branch built a three-in-one service ecosystem of "smart bands, terminals and the cloud" through cross-device collaboration, thereby achieving real-time data interoperability and seamless service integration across devices. From service seeking to service delivery, from single to multiple scenarios, the sub-branch redefined financial services with technological innovation. As at the end of the reporting period, the sub-branch assisted new quality productive force enterprises with financing in the district and cumulatively issued RMB1,292 million in green technology loans.

Northern  
China



Southern  
China



### The Outlet of PSBC Longyan Branch in Fujian: A Service Star in the Red Eco-city

The Outlet of PSBC Longyan Branch has always adhered to the service philosophy of "devoting our heart and soul to customer satisfaction", built a service-oriented flagship brand outlet from various aspects, such as the outlet environment, outlet facilities, service functions, service rules and regulations and service culture, and was awarded the "Top 100 Demonstration Institutions for Civilized and Standardized Services in the Banking Industry in China". Based on local conditions and taking into account the local bamboo industry and red culture, the branch developed special display modules to provide customers with an immersive experience. The branch continued to improve facilities and services by setting up cards for the visually impaired, installing emergency call buttons, and providing additional services such as pet boarding. The branch actively served small and micro enterprises, and further increased its support for the manufacturing industry with featured technology loans as the entry point. As at the end of the reporting period, the branch had a balance of inclusive loans of RMB164 million and a balance of technology loans of RMB84 million.



## Human Resources and Institution Management

### Human Resources Management

In terms of talent team building, the Bank adhered to the principle of supporting business development and serving the Bank's strategies, continuously optimized its talent team structure, stimulated employees' potential and motivation, aligned staff size with business development, and allocated talents in a way that supports the Bank's transformation and development needs. The Bank optimized the path for cultivating young cadres, implemented a dual-appointment mechanism for management personnel of the Head Office and branches, and established dynamic and vibrant mechanisms for talent engagement, talent flow and young cadre cultivation. Through these mechanisms, the Bank provided abundant on-the-job training opportunities for outstanding young cadres. The Bank continued to introduce and cultivate outstanding young talents, advanced the "U+ Talent" training program, established a closed-loop training model featuring "comprehensive mentorship, grassroots multi-position rotation, and multi-dimensional evaluation" in a bid to build a team of young employees capable of taking on important tasks.

In terms of personnel training, the Bank continued to deepen talent development and training. The Bank took enhancing employees' job performance as the core and continuously strengthened education and training for cadres and employees. During the reporting period, through formulating the annual training plan, the Bank implemented targeted training tailored to different categories, professions, and levels of employees. The Bank prioritized political training and integrated Party commitment education into all aspects

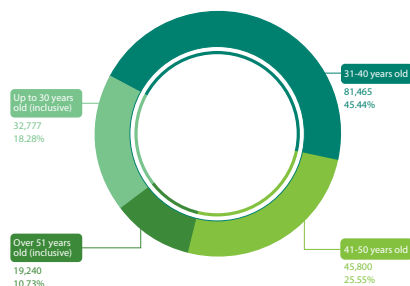
of education and training. The Bank strengthened training to enhance employees' job performance, closely aligned training with business development needs, and developed key training programs tailored to employees of different levels and categories, so as to improve training quality and effectiveness and enhance employees' professional capabilities. The Bank also refined the talent evaluation framework based on job qualification certification and strengthened training resource development to provide solid support for high-quality development.

In terms of remuneration and benefits management, the allocation of gross salaries was guided by performance and value creation. The Bank upheld balance between efficiency and fairness and stepped up the application of business performance appraisal results to drive business development. The Bank implemented national requirements on remuneration allocation and prioritized front-line employees and employees with outstanding contributions in remuneration allocation, thereby developing a more harmonious remuneration allocation relationship. The Bank also continuously refined its employee benefits package to improve welfare benefits for employees and strengthen their sense of security, belonging and happiness.

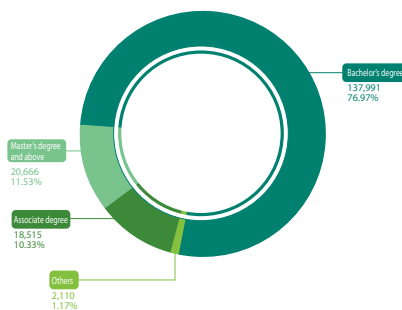
### Employees

As at the end of the reporting period, the Bank had a total of 193,777 employees, among whom, there were 179,282 contracted employees (including 1,586 in majority-owned subsidiaries) and 14,495 employees from labor dispatch agencies.

The Bank's Employees by Age



The Bank's Employees by Education Background



The Bank's Employees by Gender



## Institution Management

Located in Beijing, the Head Office of the Bank is the hub for decision-making and management of the Bank. The Bank has established tier-1 branches in the capital cities of provinces, autonomous regions, municipalities and cities with independent planning status. As the operation and management center within the corresponding regions, tier-1 branches are responsible for managing all institutions in their respective areas and directly reporting to the Head Office. Tier-2 branches are generally set up in the prefecture-level cities in provinces and autonomous regions. In addition to their operation and management functions, tier-2 branches are also responsible for managing subordinate institutions, and reporting to the tier-1 branches in their respective regions. Tier-1 sub-branches primarily undertake the functions of business operation and outlet management and report to their supervisory tier-2 branches. Tier-2 sub-branches primarily undertake the function of business operations.

As at the end of the reporting period, the Bank had 7,870 institutions, including the Head Office, 36 tier-1 branches, 325 tier-2 branches, 2,221 tier-1 sub-branches, 5,284 tier-2 sub-branches, and three majority-owned subsidiaries.

### The Bank's Branches, Sub-Branches and Employees by Geographical Region and Asset Size

In RMB million, except for percentages or otherwise stated

Region	Asset size	Percentage <sup>(1)</sup> (%)	Number of institutions	Percentage (%)	Number of employees	Percentage (%)
Head Office	10,354,358	36.53	1	0.01	8,959	5.00
Yangtze River Delta	2,963,587	10.46	895	11.37	20,073	11.20
Pearl River Delta	1,766,073	6.23	714	9.07	18,459	10.30
Bohai Rim	2,916,120	10.29	1,107	14.07	26,021	14.51
Central China	5,462,732	19.27	2,345	29.80	45,724	25.50
Western China	3,657,250	12.90	2,068	26.28	40,877	22.80
Northeastern China	1,224,226	4.32	740	9.40	19,169	10.69
<b>Total</b>	<b>18,190,521<sup>(2)</sup></b>	<b>100.00</b>	<b>7,870</b>	<b>100.00</b>	<b>179,282</b>	<b>100.00</b>

Note (1): The proportion of total assets in each region is calculated based on the aggregated data before offsetting.

Note (2): Total assets are the amount after internal offset and the offset amount is RMB10,153,825 million.

# Risk Management

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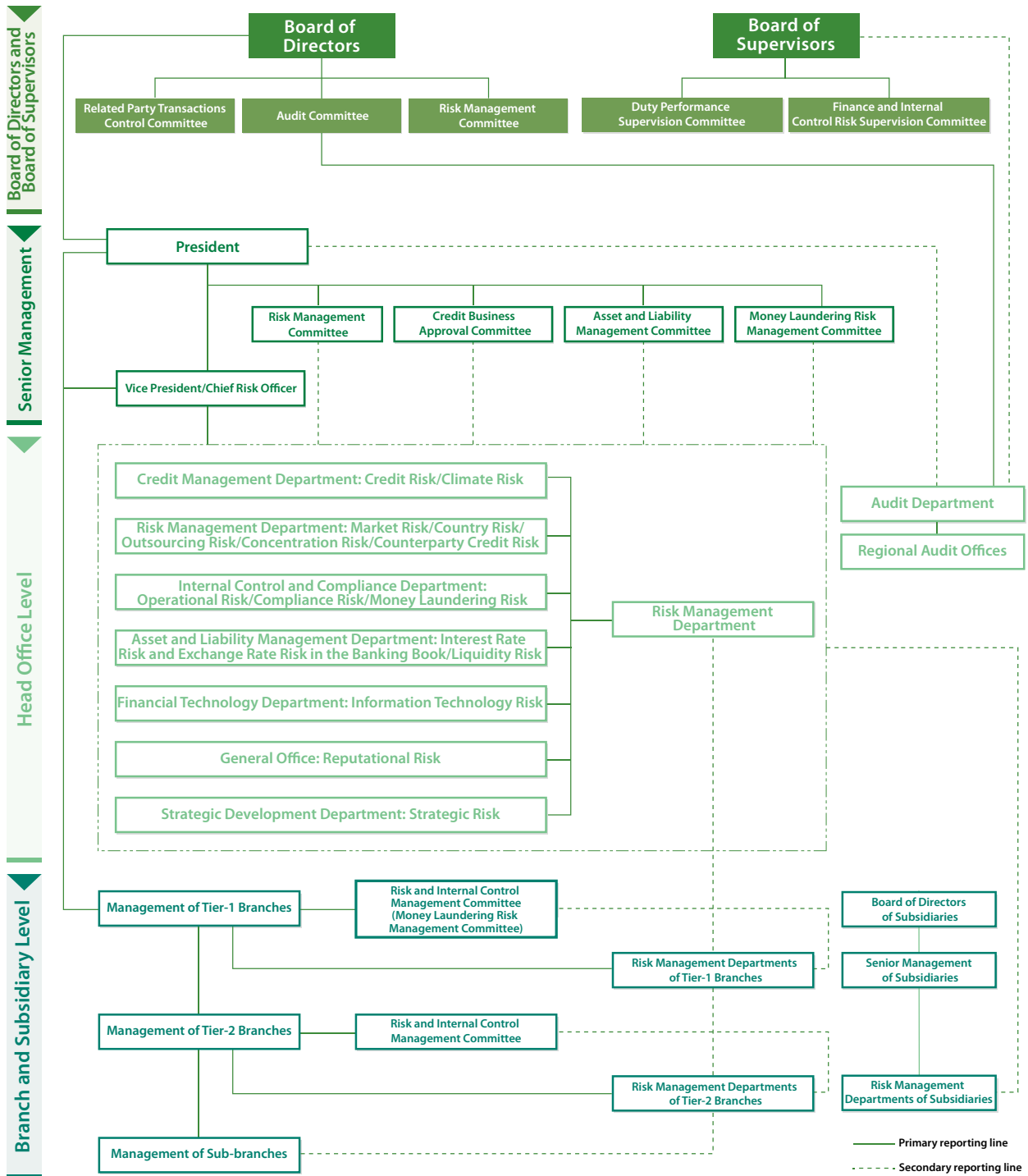
## Risk Management Organizational Structure

The Board of Directors assumes ultimate responsibility for comprehensive risk management. It is responsible for establishing the risk culture; formulating and approving risk management strategies; setting and approving the risk appetite and ensuring the establishment of risk limits; reviewing and approving major risk management policies and procedures; monitoring comprehensive risk management implemented by the senior management; reviewing comprehensive risk management reports; reviewing and approving the aggregation of risk data and the risk reporting framework, ensuring adequate resource support, regularly hearing special reports, and fully understanding and grasping the progress of the aggregation of risk data and risk reporting work; reviewing and approving disclosure of comprehensive risks and various significant risks; appointing the Chief Risk Officer or other senior management personnel and taking the lead in comprehensive risk management; and performing other duties related to risk management.

The Board of Supervisors assumes the responsibility for supervising the comprehensive risk management, and is responsible for supervising and evaluating the Board of Directors and the senior management in fulfilling their duties of risk management and urging rectifications.

The senior management assumes the responsibility for the implementation of comprehensive risk management and carries out the resolutions of the Board of Directors. It is responsible for setting up the operation and management structure in line with the requirements of comprehensive risk management, clarifying the division of responsibilities among functional departments responsible for comprehensive risk management, business departments and other departments in risk management, establishing an operational mechanism with effective coordination and balanced power across departments, and formulating a clear execution and accountability mechanism to ensure adequate communication and effective implementation of risk management strategies, risk appetite and risk limits. It sets risk limits according to risk appetite determined by the Board of Directors, including but not limited to dimensions such as industry, region, customer, product, etc. It also formulates risk management policies and procedures, evaluates them regularly, and adjusts them when necessary. It establishes a risk data aggregation and reporting system covering all material risk areas. It assesses overall risks and the management of various material risks and reports to the Board of Directors. It establishes a sound management information system and a data quality control mechanism, oversees breaches of risk appetite, risk limits and violations of risk management policies and procedures, and deals with them under the authorization of the Board of Directors. It also assumes other responsibilities of risk management.

## Risk Management Organizational Structure



Note: Other risks not mentioned above have been incorporated into the Bank's comprehensive risk management framework.



# Risk Management

## Three Lines of Defense

The Bank kept improving the “three lines of defense” for internal control, classified major risks such as credit risk, market risk, and operational risk, and incorporated all institutions and departments into the “three lines of defense”.

The first line of defense refers to the business management departments, tier-1 and tier-2 sub-branches, and agency business institutions associated with relevant risks, all of which bear the primary responsibilities for risk prevention and control. The second line of defense refers to risk management departments, internal control and compliance departments, and leading management departments for relevant risks, which are responsible for coordinating, supervising and reviewing the work related to risk and internal control. The third line of defense refers to the audit and the discipline inspection departments which supervise the first and second lines of defense.

## Comprehensive Risk Management

The Bank continued to implement the requirements for preventing and defusing financial risks, closely focused on high-quality development objectives, and made efforts to build more proactive risk management capabilities, so as to truly ensure “effective oversight of personnel, funds, lines of defense and compliance boundaries”.

Always upholding a prudent and sound risk appetite, the Bank continuously optimized the risk management framework featuring “all aspects, whole process, full time and comprehensive area”. **The Bank strengthened the top-level design of risk management.** It formulated a work plan for the reform of the risk management framework, effectively implemented risk management responsibilities, and made efforts to develop risk management capabilities with PSBC characteristics. It promoted the compliance with advanced approaches for capital management in a coordinated manner, and continued to deepen the

application in key areas. **The Bank resolutely safeguarded the bottom line of asset quality control.** It optimized the development of risk management system in the three major areas of “Sannong”, urban and rural residents, as well as small and medium-sized enterprises, reshaped the key processes of retail credit business, and effectively prevented credit risks in key areas such as real estate, urban investment platforms, cyclical industries and export trade. It continued to optimize and adjust the risk structure of new customers, accelerated the risk resolution for existing customers, and improved the quality and efficiency of overdue collection and risk mitigation. **The Bank made every effort to fortify the lines of defense for internal control and compliance management.** It adhered to the principle of being “strict” and “early”, enforced rigorous compliance risk screening, further promoted system-empowered rigid control of problems found through inspection, cultivated a pervasive culture of compliance, and continued to promote integrity culture. **The Bank deepened the capacity building of digital and intelligent risk control.** It actively advanced the application of graphs and large models in risk control and compliance scenarios, and made efforts to enhance the quality and effectiveness of risk management.

## Risk Appetite

Risk appetite is the type and level of risks that the Board of Directors of the Bank is willing to bear while pursuing its strategic business objectives. It represents a balance among income, capital and risk, and enables the Bank to undertake the risk compatible with its business strategies and management capabilities and to create value through risk management.

The Bank upheld a prudent and sound overall risk appetite, aimed to balance stable growth and risk prevention, closely followed changes in internal and external risk environment, focused on risk prevention in key fields, and set management objectives against all types of major risks in line with the



strategic positioning adopted by the Bank Group, the Bank and its subsidiaries. In doing so, it aimed to make sure that risks were generally under control and continuously empowered the stable operation and high-quality development of all businesses across the Bank.

## Intelligent Risk Control

The Bank further promoted the digital transformation of risk management and made solid efforts to enhance the level of intelligent risk control. In the field of retail risk control, the Bank, relying on model tools, built and continued to improve the digital risk control indicator system, carried out in-depth monitoring and analysis of various links of credit management such as pre-loan access, post-loan early warning and overdue collection, strengthened closed-loop management of supervision, and further enhanced the agility and effectiveness of risk management. The Bank built a credit anti-fraud system featuring "Head Office and branches collaboration + scenario-based tracking + intelligent tool development" to continuously enhance fraud risk identification capabilities. In the field of non-retail risk control, the Bank developed the new version of Big Data Risk Forecast Model. It is based on an expandable model architecture adaptable to multi-scenario, full-process applications and uses machine learning technologies to significantly expand the input of variables, notably improving the precision of risk predictions and enhancing the efficiency of customer segmentation for risk management. The Bank also developed a sophisticated intelligent model for reviewing credit application materials to assist customer managers in batch uploading and categorized archiving of application materials, thus improving the efficiency of application. In the field of telecommunication fraud risk prevention and control, the Bank accelerated the development of an intelligent anti-fraud model risk control system, completed nationwide application of the pre-event behavior risk model, promoted the development

and application of the new version of the risk monitoring model during the event, the victim protection model for electronic channels and the telecommunication fraud risk portrait model for personal accounts, and consolidated the linkage and hierarchical confrontation capabilities of the whole-process model before, during and after the event. In the field of anti-money laundering, the Bank thoroughly implemented the requirements of the Anti-Money Laundering Law, fully implemented the "risk-based" work approach, and further improved the bank-wide customer due diligence system; made use of new technologies such as large models and graphs, strengthened the monitoring of fund networks, and improved the ability to identify money laundering risks. Based on risk assessment, the Bank strengthened differentiated control over high-risk areas, effectively assumed the responsibilities of large state-owned banks, and fulfilled anti-money laundering obligations. In the field of consumer rights protection, the Bank upgraded the intelligent complaint classification model powered by large models, added more than 40 types of business identification labels, and supported and enhanced the refined business analysis; optimized the large model of the duplicate complaint identification tool, analyzed complaint work sheet data on a regular basis, effectively supported the identification, review and reduction of non-regulatory duplicate complaints throughout the Bank, and significantly enhanced efficiency in handling complaints. In the field of intelligent risk control infrastructure, the Bank expedited the accumulation of structured and unstructured risk data, improved the enterprise-level risk linkage mapping service, and applied it to concentration management, risk screening, fraud identification and other scenarios. The Bank continued to advance the construction of its risk-related knowledge base to support the application of large model-based capabilities such as intelligent question and answer and intelligent review in various risk management scenarios.



# Risk Management

## Advanced Approaches for Capital Management

The Bank continued to strengthen the building of risk management capacity in accordance with the requirements of the Rules on Capital Management of Commercial Banks. The Bank further promoted various applications of advanced approaches, continued to carry out usage monitoring, and improved the application effect in credit approval, limit management, credit policies, post-loan monitoring and early warning, economic capital, risk appetite, provisioning for loan losses, loan pricing, performance appraisal, etc. The Bank strengthened the development of various infrastructures, ensured the quality of basic model data, upgraded and iterated the system functions, and ensured smooth operation of the internal evaluation framework.

The Bank strictly complied with relevant requirements on the application and approval of advanced approaches, actively sorted out various supporting documents for applying advanced approaches, established and improved a document library of supporting materials for advanced approaches, and completed the preparation of relevant assessment application materials. On the basis of meeting the conditions for applying for and implementing the advanced approaches, the Bank actively explored the application of refined management, continued to improve the management of basic data for defaults, mitigations and customer rating and scoring, and fully expanded the depth and breadth of the application of internal rating results in business decision-making and operation management, thus laying a good foundation for the Bank's operation and management. The Bank will continue to advance relevant processes of the development and implementation of advanced approaches in strict accordance with regulatory requirements.

## Credit Risk

Credit risk refers to the risk of loss that may arise from the default by, or downgrade of credit rating or weakened capability to fulfill contractual obligations of an obligor or counterparty. The Bank is exposed to credit risk primarily through its loans, treasury business (including deposits and placements with banks, financial assets held under resale agreements, investments in corporate bonds and financial bonds, interbank investment, etc.) and off-balance sheet credit businesses (including guarantees, commitments, etc.).

The organizational framework of the Bank on credit risk management is as follows: the Board of Directors undertakes the ultimate responsibilities for credit risk management, and the Board of Supervisors undertakes the supervisory responsibilities for credit risk management. The senior management undertakes the responsibilities for the implementation of credit risk management, and is responsible for the implementation of resolutions approved by the Board of Directors on credit risk. Under the senior management, the Risk Management Committee and Credit Business Approval Committee are responsible for credit risk management and approving credits within the scope of authorization respectively. Each business department shall bear the primary responsibility for credit risk prevention and control, and implement policies, standards and requirements of credit risk management in its field of business in accordance with the division of functions; departments of credit management, risk management, credit approval, internal control and compliance, legal affairs and other relevant departments are responsible for the overall planning, supervision and review of credit risk prevention and control, among which the Credit Management Department is the leading department of credit risk management; and the internal audit department exercises independent and objective supervision of the performance of duties in credit risk management.

## Credit Risk Management

### Deepening research to precisely guide the development

The Bank continued to improve the linkage mechanism of regional credit policies, formulated and issued “regional industry profile”, and completed the guidelines for regional credit extension; performed the policy retrospective review management and carried out optimization and correction in time; iterated on new-quality productive forces industry research methods, built 20 tier-two branch industry research contact points, focused on 20 fields such as biomanufacturing, artificial intelligence and commercial aerospace, and achieved full coverage of characteristic industries; accurately responded to the national strategic deployment, and strongly supported the high-quality development of credit business.

### Focusing on key priorities to strengthen shields against risks

The Bank reshaped the key business processes of retail credit, strengthened technological empowerment, and improved the effectiveness of overdue credit collection and risk resolution; strengthened risk tracking in key areas, effectively prevented credit risks in real estate, urban investment platforms, cyclical industries, export trade and other fields, and promoted the reduction and risk mitigation of risk customers in an orderly manner; optimized the unified management of industrial chain cooperation institutions, improved the mechanism of joint crackdown on illegal intermediaries, and enhanced the capabilities for managing and controlling risks from external cooperative institutions.

### Optimizing systems to solidify the management foundation

The Bank optimized the top-level design of the risk management system in the three major areas of “Sannong”, urban and rural residents, and small and medium-sized

enterprises, regularly reviewed the strategic balance between development and risk control, and improved the risk management decision-making mechanism for product innovation and customer group access; built a risk management model of supply chain finance and logistics finance that matches the business model; established a credit approval and retrospective review mechanism, strengthened incentives and constraints for review and approval, and improved active defense capabilities of risk monitoring and early warning; improved the responsibility constraints of key positions, improved the due diligence exemption and accountability management system, and established a management mechanism for suspension of work; coordinated the development of transparent credit culture, and continued to deepen the special governance initiative against abuse of lending authority for personal gain in key sectors; optimized the management process and job responsibilities of collateral appraisal, and improved the quality, efficiency and automation level of valuation review.

### Coordinating policies to diversify solutions for non-performing assets

The Bank continued to increase the intensity of non-performing asset collection and disposal, and increased the contribution of asset preservation benefits through diversified disposal methods; optimized the institutional mechanism, identified the operational positioning of special assets, and built a new pattern of asset preservation; strengthened the professional capacity building of the team, and adopted digital and intelligent tools to improve the quality and efficiency of non-performing asset disposal. During the reporting period, the Bank disposed of a total of RMB47.318 billion principal and interest of non-performing loans on and off the balance sheet. This included RMB11.209 billion from cash collection, RMB17.320 billion from bad debt write-offs, RMB12.604 billion from non-performing asset securitization, and RMB6.185 billion from other means.



# Risk Management

## Credit Risk Analysis<sup>1</sup>

### Non-Performing Loans Structure by Collateral

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%) <sup>(1)</sup>	Amount	Percentage (%) <sup>(1)</sup>
Unsecured loans	25,810	29.55	23,906	29.77
Guaranteed loans <sup>(2)</sup>	6,808	7.79	6,869	8.55
Loans secured by mortgages <sup>(2)(3)</sup>	53,921	61.73	48,675	60.60
Loans secured by pledges <sup>(2)(4)</sup>	812	0.93	869	1.08
Discounted bills	–	–	–	–
<b>Total</b>	<b>87,351</b>	<b>100.00</b>	<b>80,319</b>	<b>100.00</b>

Note (1): Calculated by dividing the balance of non-performing loans secured by each type of collateral by total non-performing loans.

Note (2): Represents the total amount of loans fully or partially secured by collateral in each category. If a loan is secured by more than one form of collateral, the classification would be based on the primary form.

Note (3): Represents loans secured by assets that are still under the possession of the borrower, and mainly includes loans secured by buildings and fixtures, land use rights, machinery, equipment and vehicles.

Note (4): Represents loans secured by possession of or registration as the holder of assets, which mainly include movable property, certificates of deposit, financial instruments, intellectual property rights and the rights to obtain future cash flows.

### Aging Analysis of Overdue Loan Structure

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Overdue for 1 to 90 days	42,482	0.45	39,032	0.44
Overdue for 91 to 180 days	23,757	0.25	20,389	0.23
Overdue for 181 days to 1 year	26,805	0.28	23,365	0.26
Overdue for 1 to 3 years	21,065	0.22	19,350	0.22
Overdue for over 3 years	3,544	0.04	3,555	0.04
<b>Total</b>	<b>117,653</b>	<b>1.24</b>	<b>105,691</b>	<b>1.19</b>

<sup>1</sup> The total loans to customers in the "Credit Risk Analysis" section of this report exclude accrued interest.



### Overdue Loans to Customers by Geographical Region

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	6,092	5.18	6,297	5.96
Yangtze River Delta	23,041	19.58	20,855	19.73
Pearl River Delta	17,809	15.14	16,022	15.16
Bohai Rim	14,773	12.56	12,574	11.90
Central China	28,300	24.05	25,141	23.78
Western China	21,176	18.00	18,898	17.88
Northeastern China	6,462	5.49	5,904	5.59
<b>Total</b>	<b>117,653</b>	<b>100.00</b>	<b>105,691</b>	<b>100.00</b>

### Loan Concentration

*In RMB million, except for percentages*

Top ten single borrowers	Industry	Amount	Percentage of total loans (%)	Percentage of net capital (%) <sup>(1)</sup>
Borrower A	Transportation, storage and postal services	49,914	0.52	3.66
Borrower B	Mining	16,914	0.18	1.24
Borrower C	Transportation, storage and postal services	16,016	0.17	1.18
Borrower D	Transportation, storage and postal services	15,353	0.16	1.13
Borrower E	Transportation, storage and postal services	14,898	0.16	1.09
Borrower F	Transportation, storage and postal services	14,663	0.15	1.08
Borrower G	Transportation, storage and postal services	14,065	0.15	1.03
Borrower H	Transportation, storage and postal services	12,995	0.14	0.95
Borrower I	Transportation, storage and postal services	11,554	0.12	0.85
Borrower J	Transportation, storage and postal services	9,305	0.10	0.68

Note (1): Represents loan balances as a percentage of the Bank's net capital, calculated in accordance with the Rules on Capital Management of Commercial Banks.



# Risk Management

## Distribution of Loans by Five-Category Classification

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Normal	9,315,304	97.87	8,726,999	98.15
Special mention	114,949	1.21	84,328	0.95
Non-performing loans	87,351	0.92	80,319	0.90
Substandard	17,792	0.19	17,938	0.20
Doubtful	28,484	0.30	23,368	0.26
Loss	41,075	0.43	39,013	0.44
<b>Total</b>	<b>9,517,604</b>	<b>100.00</b>	<b>8,891,646</b>	<b>100.00</b>

## Distribution of Non-Performing Loans by Product Type

In RMB million, except for percentages

Item	June 30, 2025			December 31, 2024		
	NPL balance	Percentage (%)	NPL ratio (%) <sup>(1)</sup>	NPL balance	Percentage (%)	NPL ratio (%) <sup>(1)</sup>
<b>Personal loans</b>						
Consumer loans						
Residential mortgage loans	17,461	19.99	0.73	15,231	18.96	0.64
Other consumer loans	9,232	10.57	1.47	8,173	10.18	1.34
Personal micro loans	36,747	42.07	2.30	33,839	42.13	2.21
Credit card overdrafts and others	3,479	3.98	1.55	3,520	4.38	1.48
<b>Subtotal</b>	<b>66,919</b>	<b>76.61</b>	<b>1.38</b>	<b>60,763</b>	<b>75.65</b>	<b>1.28</b>
<b>Corporate loans</b>						
Corporate loans <sup>(2)</sup>	10,093	11.56	0.37	8,962	11.16	0.37
Small business loans	10,187	11.66	1.32	9,517	11.85	1.38
Trade finance	152	0.17	0.02	1,077	1.34	0.22
<b>Subtotal</b>	<b>20,432</b>	<b>23.39</b>	<b>0.49</b>	<b>19,556</b>	<b>24.35</b>	<b>0.54</b>
<b>Discounted bills</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>87,351</b>	<b>100.00</b>	<b>0.92</b>	<b>80,319</b>	<b>100.00</b>	<b>0.90</b>

Note (1): Calculated by dividing the balance of non-performing loans in each product type by total loans in that product type.

Note (2): Consist of general corporate loans and advances.

### Distribution of NPL Formation Ratio <sup>(1)</sup> by Product Type

Item			%
	June 30, 2025	December 31, 2024	Increase/ (decrease)
<b>Personal loans</b>			
Consumer loans			
Residential mortgage loans	0.61	0.53	0.08
Other consumer loans	1.92	2.19	(0.27)
Personal micro loans	2.55	2.18	0.37
Credit card overdrafts and others	3.06	3.16	(0.10)
<b>Subtotal</b>	1.53	1.36	0.17
<b>Corporate loans</b>			
Corporate loans <sup>(2)</sup>	0.12	0.06	0.06
Small business loans	1.60	1.55	0.05
Trade finance	0.01	0.03	(0.02)
<b>Subtotal</b>	0.34	0.28	0.06
<b>Discounted bills</b>	–	–	–
<b>Total</b>	0.93	0.84	0.09

Note (1): Calculated by dividing the sum of difference between the NPL balance at the end of the period and the NPL balance at the beginning of the period of each product category and the amount collected, disposed of, and adjusted upwards during the period by the total amount of loans at the beginning of the period of that product category. This is the annualized NPL formation ratio.

Note (2): Consist of general corporate loans and advances.

### Distribution of Non-Performing Loans by Geographical Region

In RMB million, except for percentages

Item	June 30, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	3,480	3.98	3,521	4.38
Yangtze River Delta	15,907	18.21	14,839	18.48
Pearl River Delta	13,653	15.63	11,875	14.78
Bohai Rim	10,797	12.36	9,615	11.97
Central China	22,800	26.11	21,041	26.20
Western China	15,786	18.07	14,931	18.59
Northeastern China	4,928	5.64	4,497	5.60
<b>Total</b>	87,351	100.00	80,319	100.00



# Risk Management

## Domestic Non-Performing Corporate Loans by Industry

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	Amount	NPL ratio (%)	Amount	NPL ratio (%)
Transportation, storage and postal services	623	0.08	637	0.08
Manufacturing	4,186	0.62	4,038	0.70
Production and supply of electricity, heating, gas and water	90	0.03	156	0.05
Financial services	–	–	–	–
Wholesale and retail	4,261	1.17	3,818	1.31
Construction	2,280	0.92	1,470	0.64
Real estate	5,450	1.62	5,972	1.94
Mining	8	0.01	12	0.01
Water conservancy, environmental and public facilities management	1,276	0.31	1,286	0.42
Leasing and commercial services	1,048	0.30	996	0.36
Agriculture, forestry, animal husbandry and fishery	214	0.26	232	0.41
Information transmission, computer service and software	327	0.76	390	1.42
Accommodation and catering	137	1.20	120	1.27
Residential services and other services	115	2.15	66	1.28
Culture, sports and entertainment	59	0.33	41	0.25
Others <sup>(1)</sup>	358	0.60	322	0.68
<b>Total</b>	<b>20,432</b>	<b>0.49</b>	<b>19,556</b>	<b>0.54</b>

Note (1): Mainly include education, scientific research and technical services, health and social security, etc.

## Movements of Allowance for Impairment Losses on Loans

### Allowance for Impairment Losses of Customer Loans at Amortized Cost

In RMB million

Item	June 30, 2025				Total
	Stage 1	Stage 2	Stage 3	ECL	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
<b>Loss allowance as at January 1, 2025</b>	132,782	23,116	73,160		229,058
Transfers:					
Transfer to stage 1	2,569	(1,938)	(631)		–
Transfer to stage 2	(5,007)	5,730	(723)		–
Transfer to stage 3	(1,862)	(9,956)	11,818		–
Changes of ECL arising from transfer of stages	(1,865)	13,976	23,201		35,312
Financial assets derecognized or settled during the period	(39,332)	(3,812)	(13,078)		(56,222)
New financial assets originated or purchased	46,368	–	–		46,368
Remeasurement	(14,412)	16	3,947		(10,449)
Write-offs	–	–	(17,320)		(17,320)
<b>Loss allowance as at June 30, 2025</b>	119,241	27,132	80,374		226,747

### Allowance for Impairment Losses of Customer Loans Measured at Fair Value Through Other Comprehensive Income

In RMB million

Item	June 30, 2025				Total
	Stage 1	Stage 2	Stage 3	ECL	
	12-month	Lifetime	Lifetime		
	ECL	ECL	ECL		
<b>Loss allowance as at January 1, 2025</b>	772	–	–		772
Transfers:					
Transfer to stage 1	–	–	–		–
Transfer to stage 2	–	–	–		–
Transfer to stage 3	–	–	–		–
Changes of ECL arising from transfer of stages	–	–	–		–
Financial assets derecognized or settled during the period	(648)	–	–		(648)
New financial assets originated or purchased	616	–	–		616
Remeasurement	(64)	–	–		(64)
Write-offs	–	–	–		–
<b>Loss allowance as at June 30, 2025</b>	676	–	–		676



# Risk Management

## Large Risk Exposure Management

In strict accordance with the requirements of the Rules on Large Exposure of Commercial Banks, the Bank bolstered information system support for large risk exposure management, improved the monitoring and early warning management system for large exposure, strengthened control of customer concentration risk, and tightened management of large exposure through consolidation of financial statements, to continuously improve refined management capabilities of credit risk.

## Market Risk

Market risk refers to the risk of losses in the on- and off-balance sheet businesses arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price).

The Bank strictly follows the relevant regulatory requirements on market risk management and has established a market risk governance structure commensurate with the nature, scale and complexity of the Bank's businesses. The Board of Directors undertakes the ultimate responsibilities for market risk management; the senior management bears the responsibility for the implementation of market risk management, and is responsible for formulating, periodically reviewing and monitoring the implementation of the market risk management policies and procedures; the Risk Management Department is responsible for organizing and carrying out the market risk management, and each business operation department is responsible for market risk management in its field of business in accordance with the division of functions. The Bank developed sound market risk management policies and procedures, carried out thorough market risk identification, measurement, monitoring, control and reporting, effectively prevented market risks, exerted every effort to control market risks within a reasonable and manageable range, and achieved a reasonable balance between risk and return.

## Market Risk Management for Trading Book

The trading book includes financial instruments, foreign exchange and commodity positions held by the Bank for the purposes of trading or hedging the risks of other items in the trading book as well as other instruments identified by the NFRA. The Bank measures and manages the trading book business by using multiple methods including exposure analysis, profit or loss analysis, sensitivity analysis, scenario analysis, value at risk (VaR) and stress testing.

During the reporting period, the Bank further strengthened the management of classification for trading book and banking book, optimized the management process, and regularly assessed the implementation to ensure clear classification standards and consistent implementation; formulated an annual market risk limit plan, upheld both prudent compliance and flexible operation, and integrated and optimized the limit indicator system; continued to optimize the measurement model along with product innovation, strengthened the monitoring and analysis of asset portfolios affected by market value fluctuations, improved the trading behavior monitoring mechanism, and enhanced the risk monitoring and evaluation capabilities of the middle office.

## Exchange Rate Risk Management

Exchange rate risk refers to the risk of losses in foreign exchange exposure arising from unbalanced foreign exchange assets and liabilities due to adverse movements in exchange rates. During the reporting period, the foreign exchange exposure of the Bank remained relatively stable. Relevant indicators of exchange rate risk met regulatory requirements, and the exchange rate risk was controllable on the whole.

During the reporting period, the Bank paid close attention to the impact of geopolitical events and the global economic and financial situation, made active predictions of the trend of the exchange rate market, and dynamically monitored and analyzed foreign exchange exposure limits. It regularly conducted stress testing, strengthened risk monitoring, improved the level of refined management of foreign exchange exposure, and ensured that the exchange rate risk of the Bank was within an acceptable range.

### Exchange Rate Risk Analysis

For analysis of the Bank's exchange rate risk, please refer to "Notes to the Condensed Consolidated Financial Statements – 41.4 Market risk – Foreign exchange rate risk".

#### Currency Concentration

*In RMB million*

Item	June 30, 2025			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	71,545	1,152	16,701	89,398
Spot liabilities	(34,895)	(17,975)	(3,654)	(56,524)
Forward purchases	185,304	36,243	10,304	231,851
Forward sales	(197,907)	(17,745)	(22,439)	(238,091)
<b>Net long/(short) position</b>	<b>24,047</b>	<b>1,675</b>	<b>912</b>	<b>26,634</b>

Item	December 31, 2024			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	64,904	525	11,730	77,159
Spot liabilities	(34,015)	(3,386)	(8,448)	(45,849)
Forward purchases	142,850	6,698	8,170	157,718
Forward sales	(146,732)	(3,521)	(11,545)	(161,798)
<b>Net long/(short) position</b>	<b>27,007</b>	<b>316</b>	<b>(93)</b>	<b>27,230</b>

## Interest Rate Risk in Banking Book

### Management of Interest Rate Risk in Banking Book

Interest rate risk in banking book refers to the risk that causes losses to the economic value of books and overall earnings of banks due to adverse changes in interest rates and maturity structure, etc. The interest rate risk in the Bank's banking book mainly arises from the mismatch between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis.



# Risk Management

For interest rate risk in the banking book, the Bank has established a management framework and a governance structure that are tailored to its specific characteristics. Based on macroeconomic factors, market changes and risk appetite, the Bank implements a prudent interest rate risk management strategy for the banking book, which mainly includes methods such as repricing gap analysis, net interest income and economic value sensitivity analysis, limit management, duration management, stress testing and proactive adjustment of the asset-liability structure. The Bank closely monitored domestic and international economic and financial conditions, actively carried out forward-looking management, continuously optimized the duration structure of assets and liabilities, continuously promoted loan repricing diversification, conducted comprehensive stress testing, and maintained a balance among volume, price and risk, and a balance between current earnings and long-term value. During the reporting period, the Bank's overall interest rate risk in the banking book remained stable, and all risk indicators met regulatory requirements.

## Interest Rate Risk Analysis

### Interest Rate Risk Gap

*In RMB million*

Item	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
June 30, 2025	(2,707,938)	206,188	(545,006)	1,653,389	1,574,767	803,912
December 31, 2024	(1,092,962)	(1,888,379)	(205,643)	1,597,137	1,689,149	787,005

## Interest Rate Sensitivity Analysis

We assume that the market interest rates move up or down in parallel, the repricing cycles of loans, time deposits and other businesses are determined according to the contract and the repricing cycles of non-fixed-term businesses such as demand deposits are set as overnight. Regardless of the risk management activities that may be taken by the management to mitigate interest rate risk, the interest rate sensitivity analysis of the Bank's banking book is as follows:

*In RMB million*

	(Decrease)/Increase in net interest income as at June 30, 2025	(Decrease)/Increase in net interest income as at December 31, 2024
Basis point movements in yield rate		
Upward parallel shift of 100 bps for yield curves	(26,253)	(27,367)
Downward parallel shift of 100 bps for yield curves	26,253	27,367

## Liquidity Risk

### Liquidity Risk Management

Liquidity risk refers to the risk of failure to obtain sufficient funds by commercial banks at a reasonable cost in a timely manner to repay matured debts, fulfill other payment obligations and meet other financial needs of normal operation. Liquidity risk may arise from the following events or factors: significant adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, excessive maturity mismatch between assets and liabilities, difficulties in asset realization, weakened financing ability, operating losses and risks associated with the affiliates, etc.

### Governance Structure of Liquidity Risk Management

The governance structure of the Bank's liquidity risk management consists of the systems for decision making, execution and monitoring. Among them, the decision-making system includes the Board of Directors and its Risk Management Committee, as well as the senior management of the Head Office and its Asset and Liability Management Committee and Risk Management Committee; the execution system comprises the department responsible for liquidity management, departments leading the management of on- and off-balance sheet businesses, Risk Management Department, Information Technology Department and Operation Management Department of the Head Office and relevant departments of branches and sub-branches; the monitoring system consists of the Board of Supervisors, and departments responsible for internal audit, legal affairs and compliance, etc.

### Objective, Strategy and Policy of Liquidity Risk Management

The main objective of liquidity risk management of the Bank is to effectively identify, measure, monitor and control liquidity risk via the establishment of a scientific and comprehensive liquidity risk management system,

and to ensure that the liquidity demand is satisfied and its payment obligation to external parties is fulfilled promptly at a reasonable cost under the normal operation scenario and the stress scenario. The Bank adheres to a prudent and sound liquidity risk management strategy, proactively assesses changes in both internal and external conditions, reasonably manages the overall amount, structure and pace of its funding sources and uses, and strikes a balance among safety, liquidity and profitability. The Bank, in accordance with requirements of regulatory policies, changes in external environment as well as the characteristics of its business, formulates liquidity risk management policies such as those on limit management, intraday liquidity management, stress testing and contingency plans, manages the liquidity risk of the Bank in a centralized manner, and clarifies that its affiliates assume primary responsibilities for their liquidity risk management.

### Liquidity Risk Management Method

The Bank paid close attention to changes in the macroeconomic situation and monetary policies, and closely monitored liquidity conditions in the market and of the Bank. The Bank strengthened trend forecast and analysis on factors affecting liquidity, strictly implemented limit management, reinforced the management of asset-liability portfolio and matching, and effectively controlled the risk of maturity mismatch. The Bank adhered to the philosophy of maintaining high-quality liability development, ensured a stable source of deposits, and used interbank liabilities as liquidity replenishment and adjustment tools to enhance the diversification of fund sources. The Bank strengthened its fund position management to meet various payment requirements. It also strengthened consolidated management of liquidity risk to ensure the safety of the Group's liquidity. Meanwhile, the Bank regularly conducted stress tests and emergency drills to enhance its capacity for liquidity contingency management. It continued to optimize its liquidity management system to enhance the level of informatization and intelligent management.



# Risk Management

## Liquidity Risk Stress Testing

The Bank conducts liquidity risk stress testing every quarter to test the risk tolerance under stress scenarios, and constantly improves stress testing methods based on regulatory and internal management requirements. During the reporting period, the stress testing results indicated that the Bank could pass the minimum viability test under various stress scenario assumptions.

## Liquidity Risk Analysis

The Bank's liabilities were stable, as its major source of funds was retail deposits. Its assets were highly liquid, with a relatively large proportion of qualified high-quality bonds. Its overall liquidity position was sufficient, secure and under control. As at the end of the reporting period, the liquidity ratio of the Bank was 104.07%, the liquidity coverage ratio was 223.29%, and the net stable funding ratio was 168.56%, all meeting the regulatory requirements.

For the details of the Bank's liquidity coverage ratio and net stable funding ratio, please refer to "Appendix: Supplementary Information".

## Liquidity Gap Analysis

*In RMB million*

Item	Repayable		Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
	Overdue	on demand							
June 30, 2025	26,759	(4,031,261)	(87,005)	(522,527)	(3,960,180)	3,087,487	5,270,661	1,201,378	985,312
December 31, 2024	29,997	(3,950,844)	(804,912)	(2,421,636)	(1,315,939)	2,954,286	5,175,204	1,220,151	886,307

For details, please refer to "Notes to the Condensed Consolidated Financial Statements – 41.6 Liquidity risk".

## Operational Risk

Operational risk refers to the risk of losses resulting from problems in internal procedures, employees and IT systems, or from external events. The operational risks that the Bank may be exposed to mainly include internal fraud, external fraud, employment rules and workplace safety, risks related to customers, products and business activities, damage to physical assets, risks related to IT systems, and risks related to execution, delivery and process management. During the reporting period, the Bank's operational risk and operational risk loss ratio were kept at a relatively low level.

In accordance with the Rules on Capital Management of Commercial Banks, the Measures for Operational Risk Management of Banking and Insurance Institutions and other regulatory policies, the Bank strictly implemented regulatory requirements, continuously improved the effectiveness of operational risk management tools in application, refined the process based on the internal control manual, strengthened the monitoring of indicators according to business characteristics, strengthened loss analysis, promoted process optimization, and prevented key business operational risks.



## Legal Risk

Legal risk refers to the risk of commercial banks suffering from adverse legal consequences including legal liabilities, loss of rights and reputational damage due to violation of laws and regulations or terms of contract of its business operations, non-compliance with laws and breach of contracts by others including the counterparty to the contract, and significant changes in the external legal environment. During the reporting period, the Bank's legal risk was manageable in general.

The Bank continued to improve its legal risk management framework and enhanced its legal risk management, prevention and control capabilities. The Bank managed major litigation cases with tailored policies, took a combination of measures to respond to litigations, strengthened the guidance for litigations of branches in accordance with the principle of category and class-based management, and improved the overall litigation management across the Bank. The Bank enhanced the authorization management, optimized annual authorization, and constantly improved the service supporting role of authorization in business development. The Bank strengthened intellectual property management, intensified the integrated protection of trademarks and trade names, enhanced intellectual property services for key information technology projects, and promoted the creation, use and protection of intellectual property. The Bank built an integrated, standardized and intelligent "legal review toolbox", updated and issued legal review guidelines in line with new laws and regulations, summarized the opinions on legal review standards, and continued to improve legal reviews in a more professional and standardized manner. The Bank held the legal awareness campaign to "disseminate legal knowledge among front-line staff" in light of actual business conditions, held the "Legal Knowledge Expert Competition" as an interesting legal popularization quiz activity, encouraged employees to "take the initiative to learn the law" and "learn the law in an interesting way", and cultivated a culture of rule by law throughout the Bank. The Bank held the legal practice seminar of "PSBC Law Talk", adopted

the method of combining "group online discussions" and "on-site discussions on key matters", and organized legal and business management personnel of the Head Office and branches to jointly discuss hot issues in practice based on real business scenarios and judicial cases. By discussing exemplary cases, the Bank formed a regular mechanism for the overall prevention and control of legal risks in business.

## Compliance Risk

Compliance risk refers to the potential for financial institutions or their employees to bear criminal, administrative, or civil legal liabilities, property losses, reputational damage and other negative impacts due to violations of compliance norms in business management or employee conduct. During the reporting period, the Bank continued to improve its compliance management framework and enhance employees' awareness of compliance. Businesses were operated in compliance with laws and regulations, and the momentum of steady development was sustained, with the overall compliance risk under control.

The Bank continued to oversee the review of compliance risks, focused on compliance review of important documents such as the Bank's development strategy, important internal norms, new products and business plans and major decision-making matters, and supported the steady development of the Bank's business compliance. During the reporting period, the Bank reviewed over 300 new rules and regulations, new products, new businesses and meeting materials, and issued more than 500 review opinions. The Bank continued to improve the regulation management framework, comprehensively carried out regulation sorting, planning and assessment, revised and issued regulation text examples, and improved the standardization of the Bank's rules and regulations. The Bank optimized the knowledge management system and continued to explore the application of artificial intelligence technology in compliance review, to improve the quality and efficiency of the Bank's regulation review, and strengthen the "integration of



## Risk Management

manual review and technology review". The Bank reinforced compliance risk monitoring, kept a close watch on changes in new regulatory rules, issued regulatory updates and risk alerts, and promoted comprehensive and accurate integration of external regulatory requirements with internal policies, products and business activities.

### Money Laundering Risk

Money laundering risk refers to the risk arising from illegal activities such as money laundering, terrorist financing and proliferation financing caused by the use of businesses and products by criminals. The Bank strictly complied with AML laws and regulations, firmly established a risk-aware culture, actively fulfilled its AML obligations, made solid efforts to promote the transformation and development of AML work, and constantly improved the compliance and effectiveness of the Bank's AML efforts. During the reporting period, the Bank had no significant money laundering risk events, and the money laundering risk was generally under control.

The Bank adhered to the "risk-based" AML management approach, insisted on upholding principles while innovating, improved the management mechanism, optimized the work processes, strengthened the development of system tools, fully implemented the newly revised Anti-Money Laundering Law of the People's Republic of China, and constantly improved the level of money laundering risk management. The Bank established and improved the customer due diligence system, advanced the systematic development of compliance and effectiveness in an orderly manner, and solidified the foundation for the prevention and control of money laundering risks. The Bank continued to deepen the risk assessment of money laundering, strengthened the application of assessment results, carried out appropriate and differentiated control of high-risk areas, and effectively prevented and curbed money laundering and related crimes. The Bank actively carried out monitoring and analysis of suspicious transactions, and assisted local public security authorities in filing, investigating and solving cases. The Bank

applied large models and graph technologies to improve the effectiveness of monitoring. The Bank continued to strengthen AML technology and data empowerment, and advanced the iteration and optimization of the AML system and the governance of source data. The Bank continued to strengthen the publicity of anti-money laundering, carried out themed publicity activities on the newly revised Anti-Money Laundering Law of the People's Republic of China through multiple channels, and continuously raised the legal awareness of financial institutions and the general public regarding anti-money laundering. During the reporting period, a total of 49,180 publicity activities were organized to prevent illegal financial activities, covering more than 26.37 million person-times.

### Information Technology Risk

Information technology risk refers to the operational, legal, reputational and other risks caused by natural and human factors, technological loopholes and management flaws when applying information technology. During the reporting period, the operation of the Bank's information systems was stable overall, with no material security incident found, and various monitoring indicators of information technology risk were within a reasonable range.

The Bank always took the prevention and control of information technology risks as an important theme of information technology management, continued to build an accurate and efficient information technology risk management system, and made efforts to ensure high-quality development with a high level of security. The Bank carried out an in-depth assessment on the implementation of the science and technology systems, and promoted the detailed implementation of management mechanisms and process requirements. The Bank established a "mid-term evaluation + annual assessment" system for cybersecurity, and continuously strengthened refined management and control. The Bank started the development



of a data security monitoring system, further strengthened the monitoring of sensitive data, and built a solid line of defense for data security. The Bank improved the security prevention and control system, carried out red and blue confrontation drills, and moved faster to improve the level of system security protection. The Bank carried out backup and disaster recovery switching drills on a regular basis, and continuously improved the business continuity guarantee capability of the information system.

## Reputational Risk

Reputational risk refers to the risk resulting from negative comments by stakeholders, the public, the media and other parties due to the actions of banking institutions, employees' behaviors or external events, etc., which damages the brand value, adversely affects normal operations, and even affects market and social stability. During the reporting period, public opinions about the Bank remained overall positive, and no major reputational incident occurred. Through effective reputational risk management, the Bank created a favorable external public opinion environment for the transformation and development of the Bank and the implementation of various key tasks. The proper management of reputational risk also contributed to the sound and steady development of the banking industry and a favorable online public opinion environment.

Upholding the reputational risk management concept of "addressing both symptoms and root causes, with a focus on root causes", the Bank strictly implemented regulatory requirements, and incorporated reputation risk management into the Bank's comprehensive risk management framework. The Bank continued to manage the list of key reputational risk concerns through a list-based management approach, and further refined reputational risk management. For incidents with "moderate" or above reputational risks found in various reputation risk investigations, the Bank included them in the list of key reputational risk concerns, and formulated countermeasures in advance. The Bank

pressed ahead with the management of reputational risk at earlier stages, systematically carried out screening and pre-assessment of reputational risk, conducted in-depth analysis of hidden reputational risk, and promptly took targeted measures for control. The Bank continuously intensified public opinion monitoring and dealt with negative public opinions appropriately. It carried out public opinion monitoring around the clock, and promptly notified the relevant organizations to conduct assessments and take appropriate measures for sensitive and negative public opinions that concern relatively highly sensitive topics and have a certain level of influence.

The Bank utilized information technology to improve the quality and efficiency of reputational risk management, and strengthened the support of information technology for reputational risk management by continuously iterating system functions. With the main focus on "telling PSBC stories" well and leveraging its endowment advantages, the Bank strengthened news and publicity around implementing national strategy, carrying out "five priorities" in the financial sector, serving the real economy, boosting comprehensive rural revitalization, preventing financial risks, meeting the financial needs of the people, etc. The Bank displayed to the outside world its image as a responsible large bank in constantly developing itself into a main force in serving rural revitalization, a benchmark in delivering inclusive finance and an emerging force in technology finance, serving as a pioneer in green finance, and building a caring bank and a digital ecosystem-based bank, coordinated the use of various media resources to strengthen publicity, and continued to accumulate reputation capital.

## Strategic Risk

Strategic risk refers to the risk arising from improper operational strategies or changes in the external environment. During the reporting period, the Bank continued to improve its management of strategic risks, and the strategic risk was generally under control.



# Risk Management

The Bank adhered to the philosophy of long-termism and sustainable development and diligently focused on the “five priorities” of the financial sector. It integrated its resource endowment with services for key sectors of the real economy, and accelerated the cultivation of new advantages and new momentum. The Bank promoted strategic optimization and upgrading, optimized its business, customer, revenue and regional structures, accelerated the development of a more stable, balanced and resilient development model, strengthened financial technology innovation, and continued to improve the cyclical response capabilities. The Bank comprehensively assessed the implementation of strategies, thoroughly identified and monitored strategic risk factors during strategy execution, formulated the “15th Five-Year Plan” and made research on special topics, and strengthened the foresight and stability of strategic management.

## Country Risk

Country risk refers to the risk of the inability or refusal of the debtors of a country or region to repay their debts owed to the bank, or commercial benefit loss or other losses suffered by the bank in that country or region due to changes and incidents that occur in its politics, economy and society. During the reporting period, the Bank’s country risk exposure was mainly concentrated in countries and regions with low and relatively low country risk, and the overall country risk was kept at a reasonable level.

The Bank integrated country risk management into its comprehensive risk management framework, and managed and controlled country risk through a series of management tools, including country risk ratings, country risk limits, and country risk exposure calculation and monitoring. During the reporting period, facing a complicated international political and economic situation, the Bank continued to strengthen country risk management in strict accordance with regulatory requirements and based on its business development needs. The Bank issued country risk emergency plans,

adjusted country risk ratings and limits in a timely manner, strengthened the monitoring and early warning of limit implementation, stepped up efforts in the monitoring and reporting of country risk, and optimized the development of its country risk management system.

## Climate Risk

Climate risk refers to the potential adverse effects of climate change on the natural system and the economic and social system, mainly including physical risks and transition risks. Among them, physical risk refers to the risk of events such as climate anomalies and environmental pollution that may lead to severe damage to the balance sheets of enterprises, households, banks, insurance companies and other market entities, which in turn affects the financial system and the macro economy. Transition risk refers to the risk of repricing of high-carbon assets and financial losses due to significant tightening of relevant policies such as carbon emissions or technological innovations, in order to address climate change and promote low-carbon economic transformation. During the reporting period, the Bank’s climate risk was generally under control.

The Bank paid close attention to environmental and climate risks, and incorporated them into its comprehensive risk management framework for control. It continued to implement the Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revised Version), incorporated environmental and climate risks into the whole-process credit management in terms of risk policy, risk limit, credit policy, customer rating, review and approval, disbursement management and post-lending management, and effectively identified, monitored and prevented ESG risk in business activities.

The Bank carried out sensitivity stress tests of climate risk for eight industries, including electric power, steel, building materials, petrochemicals, chemicals, papermaking, civil aviation and non-ferrous metal smelting, for four consecutive



years to analyze the impact of rising carbon emission costs on the quality of corresponding credit assets held by the Bank and the capital adequacy of the Bank. The test results showed that under the stress scenario, the credit risk of some high-carbon customers increased, but the impact on the Bank's capital adequacy level was generally controllable. The Bank deepened environmental and climate risk management, and conducted ESG and climate risk inspections for eight consecutive years to find out the real situation, handle them by category, and prevent and mitigate potential risks.

## **Risk Consolidated Management**

Risk consolidated management refers to the continuous improvement of the comprehensive risk management framework of the Bank Group and its subsidiaries, and the management process of effectively identifying, measuring, monitoring and controlling the overall risk of the Bank Group. Pursuant to regulatory requirements, as at the end of the reporting period, the Bank's subsidiaries were all incorporated into its risk consolidated management framework, and the overall risks of the Bank Group were under control.

The Bank strictly followed national policies and relevant regulatory requirements, firmly held the bottom line to ensure that no systemic risks arose, and continuously improved the risk consolidated management of the Bank Group. The Bank strengthened the transmission of risk appetite and risk limit requirements of the Bank Group, and kept the risk of its subsidiaries within an acceptable range. The Bank optimized its risk and compliance assessment plans, and made sure all requirements on risk limits and compliance are effectively implemented, so that the business development is built on the foundation of compliant operations and effective risk control. The Bank continued to promote the systematic and automatic risk monitoring of subsidiaries and tracked their risk levels and management in a comprehensive and timely way. The Bank implemented the requirements for risk isolation management of the Bank Group, realized the coordination of business collaboration and risk isolation in conjunction with the business collaboration management mechanism, and effectively prevented risk contagion among all institutions of the Bank Group.



# Capital Management

The objective of the Bank's capital management is to maintain a stable and reasonable capital adequacy level, and continuously meet regulatory policies and macro-prudential requirements; to comprehensively establish and implement a value management system centered around economic capital, strengthen capital constraints, and instill the concept of value creation; and to steadily consolidate the Bank's capital base, persistently improve the capability to replenish capital from internal sources, and actively expand channels for external capital replenishment.

During the reporting period, the Bank continued to improve its capital management framework, effectively implemented regulatory requirements, enhanced refined capital management, strictly implemented capital efficiency practice, and continuously consolidated the capability to replenish capital from internal sources. Meanwhile, the Bank actively replenished its capital through external sources, successfully completed the issuance of A shares to specific subscribers, issued undated capital bonds in an orderly manner, reinforced capital strength with multiple measures, and effectively supported the sustained and sound development of various businesses. As at the end of the reporting period, the Bank maintained sound performance across all capital metrics. Its capital adequacy ratios and the leverage ratio continuously met all regulatory requirements, including additional requirements for domestic systemically important banks, and maintained at a sound and reasonable level.

The Bank fully implemented the requirements of the Capital Rules, continuously enhanced risk management and refined capital management, and comprehensively strengthened the implementation effect of the Capital Rules by focusing on tasks such as exposure classification, business process optimization and data quality enhancement. Moreover, the Bank worked to optimize the structure of business assets using RAROC as the yardstick, strove to further refine the management of capital measurement, and supported the healthy, compliant and orderly business development.

## Capital Adequacy Ratio

According to the Rules on Capital Management of Commercial Banks, the Bank measured credit risk by standardized approach, market risk by standardized approach, and operational risk by standardized approach. As at the end of the reporting period, the CET1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio were 10.52%, 12.13% and 14.57%, respectively.

### Capital Adequacy Ratio

*In RMB million, except for percentages*

Item	June 30, 2025		December 31, 2024	
	The Group	The Bank	The Group	The Bank
Net CET1 capital	983,753	959,082	824,191	800,554
Net tier 1 capital	1,133,918	1,109,078	1,024,332	1,000,540
Net capital	1,362,487	1,336,430	1,244,111	1,219,215
Risk-weighted assets	9,349,529	9,258,568	8,617,743	8,533,934
Credit risk-weighted assets	8,767,392	8,696,147	8,057,517	7,993,424
Market risk-weighted assets	110,849	110,849	88,938	88,938
Operational risk-weighted assets	471,288	451,572	471,288	451,572
CET1 capital adequacy ratio (%)	10.52	10.36	9.56	9.38
Tier 1 capital adequacy ratio (%)	12.13	11.98	11.89	11.72
Capital adequacy ratio (%)	14.57	14.43	14.44	14.29



## Leverage Ratio

As at the end of the reporting period, the leverage ratio calculated by the Bank pursuant to the Rules on Capital Management of Commercial Banks was 5.92%, which met the regulatory requirements. For the details of the leverage ratio, please refer to “Appendix: Supplementary Information”.

## Economic Capital Management

In accordance with the guidance of the Capital Rules, the Bank continued to improve the refined management of economic capital. The Bank reinforced internal capital constraint and advanced the intensive and orderly use of capital; made efforts to improve the application of the asset allocation mechanism with RAROC as the core indicator and increased resource allocation to businesses with high returns; promoted the application of internal rating results in economic capital measurement, allocation and performance assessment in an orderly manner; strengthened digital empowerment and enhanced refined capital management capabilities. The awareness of capital saving and value creation has been continuously enhanced across the Bank, and the business structure has been continuously optimized.

## Capital Financing Management

To implement major national strategies and plans, the Bank issued A shares to specific subscribers in June 2025 in accordance with its capital needs and the capital replenishment plan. The total proceeds raised were RMB130,000,000,000.00. After the deduction of issuance expenses directly related to the issuance, the net proceeds raised were RMB129,961,940,637.58, all of which were used to replenish CET1 capital. For details, please refer to “Changes in Share Capital and Shareholdings of Shareholders”.

The Bank issued RMB30 billion of write-down undated capital bonds in the National Interbank Bond Market in February 2025, with all proceeds used to replenish additional tier 1 capital in accordance with laws and approval of the competent authorities.

Upon the approval from the NFRA, in March 2025, the Bank redeemed at par value all of the RMB80 billion write-down undated capital bonds issued in 2020.





## Corporate Governance

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Note:  
Night View along Hai River, a photo taken by Cai Jianru,  
an employee of PSBC Tianjin Branch



# Changes in Share Capital and Shareholdings of Shareholders

## Ordinary Shares

As at the end of the reporting period, the total number of ordinary shares of the Bank amounted to 120,095,053,492, including 100,238,886,492 A shares and 19,856,167,000 H shares, accounting for 83.47% and 16.53% of all shares respectively.

### Details of Changes in Shares

	<i>Share, except for percentages</i>								
	As at December 31, 2024		Increase/decrease (+, -) during the reporting period					As at June 30, 2025	
	Number of shares	Percentage (%)	Issuance of new shares	Issuance of bonus shares	Transferred from reserve	Others	Subtotal	Number of shares	Percentage (%)
<b>I. Shares subject to selling restrictions</b>									
<b>restrictions</b>	12,182,513,838	12.29	+20,933,977,454	-	-	-	+20,933,977,454	33,116,491,292	27.58
1. Shareholdings of the State	-	-	+18,933,967,793	-	-	-	+18,933,967,793	18,933,967,793	15.77
2. Shareholdings of state-owned legal entities	12,182,513,838	12.29	+2,000,009,661	-	-	-	+2,000,009,661	14,182,523,499	11.81
3. Other domestic shareholdings	-	-	-	-	-	-	-	-	-
Including: Shareholdings of domestic non-state-owned legal entities	-	-	-	-	-	-	-	-	-
Shareholdings of domestic natural persons	-	-	-	-	-	-	-	-	-
4. Foreign shareholdings	-	-	-	-	-	-	-	-	-
Including: Shareholdings of foreign legal entities	-	-	-	-	-	-	-	-	-
Shareholdings of foreign natural persons	-	-	-	-	-	-	-	-	-
<b>II. Circulating shares not subject to selling restrictions</b>									
<b>to selling restrictions</b>	86,978,562,200	87.71	-	-	-	-	-	86,978,562,200	72.42
1. RMB ordinary shares	67,122,395,200	67.69	-	-	-	-	-	67,122,395,200	55.89
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	19,856,167,000	20.02	-	-	-	-	-	19,856,167,000	16.53
4. Others	-	-	-	-	-	-	-	-	-
<b>III. Total ordinary shares</b>	99,161,076,038	100.00	+20,933,977,454	-	-	-	+20,933,977,454	120,095,053,492	100.00

## Changes in Ordinary Shares

According to the Reply on the Approval of Registration for the Issuance of Shares to Specific Subscribers by Postal Savings Bank of China Co., Ltd. issued by the China Securities Regulatory Commission in May 2025 (Zheng Jian Xu Ke [2025] No. 1080), the Bank completed the issuance of 20,933,977,454 A-Share ordinary shares to the Ministry of Finance, China Mobile Communications Group Co., Ltd. and China State Shipbuilding Corporation Limited in June 2025 and the issue price was RMB6.21 per share. The closing price of A shares on the most recent trading day (i.e., March 28, 2025) before signing the share subscription agreement was RMB5.20 per share. The total amount of funds raised in this offering was RMB130,000,000,000.00. After deducting the issuance expenses directly related to the offering, totaling RMB38,059,362.42 (excluding VAT), the net proceeds raised were RMB129,961,940,637.58, and the net proceeds per share were approximately RMB6.21. After the completion of the offering, the total number of shares of the Bank increased from 99,161,076,038 to 120,095,053,492. For details, please refer to the relevant announcements published by the Bank on June 20, 2025.

### *Impact of changes in ordinary shares on financial indicators such as earnings per share and net assets per share*

During the reporting period, the Bank completed the issuance of A-Share ordinary shares to specific subscribers. After the issuance, the share capital was increased by RMB20,933,977,454.00 with a new capital reserve of RMB109,027,963,183.58.

Item	<i>RMB</i>	
	For the six months ended June 30, 2025	For the six months ended June 30, 2025 On a comparable basis <sup>(1)</sup>
Basic earnings per share	0.43	0.43
Diluted earnings per share	0.43	0.43
Net assets per share attributable to ordinary shareholders of listed companies	8.23	8.66

Note (1): The basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of listed companies on a comparable basis from January to June 2025 were calculated in the case of no issuance of shares in 2025.

There were no changes in the Bank's ordinary shares from the end of the reporting period up to the Latest Practicable Date.



# Changes in Share Capital and Shareholdings of Shareholders

## Changes in Shares Subject to Selling Restrictions

Share

Name of shareholder	Number of shares			Number of shares		Reason for selling restrictions	Date of release from selling restrictions
	subject to selling restrictions at the beginning of the year	Shares released from selling restrictions in the year	Increase in shares subject to selling restrictions in the year	subject to selling restrictions at the end of the reporting period			
Ministry of Finance of the PRC	-	-	18,933,967,793	18,933,967,793		Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China Mobile Communications Group Co., Ltd.	6,777,108,433	-	-	6,777,108,433		Commitments on selling restrictions in non-public offering of A shares in 2023	March 28, 2028
	-	-	1,264,744,074	1,264,744,074		Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China Post Group Corporation Limited	5,405,405,405	-	-	5,405,405,405		Commitments on selling restrictions in non-public offering of A shares in 2021	March 25, 2026
China State Shipbuilding Corporation Limited	-	-	735,265,587	735,265,587		Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
Total	12,182,513,838	-	20,933,977,454	33,116,491,292	/		/

Note (1): Presented in descending order of the total number of shares subject to selling restrictions held by shareholders as at the end of the reporting period.

## Number of Shareholders and Shareholdings

As at the end of the reporting period, the Bank had a total number of 164,055 ordinary shareholders (including 161,707 A-share holders and 2,348 H-share holders) and no holders of preference shares with voting rights restored or holders of special voting shares.

## Shareholdings of Top Ten Ordinary Shareholders

Share, except for percentages

Name of shareholder	Number of shares held	Shareholding percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged, marked or locked-up	Nature of shareholder	Type of ordinary shares
China Post Group Corporation Limited	62,291,489,480	51.87	5,405,405,405	–	State-owned legal entity	A shares and H shares
HKSCC Nominees Limited	19,843,423,600	16.52	–	Unknown	Foreign legal entity	H shares
Ministry of Finance of the PRC	18,933,967,793	15.77	18,933,967,793	–	State	A shares
China Mobile Communications Group Co., Ltd.	8,041,852,507	6.70	8,041,852,507	–	State-owned legal entity	A shares
China Telecommunications Corporation Limited	1,117,223,218	0.93	–	–	State-owned legal entity	A shares
Hong Kong Securities Clearing Company Limited	942,368,362	0.78	–	–	Foreign legal entity	A shares
China Life Insurance Company Limited	883,124,105	0.74	–	–	State-owned legal entity	A shares
China State Shipbuilding Corporation Limited	735,265,587	0.61	735,265,587	–	State-owned legal entity	A shares
Industrial and Commercial Bank of China – SSE 50 Exchange-traded Open-end Index Securities Investment Fund	216,126,452	0.18	–	–	Others	A shares
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	197,426,225	0.16	–	–	Others	A shares

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited refers to the A shares (Shanghai-Hong Kong Stock Connect) held on behalf of Hong Kong investors and overseas investors as the nominee.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited (HKSCC). Apart from this, the Bank is not aware of any connected relations among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose situation was unknown to the Bank, the rest of the top ten ordinary shareholders of the Bank did not participate in margin trading, short selling or refinancing as at the end of the reporting period.

Note (5): The above shareholders do not have special repurchase accounts, nor do they involve delegation/entrustment of voting rights, or abstention of voting rights.

Note (6): In June 2025, the Ministry of Finance of the PRC and China State Shipbuilding Corporation Limited became the top ten ordinary shareholders due to the subscription of A shares issued by the Bank to specific subscribers. Except that, there was no situation where strategic investors and general legal entities became the top ten shareholders due to the placement of new shares.

Note (7): On April 8, 2025, the Bank was informed by China Post Group, the controlling shareholder of the Bank, that China Post Group had increased its shareholding in the Bank on the same day through the trading system of the Shanghai Stock Exchange and intended to continue to increase its shareholding in the Bank over the following twelve months. As at June 30, 2025, China Post Group had cumulatively increased its holding of the Bank's A shares by 35,940,200 shares, and held a total of 62,210,789,480 A shares of the Bank.



# Changes in Share Capital and Shareholdings of Shareholders

## Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions

Share

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
China Post Group Corporation Limited	56,886,084,075	A shares	56,805,384,075
		H shares	80,700,000
HKSCC Nominees Limited	19,843,423,600	H shares	19,843,423,600
China Telecommunications Corporation Limited	1,117,223,218	A shares	1,117,223,218
Hong Kong Securities Clearing Company Limited	942,368,362	A shares	942,368,362
China Life Insurance Company Limited	883,124,105	A shares	883,124,105
Industrial and Commercial Bank of China – SSE 50 Exchange-traded Open-end Index Securities Investment Fund	216,126,452	A shares	216,126,452
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	197,426,225	A shares	197,426,225
Ping An Life Insurance Company of China, Ltd. – Self-owned funds	193,209,302	A shares	193,209,302
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Initiated Securities Investment Fund	140,351,247	A shares	140,351,247
Shanghai International Port (Group) Co., Ltd.	112,539,226	A shares	112,539,226

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited refers to the A shares (Shanghai-Hong Kong Stock Connect) held on behalf of Hong Kong investors and overseas investors as the nominee.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited (HKSCC). Apart from this, the Bank is not aware of any connected relations among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose situation was unknown to the Bank, the rest of the top ten shareholders not subject to selling restrictions of the Bank did not participate in margin trading, short selling or refinancing as at the end of the reporting period.

Note (5): The above shareholders do not have special repurchase accounts, nor do they involve delegation/entrustment of voting rights, or abstention of voting rights, nor do any strategic investor or general legal entity became the top ten shareholders not subject to selling restrictions due to the participation in the placement of new shares.

### Shareholdings of the Top Ten Shareholders Subject to Selling Restrictions

Share

Name of shareholder	Number of shares held subject to selling restrictions	Conditions for listing and trading of shares subject to selling restrictions		Selling restrictions
		Date on which listing and trading may commence	Number of new shares allowed to be listed and traded	
Ministry of Finance of the PRC	18,933,967,793	June 19, 2030	–	Five years since share acquisition after the issuance of A shares to specific subscribers of the Bank in 2025
China Mobile Communications Group Co., Ltd.	6,777,108,433	March 28, 2028	–	Five years since share acquisition after the non-public issuance of A shares of the Bank in 2023
	1,264,744,074	June 19, 2030	–	Five years since share acquisition after the issuance of A shares to specific subscribers of the Bank in 2025
China Post Group Corporation Limited	5,405,405,405	March 25, 2026	–	Five years since share acquisition after the non-public issuance of A shares of the Bank in 2021
China State Shipbuilding Corporation Limited	735,265,587	June 19, 2030	–	Five years since share acquisition after the issuance of A shares to specific subscribers of the Bank in 2025



# Changes in Share Capital and Shareholdings of Shareholders

## Shareholdings by the Directors, Supervisors and Senior Management Members

During the reporting period, the shareholdings by the Directors, Supervisors and senior management members of the Bank remained unchanged. As at the Latest Practicable Date, none of the Directors, Supervisors and senior management members of the Bank held any shares of the Bank.

## Substantial Shareholders

According to the Interim Measures on Equity Management of Commercial Banks published by the former CBRC, China Post Group, the Ministry of Finance and China Mobile Communications Group Co., Ltd. are substantial shareholders of the Bank as each of them holds more than 5% of interest in the Bank; China State Shipbuilding Corporation Limited and Shanghai International Port (Group) Co., Ltd. are substantial shareholders of the Bank as each of them designates Directors to the Bank.

## Basic Information of Substantial Shareholders

There was no change in the controlling shareholder or de facto controller of the Bank during the reporting period.

## Controlling Shareholder and De Facto Controller

The controlling shareholder and de facto controller of the Bank is China Post Group. China Post Group Corporation Limited, a wholly state-owned enterprise incorporated in accordance with the Company Law of the People's Republic of China, was established on October 4, 1995, and was officially restructured into China Post Group Corporation Limited on December 17, 2019. It engages in various postal businesses in accordance with the law, undertakes the obligations of general postal services and provides special postal services entrusted by the government. China Post Group has a registered capital of RMB137.6 billion. Its registered address is No. 3 Financial Street, Xicheng District, Beijing. Its unified social credit code is 91100000000192465 and the legal representative is Mr. Liu Aili. China Post Group is principally engaged in domestic and international mail delivery, distribution of publications such as newspapers and journals, stamp issuance, postal remittance, operation of postal savings business in accordance with the law, confidential correspondence, postal financial business, emerging business such as postal logistics and e-mail, e-commerce, agency business and other businesses as stipulated by the state.

## Other Substantial Shareholders

Established in October 1949, the Ministry of Finance is a constituent department of the State Council and a national administrative authority in charge of matters such as national fiscal revenue and expenditure, and taxation policies, registered at No. 3, Sanlihe Nansan Lane, Xicheng District, Beijing, with a unified social credit code of 1110000000013186G.

China Mobile Communications Group Co., Ltd. ("China Mobile Group") is a wholly state-owned enterprise established under the Company Law of the People's Republic of China by the state with a registered capital of RMB300 billion. Its registered address is No. 29 Financial Street, Xicheng District, Beijing. Its unified social credit code is 911100007109250324, and the legal representative is Mr. Yang Jie. China Mobile Group, a central state-owned enterprise established on July 22, 1999 in accordance with the overall plan of the national telecommunications system reform, is the world's largest mobile communications service provider with over 1 billion mobile users and over 300 million household customers. China Mobile Group is principally engaged in basic telecommunications business, value-added telecommunications business, and innovative digital services such as digital media content and information solutions. With the license for operating international networking of computer information and international communication accesses, China Mobile Group is able to provide quality products and services related to information and communication, and integrated information solutions to individuals, families, government agencies, enterprises and other customers.

China State Shipbuilding Corporation Limited ("CSSC") is a wholly state-owned enterprise established on November 8, 2019 under the Company Law of the People's Republic of China by the state with a registered capital of RMB110

billion. Its registered address is No. 889 Zhonghua Road, Huangpu District, Shanghai and its unified social credit code is 91310000MA1FL70B67 and the legal representative is Mr. Xu Peng. CSSC has the largest shipbuilding and repair base in China and the most complete research and development capacity for shipping and supporting products. It is the world's largest shipbuilding group capable of designing and building shipping and marine equipment that meets the requirements of global classification societies, international general technical standards and safety conventions. CSSC is principally engaged in the research, development and production of naval products, merchant ships and supporting facilities as well as non-marine equipment, and is one of the Global 500 companies in China's shipping industry.

Shanghai International Port (Group) Co., Ltd. ("SIPG"), the operator of public terminals in the Port of Shanghai, is a large specialized business group established in January 2003 by restructuring the former Shanghai Port Administration Bureau. In June 2005, SIPG was transformed into a joint-stock limited liability company after completion of the conversion into a joint-stock company, and was listed on the SSE on October 26, 2006, becoming the first joint-stock port company listed as a whole in China. It is now the largest public company in the port industry in China and is also one of the largest port companies in the world. The registered capital of SIPG is approximately RMB23,281 million. SIPG has its registered address at 4/F, Area A, Comprehensive Building, No. 1 Tonghui Road, Lin-Gang Special Area of China (Shanghai) Pilot Free Trade Zone, and its headquarters at No. 358 (International Port Building) East Daming Road, Hongkou District, Shanghai. Its unified social credit code is 913100001322075806. Its de facto controller is Shanghai State-owned Assets Supervision and Administration Commission. SIPG is mainly engaged in port-related business including container services, bulk cargo services, port logistics and port services.



# Changes in Share Capital and Shareholdings of Shareholders

## Pledging of the Bank's Shares by Its Substantial Shareholders

As at the end of the reporting period, there was no share pledge by substantial shareholders of the Bank.

## Related Parties of Substantial Shareholders and Connected Transactions

About 1,800 institutions including the above-mentioned substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries are regarded as related parties of the Bank. During the reporting period, the types of transactions between the Bank and the above-mentioned related parties mainly included credit extension, asset transfer, service provision, etc. These connected transactions were included in the routine connected transaction management of the Bank and submitted to the Board of Directors and its Related Party Transactions Control Committee for approval or kept on record.

## Interests and Short Positions Held by Substantial Shareholders and Other Persons

As at the end of the reporting period, so far as was known to the Directors, Supervisors and President of the Bank, save as disclosed below, there were no other persons (other than the Directors, Supervisors and President of the Bank) or companies who had interests or short positions in the shares or underlying shares of the Bank which were required to be disclosed to the Bank and Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept pursuant to Section 336 of the SFO:

*Share, except for percentages*

Name of shareholder	Capacity	Class of shares	Relevant interests and short positions	Nature of interests	Percentage of issued class shares (%)	Percentage of total issued shares (%)
China Post Group Corporation Limited	Beneficial owner	A shares	62,210,789,480	Long position	62.06	51.80
	Beneficial owner	H shares	80,700,000	Long position	0.41	0.07
Ministry of Finance of the PRC	Beneficial owner	A shares	18,933,967,793	Long position	18.88	15.77
China Mobile Communications Group Co., Ltd.	Beneficial owner	A shares	8,041,852,507	Long position	8.02	6.70
China State Shipbuilding Corporation Limited	Interest of controlled corporations	H shares	3,939,907,462	Long position	19.84	3.28
	Beneficial owner	A shares	735,265,587	Long position	0.73	0.61
Shanghai International Port (Group) Co., Ltd.	Beneficial owner and interest of controlled corporations	H shares	4,226,813,041	Long position	21.29	3.52
	Beneficial owner	A shares	112,539,226	Long position	0.11	0.09
Ping An Asset Management Co., Ltd.	Investment manager	H shares	2,585,383,000	Long position	13.02	2.15
China National Tobacco Corporation	Beneficial owner	H shares	1,296,000,000	Long position	6.53	1.08

- Note (1): The information disclosed above is based on the information provided on the website of Hong Kong Stock Exchange and the information available to the Bank at the end of the reporting period. Pursuant to Section 336 of the SFO, shareholders of the Bank are required to file a disclosure of interests form when certain criteria are met. When a shareholder's shareholding in the Bank changes, the shareholder is not required to inform the Bank and Hong Kong Stock Exchange unless certain criteria are met, therefore the shareholder's latest shareholding in the Bank may differ from the shareholding filed with Hong Kong Stock Exchange.
- Note (2): China State Shipbuilding Corporation Limited is interested in a total of 3,939,907,462 H shares (long position), including 3,777,884,462 H shares (long position) indirectly held by controlled corporations, namely China Shipbuilding Industry Corporation, China Shipbuilding & Offshore International Co., Limited, China Shipbuilding & Offshore International (H.K.) Co., Limited and China Shipbuilding Capital Limited through CSIC Investment One Limited as the beneficial owner, and 162,023,000 H shares (long position) indirectly held by the controlled corporation China Shipbuilding Industry Corporation through China Shipbuilding Capital Limited as the beneficial owner.
- Note (3): Shanghai International Port (Group) Co., Ltd. is interested in a total of 4,226,813,041 H shares (long position), including 861,192,000 H shares (long position) held by it as the beneficial owner, 3,215,660,360 H shares (long position) held by the controlled corporation Shanghai International Port Group (HK) Co., Limited as the beneficial owner, and 149,960,681 H shares (long position) indirectly held by the controlled corporation Shanghai International Port Group (HK) Co., Limited through Shanghai Port Group (BVI) Holding Co., Limited as the beneficial owner.
- Note (4): Ping An Asset Management Co., Ltd. (hereafter referred to as "Ping An Asset Management") is interested in 2,585,383,000 H Shares (long position), which were held by Ping An Asset Management on behalf of certain customers (including but not limited to certain subsidiaries of Ping An Insurance (Group) Company of China, Ltd. (hereafter referred to as "Ping An Group"), including Ping An Life Insurance Company of China, Ltd. (hereafter referred to as "Ping An Life Insurance") in its capacity as investment manager, and were the last interests that Ping An Asset Management needed to report as at June 30, 2025 (the date of the relevant event is June 25, 2025). Ping An Asset Management is a subsidiary of Ping An Group. As Ping An Asset Management is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Group, Ping An Group is exempted from disclosure of interests in shares held by Ping An Asset Management that are not held by Ping An Group, as a holding company in accordance with the Securities and Futures Ordinance of Hong Kong. Ping An Life Insurance is interested as the beneficial owner in 2,601,270,000 H shares (long position), which were the last interests that Ping An Life Insurance needed to report as at June 30, 2025 (the date of the relevant event is June 30, 2025). Ping An Group is interested in a total of 2,583,994,000 H Shares (long position) through Ping An Life Insurance and other controlled corporations, which were the last interests that Ping An Group needed to report as at June 30, 2025 (the date of the relevant event is June 26, 2025).

## Issuance and Listing of Securities

Types of equities and derivative securities	Issue date	Issue price (RMB per share)	Number of shares issued (shares)	Listing date	Number of shares approved for listing and transaction (shares)	Transaction end date
RMB ordinary shares	June 19, 2025	6.21	20,933,977,454	June 19, 2025	20,933,977,454	–

On March 30, 2025, the Board of Directors of the Bank reviewed and approved the participation of China Mobile Group and CSSC as strategic investors in the issuance of A shares to specific subscribers by the Bank in 2025, and entered into strategic cooperation agreements with each of them. Adhering to the principle of "long-term cooperation and mutual development", through the establishment and improvement of a strategic cooperation mechanism between the parties, the Bank, together with China Mobile Group and CSSC, aimed to fully integrate each other's advantages and actively seek long-term shared strategic interests in a coordinated and complementary manner. Based on their positioning as strategic investors, China Mobile Group and CSSC closely monitored the development trends of the banking industry, and put forward reasonable and feasible opinions and suggestions to the Bank on its development strategy, key projects, capital operation planning, dividend levels, etc., thereby assisting the Bank in continuously advancing the "five priorities" of the finance sector. During the reporting period, the Bank, together with China Mobile Group and CSSC, diligently fulfilled the strategic cooperation agreements, fully leveraging their respective strategic resource advantages to promote mutually beneficial cooperation between the parties.

For the details of the issuance of other securities of the Bank, please refer to "Notes to the Condensed Consolidated Financial Statements – 29 Debt securities issued" and "Notes to the Condensed Consolidated Financial Statements – 31.2 Other equity instruments".

The Bank has no employee stocks.



# Corporate Governance

## Overview of Corporate Governance

The Bank strictly complied with laws, regulations, and requirements for corporate governance put forth by the NFRA, CSRC, SSE and other regulatory authorities as well as the principles and code provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules. It continuously pursued best practices in corporate governance, continued to promote the integration of Party leadership and corporate governance, continued to optimize management mechanisms, and improved the quality and efficiency of corporate governance operations.

During the reporting period, the Bank convened 4 Shareholders' General Meetings, at which 33 proposals were reviewed and approved and 3 reports were heard.

The Bank convened a total of 6 meetings of the Board of Directors, at which 73 proposals were reviewed and 18 reports were heard. The special committees of the Board of Directors convened 19 meetings (4 by Strategic Planning Committee, 1 by Related Party Transactions Control Committee, 4 by Audit Committee, 5 by Risk Management Committee, 3 by Nomination and Remuneration Committee and 2 by Social Responsibility and Consumer Rights Protection Committee), at which 81 proposals were reviewed and 20 reports were heard.

The Bank convened a total of 5 meetings of the Board of Supervisors, at which 64 proposals and supervision matters were reviewed. The special committees of the Board of Supervisors convened 5 meetings (2 by Duty Performance Supervision Committee and 3 by Finance and Internal Control Risk Supervision Committee), at which 16 proposals were reviewed.

## Directors, Supervisors and Senior Management

### Directors, Supervisors and Senior Management

As at the Latest Practicable Date, the composition of the Board of Directors, the Board of Supervisors and senior management was as follows:

The Board of Directors of the Bank comprised 16 Directors, including Chairman and Non-executive Director Mr. Zheng Guoyu; 2 Executive Directors, namely Mr. Liu Jianjun and Ms. Yao Hong; 7 Non-executive Directors, namely Mr. Han Wenbo, Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong; and 6 Independent Non-executive Directors, namely Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong, Mr. Hong Xiaoyuan, and Mr. Yang Yong.

The Board of Supervisors of the Bank consisted of 5 Supervisors, namely Mr. Chen Yuejun, Chairman of the Board of Supervisors and Shareholder Representative Supervisor; 2 External Supervisors, namely Mr. Bai Jianjun and Mr. Chen Shimin; and 2 Employee Supervisors, namely Mr. Li Yue and Mr. Gu Nannan.

The Bank had a total of 7 senior management members, namely Mr. Liu Jianjun, Ms. Yao Hong, Mr. Xu Xueming, Mr. Du Chunye, Mr. Niu Xinzhuang, Mr. Hu Jianpo and Mr. Liang Shidong.

## Changes in Directors, Supervisors and Senior Management

### Changes in Directors

On January 2, 2025, the Board of Directors of the Bank nominated Mr. Zheng Guoyu as the candidate for Non-executive Director and elected Mr. Zheng Guoyu as Chairman of the Board of Directors. On January 22, 2025, Mr. Zheng Guoyu was elected as Non-executive Director at the Bank's First Extraordinary General Meeting in 2025. On February 13, 2025, Mr. Zheng Guoyu's qualification as Chairman of the Board of Directors and Director was approved by the NFRA. He shall serve as Chairman of the Board of Directors and Non-executive Director of the Bank for a term of three years, commencing from the date of approval. Mr. Zheng Guoyu confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on January 20, 2025, and was aware of his responsibilities as Director of the Bank.

On January 22, 2025, Mr. Yang Yong was elected as Independent Non-executive Director at the Bank's First Extraordinary General Meeting in 2025. On May 23, 2025, Mr. Yang Yong's qualification as Director was approved by the NFRA. He shall serve as Independent Non-executive Director of the Bank, member of the Audit Committee of the Board of Directors, member of the Nomination and Remuneration Committee of the Board of Directors, and member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Yang Yong confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on January 22, 2025, and was aware of his responsibilities as Director of the Bank.

On May 23, 2025, Mr. Liu Ruigang's qualification for directorship was approved by the NFRA. He shall serve as Non-executive Director of the Bank, member of the Audit Committee of the Board of Directors, and member of the Nomination and Remuneration Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Liu Ruigang confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on February 14, 2025, and was aware of his responsibilities as Director of the Bank.

Upon the commencement of Mr. Liu Ruigang's term, Mr. Chen Donghao ceased to serve as Non-executive Director of the Bank and as a member of the relevant committees of the Board of Directors.

On April 17, 2025, Mr. Pu Yonghao was elected as Independent Non-executive Director at the 2024 Annual Shareholders' General Meeting, subject to approval by the NFRA.

On April 29, 2025, the Board of Directors of the Bank nominated Ms. Chen Xue as a candidate for Non-executive Director, subject to election by the Shareholders' General Meeting and approval by the NFRA.

For the details of changes in Directors of the Bank, please refer to the announcements published by the Bank.

### Change in Supervisors

During the reporting period, there was no change in the supervisors of the Bank.

### Changes in Senior Management

During the reporting period, there was no change in the senior management members of the Bank.

## Changes in Biographies of Directors, Supervisors and Senior Management

In March 2025, Mr. Hong Xiaoyuan no longer served as an Executive Director of China Society of Economic Reform.

In August 2025, Mr. Ding Xiangming no longer served as the Vice President, the Secretary to the Board of Directors and General Counsel of SIPG.

In January 2025, Mr. Chen Shimin no longer served as an Independent Director of Advanced Micro-Fabrication Equipment Inc. China.

In April 2025, Mr. Chen Shimin no longer served as an Independent Director of Yincheng International Holding Co., Ltd.

In July 2025, Mr. Liang Shidong was appointed as an Executive Director of China Numismatic Society.



# Corporate Governance

## *Positions Taken by Directors, Supervisors and Senior Management Members at Shareholder Companies*

Name	Name of the shareholder company	Positions held in the shareholder company	Term of office
Zheng Guoyu	China Post Group	Director General Manager Chief Compliance Officer	March 2023 – now March 2023 – now May 2023 – now
Liu Jianjun	China Post Group	Deputy General Manager	May 2021 – now
Han Wenbo	China Post Group	Director	February 2021 – now
Liu Xin'an	China Post Group	Director	April 2024 – now
Liu Ruigang	China Post Group	Director	May 2023 – now
Ding Xiangming	SIPG	Vice President Secretary to the Board of Directors  General Counsel	July 2013 – August 2025 March 2014 – August 2025 November 2022 – August 2025
Yu Mingxiong	CSSC	Director of the Asset Management Department	October 2023 – now
Hu Jianpo	China Post Group	Deputy Head of the Commission for Discipline Inspection	June 2020 – now

## Profit and Dividends Distribution

The Bank's profit distribution plan complies with the Articles of Association of the Bank and review procedures. The independent non-executive directors of the Bank performed their duties diligently, expressed independent and professional opinions, and fully protected the legitimate rights and interests of minority shareholders.

The profit distribution plan for 2024 was reviewed and approved at the 2024 Annual General Meeting held on April 17, 2025. On the basis of 99,161,076,038 ordinary shares, the Bank distributed final cash dividends for 2024 at RMB1.139 (before tax) per ten shares, totaling approximately RMB11,294 million (before tax), to all the ordinary shareholders whose names appeared on the share register as of April 29, 2025 after the market close. Together with the interim cash dividends for 2024 already paid, the total cash dividends for the whole year of 2024 were RMB25,941 million (before tax) at RMB2.616 (before tax) per ten shares. The 2024 profit distribution plan has been implemented. The Bank did not convert any capital reserve to share capital for the profit distribution.

The Board of Directors of the Bank recommends the distribution of interim cash dividends on ordinary shares for 2025. On the basis of 120,095,053,492 ordinary shares of the total share capital of the Bank, the interim cash dividends for 2025 totaling approximately RMB14,772 million (before tax) will be distributed to all ordinary shareholders whose names appeared on the share register on the record date at RMB1.230 (before tax) per ten ordinary shares. The distribution plan will be submitted to the Shareholders' General Meeting in the second half of 2025 for approval. If approved, cash dividends will be distributed within two months after review and approval.

# Environmental and Social Responsibilities

## Green Finance

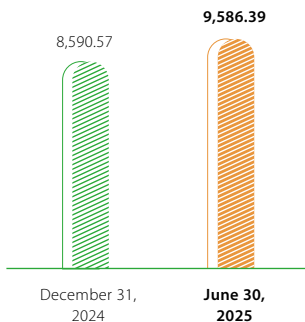
The growth rate of green loans outpaced that of total loans by **4.60** percentage points.

The Bank issued the first tranche of green financial bonds in 2025 in the National Interbank Bond Market, with a scale of RMB**5** billion.

In line with the national “dual carbon” strategy and overall planning for green development, the Bank formulated the Work Plan for Green Finance of Postal Savings Bank of China.

The Bank joined the China-UK Transition Finance Taskforce and actively supported the development of green finance and transition finance businesses.

**Balance of green loans** ↑ Increase from prior year-end **11.59%**  
(In RMB100 million)



The Bank fully implemented the guiding principles from the 20th CPC National Congress, the second and third plenary sessions of the 20th CPC Central Committee, the Central Economic Work Conference, and the Central Financial Work Conference, firmly established and acted on the philosophy that “lucid waters and lush mountains are invaluable assets”, strictly implemented national policies and regulatory requirements, endorsed the United Nations’ Sustainable Development Goals (SDGs) for 2030 and the Paris Agreement, vigorously developed sustainable finance, green finance, and climate financing, and supported biodiversity preservation, thereby advancing the development of green finance as a priority of the financial sector. As at the end of the reporting period, the balance of green loans amounted to RMB958,639 million, representing an increase of 11.59% from the end of the previous year. This growth rate has been higher than the average growth rate of total loans for consecutive years. Green loans contributed to an annual reduction of 37,782.6 thousand tons of carbon dioxide equivalent. With the help of the carbon-reduction supporting tool, the Bank granted carbon reduction loans of RMB4,923 million to 91 projects in the first half of 2025, driving an annual carbon reduction of 932.3 thousand tons of carbon dioxide equivalent.

**Strengthening top-level design.** The Bank continued to improve its green finance governance structure and integrated environment-related strategies into its governance framework. The Bank adhered to the unified leadership of the Party Committee of the Head Office. The Board of Directors, the Board of Supervisors and the senior management strengthened the leadership, supervision over and implementation of green finance work according to the division of responsibilities. The Bank held meetings of the Board of Directors, the Social Responsibility and Consumer Rights Protection Committee under the Board of Directors, the Board of Supervisors, the Green Finance Steering Group for Carbon Peaking and Carbon Neutrality, and the Green Finance Taskforce on Carbon Peaking and Carbon Neutrality on a regular basis, studied and planned for the building of a green bank and ESG risk management, and advanced toward the goal of carbon peaking and carbon neutrality in an active and steady way. The Head Office, branches and majority-owned subsidiaries set up the green finance steering groups for carbon peaking and carbon neutrality to form a multi-level mechanism to advance related work. The Bank supported the green and low-carbon transformation and development of regions such as pilot zones for green finance reform and innovations, climate investment and financing pilot areas, and carbon-peaking pilot cities and parks. The Bank has set up a total of 45 green finance institutions, including carbon neutrality sub-branches, green sub-branches, green finance departments, etc., and improved the quality and effectiveness of transition to low-carbon and green finance services.



## Environmental and Social Responsibilities

**Refining policies and rules.** The Bank formulated the Guidelines on Sustainable Finance Credit Extension, developed separate guidelines on the credit extension policies for green finance and transition finance, defined the priorities and key fields for green finance and transition finance, and designated industries such as hydropower, nuclear power, wind power, photovoltaic power generation, electrochemical energy storage, energy conservation and environmental protection, new energy vehicles, lithium-ion batteries, charging stations, railways, rail transit, and marine industries as industries encouraged to finance. ESG factors were integrated into the credit extension policies for key industries, with an emphasis on biodiversity protection and climate change. The Bank conducted classified management and dynamic assessments of customers' ESG risks and, based on industry profiles and business characteristics, continuously intensified differentiated policy support and control efforts. The Bank adhered to the "one-vote veto mechanism for environmental protection" and implemented a "zero tolerance" policy for customers and projects that did not comply with relevant environmental and industrial policies. The Bank also formulated the Work Plan for Green Finance of Postal Savings Bank of China, joined the China-UK Transition Finance Taskforce, and actively supported the development of green finance and transition finance businesses.

**Improving resource allocation.** The Bank implemented a differentiated economic capital adjustment coefficient, reducing the economic capital adjustment coefficient for green finance business to 90%. The Bank cut 15 bps in the FTP (Funds Transfer Pricing) for green loans and green bonds and 90 bps for inclusive green loans for MSEs. In accordance with the principle of matching authorization with capabilities, the Bank implemented differentiated approval authorities for green finance business and increased the approval authority for green finance sectors such as energy conservation and environmental protection, photovoltaic power generation, wind power, biomass power generation, and hydropower. The Bank set up the fast track for review and approval, reinforced the support for parallel processing, and facilitated the development of green finance business.

**Strengthening ESG risk management.** The Bank incorporated environmental and climate risks into its comprehensive risk management framework, established an environmental information database, identified and assessed climate risks, and carried out special ESG and climate risk investigations as well as climate risk stress tests, continuously enhancing its ESG and climate risk management capabilities. The Bank strengthened the use of financial technology tools and means, and continuously optimized and improved its green finance big data platform. It collected, sorted out, and analyzed publicly available environmental information from governments and enterprises via its "Jinjing" (Gold Eye) credit risk monitoring system to build the environmental information database. The Bank incorporated ESG management requirements into the comprehensive risk management framework to effectively improve its ESG management and evaluation level. The Bank also developed an ESG assessment scheme for clients in the iron and steel industry to accurately identify and monitor the sustainable development capabilities of iron and steel enterprises.

**Developing green finance business.** The Bank actively implemented the green development philosophy, stepped up green bond investment, gave priority to supporting green projects in the fields of energy conservation and environmental protection, clean energy, and infrastructure upgrading, and helped transform the development mode. The Bank issued the first tranche of green financial bonds in 2025 in the National Interbank Bond Market, with a scale of RMB5 billion, which focused on supporting the green upgrading and transformation of infrastructure. The bond issuance garnered strong investor interest and was quickly subscribed for by institutional investors such as banks, fund companies, insurers, and securities firms. This fully demonstrated investors' high recognition of the Bank's efforts in advancing the optimization and upgrading of the industrial structure and green transition through financial strength. The Bank participated in the subscription of the "Green Plus" offshore RMB solidarity-based medium-term bonds issued by Crédit Agricole CIB, which pioneered a closed-loop model of "fundraising – ecological investment – environmental benefits". The funds raised will be used in

fields such as clean energy development, climate adaptation, and ecological restoration around the globe, and part of the funds will be earmarked for the “Million Tree Project” in ecologically fragile regions such as Inner Mongolia and Ningxia. By deeply integrating ecological governance with financial instruments, the Bank achieved synergistic outcomes in both social benefits and economic benefits. The Bank attended the green finance advancement conference for the building of a beautiful China jointly held by the PBC and the Ministry of Ecology and Environment. The Bank signed an on-site agreement for a rural revitalization demonstration project with the integrated development of agriculture, culture and tourism in Tangjiashan, Leibo County, Sichuan Province, which was the only agritourism project for rural revitalization among all signed projects at the conference. Leveraging the local ecological advantages, the project aims to create a diversified and innovative “agriculture+” industrial chain, which will serve as a model project for supporting ecological revitalization in rural areas.

### Supplementary Cases

PSBC Xilingol League Branch in Inner Mongolia successfully issued loans to a renewable energy-powered electrolytic hydrogen production project. This project utilized new energy power generation to produce hydrogen, with the green hydrogen directly supplied to local coal chemical enterprises. While addressing the consumption of electricity generated from new energy sources, the project also reduced carbon emissions from coal chemical projects, effectively promoting the clean and green transition of traditional chemical industries. Furthermore, the project represents China's first medium-to-large-scale off-grid wind-solar-hydrogen generation demonstration project deeply integrated with coal chemical technology. Upon completion, the project will yield an additional annual methanol output by 29.7 thousand metric tons and reduce carbon dioxide emissions by 138.8 thousand metric tons per year, significantly contributing to the industrialized development of green hydrogen coupled with the coal chemical industry.



▲ PSBC Xilingol League Branch in Inner Mongolia supported the integrated wind-solar-hydrogen generation demonstration project

PSBC Ningxia Hui Autonomous Region Branch adhered to the national “dual carbon” goals and regarded green finance as a key measure to support the ecological protection of the Yellow River Basin, highlighting green as a defining feature of high-quality development. The branch established the Green Finance Steering Group for Carbon Peaking and Carbon Neutrality, formulated and implemented differentiated credit policies, and leveraged the advanced “Jinjing” (Gold Eye) credit risk monitoring system to strengthen the assessment and management of ESG risks, thereby ensuring that funds were channeled precisely to eco-friendly industries. As at the end of the reporting period, the balance of green loans reached RMB4,515 million. The loans mainly supported a range of green energy projects such as photovoltaics, wind power, and energy storage, providing strong financial support for reducing carbon emissions and optimizing the energy structure in the Yellow River Basin. The branch established an expedited approval mechanism for green credit, launched a package of preferential policies for green projects such as FTP concessions, and granted over RMB100 million in credit to a new energy company to support the efficient operation of its photovoltaic power station.



▲ PSBC Ningxia Wuzhong Branch supported wind power project



# Environmental and Social Responsibilities

## Green Operation

The Bank followed the philosophy of low-carbon development and continuously practiced green operations. It organized heads of 36 tier-1 branches and majority-owned subsidiaries to sign the Letter of Commitment on Ecological and Environmental Protection of 2025, so as to solidify their management responsibility for environmental protection. The Head Office departments and institutions conducted quarterly green office inspections, further strengthened electricity and water conservation management, organized the bank-wide "Energy Efficiency Boost: reNEWal Initiative" campaign for energy conservation, enhanced employees' awareness of green office practices, and standardized their energy use behaviors. The Bank carried forward the fine traditions of hard work and frugality, further promoted the Clean Plate campaign, and put an end to food waste. Supervision and inspections of the canteen were organized from time to time to continuously strengthen food waste supervision and foster a frugal dining culture.

The Bank established a bank-wide carbon emissions data management framework, promoted the use of the carbon resource management system across the Bank, and strengthened the collection, collation, labelling and accumulation of carbon emissions data. The Bank actively promoted the use of green electricity and the development of green parks. PSBC Hefei Base completed the photovoltaic power generation system with a total installed capacity of 125.35 kilowatts. During the reporting period, the power generation reached 64.0 thousand kWh, and the cumulative power generation since it was put into operation has been 478.0 thousand kWh, all of which have been used for self-consumption. During the reporting period, in line with the provision of "weather-dependent heating/cooling" in the Regulations on the Administration of Urban Centralized Heating in Hefei, PSBC Hefei Base shut down boilers approximately two hours earlier each day during the heating season and utilized the residual heat from air conditioning

pipelines for heating, saving approximately 36.3 thousand cubic meters of gas. During the cooling season, the base shut down chillers approximately two hours earlier each day and utilized the residual cold water from air conditioning pipelines for cooling, saving approximately 20.8 thousand kWh of electricity. The base only turned on half of the lights in the underground garage, saving approximately 73.2 thousand kWh of electricity. The base also utilized the rainwater recycling system to irrigate ponds and green spaces in the park, saving approximately 1,000 cubic meters of water.

The Bank developed green buildings and applied advanced energy-saving technologies. The Bank issued the Guiding Opinions on Ensuring Logistics Support in 2025, calling for bank-wide efforts to prioritize resource conservation, adopt a low-carbon approach, and adapt to local conditions. For newly-built business and technical premises, green building requirements shall be fully implemented. In the renovation of business and technical premises, the original building conditions shall be taken into account; renovation tasks shall be properly sequenced with balanced consideration of preservation, renovation, and removal at the same time. During the construction management process, an analysis of the impact of green construction shall be conducted with green construction goals clearly defined, and efforts shall be made in material saving, energy consumption reduction, water source conservation, and soil protection. The main structure of PSBC Baodi Base Phase I – B adopted prefabricated assembly technology, significantly reducing material loss and construction waste. Triple-silver low-emissivity (Low-e) insulated glass was used as a building material to enhance the energy-saving capabilities of buildings. The cold/heat source systems employed variable frequency drive technology and high-efficiency equipment. The circuits of the power supply and distribution system were optimized, and energy-saving transformers were utilized, effectively reducing energy consumption through both technical and equipment selection.

The Bank thoroughly implemented green procurement. The Bank issued the Implementation Measures of Postal Savings Bank of China for Green Procurement, which clearly prioritized the procurement of energy-efficient and eco-friendly products that meet green packaging and green transportation requirements. The Bank continued to demand suppliers to sign and fulfill the Agreement on Energy Conservation, Emissions Reduction and Green Development, so as to strengthen and promote suppliers to jointly perform social responsibilities such as environmental protection.



▲ The Head Office departments and institutions organized the voluntary tree-planting activity in 2025

# Environmental and Social Responsibilities

## Care for Employees

The Bank took an employee-centric approach and ensured care for employees with concrete measures. It organized a variety of cultural activities, and provided various platforms for employees to present themselves, reinforcing employees' organizational identification and emotional attachment to facilitate the Bank's high-quality development.

### Vigorously Promoting the Spirit of Model Workers

On May 1st Labor Day, the Bank launched an H5-based online exhibition activity themed "Well Done, PSBCers!", the 2025 PSBC tour exhibition showcasing the exemplary deeds of 39 paragons across various positions and lines of business as well as exclusive work tips, so as to foster strong motivation for work.



Scan the QR code to learn more about the exhibition activity themed "Well done, PSBCers!"

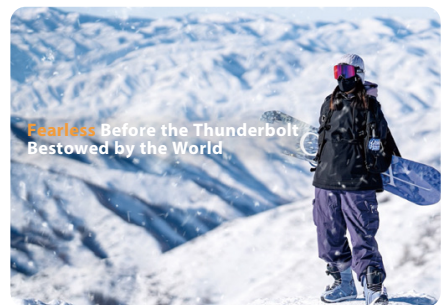


### Continuously Advancing Work Related to Female Employees

On March 8th International Women's Day, the Bank collected nearly 1,000 photos from female employees across the bank to make a short film titled "Yes! My Little Universe". The film captured the wonderful moments of those vivid and free-spirited female employees, fully demonstrating their love for life and positive attitude.



Scan the QR code to watch the short film "Yes! My Little Universe"



PSBC Qinghai Branch held a female employee fashion show themed "Women's Elegance, Blossoming Through PSBC". Female employees displayed a diverse range of attire on the catwalk including cheongsams, ethnic costumes, traditional Chinese costumes, and opera costumes on the T stage, showcasing the confidence of women in the new era.



## Showcasing Employee Contributions in Diverse Forms



On May 4th Youth Day, the Bank released the third installment of the theme film series “PSBC New Youth”. Aiming to “let the shining young people of PSBC be seen”, the film captures young PSBC employees from diverse regional backgrounds and positions across the Bank. It reflects how they interpret the spirit of May 4th Youth Day in the new era with the power of youth – realizing dreams through hard work and fostering a sense of responsibility through services. This showcases the vibrant spirit of the new generation of PSBC youth forging ahead together with the Bank and in sync with the times.



Scan the QR code to watch the third installment of the theme film series “PSBC New Youth”

Employees of PSBC Fujian Branch passionately created the song titled “A Day in the Life of a PSBCer”. With simple yet touching lyrics and melody, the song captures the aspirations and responsibilities of front-line PSBC employees. On World Book and Copyright Day, PSBC Tianjin Branch upgraded its employee library into the “Yuexiang Space”, a space that integrates reading, learning, and leisure experience for employees to grow through reading.



Scan the QR code to listen to the original song “A Day in the Life of a PSBCer” by PSBC Fujian Branch



# Environmental and Social Responsibilities

## Organizing a Variety of Employee Sports Activities

The Bank held the Second Employee Air Volleyball Competition and Mixed-Team Billiards Competition, sponsored, titled and fielded teams in the National Postal Employee Air Volleyball Competition, and also fielded teams in the Table Tennis



Elite Competition for Employees in the National Communications Industry and other competitions. These activities enriched employees' spare-time cultural life, fostered team spirit and cohesion, and injected strong vitality into their commitment to corporate development.

## Developing Cultural IP Products

Using PSBC's classic debit card design "the Ancient Courier Mural" as its cultural foundation, the Bank integrated Gen Z aesthetics preferences, and through the design of cute-style IP images and infusion of emotional value, created the "Yi Xiaodi (Posty the Courier)" plush keychain as prizes for online staff events. These employee-carried accessories later served as walking touchpoints, realizing the scenario-based promotion of the Bank's culture.



▲ The Head Office departments and institutions held the 2025 charity walking event themed "Centennial Journey of the Trade Union – Spreading PSBC Love through Walking"

## Consumer Protection

The Bank always put people first, thoroughly implemented consumer protection laws, regulations and regulatory requirements, integrated consumer protection into the whole process of operations and development, upheld the responsibility of serving the people through financial services, and continuously improved refined management capabilities.

During the reporting period, the Bank continued to improve the development of institutions and mechanisms. The Board of Directors, the Board of Supervisors, and the senior management diligently performed their duties, regularly reviewed and studied consumer protection progress and major issues, and continuously strengthened guidance and oversight of consumer protection efforts. The Bank stepped up consumer protection review to promptly identify and rectify issues in products or services that may infringe upon consumers' legitimate rights and interests. It focused on addressing common issues, enhanced capacity building, and strictly strengthened the ex-ante prevention threshold for consumer protection review. The Bank solidly advanced efforts in tracing, rectification, monitoring, prompting, and complaint review and reduction, actively addressed the root causes of complaints, accelerated the digital and intelligent transformation of complaint management, and made proper and targeted improvements to the quality and efficiency of complaint management. The Bank innovated the form of financial education and publicity, integrated digitalization into various publicity activities, built a three-dimensional financial education and publicity matrix combining online and offline channels and integrating technology and scenario, and explored diversified communication channels. The Bank broadened the coverage of financial education and publicity efforts, incorporated its unified label for consumer protection work "U-Heart Consumer Protection" into various publicity activities, deeply integrated financial knowledge dissemination with traditional culture, daily travel, architectural complexes, cultural and tourism industry, and modern technology, expanded multi-dimensional publicity scenarios, took a combination of measures to promote the "financial education +" initiative, and helped the public strengthen their awareness of financial security and develop a healthy financial mindset. Institutions at all levels conducted over 81 thousand online and offline financial education and publicity activities, reaching over 540 million person-times of consumers.



▲ PSBC Fujian Branch launched financial literacy improvement campaigns on campus



▲ Employees of PSBC Chengzhong District Sub-branch in Xining, Qinghai put on ethnic costumes and held "flash mob" events in parks and other locations to spread financial consumer protection knowledge



▲ An employee from the outlet of PSBC Huaqiangbei Sub-branch in Shenzhen explained financial knowledge to a senior customer

# Environmental and Social Responsibilities

## Building a Culture of Integrity

To solidly and thoroughly launch initiatives to increase awareness of the central Party leadership’s eight-point decision on improving work conduct and take concrete measures to improve Party conduct, build integrity, and combat corruption, the Bank worked to build a clean bank and launched the “Clean PSBC” zone on the Youlian (PSBC Link) Platform. The zone features four columns, namely “Recommended Reading on Integrity”, “Discipline and Law Interpretation”, “Eternal Vigilance”, and “Articles on Integrity”. The Bank welcomes submissions from all institutions within the Bank on an ongoing basis, with an aim to create an online learning platform that integrates warning, education, and exchanges, foster and internalize integrity culture in finance “from paper to fingertips, hearts and minds” through publicity efforts, and develop an internal political environment where integrity is cherished as an honor and probity is esteemed as virtue.



# Significant Events

## Internal Control and Internal Audit

### Internal Control

The Bank has established an internal control governance and organizational structure with reasonable division of labor, clear responsibilities and clear reporting relationships which consists of the Board of Directors, the Board of Supervisors, senior management, departments of internal control management, internal audit departments, and business departments. Considering that the purpose of monitoring the above internal control system is to manage rather than eliminate the risk of failing to achieve business objectives, the Board of Directors can only reasonably but not absolutely assure that the above system and internal control can prevent any material misstatement or loss.

The Bank continuously refined the internal control framework, adhered to the keynote of being “strict” and “early”, deepened intensive and intelligent reform, and further improved its internal control and management level. The Bank deepened the quality and effectiveness of rectification, carried out a review of accountability for rectification, and conducted rectification for problems identified in regulatory authorities' notifications and inspections. The Bank strengthened rigorous systemic controls over issues identified during inspections, carried out the assessment of system parameter thresholds on a regular basis, and fully leveraged the supporting role of technology in internal control. The Bank cultivated the soil of compliance culture, carried out the third internal control and compliance knowledge competition jointly with China Post Group, and leveraged the event as a mechanism to extensively motivate employees of China Post Group and the Bank to learn and abide by rules and regulations. The Bank organized and convened a warning education conference for credit business cases, carried out warning education tour lectures, and innovatively built a case warning education resource platform on the Youlian (PSBC Link) Platform, reinforcing that all employees learn from cases and abide by laws and regulations.

### Internal Audit

The Bank implements internal audit policies in accordance with the Guidelines for Internal Audit of Commercial Banks, and the Internal Audit Regulations of the National Audit Office of China, develops an independent and vertical audit framework consisting of “the Audit Department at the Head Office + 7 regional audit offices + 29 audit divisions”, establishes an audit management structure tailored to the Bank's operation and development as well as governance needs, and sets up and effectively puts into practice the internal audit reporting policies and reporting lines. The audit line of the Bank is independent from the first and the second lines of defense, and continuously improves the professionalism and authoritativeness of audit work. The Audit Department at the Head Office carries out work under the leadership of the Board of Directors and the Audit Committee thereunder, regularly reports to the Board of Directors, the Audit Committee thereunder and the Board of Supervisors, and keeps the senior management informed.

The Audit Department at the Head Office is responsible for preparing the annual audit plan in accordance with the requirements of regulatory authorities and the corporate governance members of the Bank, and organizing the implementation of the plan upon the approval of the Board of Directors and the Audit Committee thereunder. It is also responsible for the overall audit work and the coordination of audit resources of the Bank, as well as the organization and implementation of bank-wide audit activities in accordance with the audit charter of the Bank and relevant guidelines. The regional audit offices thereunder, in accordance with the unified arrangement, are responsible for implementing the annual audit plan of the Head Office, allocating audit resources under jurisdiction, and organizing the implementation of various audit projects. The audit divisions shall execute the audit tasks assigned and be responsible for carrying out audits projects.



## Significant Events

During the reporting period, the Bank continuously adhered to a problem-oriented, risk-based and efficiency-first audit concept in internal audit, and carried out a series of audit activities focusing on the implementation effectiveness of decisions and plans of the CPC Central Committee, consistent integration of regulatory principles, substantive execution of “five priorities” of the finance sector, as well as prevention and resolution of major financial risks. The audit line provided audit opinions from the perspectives of policies and procedures, institutions and mechanisms, system operations, and quality and effectiveness of operations, etc., prioritized the thorough implementation of the policies and measures of the CPC Central Committee in the Bank, and constantly promoted the prudent and compliant business operations of the Bank, sound and effective internal control mechanisms, as well as secure and stable operation and development. It consolidated and reinforced the third line of defense for risk prevention and control of the Bank, so as to help the Bank achieve its business objectives. Meanwhile, the Bank continued to consolidate the rectification of problems identified in audits to improve the quality and effectiveness of the problem rectification across the Bank.

During the reporting period, the Bank continued to promote innovation, reform and refined management of internal audit, made precise efforts in enhancing project quality, consolidating problem rectification, deepening application of outcomes, refining internal management, cultivating the workforce, and upgrading technology-empowered auditing, so as to serve the high-quality development of the Bank with high-quality audit supervision.

### Use of Raised Funds

The funds raised by the Bank have been used in accordance with the purposes as disclosed in the prospectuses, i.e., to consolidate the Bank’s capital base and support the continued growth of the Bank’s business.

After verification and analysis, the implementation progress of the plans of the use of proceeds disclosed in public disclosure documents such as the IPO prospectus and other prospectuses previously issued by the Bank is in line with the planning as described.

### Material Legal Proceedings and Arbitration

During the reporting period, there were no legal proceedings or arbitration with material impact on the business operation of the Bank.

As at the end of the reporting period, the aggregate claim amount in outstanding major litigation or arbitration cases where the Bank was involved as a defendant or arbitration respondent, each with a claim amount of over RMB10 million, was approximately RMB1,187 million. Corresponding expected liabilities have been accrued for these matters, and the Bank considers that these pending cases will not have any material adverse impact on the business, financial position or operating results of the Bank.

### Major Asset Acquisition, Disposal and Merger

During the reporting period, the Bank did not carry out any major asset acquisition, disposal or merger activities.



## Significant Contracts and Their Performance

### Material Custody, Subcontracting and Leasing

During the reporting period, there was no significant matter in relation to material arrangements for custody, subcontracting and leasing of assets of other companies by the Bank, or material arrangements for custody, subcontracting and leasing of assets of the Bank by other companies.

### Material Guarantees

Guarantee business is one of the off-balance sheet businesses in the ordinary course of business of the Bank. During the reporting period, the Bank did not have any other material guarantee that needed to be disclosed except for the financial guarantee services within the business scope as approved by the PBC and the NFRA. There were no cases in which the Bank entered into guarantee contracts in violation of laws and administrative regulations or the resolution procedures for guarantee stipulated by the CSRC.

### Credibility

During the reporting period, there were no cases in which the Bank and its controlling shareholder failed to perform obligations under effective legal judgments of courts in major litigation cases, and there were no cases in which the debts of a relatively large amount were due and unpaid.

## Implementation Status of the "Enhancing Quality, Efficiency and Shareholder Returns" Initiative

In active response to the Shanghai Stock Exchange's Proposal on Launching the "Enhancing Quality, Efficiency and Shareholder Returns" Initiative for Shanghai-listed Companies, the Bank formulated its action plan of "enhancing quality, efficiency and shareholder returns"

aligned with its development strategy and operational profile, which was approved by the Board of Directors and disclosed on August 30, 2024. Please refer to the announcement published by the Bank for details.

The Bank maintains a steadfast commitment to shareholder returns with an investor-centric approach, ensuring full implementation of the action plan of "enhancing quality, efficiency and shareholder returns". Facing new-era requirements for financial services on the new journey, the Bank actively fulfilled its responsibility as a major state-owned bank and firmly advanced the "five priorities" of the financial sector. Through comprehensive integration into socioeconomic development frameworks, the Bank executed "five major initiatives" and "seven key reforms" to address real economic needs, thereby providing robust support for fostering new quality productive forces. The Bank strove to build a first-class large retail bank that is more inclusive, balanced, stable, intelligent and dynamic.

Specific measures, progress, and achievements of implementing the action plan of "enhancing quality, efficiency and shareholder returns" by the Bank are detailed in the "Overview of Operations", "Business Overview", "Risk Management" and "Corporate Governance" sections of this report. Furthermore, on March 27, 2025, the Bank introduced a value enhancement plan building upon the existing action plan of "enhancing quality, efficiency and shareholder returns", incorporating regulatory requirements and practical considerations. This plan focuses on measures such as elevating operational efficiency, optimizing cash dividend distributions, strengthening investor relations management, and refining information disclosure practices, so as to enhance investment value and investor returns. Please refer to the announcements published by the Bank for details.



# Significant Events

## Fulfillment of Commitments

Commitments during or carried forward to the reporting period by the de facto controller, shareholders, related parties, acquirers of the Bank, the Bank and other relevant parties are as follows.

Commitment background	Commitment type	Commitment by	Summary of the commitment	Time of the commitment	Term of the commitment	Is there a term for fulfillment	Whether timely and strictly fulfilled
Commitments in relation to initial public offering of A shares	Others	China Post Group Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	June 18, 2019	Long-term	Yes	Yes
		Directors and senior management of the Bank	Commitments to take remedial measures for the dilution on immediate return	June 18, 2019	Long-term	Yes	Yes
		The Bank	Commitments to take remedial measures for the dilution on immediate return	June 18, 2019	Long-term	Yes	Yes
	Competing Business Resolution	China Post Group Corporation Limited	Commitment in relation to refraining from competing business	October 10, 2019	Long-term	Yes	Yes
	Resolution of title defects including lands	China Post Group Corporation Limited	Letter of confirmation on matters in relation to land and real estate injected into Postal Savings Bank of China Co., Ltd.	August 27, 2019	Long-term	Yes	Yes
Commitments in relation to non-public issuance of A shares	Connected transaction resolution	China Post Group Corporation Limited	Commitment in relation to reducing and regulating connected transactions	November 6, 2019	Long-term	Yes	Yes
		China Post Group Corporation Limited	Commitment in relation to further clarifying the number of proposed subscription to A shares in the non-public issuance of Postal Savings Bank of China Co., Ltd.	February 5, 2021	5 years since share acquisition after the non-public issuance of A shares	Yes	Yes
	Subscription and lock-up of shares	China Mobile Communications Group Co., Ltd.	Commitment in relation to subscribing for new shares of Postal Savings Bank of China Co., Ltd.	February 24, 2023	5 years since share acquisition after the non-public issuance of A shares	Yes	Yes
	Subscription and lock-up of shares	Ministry of Finance of the PRC	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes
	Subscription and lock-up of shares	China Mobile Communications Group Co., Ltd.	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes
	Subscription and lock-up of shares	China State Shipbuilding Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes
	Subscription and lock-up of shares	China State Shipbuilding Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes



## Accounting Firm's Engagement

As reviewed and approved by the 2024 Annual General Meeting, the Bank appointed KPMG Huazhen LLP and KPMG as the auditors for the Bank for 2025. They were responsible for providing audit and related services for the Bank's financial statements, prepared in accordance with the China Accounting Standards for Business Enterprises and IFRSs for 2025, respectively.

## Connected Transactions

During the reporting period, the Bank followed laws, regulations and regulatory requirements, established and improved the management framework for connected transactions. It improved the operating mechanism for connected transactions and continued to cultivate a compliance culture to further enhance the management of connected transactions. The Bank's connected transactions were conducted in compliance with relevant laws, which were in line with the overall interests of the Bank and its minority shareholders.

## Significant Connected Transactions

During the reporting period, in order to implement the plans and requirements of the CPC Central Committee and the State Council on the capital increase of large state-owned commercial banks to further consolidate

and enhance the ability of large commercial banks to operate and develop steadily as well as enable them to better undertake the important tasks of supporting high-quality economic development and implementing "five priorities" of the finance sector, the Bank completed the issuance of A shares to specific subscribers in June 2025, issuing 20,933,977,454 shares. After deducting the issuance expenses directly related to the issuance, the net proceeds raised were RMB129,961,940.6 thousand, all of which were used to supplement the Bank's CET1 capital. According to relevant regulatory provisions, China Mobile Group and China State Shipbuilding Corporation Limited are related parties of the Bank, and their participation in subscribing for the shares under the issuance constituted connected transactions with the Bank under the domestic rules (among them, the participation of China Mobile Group in subscribing for the shares under the issuance constituted a connected transaction of the Bank that should be disclosed under the A-share scope). The issuance of A shares to specific subscribers was reviewed and approved by the Bank's Related Party Transactions Control Committee, Board of Directors, Board of Supervisors and General Meeting of Shareholders. The relevant disclosure was carried out, and the procedures of filing for approval were fulfilled as required. For details, please refer to the relevant announcements published by the Bank.



# Significant Events

## Proactive Adjustments to Deposit Agency Fees

In September 2016, the Bank and China Post Group signed the Agency Banking Businesses Framework Agreement, which clarified the circumstances for proactive and passive adjustments to deposit agency rates. During the passive adjustment in 2024, China Post Group and the Bank reached a consensus on strengthening the application of the proactive adjustment mechanism. In consideration of the downward trend in market interest rates, in light of the actual operation of the Bank, and to promote the long-term healthy development of the “directly-operated outlets and agency outlets” model, the Bank and China Post Group actively negotiated and signed the Supplemental Agreement to the Agency Banking Businesses Framework Agreement (2025) on March 27, 2025, making proactive adjustment to the savings agency rates for RMB personal deposit business. Please refer to the Bank’s announcement for details.

## Implementation of the Caps of Connected Transactions<sup>1</sup>

Pursuant to relevant provisions in the SSE Listing Rules and the Hong Kong Listing Rules, on October 30, 2024, the Bank convened the ninth meeting of the Board of Directors in

2024, at which it reviewed and approved the Proposal on the Forecast Caps of Connected Transactions of Postal Savings Bank of China for 2025-2027. Please refer to the Bank’s announcement for details. As at the end of the reporting period, the actual amounts of the aforementioned connected transactions did not exceed the projected annual caps.

## Implementation of the Caps of Connected Transactions with China Post Group and Its Associates

### Credit Type Connected Transactions<sup>2</sup>

In 2025, the cap of routine credit-type connected transactions between the Bank and China Post Group and its associates was RMB8.2 billion. As at the end of the reporting period, the balance of credit to China Post Group and its associates by the Bank was RMB2.2 billion.

### Non-credit Type Connected Transactions

The implementation of the caps of routine non-credit type connected transactions between the Bank and China Post Group and its associates as at the end of the reporting period is shown in the following table:

---

1 Except for the “connected transactions with China Post Group and its associates” disclosed in this section that constitute connected transactions under the Hong Kong Listing Rules, other connected transactions disclosed in this section do not constitute connected transactions under the Hong Kong Listing Rules, and the Bank has no other connected transactions or continuing connected transactions that shall be disclosed according to relevant provisions on connected transactions in the Hong Kong Listing Rules.

2 Pursuant to Rule 14A.87 of the Hong Kong Listing Rules, for any financial assistance provided by a banking company in its ordinary and usual course of business to a connected person, the transaction is fully exempt under the Hong Kong Listing Rules if it is conducted on normal commercial terms. Therefore, the credit-type transactions conducted between the Bank and all related parties, including China Post Group, on normal commercial terms are fully exempted under the Hong Kong Listing Rules.

		<i>In RMB100 million</i>	
Type of connected transactions	Annual cap in 2025	Amount of connected transactions as at June 30, 2025	
Leasing of certain properties and ancillary equipment by China Post Group and/or its associates to the Bank	15.77	4.23	
Leasing of certain properties and ancillary equipment by the Bank to China Post Group and/or its associates	2.00	0.18	
Sale of philatelic items and provision of mailing services by China Post Group and/or its associates to the Bank	4.45	0.25	
Sale of goods other than philatelic items by China Post Group and/or its associates to the Bank	15.54	4.20	
Provision of marketing services for deposit-taking and other businesses by China Post Group and/or its associates to the Bank	21.90	5.19	
Provision of labor services by China Post Group and/or its associates to the Bank	17.47	4.39	
Provision of bancassurance services by the Bank to China Post Group and/or its associates	14.28	4.19	
Provision of agency sale (distribution) of precious metals business by the Bank to China Post Group and/or its associates	5.50	0.47	
Sale of production materials and other goods by the Bank to China Post Group and/or its associates	2.00	0.04	
Provision of labor services by the Bank to China Post Group and/or its associates	5.29	0.62	

### Implementation of the Caps of Connected Transactions with China UnionPay Co., Ltd.

The implementation of the caps of routine connected transactions between the Bank and China UnionPay Co., Ltd. as at the end of the reporting period is shown in the following table:

		<i>In RMB100 million</i>	
Type of connected transactions	Annual cap in 2025	Amount of connected transactions as at June 30, 2025	
Funds paid by the Bank	18.03	5.18	
Funds received by the Bank	64.76	17.75	

For other related party transactions as defined in accordance with domestic and overseas laws, regulations and accounting standards, please refer to "Notes to the Condensed Consolidated Financial Statements – 36 Relationship and Transactions with Related Parties".



## Significant Events

### Pledge of Assets

For details relating to the pledge of assets of the Bank as at the end of the reporting period, please refer to “Notes to the Condensed Consolidated Financial Statements – 38.2 Collateral”.

### Repurchase, Sale or Redemption of the Bank’s Listed Securities

During the reporting period, neither the Bank nor its subsidiaries repurchased, sold, or redeemed any of the Bank’s listed securities (including the sale of treasury shares). As at the end of the reporting period, the Bank did not hold any treasury shares.

### Securities Transactions by Directors and Supervisors

The Bank has adopted a code of conduct for securities transactions by Directors and Supervisors on terms no less stringent than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules. The Directors and Supervisors of the Bank have confirmed that they had complied with such code of conduct during the reporting period.

### Directors’ and Supervisors’ Rights to Acquire Shares or Debentures

During the reporting period, the Bank did not grant any rights to acquire shares or debentures to any of its Directors

or Supervisors, nor were any of such rights exercised by any of the Bank’s Directors or Supervisors. Neither the Bank nor its subsidiaries entered into any agreement or arrangement which would enable the Directors and Supervisors to benefit from the acquisition of shares or debentures of the Bank or any other companies.

### Interests in Shares, Underlying Shares, and Debentures Held by Directors and Supervisors

As at the end of the reporting period, none of the Directors or Supervisors of the Bank held any interests or short positions (including interests and short positions in which they are deemed to have under such provisions of the SFO) in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the SFO) which are required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or any interests or short positions which have to be recorded in the register under Section 352 of the SFO, or any interests or short positions which have to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules. For the interests and short positions of substantial shareholders of the Bank and other persons, please refer to “Changes in Share Capital and Shareholdings of Shareholders – Interests and Short Positions Held by Substantial Shareholders and Other Persons”.



## Penalties Imposed on the Bank and Its Directors, Supervisors, Senior Management Members and Controlling Shareholder

During the reporting period, neither the Bank nor any of its controlling shareholder, Directors, Supervisors or senior management members was subject to investigation, criminal punishment or material administrative penalty due to suspected crime, or investigation, administrative penalties or regulatory measures by the CSRC due to suspected violation of laws and regulations, or disciplinary actions by stock exchanges. Neither the controlling shareholder, Directors, Supervisors nor senior management members of the Bank were subject to detention or other compulsory measures by the competent authorities due to suspected violation of laws and regulations, or disciplinary actions and such action affected his/her performance of duties.

## Other Significant Events

On July 16, 2025, the Board of the Bank considered and approved the plan to invest RMB10 billion to establish an investment company of financial assets. The investment is subject to approval of regulatory authorities. For details, please refer to the announcement of the Bank.

For details of other significant events disclosed by the Bank pursuant to regulatory requirements during the reporting period, please refer to the announcements published by the Bank.

## Interim Review

The 2025 interim financial report prepared by the Bank in accordance with PRC GAAP and IFRSs, has been reviewed by KPMG Huazhen LLP and KPMG in accordance with the Chinese and international standards on review engagements, respectively.

This report has been reviewed and approved by the Board of Directors of the Bank and its Audit Committee.





## Financial Statements and Others

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# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of  
Postal Savings Bank of China Co., Ltd.  
(a joint stock company incorporated in the People's Republic of China with limited liability)

## Introduction

We have reviewed the condensed consolidated financial statements set out on pages 163 to 293, which comprises the condensed consolidated statement of financial position of Postal Savings Bank of China Co., Ltd. (the "Bank") and its subsidiaries (collectively the "Group") as of 30 June 2025 and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated financial statements to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*.

Our responsibility is to express a conclusion, based on our review, on the condensed consolidated financial statements 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*, as issued by the International Auditing and Assurance Standards Board. A review of the condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements as at 30 June 2025 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

### KPMG

Certified Public Accountants

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

29 August 2025

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	Six-month period ended June 30	
		2025 (unaudited)	2024 (unaudited)
Interest income	3	<b>241,658</b>	254,683
Interest expense	3	<b>(102,600)</b>	(111,807)
<b>Net interest income</b>	3	<b>139,058</b>	142,876
Fee and commission income	4	<b>25,482</b>	23,688
Fee and commission expense	4	<b>(8,564)</b>	(8,527)
<b>Net fee and commission income</b>	4	<b>16,918</b>	15,161
Net trading gains	5	<b>1,621</b>	2,281
Net gains on investment securities	6	<b>13,308</b>	14,428
Net gains on derecognition of financial assets measured at amortized cost		<b>8,485</b>	1,731
Share of results of associates		<b>7</b>	6
Net other operating gains	7	<b>128</b>	436
<b>Operating income</b>		<b>179,525</b>	176,919
Operating expenses	8	<b>(99,808)</b>	(107,372)
Credit impairment losses	9	<b>(21,715)</b>	(16,120)
Impairment losses on other assets		<b>(4)</b>	(13)
<b>Profit before income tax</b>		<b>57,998</b>	53,414
Income tax expenses	10	<b>(8,583)</b>	(4,529)



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	Six-month period ended June 30	
		2025 (unaudited)	2024 (unaudited)
<b>Net profit</b>		<b>49,415</b>	48,885
Net profit attributable to:			
Equity holders of the Bank		<b>49,228</b>	48,815
Non-controlling interests		<b>187</b>	70
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of retirement benefit obligations	33.3	–	(22)
Changes in fair value of equity instrument investments measured at fair value through other comprehensive income	33.3	<b>9</b>	145
Share of other comprehensive income of associates, net of related income tax	33.3	<b>1</b>	17
Subtotal		<b>10</b>	140
Items that may be reclassified subsequently to profit or loss			
Net (losses)/gains on investments in financial assets measured at fair value through other comprehensive income	33.3	<b>(2,797)</b>	2,358
Share of other comprehensive income of associates, net of related income tax	33.3	<b>(2)</b>	–
Subtotal		<b>(2,799)</b>	2,358
<b>Total comprehensive income for the period</b>		<b>46,626</b>	51,383
Total comprehensive income attributable to:			
Equity holders of the Bank		<b>46,439</b>	51,313
Non-controlling interests		<b>187</b>	70
Basic and diluted earnings per share (in RMB Yuan)	11	<b>0.43</b>	0.44

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

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	As at June 30, 2025 (unaudited)	As at December 31, 2024 (audited)
<b>Assets</b>			
Cash and deposits with central bank	12	1,288,857	1,314,703
Deposits with banks and other financial institutions	13	387,492	262,476
Placements with banks and other financial institutions	14	368,009	348,017
Derivative financial assets	15	4,766	6,661
Financial assets held under resale agreements	16	421,253	229,842
Loans and advances to customers	17	9,309,437	8,684,144
Financial investments			
Financial assets measured at fair value through profit or loss	18.1	1,087,699	1,024,165
Financial assets measured at fair value through other comprehensive income-debt instruments	18.2	684,683	668,812
Financial assets measured at fair value through other comprehensive income-equity instruments	18.3	4,647	4,637
Financial assets measured at amortized cost	18.4	4,393,840	4,306,513
Interests in associates	20	739	733
Property and equipment	21	60,891	60,250
Deferred tax assets	22	65,078	61,185
Other assets	23	113,130	112,772
<b>Total assets</b>		<b>18,190,521</b>	<b>17,084,910</b>
<b>Liabilities</b>			
Borrowings from central bank	24	26,963	26,138
Deposits from banks and other financial institutions	25	234,266	135,599
Placements from banks and other financial institutions	26	56,367	47,299
Derivative financial liabilities	15	6,536	7,199
Financial assets sold under repurchase agreements	27	228,029	194,524
Customer deposits	28	16,108,809	15,287,541
Income tax payable		5,119	192
Debt securities issued	29	265,421	241,980
Deferred tax liabilities	22	45	57
Other liabilities	30	118,160	112,732
<b>Total liabilities</b>		<b>17,049,715</b>	<b>16,053,261</b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	As at June 30, 2025 (unaudited)	As at December 31, 2024 (audited)
<b>Equity</b>			
Share capital	31.1	<b>120,095</b>	99,161
Other equity instruments			
Perpetual bonds	31.2	<b>149,996</b>	199,986
Capital reserve	32	<b>271,697</b>	162,681
Other reserves	33	<b>301,815</b>	304,498
Retained earnings		<b>295,036</b>	263,343
<b>Equity attributable to equity holders of the Bank</b>		<b>1,138,639</b>	1,029,669
Non-controlling interests		<b>2,167</b>	1,980
<b>Total equity</b>		<b>1,140,806</b>	1,031,649
<b>Total equity and liabilities</b>		<b>18,190,521</b>	17,084,910

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

Approved and authorized for issue by the Board of Directors on August 29, 2025.

Zheng Guoyu

(On behalf of Board of Directors)

Yao Hong

(On behalf of Board of Directors)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Attributable to equity holders of the Bank											
	Notes	Other equity instruments		Other reserves					Retained earnings	Subtotal	Non-controlling interests	Total equity
		Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income					
As at January 1, 2025 (audited)		99,161	199,986	162,681	75,540	219,887	9,071	263,343	1,029,669	1,980	1,031,649	
Net profit for the period		-	-	-	-	-	-	49,228	49,228	187	49,415	
Other comprehensive income for the period	33.3	-	-	-	-	-	(2,789)	-	(2,789)	-	(2,789)	
Total comprehensive income for the period		-	-	-	-	-	(2,789)	49,228	46,439	187	46,626	
Issuance of ordinary shares	31.1	20,934	-	109,028	-	-	-	-	129,962	-	129,962	
Issuance of perpetual bonds	31.2	-	30,000	(2)	-	-	-	-	29,998	-	29,998	
Redemption of perpetual bonds	31.2	-	(79,990)	(10)	-	-	-	-	(80,000)	-	(80,000)	
Appropriation to general reserve	33.2	-	-	-	-	106	-	(106)	-	-	-	
Dividends declared and paid to ordinary shareholders	34	-	-	-	-	-	-	(11,294)	(11,294)	-	(11,294)	
Distribution to perpetual bonds holders	34	-	-	-	-	-	-	(6,135)	(6,135)	-	(6,135)	
As at June 30, 2025 (unaudited)		120,095	149,996	271,697	75,540	219,993	6,282	295,036	1,138,639	2,167	1,140,806	



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Attributable to equity holders of the Bank										
	Notes	Other equity instruments		Other reserves				Retained earnings	Subtotal	Non-controlling interests	Total equity
		Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income				
As at January 1, 2024 (audited)		99,161	169,986	162,682	67,010	201,696	5,034	249,304	954,873	1,743	956,616
Net profit for the period		-	-	-	-	-	-	48,815	48,815	70	48,885
Other comprehensive income for the period	33.3	-	-	-	-	-	2,498	-	2,498	-	2,498
Total comprehensive income for the period		-	-	-	-	-	2,498	48,815	51,313	70	51,383
Issuance of perpetual bonds	31.2	-	30,000	(3)	-	-	-	-	29,997	-	29,997
Appropriation to general reserve	33.2	-	-	-	-	100	-	(100)	-	-	-
Dividends declared and paid to ordinary shareholders	34	-	-	-	-	-	-	(25,881)	(25,881)	-	(25,881)
Distribution to perpetual bonds holders	34	-	-	-	-	-	-	(5,316)	(5,316)	-	(5,316)
Realized gain of equity instrument investments measured at fair value through other comprehensive income	18.3	-	-	-	-	-	(966)	966	-	-	-
As at June 30, 2024 (unaudited)		99,161	199,986	162,679	67,010	201,796	6,566	267,788	1,004,986	1,813	1,006,799

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Attributable to equity holders of the Bank										
	Notes	Other equity instruments		Other reserves				Retained earnings	Subtotal	Non-controlling interests	Total equity
		Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income				
As at January 1, 2024 (audited)		99,161	169,986	162,682	67,010	201,696	5,034	249,304	954,873	1,743	956,616
Net profit for the year		-	-	-	-	-	-	86,479	86,479	237	86,716
Other comprehensive income for the year	33.3	-	-	-	-	-	5,187	-	5,187	-	5,187
Total comprehensive income for the year		-	-	-	-	-	5,187	86,479	91,666	237	91,903
Issuance of perpetual bonds	31.2	-	30,000	(3)	-	-	-	-	29,997	-	29,997
Appropriation to surplus reserve	33.1	-	-	-	8,530	-	-	(8,530)	-	-	-
Appropriation to general reserve	33.2	-	-	-	-	18,191	-	(18,191)	-	-	-
Dividends declared and paid to ordinary shareholders	34	-	-	-	-	-	-	(40,527)	(40,527)	-	(40,527)
Distribution to perpetual bonds holders	34	-	-	-	-	-	-	(6,342)	(6,342)	-	(6,342)
Realized gain of equity instrument investments measured at fair value through other comprehensive income		-	-	-	-	-	(1,144)	1,144	-	-	-
Others		-	-	2	-	-	(6)	6	2	-	2
As at December 31, 2024 (audited)		99,161	199,986	162,681	75,540	219,887	9,071	263,343	1,029,669	1,980	1,031,649

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



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Six-month period ended June 30	
	2025 (unaudited)	2024 (unaudited)
<b>Cash flows from operating activities</b>		
Profit before income tax	57,998	53,414
Adjustments for:		
Amortization of intangible assets and other assets	1,247	1,073
Depreciation of property and equipment, and right-of-use assets	4,360	4,611
Impairment loss on assets		
– Credit impairment losses	21,715	16,120
– Impairment losses on other assets	4	13
Interest income arising from financial investments	(69,356)	(70,231)
Interest expense arising from debt securities issued	3,078	2,877
Net gains on investment securities	(21,793)	(14,352)
Unrealized exchange gains	(78)	(781)
Share of results of associates	(7)	(6)
Net (gains)/losses from disposal of property and equipment and other assets	(11)	10
Subtotal	(2,843)	(7,252)
<b>Net decrease/(increase) in operating assets</b>		
Deposits with central bank	18,592	(5,270)
Deposits with banks and other financial institutions	(100,544)	(65,485)
Placements with banks and other financial institutions	(8,456)	(9,547)
Financial assets measured at fair value through profit or loss	(44,992)	(3,213)
Financial assets held under resale agreements	(3,532)	44,708
Loans and advances to customers	(652,987)	(524,284)
Other operating assets	1,395	(33,655)
Subtotal	(790,524)	(596,746)
<b>Net increase/(decrease) in operating liabilities</b>		
Borrowings from central bank	840	(2,998)
Deposits from banks and other financial institutions	98,651	26,402
Placements from banks and other financial institutions	9,221	1,382
Financial assets sold under repurchase agreements	33,350	(187,988)
Customer deposits	867,396	928,925
Other operating liabilities	(27,423)	(27,689)
Subtotal	982,035	738,034
<b>Net cash flows from operating activities before tax</b>	188,668	134,036
Income tax paid	(4,969)	(3,104)
<b>Net cash generated from operating activities</b>	183,699	130,932
<b>Cash flows from operating activities include:</b>		
Interest received	183,939	192,418
Interest paid	(145,389)	(129,203)

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

	Note	Six-month period ended June 30	
		2025 (unaudited)	2024 (unaudited)
<b>Cash flows from investing activities</b>			
Cash received from disposal/redemption of financial investments		996,440	833,568
Cash received from income arising from financial investments		97,014	81,943
Cash received from disposal of property and equipment, intangible assets and other long-term assets		342	39
Cash paid for purchase of financial investments		(1,128,374)	(1,106,073)
Cash paid for purchase of property and equipment, intangible assets and other long-term assets		(4,235)	(7,410)
<b>Net cash used in investing activities</b>		<b>(38,813)</b>	<b>(197,933)</b>
<b>Cash flows from financing activities</b>			
Cash received from issuance of ordinary shares		130,000	–
Cash received from issuance of perpetual bonds		30,000	30,000
Cash received from issuance of debt securities		130,280	–
Cash paid for dividends and interests		(35,132)	(7,700)
Cash paid for issuance of perpetual bonds		(2)	(3)
Cash paid for repayment of perpetual bonds		(80,000)	–
Cash paid for repayment of debt securities		(106,540)	(129,140)
Cash paid to repay principal and interest of lease liabilities		(1,638)	(1,757)
<b>Net cash generated from/(used in) financing activities</b>		<b>66,968</b>	<b>(108,600)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>37</b>	<b>6</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>211,891</b>	<b>(175,595)</b>
Balance of cash and cash equivalents at the beginning of the period		339,415	453,227
<b>Balance of cash and cash equivalents at the end of the period</b>	35	<b>551,306</b>	277,632

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



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 1 General information

Postal Savings Bank of China Co., Ltd. (the “Bank”) is a commercial bank controlled by China Post Group Co., Ltd. (“China Post Group”). The Bank, originally known as Postal Savings Bank of China Company Limited (the “Company”), was established on March 6, 2007 through restructuring of the postal savings system.

In 2011, with the approval from the Ministry of Finance (the “MOF”) of the People’s Republic of China (the “PRC”) and the former China Banking and Insurance Regulatory Commission (the former “CBIRC”), the Bank was restructured into a joint-stock bank.

On September 28, 2016 and December 10, 2019, the Bank was listed on The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively. Information regarding the Bank’s share issuance is set out in Note 31.

As at June 30, 2025, the Bank had 120,095 million common shares, at a face value of Renminbi (“RMB”) 1.00 per share.

The Bank, as approved by the former CBIRC, holds a financial institution license of the PRC (No. B0018H111000001) and approved by and obtained its business license with unified social credit code 9111000071093465XC from the Beijing Administration for Market Regulation. The address of the Bank’s registered office is No. 3 Jinrong Street, Xicheng District, Beijing, the PRC.

The Bank and its subsidiaries (the “Group”) conduct their operating activities in the PRC, and the principal activities include: personal and corporate financial services, treasury operations and other business activities as approved by the National Financial Regulatory Administration (the “NFRA”).

As at June 30, 2025, the Bank had a total of 36 tier-one branches and 325 tier-two branches across the PRC.

The information of the Bank’s subsidiaries is set out in Note 19.

The condensed consolidated financial statements is presented in RMB, which is also the functional currency of the Bank and its subsidiaries.

The condensed consolidated financial statements was authorized for issue by the Board of Directors of the Bank on August 29, 2025.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 2 Basis of preparation and significant accounting policies

### 2.1 Basis of preparation

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

### 2.2 Significant accounting policies

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month ended June 30, 2025 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2024.

#### **Application of new and amendments to IFRS Accounting Standards that are mandatorily effective for the current period**

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on or after January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements:

##### Amendments to IAS 21 – Lack of Exchangeability

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



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 2 Basis of preparation and significant accounting policies (continued)

### 2.2 Significant accounting policies (continued)

#### New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18 <i>Presentation and disclosure in financial statements</i>	January 1, 2027
IFRS 19 <i>Subsidiaries without public accountability: disclosures</i>	January 1, 2027

### 2.3 Use of estimates and assumptions

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and disclosed amounts of assets and liabilities, incomes and expenses. Actual results in the future may differ from those disclosed as a result of the use of estimates and assumptions about future conditions.

In the preparation of the condensed consolidated financial statements, the key sources of uncertainty derived from significant judgements and estimation made by the management while applying the Group's accounting policies are the same as these applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2024.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 3 Net interest income

	Six-month period ended June 30	
	2025	2024
Interest income		
Deposits with central bank	10,071	10,093
Deposits with banks and other financial institutions	3,123	2,818
Placements with banks and other financial institutions	4,526	5,222
Financial assets held under resale agreements	2,956	3,059
Loans and advances to customers	151,626	163,260
Including: Personal loans and advances	87,075	99,837
Corporate loans and advances	64,551	63,423
Financial investments		
Financial assets measured at FVTOCI-debt instruments	8,009	7,077
Financial assets measured at amortized cost	61,347	63,154
Subtotal	241,658	254,683
Interest expense		
Borrowings from central bank	(227)	(268)
Deposits from banks and other financial institutions	(1,191)	(935)
Placements from banks and other financial institutions	(704)	(907)
Financial assets sold under repurchase agreements	(1,549)	(1,000)
Customer deposits	(95,851)	(105,820)
Debt securities issued	(3,078)	(2,877)
Subtotal	(102,600)	(111,807)
Net interest income	139,058	142,876
Included in interest income		
Interest income from listed investments	64,343	63,336
Interest income from unlisted investments	5,013	6,895



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 4 Net fee and commission income

	Notes	Six-month period ended June 30	
		2025	2024
Agency service business	(1)	<b>5,732</b>	6,383
Settlement and clearing	(2)	<b>5,300</b>	5,255
Bank cards business		<b>5,148</b>	5,456
Investment banking	(3)	<b>3,608</b>	2,434
Wealth management		<b>2,739</b>	1,852
Custody business		<b>701</b>	596
Others		<b>2,254</b>	1,712
<b>Fee and commission income</b>		<b>25,482</b>	23,688
<b>Fee and commission expense</b>	(4)	<b>(8,564)</b>	(8,527)
<b>Net fee and commission income</b>		<b>16,918</b>	15,161

- (1) Fee and commission income from agency service business mainly includes fee and commission income from bancassurance, distribution of fund products, government bonds underwriting, and collection and payment services.
- (2) Fee and commission income from settlement and clearing refers to income derived from settlement and clearing services the Group provided to customers, including fee and commission derived from electronic payment services, corporate settlement services, and personal settlement services.
- (3) Fee and commission income from investment banking refers to income derived from underwriting and distributing bonds and securities, asset securitization, syndicated loan, and advisory services.
- (4) Fee and commission expense is expense incurred for agency and settlement services, including those paid to China Post Group for agency services (Note 36.3.1(1)).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 5 Net trading gains

	Six-month period ended June 30	
	2025	2024
Debt securities	<b>1,474</b>	2,308
Derivatives and others	<b>147</b>	(27)
<b>Total</b>	<b>1,621</b>	2,281

### 6 Net gains on investment securities

	Six-month period ended June 30	
	2025	2024
Net gain from financial assets measured at FVTPL	<b>11,230</b>	13,216
Net gain from financial assets measured at FVTOCI	<b>2,078</b>	1,212
<b>Total</b>	<b>13,308</b>	14,428

### 7 Net other operating gains

	Six-month period ended June 30	
	2025	2024
Government subsidies	<b>62</b>	459
Leasing income	<b>37</b>	49
Net losses on foreign exchanges	<b>(89)</b>	(277)
Other	<b>118</b>	205
<b>Total</b>	<b>128</b>	436



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 8 Operating expenses

	Notes	Six-month period ended June 30	
		2025	2024
Deposit agency fee and others (Note 36.3.1(1))		<b>55,434</b>	60,859
Staff costs (including emoluments of directors, supervisors and senior management)	(1)	<b>26,074</b>	28,036
Depreciation and amortization		<b>5,607</b>	5,684
Taxes and surcharges	(2)	<b>1,438</b>	1,307
Other expenses	(3)	<b>11,255</b>	11,486
<b>Total</b>		<b>99,808</b>	107,372

- (1) Staff costs (including emoluments of directors, supervisors and senior management)

	Six-month period ended June 30	
	2025	2024
Short-term employee benefits		
Wages and salaries, bonuses, allowance and subsidies	<b>15,590</b>	17,733
Housing funds	<b>2,426</b>	2,298
Social security contributions	<b>1,875</b>	1,844
Including: Medical insurance	<b>1,796</b>	1,768
Maternity insurance	<b>33</b>	32
Work injury insurance	<b>46</b>	44
Staff welfare	<b>1,096</b>	1,103
Labour union funds and employee education funds	<b>477</b>	524
Others	<b>24</b>	19
<b>Subtotal</b>	<b>21,488</b>	23,521
Defined contribution plans		
Basic pensions	<b>2,857</b>	2,777
Annuity scheme	<b>1,616</b>	1,627
Unemployment insurance	<b>101</b>	98
<b>Subtotal</b>	<b>4,574</b>	4,502
Supplementary retirement benefits and early retirement benefits	<b>12</b>	13
<b>Total</b>	<b>26,074</b>	28,036

- (2) Taxes and surcharges mainly include urban construction tax, educational surcharges, property tax, land use tax, vehicle and vessel use tax and stamp duty, etc.

- (3) For the six-month period ended June 30, 2025, the rental expenses of short-term leases and low value asset leases included in other expenses were RMB349 million (for the six-month period ended June 30, 2024: RMB336 million).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 9 Credit impairment losses

	Six-month period ended June 30	
	2025	2024
Deposits with banks and other financial institutions	18	642
Placements with banks and other financial institutions	(719)	692
Financial assets held under resale agreements	818	(533)
Loans and advances to customers	22,993	15,690
Financial investments		
Financial assets measured at FVTOCI	(40)	(263)
Financial assets measured at amortized cost	(1,018)	(1,471)
Credit commitments	(913)	814
Other financial assets	576	549
<b>Total</b>	<b>21,715</b>	<b>16,120</b>

### 10 Income tax expenses

	Six-month period ended June 30	
	2025	2024
Current income tax	11,559	4,366
Deferred income tax (Note 22(1))	(2,976)	163
<b>Total</b>	<b>8,583</b>	<b>4,529</b>

Corporate income tax is mainly calculated at 25% of estimated taxable profit. PSBC Consumer Finance Co., Ltd. applies a preferential tax rate of 15% for high-tech enterprises. Pre-tax deductible items of corporate income tax are governed by the relevant regulations of the PRC.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 10 Income tax expenses (continued)

Reconciliation of income tax expenses and profit before income tax are as follows:

	Six-month period ended June 30	
	2025	2024
Profit before income tax	<b>57,998</b>	53,414
Income tax expenses calculated at the statutory tax rate of 25%	<b>14,499</b>	13,353
Tax effect of income with non-taxable, tax reduction and deduction of interest for tax purpose	<b>(10,296)</b>	(9,375)
Tax effect of expenses not deductible for tax purpose	<b>4,455</b>	531
Effect of unrecognised deferred tax assets arising from deductible tax losses	-	48
Effect of different tax rates of certain subsidiary	<b>(75)</b>	(28)
Income tax expenses	<b>8,583</b>	4,529

The Group's interest income from central and local government bonds and income from the distribution of securities investment funds are exempted from corporate income tax in accordance with the tax law; and the interest income from bonds issued by Ministry of Railways and micro loans to farmers enjoy reduction in corporate income tax; according to the Notice of the Ministry of Finance and the State Administration of Taxation on corporate income tax policy of special bond interest income of Postal Savings Bank of China (CS [2015] No. 150), the interest income from special bonds issued by China Development Bank and Agricultural Development Bank of China can enjoy reduction in corporate income tax charge.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 11 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the corresponding period.

	Six-month period ended June 30	
	2025	2024
Net profit attributable to equity holders of the Bank	<b>49,228</b>	48,815
Less: Net profit for the period attributable to perpetual bonds holders of the Bank	<b>6,135</b>	5,316
Net profit attributable to ordinary shareholders of the Bank	<b>43,093</b>	43,499
Weighted average number of ordinary shares in issue (in millions)	<b>100,780</b>	99,161
Basic and diluted earnings per share (in RMB Yuan)	<b>0.43</b>	0.44

There were no potential dilutive ordinary shares and the diluted earnings per share were the same as the basic earnings per share for the six-month period ended June 30, 2025 and 2024.

## 12 Cash and deposits with central bank

	Notes	As at June 30,	As at December 31,
		2025	2024
Cash		<b>42,001</b>	46,478
Statutory reserve with central bank	(1)	<b>1,195,329</b>	1,211,769
Surplus reserve with central bank	(2)	<b>49,570</b>	52,266
Fiscal deposits with central bank		<b>1,957</b>	4,190
Total		<b>1,288,857</b>	1,314,703

- (1) Statutory reserve with central bank is mainly the general reserve deposited with the People's Bank of China (hereinafter referred to as the "central bank" or the "PBOC") by the Group in accordance with the relevant regulations, and cannot be used for daily operating activities. As at June 30, 2025, the ratio of the Bank for RMB deposits statutory reserve was 7.50% (December 31, 2024: 8.00%), whereas the ratio for foreign currency deposits was 4.00% (December 31, 2024: 4.00%). The statutory reserve funds placed by subsidiaries of the Bank are determined by the PBOC.
- (2) Surplus reserve with central bank mainly represents deposits placed with central bank for settlement and clearing of interbank transactions.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 13 Deposits with banks and other financial institutions

	As at June 30, 2025	As at December 31, 2024
Deposits with domestic banks	<b>364,495</b>	260,284
Deposits with other domestic financial institutions	<b>20,564</b>	284
Deposits with overseas banks	<b>3,165</b>	2,622
Gross amount	<b>388,224</b>	263,190
Allowance for impairment loss	<b>(732)</b>	(714)
Carrying amount	<b>387,492</b>	262,476

The collateral received in connection with deposits with banks and other financial institutions is disclosed in “Note 38.2 Contingent liabilities and commitments – Collateral”. As at June 30, 2025 and December 31, 2024, the Group did not have any netting agreements or similar arrangements with counterparties.

### 14 Placements with banks and other financial institutions

	As at June 30, 2025	As at December 31, 2024
Placements with domestic banks	<b>73,374</b>	39,767
Placements with other domestic financial institutions	<b>295,272</b>	305,311
Deposits with overseas banks	<b>43</b>	4,338
Gross amount	<b>368,689</b>	349,416
Allowance for impairment loss	<b>(680)</b>	(1,399)
Carrying amount	<b>368,009</b>	348,017

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 15 Derivative financial assets and liabilities

The Group enters into derivative contracts of foreign exchange rate, interest rate and precious metal, which are primarily related to trading, asset and liability management, and customer driven transactions.

The contractual/notional amount and fair value of the derivative financial instruments held by the Group as at the end of the reporting period are set out in the following tables. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with fair value of instruments recognized on the condensed consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The fair value of derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, or market prices of precious metals relative to their terms. The aggregate fair value of derivative financial assets and liabilities can fluctuate significantly over different periods.

	As at June 30, 2025			As at December 31, 2024		
	Contractual/ Notional amounts	Assets	Liabilities	Contractual/ Notional amounts	Assets	Liabilities
Analyzed by types of contracts:						
Exchange rate contracts	<b>376,741</b>	<b>1,516</b>	<b>(1,674)</b>	277,915	3,487	(3,719)
Interest rate contracts	<b>457,650</b>	<b>2,409</b>	<b>(2,632)</b>	424,720	3,089	(3,357)
Precious metal contracts	<b>23,021</b>	<b>841</b>	<b>(2,216)</b>	8,123	85	(117)
Others	<b>9</b>	-	<b>(14)</b>	11	-	(6)
<b>Total</b>	<b>857,421</b>	<b>4,766</b>	<b>(6,536)</b>	710,769	6,661	(7,199)



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 16 Financial assets held under resale agreements

	As at June 30, 2025	As at December 31, 2024
Analyzed by type of collateral:		
Debt securities	<b>369,858</b>	184,761
Bills	<b>52,844</b>	45,712
Gross amount	<b>422,702</b>	230,473
Allowance for impairment loss	<b>(1,449)</b>	(631)
Carrying amount	<b>421,253</b>	229,842

The collateral received in connection with the purchase of financial assets under resale agreement is disclosed in "Note 38.2 Contingent liabilities and commitments – Collateral". As at June 30, 2025 and December 31, 2024, the Group did not have any netting agreements or similar arrangements with counterparties.

### 17 Loans and advances to customers

#### 17.1 Loans and advances to customers by types

		As at June 30, 2025	As at December 31, 2024
Loans and advances to customers			
– Measured at amortized cost	(1)	<b>8,426,187</b>	7,898,469
– Measured at FVTOCI	(2)	<b>883,250</b>	785,675
Total		<b>9,309,437</b>	8,684,144

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 17 Loans and advances to customers (continued)

### 17.1 Loans and advances to customers by types (continued)

#### (1) Loans and advances to customers measured at amortized cost

	As at June 30, 2025	As at December 31, 2024
Personal loans and advances		
Consumer loans	<b>3,032,980</b>	2,995,999
– Residential mortgage loans	<b>2,403,462</b>	2,382,146
– Other consumer loans	<b>629,518</b>	613,853
Personal small and micro loans	<b>1,602,690</b>	1,537,363
Credit cards overdrafts and others	<b>224,706</b>	238,221
Subtotal	<b>4,860,376</b>	4,771,583
Corporate loans and advances		
– Loans	<b>3,791,844</b>	3,355,105
– Discounted bills	<b>714</b>	839
Subtotal	<b>3,792,558</b>	3,355,944
Gross amount of loans and advances to customers measured at amortized cost	<b>8,652,934</b>	8,127,527
Less: Allowance for impairment loss of loans and advances to customers measured at amortized cost		
– Stage 1	<b>119,241</b>	132,782
– Stage 2	<b>27,132</b>	23,116
– Stage 3	<b>80,374</b>	73,160
Carrying amount of loans and advances to customers measured at amortized cost	<b>8,426,187</b>	7,898,469

#### (2) Loans and advances to customers measured at FVTOCI

	As at June 30, 2025	As at December 31, 2024
Corporate loans and advances		
– Loans	<b>398,417</b>	294,058
– Discounted bills	<b>484,833</b>	491,617
Loans and advances to customers measured at FVTOCI	<b>883,250</b>	785,675

17.2 Detailed information regarding loans and advances to customers by geographical region, industry, types of collateral and overdue situation is set out in Note 41.3.4.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 17 Loans and advances to customers (continued)

### 17.3 Loans and advances to customers by allowance for impairment loss

	As at June 30, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross amount of loans and advances to customers measured at amortized cost	8,445,603	119,908	87,423	8,652,934
Allowance for impairment loss of loans and advances to customers measured at amortized cost	(119,241)	(27,132)	(80,374)	(226,747)
Carrying amount of loans and advances to customers measured at amortized cost	8,326,362	92,776	7,049	8,426,187
Loans and advances to customers measured at FVTOCI	883,250	–	–	883,250
Allowance for impairment loss of loans and advances to customers measured at FVTOCI	(676)	–	–	(676)
	As at December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross amount of loans and advances to customers measured at amortized cost	7,959,402	87,698	80,427	8,127,527
Allowance for impairment loss of loans and advances to customers measured at amortized cost	(132,782)	(23,116)	(73,160)	(229,058)
Carrying amount of loans and advances to customers measured at amortized cost	7,826,620	64,582	7,267	7,898,469
Loans and advances to customers measured at FVTOCI	785,675	–	–	785,675
Allowance for impairment loss of loans and advances to customers measured at FVTOCI	(772)	–	–	(772)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 17 Loans and advances to customers (continued)

17.4 The following tables illustrate the changes in the gross amount of loans and advances to customers:

(1) Personal loans and advances to customers measured at amortized cost

Personal loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross amount as at January 1, 2025	4,643,400	67,357	60,826	4,771,583
Transfers:				
Transfer to stage 1	7,123	(6,338)	(785)	–
Transfer to stage 2	(62,206)	63,214	(1,008)	–
Transfer to stage 3	(18,482)	(17,092)	35,574	–
Financial assets derecognized or settled during the period	(970,111)	(10,779)	(14,729)	(995,619)
New financial assets originated or purchased	1,097,320	–	–	1,097,320
Write-offs	–	–	(12,908)	(12,908)
<b>Gross amount as at June 30, 2025</b>	<b>4,697,044</b>	<b>96,362</b>	<b>66,970</b>	<b>4,860,376</b>

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross amount as at January 1, 2024	4,399,038	21,287	49,923	4,470,248
Transfers:				
Transfer to stage 1	4,638	(3,187)	(1,451)	–
Transfer to stage 2	(66,191)	67,225	(1,034)	–
Transfer to stage 3	(43,433)	(6,748)	50,181	–
Financial assets derecognized or settled during the year	(1,666,292)	(11,220)	(17,118)	(1,694,630)
New financial assets originated or purchased	2,015,640	–	–	2,015,640
Write-offs	–	–	(19,675)	(19,675)
<b>Gross amount as at December 31, 2024</b>	<b>4,643,400</b>	<b>67,357</b>	<b>60,826</b>	<b>4,771,583</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 17 Loans and advances to customers (continued)

17.4 The following tables illustrate the changes in the gross amount of loans and advances to customers: (continued)

(2) Corporate loans and advances to customers measured at amortized cost

Corporate loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Gross amount as at January 1, 2025</b>	<b>3,316,002</b>	<b>20,341</b>	<b>19,601</b>	<b>3,355,944</b>
Transfers:				
Transfer to stage 1	279	(279)	-	-
Transfer to stage 2	(10,970)	10,993	(23)	-
Transfer to stage 3	(2,761)	(3,680)	6,441	-
Financial assets derecognized or settled during the period	(743,406)	(3,829)	(1,154)	(748,389)
New financial assets originated or purchased	1,189,415	-	-	1,189,415
Write-offs	-	-	(4,412)	(4,412)
<b>Gross amount as at June 30, 2025</b>	<b>3,748,559</b>	<b>23,546</b>	<b>20,453</b>	<b>3,792,558</b>

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Gross amount as at January 1, 2024</b>	<b>2,897,761</b>	<b>25,830</b>	<b>17,606</b>	<b>2,941,197</b>
Transfers:				
Transfer to stage 1	8,897	(8,890)	(7)	-
Transfer to stage 2	(12,605)	13,161	(556)	-
Transfer to stage 3	(8,479)	(1,560)	10,039	-
Financial assets derecognized or settled during the year	(1,190,478)	(8,200)	(3,601)	(1,202,279)
New financial assets originated or purchased	1,620,906	-	-	1,620,906
Write-offs	-	-	(3,880)	(3,880)
<b>Gross amount as at December 31, 2024</b>	<b>3,316,002</b>	<b>20,341</b>	<b>19,601</b>	<b>3,355,944</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

### 17 Loans and advances to customers (continued)

17.4 The following tables illustrate the changes in the gross amount of loans and advances to customers: (continued)

#### (3) Loans and advances to customers measured at FVTOCI

Loans and advances to customers measured at FVTOCI	Six-month period ended June 30, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Gross amount as at January 1, 2025</b>	<b>785,675</b>	–	–	<b>785,675</b>
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the period	<b>(693,693)</b>	–	–	<b>(693,693)</b>
New financial assets originated or purchased	<b>791,268</b>	–	–	<b>791,268</b>
Write-offs	–	–	–	–
<b>Gross amount as at June 30, 2025</b>	<b>883,250</b>	–	–	<b>883,250</b>

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
<b>Gross amount as at January 1, 2024</b>	737,415	33	–	737,448
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	(737,415)	(33)	–	(737,448)
New financial assets originated or purchased	785,675	–	–	785,675
Write-offs	–	–	–	–
<b>Gross amount as at December 31, 2024</b>	<b>785,675</b>	–	–	<b>785,675</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 17 Loans and advances to customers (continued)

17.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers

### (1) Personal loans and advances to customers measured at amortized cost

Personal loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance as at January 1, 2025</b>	<b>65,016</b>	<b>17,766</b>	<b>55,121</b>	<b>137,903</b>
Transfers:				
Transfer to stage 1	2,520	(1,889)	(631)	–
Transfer to stage 2	(3,762)	4,465	(703)	–
Transfer to stage 3	(1,275)	(8,906)	10,181	–
Changes of ECL arising from transfer of stages	(1,853)	12,593	19,241	29,981
Financial assets derecognized or settled during the period	(19,062)	(3,154)	(12,176)	(34,392)
New financial assets originated or purchased	21,043	–	–	21,043
Remeasurement	301	767	3,318	4,386
Write-offs	–	–	(12,908)	(12,908)
<b>Loss allowance as at June 30, 2025</b>	<b>62,928</b>	<b>21,642</b>	<b>61,443</b>	<b>146,013</b>

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance as at January 1, 2024</b>	<b>85,587</b>	<b>7,582</b>	<b>47,033</b>	<b>140,202</b>
Transfers:				
Transfer to stage 1	2,016	(1,056)	(960)	–
Transfer to stage 2	(5,564)	6,212	(648)	–
Transfer to stage 3	(5,204)	(2,830)	8,034	–
Changes of ECL arising from transfer of stages	(1,358)	11,115	32,907	42,664
Financial assets derecognized or settled during the year	(37,602)	(3,109)	(13,242)	(53,953)
New financial assets originated or purchased	43,571	–	–	43,571
Remeasurement	(16,430)	(148)	1,672	(14,906)
Write-offs	–	–	(19,675)	(19,675)
<b>Loss allowance as at December 31, 2024</b>	<b>65,016</b>	<b>17,766</b>	<b>55,121</b>	<b>137,903</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 17 Loans and advances to customers (continued)

17.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers (continued)

(2) Corporate loans and advances to customers measured at amortized cost

Corporate loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2025	67,766	5,350	18,039	91,155
Transfers:				
Transfer to stage 1	49	(49)	-	-
Transfer to stage 2	(1,245)	1,265	(20)	-
Transfer to stage 3	(587)	(1,050)	1,637	-
Changes of ECL arising from transfer of stages	(12)	1,383	3,960	5,331
Financial assets derecognized or settled during the period	(20,270)	(658)	(902)	(21,830)
New financial assets originated or purchased	25,325	-	-	25,325
Remeasurement	(14,713)	(751)	629	(14,835)
Write-offs	-	-	(4,412)	(4,412)
<b>Loss allowance as at June 30, 2025</b>	<b>56,313</b>	<b>5,490</b>	<b>18,931</b>	<b>80,734</b>

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2024	72,653	5,109	15,684	93,446
Transfers:				
Transfer to stage 1	1,474	(1,467)	(7)	-
Transfer to stage 2	(1,487)	1,926	(439)	-
Transfer to stage 3	(1,974)	(146)	2,120	-
Changes of ECL arising from transfer of stages	(1,036)	993	5,731	5,688
Financial assets derecognized or settled during the year	(42,419)	(679)	(1,747)	(44,845)
New financial assets originated or purchased	44,474	-	-	44,474
Remeasurement	(3,919)	(386)	577	(3,728)
Write-offs	-	-	(3,880)	(3,880)
<b>Loss allowance as at December 31, 2024</b>	<b>67,766</b>	<b>5,350</b>	<b>18,039</b>	<b>91,155</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 17 Loans and advances to customers (continued)

17.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers (continued)

### (3) Loans and advances to customers measured at FVTOCI

Loans and advances to customers measured at FVTOCI	Six-month period ended June 30, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	772	-	-	772
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes of ECL arising from transfer of stages	-	-	-	-
Financial assets derecognized or settled during the period	(648)	-	-	(648)
New financial assets originated or purchased	616	-	-	616
Remeasurement	(64)	-	-	(64)
Write-offs	-	-	-	-
Loss allowance as at June 30, 2025	676	-	-	676

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2024	818	1	-	819
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes of ECL arising from transfer of stages	-	-	-	-
Financial assets derecognized or settled during the year	(818)	(1)	-	(819)
New financial assets originated or purchased	772	-	-	772
Remeasurement	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at December 31, 2024	772	-	-	772

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 18 Financial investments

### 18.1 Financial assets measured at fair value through profit or loss

	As at June 30, 2025	As at December 31, 2024
Debt securities		
– Listed outside Hong Kong	<b>83,541</b>	67,625
– Unlisted	<b>10</b>	52
Subtotal	<b>83,551</b>	67,677
Interbank certificates of deposits		
– Listed outside Hong Kong	<b>144,621</b>	119,104
– Unlisted	<b>14,794</b>	6,671
Subtotal	<b>159,415</b>	125,775
Asset-backed securities		
– Listed outside Hong Kong	<b>9,710</b>	3,149
Fund investments		
– Unlisted	<b>832,581</b>	825,356
Trust investment plans and asset management plans		
– Unlisted	<b>45</b>	45
Wealth management products issued by financial institutions		
– Unlisted	<b>1,335</b>	1,029
Equity instruments		
– Listed outside Hong Kong	<b>222</b>	235
– Unlisted	<b>840</b>	899
Subtotal	<b>1,062</b>	1,134
Total	<b>1,087,699</b>	1,024,165

The above investments listed outside Hong Kong Special Administrative Region (“SAR”) are mainly traded in the Domestic Interbank Bond Market.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 18 Financial investments (continued)

Analyzed by types of issuers	As at June 30, 2025	As at December 31, 2024
Debt securities		
– Government	<b>4,594</b>	2,516
– Financial institutions	<b>65,131</b>	50,596
– Corporates	<b>13,826</b>	14,565
Subtotal	<b>83,551</b>	67,677
Interbank certificates of deposits		
– Financial institutions	<b>159,415</b>	125,775
Asset-backed securities		
– Financial institutions	<b>9,710</b>	3,149
Fund investments		
– Financial institutions	<b>832,581</b>	825,356
Trust investment plans and asset management plans		
– Financial institutions	<b>45</b>	45
Wealth management products issued by financial institutions		
– Financial institutions	<b>1,335</b>	1,029
Equity instruments		
– Financial institutions	<b>12</b>	5
– Corporates	<b>1,050</b>	1,129
Subtotal	<b>1,062</b>	1,134
Total	<b>1,087,699</b>	1,024,165

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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### 18 Financial investments (continued)

#### 18.2 Financial assets measured at fair value through other comprehensive income-debt instruments

	As at June 30, 2025	As at December 31, 2024
Debt securities		
– Listed in Hong Kong	4,083	1,828
– Listed outside Hong Kong	632,753	665,075
– Unlisted	594	1,003
Subtotal	637,430	667,906
Interbank certificates of deposits		
– Listed outside Hong Kong	46,322	–
– Unlisted	931	906
Total	684,683	668,812

The above debt instruments listed outside Hong Kong SAR are mainly traded in the Domestic Interbank Bond Market.

Analyzed by types of issuers	As at June 30, 2025	As at December 31, 2024
Debt securities		
– Government	249,564	308,090
– Financial institutions	323,215	280,494
– Corporates	64,651	79,322
Subtotal	637,430	667,906
Interbank certificates of deposits		
– Financial institutions	47,253	906
Total	684,683	668,812

For the six-month period ended June 30, 2025 and year ended December 31, 2024, there was no change of loss allowance arising from transfer of stages for the Group's financial assets measured at FVTOCI-debt instruments. The main reasons for the movement in the loss allowance are originates or purchases, derecognition or settlement and remeasurement.

As at June 30, 2025, the allowance for impairment loss of the Group's financial assets measured at FVTOCI-debt instruments was RMB1,077 million (As at December 31, 2024: RMB1,117 million), which mainly represented the loss allowance for the financial assets measured at FVTOCI-debt instruments at stage 1.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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### 18 Financial investments (continued)

#### 18.3 Financial assets measured at fair value through other comprehensive income-equity instruments

	As at June 30, 2025	As at December 31, 2024
Equity instruments		
– Unlisted	<b>4,647</b>	4,637
<b>Total</b>	<b>4,647</b>	4,637

Analyzed by types of issuers:

	As at June 30, 2025	As at December 31, 2024
Equity instruments		
– Financial institutions	<b>4,247</b>	4,237
– Corporates	<b>400</b>	400
<b>Total</b>	<b>4,647</b>	4,637

The Group designates part of non-trading equity investments as financial assets measured at FVTOCI-equity instruments. During the six-month period ended June 30, 2025, the Group recognized RMB62 million dividend income for such equity investments (for the six-month period ended June 30, 2024: nil).

For the six-month period ended June 30, 2025, the Group did not dispose part of the equity instruments (for the six-month period ended June 30, 2024: RMB2,694 million), there was no accumulative gain on disposal, net of tax, has been transferred to retained earnings (for the six-month period ended June 30, 2024: RMB966 million).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 18 Financial investments (continued)

### 18.4 Financial assets measured at amortized cost

	As at June 30, 2025	As at December 31, 2024
Debt securities		
– Listed in Hong Kong	<b>34,323</b>	40,318
– Listed outside Hong Kong	<b>3,768,932</b>	3,545,950
– Unlisted (1)	<b>261,789</b>	324,067
Subtotal	<b>4,065,044</b>	3,910,335
Interbank certificates of deposits		
– Listed outside Hong Kong	<b>218,522</b>	249,309
– Unlisted	<b>40,911</b>	44,336
Subtotal	<b>259,433</b>	293,645
Asset-backed securities		
– Listed outside Hong Kong	<b>72,039</b>	96,331
– Unlisted	<b>527</b>	1,811
Subtotal	<b>72,566</b>	98,142
Debt financing plans		
– Unlisted	<b>408</b>	1,451
Other debt instruments		
– Unlisted (2)	<b>17,256</b>	24,823
Gross amount	<b>4,414,707</b>	4,328,396
Allowance for impairment loss	<b>(20,867)</b>	(21,883)
Carrying amount	<b>4,393,840</b>	4,306,513

The above investments listed outside Hong Kong SAR are mainly traded in the Domestic Interbank Bond Market.

- (1) Unlisted debt securities included long term special bonds issued by China Development Bank and Agricultural Development Bank of China in 2015. As at June 30, 2025, the carrying amount of these special financial bonds was RMB224,622 million, with original maturity of 10 to 20 years (December 31, 2024: the carrying amount was RMB274,127 million, with original maturity of 10 to 20 years).
- (2) Other debt instruments mainly include trust investment plans and asset management plans, etc.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 18 Financial investments (continued)

#### 18.4 Financial assets measured at amortized cost (continued)

Analyzed by types of issuers:	As at June 30, 2025	As at December 31, 2024
Debt securities		
– Government	<b>1,996,373</b>	1,704,448
– Financial institutions	<b>1,928,756</b>	2,067,656
– Corporates	<b>139,915</b>	138,231
Subtotal	<b>4,065,044</b>	3,910,335
Interbank certificates of deposits		
– Financial institutions	<b>259,433</b>	293,645
Asset-backed securities		
– Financial institutions	<b>72,566</b>	98,142
Debt financing plans		
– Corporates	<b>408</b>	1,451
Other debt instruments		
– Financial institutions	<b>17,256</b>	24,823
Gross amount	<b>4,414,707</b>	4,328,396
Allowance for impairment loss	<b>(20,867)</b>	(21,883)
Carrying amount	<b>4,393,840</b>	4,306,513

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 18 Financial investments (continued)

### 18.4 Financial assets measured at amortized cost (continued)

The following tables illustrate the changes in the gross amount of financial assets measured at amortized cost:

Financial assets measured at amortized cost	Six-month period ended June 30, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross amount as at January 1, 2025	4,309,091	2,193	17,112	4,328,396
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the period	(519,202)	(654)	(267)	(520,123)
New financial assets originated or purchased	606,434	–	–	606,434
<b>Gross amount as at June 30, 2025</b>	<b>4,396,323</b>	<b>1,539</b>	<b>16,845</b>	<b>4,414,707</b>

Financial assets measured at amortized cost	Year ended December 31, 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Gross amount as at January 1, 2024	3,990,574	6,001	17,561	4,014,136
Transfers:				
Transfer to stage 1	125	(125)	–	–
Transfer to stage 2	–	195	(195)	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	(707,816)	(3,878)	(254)	(711,948)
New financial assets originated or purchased	1,026,208	–	–	1,026,208
<b>Gross amount as at December 31, 2024</b>	<b>4,309,091</b>	<b>2,193</b>	<b>17,112</b>	<b>4,328,396</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 18 Financial investments (continued)

### 18.4 Financial assets measured at amortized cost (continued)

The following tables illustrate the changes in the loss allowance of financial assets measured at amortized cost:

Financial assets measured at amortized cost	Six-month period ended June 30, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance as at January 1, 2025</b>	<b>3,953</b>	<b>818</b>	<b>17,112</b>	<b>21,883</b>
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the period	<b>(828)</b>	<b>(353)</b>	<b>(267)</b>	<b>(1,448)</b>
New financial assets originated or purchased	<b>850</b>	–	–	<b>850</b>
Remeasurement	<b>(472)</b>	<b>52</b>	–	<b>(420)</b>
Exchange rate changes	<b>2</b>	–	–	<b>2</b>
<b>Loss allowance as at June 30, 2025</b>	<b>3,505</b>	<b>517</b>	<b>16,845</b>	<b>20,867</b>

Financial assets measured at amortized cost	Year ended December 31, 2024			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
<b>Loss allowance as at January 1, 2024</b>	6,030	2,339	17,557	25,926
Transfers:				
Transfer to stage 1	3	(3)	–	–
Transfer to stage 2	–	195	(195)	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	(2)	(145)	–	(147)
Financial assets derecognized or settled during the year	<b>(2,526)</b>	<b>(1,460)</b>	<b>(254)</b>	<b>(4,240)</b>
New financial assets originated or purchased	1,355	–	–	1,355
Remeasurement	(911)	(108)	4	(1,015)
Exchange rate changes	4	–	–	4
<b>Loss allowance as at December 31, 2024</b>	<b>3,953</b>	<b>818</b>	<b>17,112</b>	<b>21,883</b>

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## 19 Investment in subsidiaries

The entities in consolidation scope are mainly subsidiaries established by the Bank.

The Bank		As at June 30, 2025	As at December 31, 2024
Investment cost		15,115	15,115

Name of entities		Place of incorporation/ year of and operations	Authorized/ paid-in capital RMB	Nature of business	Percentage of equity interest	Proportion of voting rights	Year of establishment
PSBC Consumer Finance Co., Ltd.	(1)	Guangzhou, Guangdong Province, PRC	3 billion	Consumer finance	70.50%	70.50%	2015
PSBC Wealth Management Co., Ltd.	(2)	Beijing, PRC	8 billion	Wealth management	100.00%	100.00%	2019
YOU+BANK Co., Ltd.	(3)	Shanghai, PRC	5 billion	Direct banking	100.00%	100.00%	2022

- (1) On November 19, 2015, the Bank, together with other investors, jointly sponsored the establishment of PSBC Consumer Finance Co., Ltd. ("PSBC Consumer Finance"). Its business scope is: granting personal consumer loans; accepting deposits from shareholders and their domestic subsidiaries as well as parent companies of the groups to which shareholders belong and their domestic subsidiaries; borrowing from domestic financial institutions; borrowing from overseas financial institutions that are shareholders of the company; issuing non-capital bonds; interbank funding; advisory and agency services related to consumer finance, etc. As at 30 June, 2025, the Bank owned 70.50% in the equity interest and voting rights of PSBC Consumer Finance (December 31, 2024: 70.50%).



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## 19 Investment in subsidiaries (continued)

- (2) On December 3, 2019, the Bank obtained formal approval issued by the former CBIRC 《關於中郵理財有限責任公司開業的批覆》 for the commencement of business operation of PSBC Wealth Management Co., Ltd. ("PSBC Wealth Management"). On December 18, 2019, PSBC Wealth Management was officially incorporated. PSBC Wealth Management mainly engages in the following businesses: public issuing wealth management products to unspecified general investors, carrying out investment and management of properties entrusted by investors; non-public issuing wealth management products to eligible investors, carrying out investment and management of assets entrusted by investors; financial advising and consulting services in relation to wealth management; and other businesses as approved by the NFRA. As at June 30, 2025, the Bank owned 100.00% in the equity interest and voting rights of PSBC Wealth Management (December 31, 2024: 100.00%).
- (3) On December 16, 2021, the Bank obtained formal approval issued by the former CBIRC 《關於中郵惠萬家銀行有限責任公司開業的批覆》 for the commencement of business operation of YOU+ BANK Co., Ltd. ("YOU+BANK"). On January 7, 2022, YOU+ BANK was officially incorporated. YOU+ BANK mainly engages in the following businesses: taking public deposits, mainly from individuals, small and micro enterprises; granting short-term, medium-term and long-term loans to individuals, small and micro enterprises; processing domestic and foreign settlement through electronic channels; processing electronic bill acceptance and discounting; issuance of financial bonds; buying and selling government bonds and financial bonds; conducting interbank placements; purchasing and selling foreign exchange, or acting as an agent thereof; operating bank card business; acting as an agent for receipts and payments and agency insurance business; other businesses as approved by the NFRA. As at June 30, 2025, the Bank owned 100.00% in the equity interest and voting rights of YOU+ BANK (December 31, 2024: 100.00%).

## 20 Interests in associates

	As at June 30, 2025	As at December 31, 2024
Investment in an associate	739	733

On March 22, 2022, Guomin Pension Insurance Co., Ltd. (hereinafter referred to as "Guomin Pension") was incorporated with registered capital of RMB11.38 billion and the Bank's subsidiary, PSBC Wealth Management owned equity interest of Guomin Pension. The Group holds 5.71% of the equity interest and the voting rights, and could appoint directors and has right to participate in the financial and operational decisions of Guomin Pension. The directors of the Bank conclude that the Group has significant influence over Guomin Pension and therefore it is classified as an associate of the Group.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 21 Property and equipment

	Buildings	Electronic equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
<b>Cost</b>						
As at January 1, 2025	73,654	12,441	1,413	6,565	14,163	108,236
Increases	262	62	74	148	3,015	3,561
Transfer from investment properties	2	-	-	-	-	2
Transfer from construction in progress	792	3,005	-	14	(3,811)	-
Decreases	(292)	(88)	(9)	(106)	(113)	(608)
As at June 30, 2025	74,418	15,420	1,478	6,621	13,254	111,191
<b>Accumulated depreciation</b>						
As at January 1, 2025	(31,240)	(10,608)	(1,077)	(5,061)	-	(47,986)
Charge for the period	(1,739)	(567)	(60)	(239)	-	(2,605)
Transfer from investment properties	(2)	-	-	-	-	(2)
Disposals	118	78	7	90	-	293
As at June 30, 2025	(32,863)	(11,097)	(1,130)	(5,210)	-	(50,300)
<b>Carrying amount</b>						
As at January 1, 2025	42,414	1,833	336	1,504	14,163	60,250
As at June 30, 2025	41,555	4,323	348	1,411	13,254	60,891



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 21 Property and equipment (continued)

	Buildings	Electronic equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
<b>Cost</b>						
As at January 1, 2024	67,368	14,633	1,348	4,570	11,081	99,000
Increases	594	389	146	2,285	10,389	13,803
Transfer from investment properties	24	-	-	-	-	24
Transfer from construction in progress	5,942	90	-	25	(6,057)	-
Decreases	(274)	(2,671)	(81)	(315)	(1,250)	(4,591)
As at December 31, 2024	73,654	12,441	1,413	6,565	14,163	108,236
<b>Accumulated depreciation</b>						
As at January 1, 2024	(27,937)	(11,429)	(1,003)	(3,411)	-	(43,780)
Charge for the year	(3,370)	(1,588)	(151)	(1,948)	-	(7,057)
Transfer from investment properties	(19)	-	-	-	-	(19)
Disposals	86	2,409	77	298	-	2,870
As at December 31, 2024	(31,240)	(10,608)	(1,077)	(5,061)	-	(47,986)
<b>Carrying amount</b>						
As at January 1, 2024	39,431	3,204	345	1,159	11,081	55,220
As at December 31, 2024	42,414	1,833	336	1,504	14,163	60,250

As at June 30, 2025, the Group was still in the process of obtaining ownership certificates of certain properties, with cost amounted to RMB2,165 million (December 31, 2024: RMB2,269 million), while carrying amount was RMB1,479 million (December 31, 2024: RMB1,576 million).

The management of the Group believed the above mentioned properties did not have any material adverse effect on the Group's business operations, operating performance and financial position.

All buildings of the Group were located outside Hong Kong SAR.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 22 Deferred taxes

For the purpose of presentation in the condensed consolidated statements of financial position, certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The following is the analysis of the deferred tax balances.

	As at June 30, 2025	As at December 31, 2024
Deferred tax assets	<b>65,078</b>	61,185
Deferred tax liabilities	<b>(45)</b>	(57)
<b>Total</b>	<b>65,033</b>	61,128

#### (1) The following are the movements and major deferred tax assets and liabilities recognized:

	Allowance for Impairment loss	Staff cost accrued but not paid	Fair value changes of financial instruments	Provisions	Right-of-use assets	Lease liabilities and others	Total
As at January 1, 2025	<b>64,573</b>	<b>3,365</b>	<b>(8,393)</b>	<b>780</b>	<b>(2,488)</b>	<b>3,291</b>	<b>61,128</b>
Credit/(Charge) to profit or loss	<b>3,656</b>	<b>(49)</b>	<b>(933)</b>	-	<b>17</b>	<b>285</b>	<b>2,976</b>
Credit to other comprehensive income	<b>34</b>	-	<b>895</b>	-	-	-	<b>929</b>
<b>As at June 30, 2025</b>	<b>68,263</b>	<b>3,316</b>	<b>(8,431)</b>	<b>780</b>	<b>(2,471)</b>	<b>3,576</b>	<b>65,033</b>
As at January 1, 2024	62,811	3,291	(5,500)	1,041	(2,461)	3,322	62,504
Credit/(Charge) to profit or loss	1,703	74	(1,476)	(261)	(27)	(31)	(18)
Credit/(Charge) to other comprehensive income	59	-	(1,417)	-	-	-	(1,358)
<b>As at December 31, 2024</b>	<b>64,573</b>	<b>3,365</b>	<b>(8,393)</b>	<b>780</b>	<b>(2,488)</b>	<b>3,291</b>	<b>61,128</b>



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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### 22 Deferred taxes (continued)

(2) Deferred tax assets and liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	As at June 30, 2025		As at December 31, 2024	
	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)
<b>Deferred tax assets</b>				
Allowance for impairment loss	<b>276,120</b>	<b>68,263</b>	261,197	64,573
Staff cost accrued but not paid	<b>13,273</b>	<b>3,316</b>	13,471	3,365
Provisions	<b>3,120</b>	<b>780</b>	3,119	780
Fair value changes of financial instruments	<b>1,800</b>	<b>450</b>	578	144
Lease liabilities and others	<b>14,629</b>	<b>3,658</b>	13,528	3,373
<b>Total</b>	<b>308,942</b>	<b>76,467</b>	291,893	72,235
<b>Deferred tax liabilities</b>				
Fair value changes of financial instruments	<b>(35,521)</b>	<b>(8,881)</b>	(34,148)	(8,537)
Right-of-use assets and others	<b>(10,445)</b>	<b>(2,553)</b>	(10,512)	(2,570)
<b>Total</b>	<b>(45,966)</b>	<b>(11,434)</b>	(44,660)	(11,107)
<b>Net value</b>	<b>262,976</b>	<b>65,033</b>	247,233	61,128

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 23 Other assets

		As at June 30, 2025	As at December 31, 2024
Deferred expenses		<b>38,877</b>	34,621
Amounts pending for settlement and clearing		<b>25,149</b>	32,676
Right-of-use assets	(1)	<b>11,588</b>	11,692
Interest receivable		<b>6,522</b>	6,004
Intangible assets	(2)	<b>6,156</b>	6,663
Receivable of fee and commission		<b>5,128</b>	3,636
Precious metals		<b>4,443</b>	2,714
Continuing involvement assets (Note 39.3)		<b>4,402</b>	4,450
Other accounts receivable		<b>3,992</b>	3,946
Prepaid expenses		<b>2,690</b>	987
Low-value consumables		<b>215</b>	257
Foreclosed assets		<b>36</b>	57
Others		<b>5,599</b>	6,670
<b>Gross amount</b>		<b>114,797</b>	114,373
<b>Allowance for impairment loss</b>		<b>(1,667)</b>	(1,601)
<b>Net value</b>		<b>113,130</b>	112,772



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

### 23 Other assets (continued)

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

	Properties	Land use rights	Total
<b>Cost</b>			
As at January 1, 2025	19,160	2,603	21,763
Additions	2,093	2	2,095
Disposals	(2,411)	(33)	(2,444)
As at June 30, 2025	18,842	2,572	21,414
<b>Accumulated depreciation/amortization</b>			
As at January 1, 2025	(9,188)	(883)	(10,071)
Provided for the period	(1,725)	(30)	(1,755)
Disposals	1,983	17	2,000
As at June 30, 2025	(8,930)	(896)	(9,826)
<b>Carrying amount</b>			
As at January 1, 2025	9,972	1,720	11,692
As at June 30, 2025	9,912	1,676	11,588

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 23 Other assets (continued)

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

	Properties	Land use rights	Total
<b>Cost</b>			
As at January 1, 2024	18,968	2,613	21,581
Additions	4,360	–	4,360
Disposals	(4,168)	(10)	(4,178)
As at December 31, 2024	19,160	2,603	21,763
<b>Accumulated depreciation/amortization</b>			
As at January 1, 2024	(8,962)	(831)	(9,793)
Provided for the year	(3,584)	(59)	(3,643)
Disposals	3,358	7	3,365
As at December 31, 2024	(9,188)	(883)	(10,071)
<b>Carrying amount</b>			
As at January 1, 2024	10,006	1,782	11,788
As at December 31, 2024	9,972	1,720	11,692

(2) Intangible assets of the Group mainly include computer software which is amortized within 10 years.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 24 Borrowings from central bank

	As at June 30, 2025	As at December 31, 2024
Borrowings from central bank	<b>26,963</b>	26,138

As at June 30, 2025 and December 31, 2024, borrowings from central bank were special central bank lendings and carbon reduction supporting tools, issued by the PBC.

### 25 Deposits from banks and other financial institutions

	As at June 30, 2025	As at December 31, 2024
Deposits from domestic banks	<b>55,695</b>	59,024
Deposits from other domestic financial institutions	<b>178,571</b>	76,575
Total	<b>234,266</b>	135,599

### 26 Placements from banks and other financial institutions

	As at June 30, 2025	As at December 31, 2024
Placements from domestic banks	<b>54,692</b>	45,641
Placements from overseas banks	<b>1,675</b>	1,658
Total	<b>56,367</b>	47,299

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 27 Financial assets sold under repurchase agreements

	As at June 30, 2025	As at December 31, 2024
Analyzed by type of collateral:		
Debt securities	<b>210,430</b>	177,177
Bills	<b>17,599</b>	17,347
<b>Total</b>	<b>228,029</b>	194,524

The collateral pledged under repurchase agreement is disclosed in “Note 38.2 Contingent liabilities and commitments – Collateral”.

### 28 Customer deposits

	As at June 30, 2025	As at December 31, 2024
Demand deposits		
Personal	<b>3,164,835</b>	3,239,491
Corporate	<b>949,731</b>	904,244
<b>Subtotal</b>	<b>4,114,566</b>	4,143,735
Time deposits		
Personal	<b>11,054,847</b>	10,389,047
Corporate	<b>936,139</b>	752,003
<b>Subtotal</b>	<b>11,990,986</b>	11,141,050
Other deposits	<b>3,257</b>	2,756
<b>Total</b>	<b>16,108,809</b>	15,287,541

As at June 30, 2025, customer deposits received by the Group included pledged deposits of RMB142.87 billion (December 31, 2024: RMB97.04 billion).



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 29 Debt securities issued

		As at June 30, 2025	As at December 31, 2024
Tier-2 capital bonds issued		<b>122,320</b>	122,339
Including: 10-year tier-2 capital bonds at a fixed interest rate (issued in August, 2021)	(1)	<b>51,467</b>	50,614
15-year tier-2 capital bonds at a fixed interest rate (issued in August, 2021)	(2)	<b>10,320</b>	10,133
10-year tier-2 capital bonds at a fixed interest rate (issued in March, 2022)	(3)	<b>35,388</b>	36,012
15-year tier-2 capital bonds at a fixed interest rate (issued in March, 2022)	(4)	<b>5,058</b>	5,152
15-year tier-2 capital bonds at a fixed interest rate (issued in May, 2023)	(5)	<b>20,087</b>	20,428
Financial securities issued	(6)	<b>19,815</b>	13,739
Interbank certificates of deposits issued	(7)	<b>123,286</b>	105,902
<b>Total</b>		<b>265,421</b>	241,980

- (1) In August 2021, upon the approval from the former CBIRC and the PBOC, the Group issued RMB50 billion of 10-year tier 2 capital bonds at a fixed coupon rate of 3.44%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in August 2026 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.44% from August 2026 onward.
- (2) In August 2021, upon the approval from the former CBIRC and the PBOC, the Group issued RMB10 billion of 15-year tier 2 capital bonds at a fixed coupon rate of 3.75%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in August 2031 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.75% from August 2031 onward.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 29 Debt securities issued (continued)

- (3) In March 2022, upon the approval from the former CBIRC and the PBOC, the Group issued RMB35 billion of 10-year tier 2 capital bonds at a fixed coupon rate of 3.54%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in March 2027 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.54% from March 2027 onward.
- (4) In March 2022, upon the approval from the former CBIRC and the PBOC, the Group issued RMB5 billion of 15-year tier 2 capital bonds at a fixed coupon rate of 3.74%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in March 2032 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.74% from March 2032 onward.
- (5) In May 2023, upon the approval from the former CBIRC and the PBOC, the Group issued RMB20 billion of 15-year tier 2 capital bonds at a fixed coupon rate of 3.39%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in May 2033 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.39% from May 2033 onward.

The above-mentioned tier-2 capital bonds contain a write-down feature, which allows the Group to write down the entire principal of the bonds when a regulatory triggering event occurs as stipulated in the offering documents and not to pay any outstanding interests payable that have been accumulated. These tier-2 capital bonds meet the relevant criteria of the NFRA and are qualified as tier-2 capital instruments.

- (6) In March 2023, upon the approval from the former CBIRC and the PBOC, the Bank issued RMB5 billion of 3-year green financial bonds at a fixed coupon rate of 2.79%, with interests paid annually, and RMB5 billion of 3-year special bonds for small and micro enterprises loans at a fixed coupon rate of 2.80%, with interests paid annually. In June 2025, upon the approval from the NFRA and the PBOC, the Bank issued RMB5 billion of 3-year green financial bonds at a fixed coupon rate of 1.62%, with interests paid annually.

In July 2024, upon the approval from the NFRA and the PBOC, the Bank's subsidiary, PSBC Consumer Finance, issued RMB2 billion of 3-year financial bonds at a fixed coupon rate of 2.10%, with interests paid annually. In September 2024, it issued RMB1.5 billion of 3-year financial bonds at a fixed coupon rate of 2.17%, with interests paid annually. In June 2025, it issued RMB1.5 billion of 3-year financial bonds at a fixed coupon rate of 1.90%, with interests paid annually.

- (7) As at June 30, 2025, the total face value of outstanding interbank certificates of deposit amounted to RMB123.78 billion, with fixed coupon rate of 1.62%-1.68% and an original maturity of 3 months to 6 months (December 31, 2024: the total face value of outstanding interbank certificates of deposit amounted to RMB106.54 billion, with fixed coupon rate of 1.60%-1.87% and an original maturity of 1 month to 1 year).



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 30 Other liabilities

		As at June 30, 2025	As at December 31, 2024
Employee benefits payable	(1)	<b>19,759</b>	24,105
Payables for agency services		<b>14,627</b>	15,382
Dividends payable		–	14,646
Provisions	(2)	<b>8,891</b>	9,802
Lease liabilities	(3)	<b>9,330</b>	9,222
Amount pending for settlement and clearing		<b>15,513</b>	6,219
Continuing involved liabilities (Note 39.3)		<b>4,402</b>	4,450
VAT and other taxes payable		<b>3,811</b>	3,522
Contract liabilities		<b>2,459</b>	2,161
Payables to China Post Group and other related parties (Note 36.3.1(4))		<b>172</b>	2,001
Payable for construction cost		<b>1,161</b>	969
Exchange transaction payables		<b>700</b>	720
Others		<b>37,335</b>	19,533
<b>Total</b>		<b>118,160</b>	112,732

### (1) Employee benefits payable

	Six-month period ended June 30, 2025			
	Balance at the beginning of the period	Increase in current period	Decrease in current period	Balance at the end of the period
Wages and salaries, bonus, allowance and subsidies	<b>20,981</b>	<b>16,081</b>	<b>(20,323)</b>	<b>16,739</b>
Staff welfare	<b>110</b>	<b>1,100</b>	<b>(1,207)</b>	<b>3</b>
Social security contributions	<b>202</b>	<b>1,906</b>	<b>(1,821)</b>	<b>287</b>
Including: Medical insurance	<b>199</b>	<b>1,825</b>	<b>(1,740)</b>	<b>284</b>
Maternity insurance	<b>2</b>	<b>34</b>	<b>(34)</b>	<b>2</b>
Work injury insurance	<b>1</b>	<b>47</b>	<b>(47)</b>	<b>1</b>
Housing funds	<b>22</b>	<b>2,474</b>	<b>(2,461)</b>	<b>35</b>
Labour union funds and employee education funds	<b>1,655</b>	<b>477</b>	<b>(522)</b>	<b>1,610</b>
Defined contribution plans	<b>437</b>	<b>4,632</b>	<b>(4,674)</b>	<b>395</b>
Including: Basic pensions	<b>74</b>	<b>2,913</b>	<b>(2,910)</b>	<b>77</b>
Unemployment insurance	<b>4</b>	<b>103</b>	<b>(103)</b>	<b>4</b>
Annuity scheme	<b>359</b>	<b>1,616</b>	<b>(1,661)</b>	<b>314</b>
Supplementary retirement benefits and early retirement benefits	<b>698</b>	<b>6</b>	<b>(14)</b>	<b>690</b>
(i)				
Others	–	<b>24</b>	<b>(24)</b>	–
<b>Total</b>	<b>24,105</b>	<b>26,700</b>	<b>(31,046)</b>	<b>19,759</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 30 Other liabilities (continued)

### (1) Employee benefits payable (continued)

	2024			
	Balance at the beginning of the year	Increase in current year	Decrease in current year	Balance at the end of the year
Wages and salaries, bonus, allowance and subsidies	20,654	42,822	(42,495)	20,981
Staff welfare	88	2,994	(2,972)	110
Social security contributions	240	3,838	(3,876)	202
Including: Medical insurance	237	3,678	(3,716)	199
Maternity insurance	2	68	(68)	2
Work injury insurance	1	92	(92)	1
Housing funds	25	4,850	(4,853)	22
Labour union funds and employee education funds	1,327	1,678	(1,350)	1,655
Defined contribution plans	447	9,138	(9,148)	437
Including: Basic pensions	91	5,741	(5,758)	74
Unemployment insurance	3	159	(158)	4
Annuity scheme	353	3,238	(3,232)	359
Supplementary retirement benefits and early retirement benefits (i)	650	78	(30)	698
Others	-	48	(48)	-
<b>Total</b>	<b>23,431</b>	<b>65,446</b>	<b>(64,772)</b>	<b>24,105</b>

#### (i) Supplementary retirement benefits and early retirement benefits

The retirement benefit obligations of the Group refer to supplementary benefits for retirees and early-retirees recognized in the consolidated statement of financial position using the projected unit credit method as follows:

	Six-month period ended June 30, 2025	Year ended December 31, 2024
Balance at the beginning of period/year	<b>698</b>	650
Interest expenses	<b>6</b>	17
Gain or loss from actuarial calculation	-	61
- Credit to profit or loss	-	(2)
- Charge to other comprehensive income	-	63
Benefits paid	<b>(14)</b>	(30)
<b>Balance at the end of period/year</b>	<b>690</b>	698



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 30 Other liabilities (continued)

### (1) Employee benefits payable (continued)

#### (i) Supplementary retirement benefits and early retirement benefits (continued)

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at June 30, 2025	As at December 31, 2024
Discount rate used for retirement benefit plan	<b>1.75%</b>	1.75%
Discount rate used for early retirement benefit plan	<b>1.50%</b>	1.25%
Annual growth rates of average medical expenses	<b>8.00%</b>	8.00%
Annual growth rates of retiree expenses	<b>3% and 0%</b>	3% and 0%
Annual growth rates of early-retiree expenses	<b>6%,3% and 0%</b>	6%,3% and 0%
Normal retirement age		
– Male	<b>60-63</b>	60-63
– Female	<b>55-58, 50-55</b>	55-58, 50-55

As at June 30, 2025 and December 31, 2024, the future mortality rate assumption was based on the China Life Insurance Mortality Table (2010-2013) issued on December 28, 2016, which was the statistical information publicly available in China.

### (2) Provisions

		January 1, 2025	Current year (reversal)/ accrual	Current year payment	Current year exchange rate changes	June 30, 2025
ECL provisions on guarantee and commitments	(i)	<b>6,683</b>	<b>(913)</b>	–	<b>1</b>	<b>5,771</b>
Litigation and others	(ii)	<b>3,119</b>	<b>1</b>	–	–	<b>3,120</b>
<b>Total</b>		<b>9,802</b>	<b>(912)</b>	–	<b>1</b>	<b>8,891</b>

		January 1, 2024	Current year accrual/ (reversal)	Current year payment	Current year exchange rate changes	December 31, 2024
ECL provisions on guarantee and commitments	(i)	4,767	1,914	–	2	6,683
Litigation and others	(ii)	4,163	(899)	(145)	–	3,119
<b>Total</b>		8,930	1,015	(145)	2	9,802

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 30 Other liabilities (continued)

### (2) Provisions (continued)

- (i) ECL provisions on guarantee and commitments

	As at June 30, 2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Provision as at June 30, 2025	<b>5,674</b>	<b>97</b>	-	<b>5,771</b>

	As at December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Provision as at December 31, 2024	6,517	114	52	6,683

- (ii) As at June 30, 2025 and December 31, 2024, the Group established accruals for unsettled litigations and claims according to the best estimation for a variety of risk events and outflow of economic benefits.

### (3) Lease liabilities

	As at June 30, 2025	As at December 31, 2024
Within 1 month	<b>214</b>	234
1 to 3 months	<b>449</b>	474
3 to 12 months	<b>1,883</b>	2,392
1 to 2 years	<b>2,323</b>	2,330
2 to 5 years	<b>3,379</b>	3,306
Over 5 years	<b>1,423</b>	1,597
Contractual undiscounted cash flows of lease liabilities	<b>9,671</b>	10,333
Carrying amount of lease liabilities	<b>9,330</b>	9,222



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 31 Share capital and other equity instruments

### 31.1 Share capital

	As at June 30, 2025		As at December 31, 2024	
	Number of shares	Face value	Number of shares	Face value
	(million shares)		(million shares)	
Domestically listed (A shares)	<b>100,239</b>	<b>100,239</b>	79,305	79,305
Listed overseas (H shares)	<b>19,856</b>	<b>19,856</b>	19,856	19,856
<b>Total</b>	<b>120,095</b>	<b>120,095</b>	99,161	99,161

A shares refer to ordinary shares that are subscribed and traded in RMB, and H shares are shares that are approved to be listed in Hong Kong and denominated in RMB, but subscribed and traded in Hong Kong dollars. All H shares and A shares issued by the Bank are ordinary shares with a face value of RMB1.00 per share and enjoy equal rights.

On December 23, 2011, in accordance with the Approval by the MOF on the State-owned Equity Management Plan of Postal Savings Bank Co., Ltd. (Cai Jin (2011) No. 181), China Post Group was the exclusive promoter of the Bank. 45 billion promoter's shares were established and paid-in capital of the Bank amounted to RMB45 billion. In December 2013 and December 2014, China Post Group increased the capital of the Bank by RMB2 billion and RMB10 billion respectively.

On December 8, 2015, in accordance with the Approval of the former CBIRC on Capital Increase and the Introduction of Strategic Investors by the Postal Savings Bank of China, the former CBIRC agreed the Bank's non-public offering of no more than 11,604 million shares to 10 institutional investors, including UBS Limited, China Life Insurance Company Ltd., China Telecommunications Corporation, Canada Pension Fund Investment Corporation, Zhejiang Ant Small and Micro Financial Services Group Co., Ltd., JPMorgan Bank China Investment Second Investment, Futun Management, International Finance Corporation, DBS Bank Co., Ltd. and Shenzhen Tencent Domain Calculator Network (hereinafter referred to as "Strategic Investors"). After the capital increase, the Bank's total shares increased to 68,604 million.

On September 28, 2016, the Bank was listed on The Stock Exchange of Hong Kong Limited. In the same year, the over-allotment option was exercised and the total shares of the Bank increased to 81,031 million.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 31 Share capital and other equity instruments (continued)

### 31.1 Share capital (continued)

Approved by the former CBIRC through the Initial Public Offering of A Shares by the Postal Savings Bank of China Co., Ltd and amendment of the Articles of Association (Yinbaojianfu [2019] No.565)《中國銀保監會關於郵儲銀行首次公開發行 A 股股票並上市和修改公司章程的批覆》(銀保監覆[2019]565 號) and approved by the China Securities Regulatory Commission through the Approval of Postal Savings Bank of China Co., Ltd.'s Initial Public Offering (CSRC License [2019] No. 1991)《關於核准中國郵政儲蓄銀行股份有限公司首次公開發行股票的批覆》(證監許可[2019]1991 號文). The Bank completed the initial public offering of 5,172 million A shares (excluding over-allotment) in December 2019. The face value of A shares was RMB1.00 per share, and the issue price was RMB5.50 per share. The net proceeds raised were RMB28,001 million, of which the share capital was RMB5,172 million and the capital reserve was RMB22,829 million. After initial public offering of A shares, the total shares of the Bank increased to 86,203 million.

The joint lead underwriters exercised the over-allotment option in January 2020. The over-allotment issued 776 million A shares at a face value of RMB1.00 and the issue price was RMB5.50 per share. The net proceeds raised were RMB4,205 million, of which the share capital was RMB776 million and the capital reserve was RMB3,429 million. After execution of the over-allotment, the total shares of the Bank increased to 86,979 million.

The Bank completed the private offering of 5,405 million of A shares in March 2021 to its controlling shareholders. The face value of A shares was RMB1.00, and the issue price was RMB5.55 per share. The net proceeds raised were RMB29,985 million, of which the share capital was RMB5,405 million and capital reserve was of RMB24,580 million. After the private offering of A shares, the total shares of the Bank increased to 92,384 million.

The Bank completed the private offerings of 6,777 million of A shares in March 2023 to China Mobile Communications Group Co., Ltd. The face value of A shares was RMB1.00, and the issue price was RMB6.64 per share. The net proceeds raised were RMB44,980 million, of which the share capital was RMB6,777 million and capital reserve was of RMB38,203 million. After the private offering of A shares, the total shares of the Bank increased to 99,161 million.

The Bank completed the private offerings of 20,934 million of A shares in June 2025 to the MOF, China Mobile Communications Group Co., Ltd., and China State Shipbuilding Corporation Limited, respectively. The face value of A shares was RMB1.00, and the issue price was RMB6.21 per share. The net proceeds raised were RMB129,962 million, of which the share capital was RMB20,934 million and capital reserve was of RMB109,028 million. After the completion of this issuance of A-shares to specific subscribers, the Bank's shares increased to 120,095 million shares.

As at June 30, 2025 the total number of ordinary shares of the Bank was 120,095 million of which 33,116 million shares were restricted for sales and 86,979 million shares were unrestricted shares (As at December 31, 2024, the total number of ordinary shares of the Bank was 99,161 million of which 12,182 million shares were restricted for sales and 86,979 million shares were unrestricted shares).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 31 Share capital and other equity instruments (continued)

#### 31.2 Other equity instruments

##### (1) Perpetual bonds outstanding as at the end of the period

Outstanding financial instruments	Issue date	Classification	Initial interest rate	Issue price (RMB Yuan per unit)	Units (million)	Currency	Amount (RMB million)	Maturity date	Redemption/impairment
Undated additional tier 1 capital bonds	March 19, 2021	Equity instrument	4.42%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	January 14, 2022	Equity instrument	3.46%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	October 13, 2023	Equity instrument	3.42%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	March 14, 2024	Equity instrument	2.73%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	February 19, 2025	Equity instrument	1.99%	100	300	RMB	30,000	No maturity date	No
							150,000		

The carrying amount of perpetual bonds issued by the Bank, net of related issuance fees, was RMB149,996 million as at June 30, 2025 (December 31, 2024: RMB199,986 million).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 31 Share capital and other equity instruments (continued)

### 31.2 Other equity instruments (continued)

#### (1) Perpetual bonds outstanding as at the end of the period (continued)

The key terms are set out below:

##### (a) *Conditional redemption rights*

From the fifth anniversary since the issuance of the undated additional tier 1 capital bonds (the “Bonds”), the Bank may redeem full or part of the Bonds on each distribution payment date (including the fifth distribution payment date since the issuance). After the issuance, if the event that 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 Bank may redeem the full but not part of the Bonds.

The exercise of the Bank’s redemption right shall be subject to the consent of the NFRA and the satisfaction of the following preconditions: (1) the Bank shall use capital instruments of the same or better quality to replace the instruments to be redeemed, and such replacement shall only be carried out at conditions which are sustainable for the income capacity; (2) or the capital position of the Bank after the redemption right is exercised will remain well above the regulatory capital requirements of the NFRA.

##### (b) *Subordination*

The claims in respect of the Bonds will be subordinated to the 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 Bank’s shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds. If subsequent amendments to the PRC Enterprise Bankruptcy Law or relevant regulations are applicable to the subordination, such relevant laws and regulations shall prevail.

##### (c) *Write-down/write-off clauses*

Upon the occurrence of a non-viability trigger event, the Bank has the right to write down/write off in full or in part, without the need for consent from the holders of the Bonds, the principal amount of the Bonds. The amount of the write-down/write-off shall be determined by the ratio of the outstanding principal amount of the Bonds to the aggregate principal amount of all additional tier 1 capital instruments with the identical trigger event. A non-viability trigger event refers to the earlier of the following events: (1) the NFRA having decided that the Bank would become non-viable without a write-down/write-off; (2) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable. The write-down/write-off will not be restored.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 31 Share capital and other equity instruments (continued)

### 31.2 Other equity instruments (continued)

#### (1) Perpetual bonds outstanding as at the end of the period (continued)

The key terms are set out below: (continued)

##### (c) Write-down/write-off clauses (continued)

The trigger event occurrence date refers to the date on which the NFRA or the relevant authority has decided a trigger event occurs, and has informed the Bank together with a public announcement of such trigger event.

Within two business days after the occurrence of the trigger event, the Bank shall make a public announcement and give notice to the holders of the Bonds on the amount, the calculation method thereof, together with the implementation date and procedures, of such write-down/write-off.

##### (d) 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 bookkeeping and centralized allocation. The distribution rate is determined by a benchmark rate plus a fixed spread.

##### (e) Distribution payment

The Bank shall have the right to cancel, in full or in part, distributions on the Bonds and any such cancellation shall not constitute an event of default. When exercising such right, the Bank will take into full consideration the interest of the holders of the Bonds. The Bank 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 regardless in full or in part, will not impose any restrictions on the Bank, except in relation to dividend distributions on ordinary shares. Any cancellation of distributions on the Bonds regardless in full or in part, will require the deliberation by and approval from the general shareholders meeting. The Bank shall give notice to the investors on such cancellation in a timely manner.

In the event a distribution cancellation of the Bonds, regardless in full or in part, the Bank shall not make any distribution to the ordinary shareholders from the next date following the resolution being approved in the general shareholders meeting, until its decision to resume the distribution payments in full to the holders of the Bonds. The dividend stopper on ordinary shares will not compromise the Bank's discretion to cancel distributions, and will not impede the Bank from replenishing its capital.

Distributions on the Bonds shall only be paid out of distributable items, and will not be affected by the rating of the Bank, nor reset based on any change to such rating. The distributions on the Bonds are non-cumulative, namely, upon cancellation, any amount of distribution unpaid to the holders of the Bonds in the applicable period will not accumulate or compound to the subsequent distribution period thereafter. The Bonds do not have any step-up mechanism or any other incentive to redeem.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 31 Share capital and other equity instruments (continued)

#### 31.2 Other equity instruments (continued)

##### (2) Changes in outstanding perpetual bonds

Outstanding financial instruments	January 1, 2025		Increase/(decrease)		June 30, 2025	
	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)
Undated additional tier 1 capital bonds	2,000	200,000	(500)	(50,000)	1,500	150,000

Outstanding financial instruments	January 1, 2024		Increase/(decrease)		December 31, 2024	
	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)
Undated additional tier 1 capital bonds	1,700	170,000	300	30,000	2,000	200,000

##### (3) Equity attributable to the holders of equity instruments

Items	As at June 30, 2025	As at December 31, 2024
1. Total equity attributable to equity holders of the Bank	1,138,639	1,029,669
(1) Equity attributable to ordinary shareholders of the Bank	988,643	829,683
(2) Equity attributable to other equity holders of the Bank	149,996	199,986
Including: Net profit	6,135	6,342
Interests distributed	(6,135)	(6,342)
2. Total equity attributable to non-controlling interests	2,167	1,980
(1) Equity attributable to non-controlling interests of ordinary shares	2,167	1,980
(2) Equity attributable to non-controlling interests of other equity instruments	–	–



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 32 Capital reserve

	As at June 30, 2025	As at December 31, 2024
Net asset revaluation appreciation from the Bank's joint stock restructuring	<b>3,448</b>	3,448
Share premium arising from strategic investors	<b>33,536</b>	33,536
Share premium arising from the Bank's initial public offering of H shares	<b>37,675</b>	37,675
Change of equity interest in a subsidiary	<b>(11)</b>	(11)
Share premium arising from the Bank's initial public offering of A shares	<b>26,258</b>	26,258
Share premium arising from the Bank's private offering of A shares (Note 31.1)	<b>171,811</b>	62,783
Other capital reserve	<b>(1,020)</b>	(1,008)
<b>Total</b>	<b>271,697</b>	162,681

### 33 Other reserves

#### 33.1 Surplus reserve

In accordance with The Company Law of the People's Republic of China (中華人民共和國公司法), and the Bank's Articles of Association, the Bank shall appropriate 10% of its net profit under Accounting Standards for Business Enterprises and relevant requirements for the current year to the statutory surplus reserve, and can cease appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital of the Bank.

#### 33.2 General reserve

	Six-month period ended June 30, 2025	Year ended December 31, 2024
At the beginning of period/year	<b>219,887</b>	201,696
Appropriations in current period/year	<b>106</b>	18,191
<b>At the end of period/year</b>	<b>219,993</b>	219,887

In accordance with the Administrative Measures for Provisioning of Financial Enterprises (金融企業準備金計提管理辦法) (Cai Jin [2012] No.20) issued by the MOF, the Bank shall appropriate general reserve from its net profit for the purpose to recover any unidentified potential losses. The balance of general reserve shall be no less than 1.5% of risk assets at the end of each year.

Pursuant to the relevant regulatory requirements in the mainland of China, the Bank's subsidiaries also appropriate a certain amount of net profit as general reserve.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 33 Other reserves (continued)

#### 33.3 Other comprehensive income

##### (1) Other comprehensive income attributable to equity holders of the Bank in the consolidated statement of financial position

	Remeasurement of retirement benefit obligations	Net gains /(losses) on investments in financial assets measured at FVTOCI	Share of other comprehensive income of associates, net of related income tax	Total
January 1, 2024	(298)	5,330	2	5,034
Movement during the year	(63)	4,070	30	4,037
December 31, 2024 and January 1, 2025	(361)	9,400	32	9,071
Movement during the period	-	(2,788)	(1)	(2,789)
June 30, 2025	(361)	6,612	31	6,282

##### (2) Other comprehensive income in the consolidated statement of profit or loss and other comprehensive income

	Six-month period ended June 30	
	2025	2024
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefit obligations	-	(22)
Changes in fair value of equity instruments designated as at FVTOCI	12	193
Share of other comprehensive income of associates, net of related income tax	1	17
Less: Income tax effect	3	48
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of related income tax	(2)	-
Changes in fair value of debt instruments measured at FVTOCI	(2,109)	3,769
Less: Amount transferred to profit or loss from other comprehensive income	1,484	346
Income tax effect	(898)	856
Credit losses of debt instruments measured at FVTOCI	(190)	518
Less: Amount transferred to profit or loss from other comprehensive income	(54)	797
Income tax effect	(34)	(70)
Net amount	(2,789)	2,498



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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## 34 Dividends and interests distribution

Upon the approval obtained in the 2024 Annual General Meeting, the Bank distributed RMB11,294 million (tax inclusive) of cash dividends for the year ended December 31, 2024 to all the ordinary shareholders whose names appeared on the register with RMB1.139 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on April 30, 2025 and the H shares cash dividends on May 22, 2025 respectively.

Upon the approval obtained in the 2024 Second Interim Shareholder's Meeting, the Bank distributed RMB14,646 million (tax inclusive) of cash dividends for the period ended June 30, 2024 to all the ordinary shareholders whose names appeared on the register with RMB1.477 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on January 8, 2025 and the H shares cash dividends on January 24, 2025 respectively.

Upon the approval obtained in the 2023 Annual General Meeting, the Bank distributed RMB25,881 million (tax inclusive) of cash dividends for the year ended December 31, 2023 to all the ordinary shareholders whose names appeared on the register with RMB2.610 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on July 11, 2024 and the H shares cash dividends on August 8, 2024 respectively.

In January 2025, the Bank paid RMB1,038 million interests to holders of perpetual bonds issued in the year 2022, the interest rate of which equalled to 3.46%. In March 2025, the Bank paid RMB5,097 million interests to holders of perpetual bonds issued in the year 2020, 2021 and 2024, the interest rates of which equalled to 3.69%, 4.42% and 2.73%. The interests were calculated by the initial interest rates before the first reset date which were determined in accordance with the terms and conditions of the perpetual bonds

In January 2024, the Bank paid RMB1,038 million interests to holders of perpetual bonds issued in the year 2022, the interest rate of which equalled to 3.46%. In March 2024, the Bank paid RMB4,278 million interests to holders of perpetual bonds issued in the year 2020 and 2021, the interest rates of which equalled to 3.69% and 4.42%. In October 2024, the Bank paid RMB1,026 million interests to holders of perpetual bonds issued in the year 2023, the interest rate of which equalled to 3.42%. The interests were calculated by the initial interest rates before the first reset date which were determined in accordance with the terms and conditions of the perpetual bonds.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 35 Cash and cash equivalents

For the purpose of presentation of the consolidated cash flow statements, cash and cash equivalents include the following balances with an original maturity within 3 months:

	As at June 30, 2025	As at June 30, 2024
Cash	42,001	42,677
Surplus reserve with central bank	49,569	12,484
Deposits with banks and other financial institutions	32,101	9,453
Placements with banks and other financial institutions	25,333	22,778
Financial assets held under resale agreements	401,854	186,164
Short-term debt securities	448	4,076
<b>Total</b>	<b>551,306</b>	<b>277,632</b>

## 36 Relationship and transactions with related parties

### 36.1 Information of the parent company

	Place of registration	Nature of business
China Post Group	Beijing, PRC	Domestic and international mail delivery, distribution of publications such as newspapers and journals, stamp issuance, postal remittance, operation of postal savings business in accordance with laws and regulations, confidential correspondence, postal financial business, emerging business such as postal logistics and e-mail, e-commerce, agency business and other businesses as stipulated by the government.

China Post Group is managed and supervised by the MOF on behalf of the State Council.

As at June 30, 2025 and December 31, 2024, the registered capital of China Post Group were RMB137,600 million.

As at June 30, 2025, China Post Group directly held 51.87% of both the equity shares and voting rights in the Bank (As at December 31, 2024: 62.78%).



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 36 Relationship and transactions with related parties (continued)

### 36.2 Information of major related parties

Name of enterprise	Relationship with the Bank
MOF	Major shareholder of the Bank
China Mobile Communications Group Co., Ltd.	Major shareholder of the Bank
China State Shipbuilding Corporation Limited	Major shareholder of the Bank
Shanghai International Port (Group) Co., Ltd.	Major shareholder of the Bank
China Postal Express & Logistics Co., Ltd.	Company under the common control of China Post Group
China Post Life Insurance Co., Ltd.	Company under the common control of China Post Group
China Post Securities Co., Ltd.	Company under the common control of China Post Group
Shanghai Ule Network Technology Co., Ltd.	Company under the common control of China Post Group
China Post Technology Co., Ltd.	Company under the common control of China Post Group
Ningxia China Post Logistics Co., Ltd.	Company under the common control of China Post Group
Jiangsu Post and Telecommunication Printing Co., Ltd.	Company under the common control of China Post Group
China Post & Capital Fund Management Co., Ltd.	An associate of China Post Group
China Shipbuilding Group Changjiang Technology Co., Ltd.	Related party arising from the major shareholder of the Bank
China UnionPay Co., Ltd.	Related party arising from connected persons of the Bank
Overseas Chinese Town Group Co., Ltd.	Related party arising from connected persons of the Bank

The Group's connected person include the Bank's directors, supervisors, senior executives and their direct relatives, as well as the Bank's controlling shareholders' directors, supervisors, senior executives and their direct relatives and other connected persons. The Group's other related parties include other related parties of China Post Group, other related parties of major shareholders of the Bank and other related parties arising from connected persons.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

## 36 Relationship and transactions with related parties (continued)

### 36.3 Related party transactions

For transactions between the Group and related parties in accordance with general commercial terms during normal business operations, the pricing principle is the same as that of independent third party transactions. For transactions other than normal banking business between the Group and related parties, the pricing principle shall be determined by both parties through negotiation in accordance with general commercial terms.

#### 36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates

##### (1) Agency banking services from China Post Group

In addition to conducting commercial banking services at its owned business locations, the Bank also engages China Post Group and its provincial branches as agents to provide certain commercial banking services at China Post Group's business locations where financial service licenses have been obtained. These commercial banking services mainly include: deposits taking; bank card (debit card) services, credit cards repayment processing services; electronic banking business, agency issuance, underwriting and redemption of government bonds; certification of personal deposits; agency sales of fund products and personal wealth management products, and other agency services.

In accordance with the Interim Administrative Measures for Institutional Agency of Postal Savings Bank of China Co., Ltd (中國郵政儲蓄銀行代理營業機構管理暫行辦法) issued by the former CBIRC, all agency operations were provided by China Post Group under bases of fees determined in accordance with the Framework Agreement on Entrusted and Agency Banking Services of Agency Outlets (代理營業機構委託代理銀行業務框架協定, the "Framework Agreement") entered into between the Bank and China Post Group and its provincial branches.

For RMB deposit-taking services, the basis is computed based on the principle of "Fixed Rate, Scaled Fees Based on Deposit Types (固定費率、分檔計費)", i.e. different deposit agency fee rates are applicable to savings deposits with different maturities. The formula of calculating the scaled fees is as follows:

Monthly deposit agency fee costs at the relevant branch =  $\Sigma$ (aggregate amount of deposit for each type of deposit at the branch for the month  $\times$  the respective deposit agency fee rate of the relevant type of deposit/365) - aggregate cash (including that in transit) at the relevant branch for the month  $\times$  1.5%/365.



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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 36 Relationship and transactions with related parties (continued)

### 36.3 Related party transactions (continued)

#### 36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

##### (1) Agency banking services from China Post Group (continued)

The Bank pays deposit agency fee for agency RMB savings deposits received, net of cash reserves held by agency outlets and deposits in transit. The agency fee rates range from 0.00% to 1.943% since January 1, 2025.

To effectively manage the interest expenses and maintain a stable growth in deposit scale, the Bank has established relevant mechanisms to boost the deposit-taking, including the arrangements of cost sharing for floating interest rates of deposits as well as incentives for deposit-taking. The Bank and China Post Group have agreed that the amount of deposit incentive shall not be higher than the payment by China Post Group under the cost sharing mechanism for floating interest rates of deposits in any circumstances.

The agency foreign currency deposit-taking business is insignificant, as such the Bank and China Post Group apply market rates such as the composite interest rate of the China Interbank Foreign Currency Market to determine the agency fee.

For intermediary business services performed by agency outlets such as settlement and sales services, the agency fees are determined based on the income from agency services net of all direct taxes and expenses.

		Six-month period ended June 30	
		2025	2024
Deposit agency fee and others	(i)	<b>55,434</b>	60,859
Fees for agency sales and other commissions	(ii)	<b>4,152</b>	3,851
Fees for agency savings settlement		<b>3,002</b>	3,160
<b>Total</b>		<b>62,588</b>	67,870

(i) For the six-month period ended June 30, 2025, deposit agency fee (including RMB and foreign currency deposit-taking business) cost amounted to RMB58.09 billion (six-month period ended June 30, 2024: RMB62.86 billion). The offsetting settlement amount of the Bank's relevant mechanisms to boost deposit-taking was RMB-2.65 billion (six-month period ended June 30, 2024: RMB-2.00 billion). According to the netting arrangement between the Bank and China Post Group, deposit agency fee and other are settled and disclosed on a net basis.

(ii) Fees for agency sales and other commissions include agency income generated from sales of insurance products of China Post Life Insurance Co., Ltd. by agency outlets. The Bank firstly recognizes relevant fee and commission income (Note 4) in the consolidated statement of profit or loss and other comprehensive income, and the same amount of the fee and commission will be payable by the Bank to China Post Group following the principle of "fee payable to the entity providing the service (誰辦理誰受益)". The remaining agency income generated from sales for other companies are settled with the Bank or directly with China Post Group according to the contract.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 36 Relationship and transactions with related parties (continued)

### 36.3 Related party transactions (continued)

#### 36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(2) Operating lease with China Post Group and its related parties

(a) Lease buildings, ancillary equipment and other properties

As lessor	Six-month period ended June 30	
	2025	2024
Buildings and other	18	24

As lessee	Six-month period ended June 30	
	2025	2024
Buildings and other	423	452

(b) Right-of-use assets and lease liabilities recognized by accepting leases provided by China Post Group and its subsidiaries

	As at June 30, 2025	As at December 31, 2024
Right-of-use assets	776	653
Lease liabilities	694	619



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(All amounts in millions of RMB unless otherwise stated)

## 36 Relationship and transactions with related parties (continued)

### 36.3 Related party transactions (continued)

#### 36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

##### (3) Other comprehensive services and transactions with China Post Group and its related parties

##### (a) Revenue from rendering other comprehensive services to China Post Group and its related parties

		Six-month period ended June 30	
		2025	2024
Agency sales of insurance products	(i)	419	505
Comprehensive services rendered	(ii)	62	67
General office materials sold		4	12
Agency sales of precious metals		1	8
<b>Total</b>		<b>486</b>	<b>592</b>

(i) Agency sales of insurance products are income generated from agency service for China Post Life Insurance Co., Ltd. by directly-operated outlets of the Bank.

(ii) Comprehensive services rendered to China Post Group and its related parties include cash escort and vaults, equipment maintenance and other services.

##### (b) Expenditure from receiving other comprehensive services from China Post Group and its related parties

		Six-month period ended June 30	
		2025	2024
Comprehensive services received	(i)	439	456
Marketing services received		519	577
Goods purchased		420	157
Philatelic items purchased and mailing services received		25	49
Payment of precious metals		46	21
<b>Total</b>		<b>1,449</b>	<b>1,260</b>

(i) Comprehensive services received from China Post Group and its related parties include cash escorts and vaults, equipment maintenance, advertising, properties, training and other services.

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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 36 Relationship and transactions with related parties (continued)

#### 36.3 Related party transactions (continued)

##### 36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

###### (4) Other transactions with China Post Group and its related parties

Balances		As at	As at
		June 30, 2025	December 31, 2024
<b>Assets</b>			
Loans and advances to customers	(i)	<b>232</b>	132
Financial assets measured at FVTPL	(ii)	<b>3,174</b>	3,005
Financial assets measured at FVTOCI-debt instruments	(ii)	<b>116</b>	92
Financial assets measured at amortized cost	(ii)	<b>1,172</b>	1,041
Other assets	(iii)	<b>1,604</b>	241
<b>Liabilities</b>			
Deposits from banks and other financial institutions	(i)	<b>1,291</b>	606
Customer deposits	(iv)	<b>13,282</b>	13,884
Other liabilities (Note 30)		<b>172</b>	2,001
<b>Off-Balance Sheet Items</b>			
Guarantees and letters of guarantee		<b>1</b>	–
		Six-month period ended June 30	
Transactions		2025	2024
Interest income		<b>16</b>	3
Interest expense		<b>129</b>	97
Fee and commission income		<b>34</b>	16
Fee and commission expense		<b>5</b>	6
Net trading gains		<b>20</b>	4



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## 36 Relationship and transactions with related parties (continued)

### 36.3 Related party transactions (continued)

#### 36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

##### (4) Other transactions with China Post Group and its related parties (continued)

- (i) As at June 30, 2025 and December 31, 2024, loans and advances to customers were mainly with companies under the common control of China Post Group, deposits from banks and other financial institutions were mainly with companies under the common control of China Post Group.
- (ii) As at June 30, 2025 and December 31, 2024, Financial assets measured at FVTPL and financial assets measured at amortized cost were mainly the balance of transactions with China Post Group and China Post Securities Co., Ltd., and debt instruments measured at FVTOCI were mainly with China Post Securities Co., Ltd..
- (iii) As at June 30, 2025 and December 31, 2024, other assets were mainly the balance of transactions with China Post Group and China Post Insurance.
- (iv) As at June 30, 2025, RMB9,466 million of customer deposits were mainly the balance of transactions with China Post Group (December 31, 2024: RMB9,042 million) while RMB3,816 million of customer deposits were mainly with associate and companies under the common control of China Post Group (December 31, 2024: RMB4,842 million). The interest rates of such RMB customer deposits range from 0.05% to 2.75% as at June 30, 2025 (December 31, 2024: 0.10% to 2.75%).

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## 36 Relationship and transactions with related parties (continued)

### 36.3 Related party transactions (continued)

#### 36.3.2 Transactions with major shareholders of the Bank and their related parties

Balances	As at	
	June 30, 2025	December 31, 2024
<b>Assets</b>		
Loans and advances to customers (i)	20	330
Financial assets measured at FVTPL (ii)	4,594	–
Financial assets measured at FVTOCI-debt instruments (ii)	34,827	–
Financial assets measured at amortized cost (ii)	189,215	–
Other assets	11	11
<b>Liabilities</b>		
Customer deposits	4,480	3,313
Deposits from banks and other financial institutions	4	2
Other liabilities	14	76
<b>Off-Balance Sheet Items (iii)</b>		
Guarantees and letters of guarantee	3,749	3,156
<b>Transactions</b>		
Six-month period ended June 30		
	2025	2024
Interest income	4,009	11
Interest expense	37	32
Fee and commission income	59	55
Fee and commission expense	301	28
Net trading gains	59	6
Net other operating gains	1	–
Operating expenses	242	362

(i) As at June 30, 2025, loans and advances to customers were mainly the balance of transactions with China Shipbuilding Group Changjiang Technology Co., Ltd. (December 31, 2024: mainly with China Shipbuilding Industry Equipment & Materials Group (Guangzhou) Co., Ltd.).

(ii) As at June 30, 2025, financial assets measured at FVTPL, Financial assets measured at FVTOCI-debt instruments, Financial assets measured at amortized cost were mainly the balance of government bonds issued by the MOF directly held by the Group.

(iii) Redemption commitment for government bonds is disclosed in Note 38.3 Redemption commitment for government bond.



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### 36 Relationship and transactions with related parties (continued)

#### 36.3 Related party transactions (continued)

##### 36.3.3 Transactions with related parties arising from the connected persons of the Bank

Balances	As at	
	June 30, 2025	December 31, 2024
<b>Assets</b>		
Deposits with banks and other financial institutions	<b>1</b>	–
Loans and advances to customers (i)	<b>3,825</b>	3,852
Financial assets measured at amortized cost (iii)	<b>1,247</b>	1,026
Financial assets measured at fair value through other comprehensive income-equity instruments (ii)	<b>570</b>	570
Other assets	<b>30</b>	23
<b>Liabilities</b>		
Customer deposits (iv)	<b>6,559</b>	6,093
Other liabilities	–	8
Transactions	Six-month period ended June 30	
	2025	2024
Interest income	<b>80</b>	90
Interest expense	<b>75</b>	79
Fee and commission income (v)	<b>1,687</b>	1,834
Fee and commission expense (v)	<b>503</b>	596
Operating expenses	<b>16</b>	23

- (i) As at June 30, 2025 and December 31, 2024, loans and advances to customers were mainly the balance of transactions with Overseas Chinese Town Group Co., Ltd.
- (ii) As at June 30, 2025 and December 31, 2024, financial assets measured at FVTOCI-equity instruments were mainly the balance of transactions with China UnionPay Co., Ltd.
- (iii) As at June 30, 2025 and December 31, 2024, financial assets measured at amortized cost were mainly the balance of transactions with Overseas Chinese Town Group Co., Ltd.
- (iv) As at June 30, 2025 and December 31, 2024, customer deposits were mainly the balance of transactions with China UnionPay Co., Ltd.
- (v) The net fee and commission income was mainly arising from the settlement and clearing with China UnionPay Co., Ltd. during the six-month period ended June 30, 2025 and 2024.

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### 36 Relationship and transactions with related parties (continued)

#### 36.3 Related party transactions (continued)

##### 36.3.4 Transactions with connected persons of the Bank

Balances	As at	As at
	June 30, 2025	December 31, 2024
Assets		
Loans and advances to customers	73	67
Other assets	1	3
Liabilities		
Customer deposits	207	225
Off-Balance Sheet Items		
Unused credit card commitments	57	62
Transactions	Six-month period ended June 30	
	2025	2024
Interest income	1	1
Interest expense	1	1

##### 36.3.5 The Group and other government related entities

Other than related party transactions disclosed above and also in other relevant notes, a significant part of the Group's banking transactions are entered into with government authorities, agencies, subsidiaries and other entities under control of state. These transactions are entered into under normal commercial terms and conditions and mainly include provision of credit and guarantee, deposits, foreign exchange transactions, derivative product transactions, agency services, underwriting and distribution of bonds issued by government authorities, purchase, sales and redemption of securities issued by government authorities.

The Group considers that these transactions are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government authorities, agencies, subsidiaries and other entities under control of state.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 36 Relationship and transactions with related parties (continued)

### 36.4 Key management personnel compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and senior executives.

	Six-month period ended June 30	
	2025	2024
Key management personnel compensation	4	4

Part of the remuneration for key management personnel for the six-month period ended June 30, 2025 and 2024 is subject to strategic performance assessment and has not yet been paid.

## 37 Structured entities

### 37.1 Unconsolidated structured entities managed by the Group

Unconsolidated structured entities managed by the Group consist primarily of collective investment vehicles (“WMP vehicles”) formed to issue and distribute wealth management products (“non-principal-guaranteed WMPs”) which are not subject to any guarantee by the Group in respect of the principal invested or yield to be paid. The WMP vehicles invest in a range of fixed-yield assets, including money market instruments, debt securities and loan assets. As the manager of the WMPs, the Group invests, on behalf of its customers, the funds raised in the assets as described in the investment scheme related to each WMP and distributes the yield to investors based on product operation. The variable return earned by the Group under the non-principal-guaranteed WMPs is not significant, and therefore, these WMPs are not consolidated by the Group.

As at June 30, 2025 and December 31, 2024, the non-principal guaranteed WMPs issued and managed by the Group amounted to RMB1,201,925 million and RMB1,022,530 million, respectively. The net fee and commission income from such activities was disclosed in Note 4.

As at June 30, 2025, the Group held RMB1,335 million of non-principal guaranteed WMPs issued and managed by the Group (December 31, 2024: RMB1,029 million).

As at June 30, 2025 and December 31, 2024, the Group did not enter into any repurchase agreements with the non-principal-guaranteed wealth management products sponsored by the Group.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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## 37 Structured entities (continued)

### 37.2 Unconsolidated structured entities invested by the Group

The Group invests in unconsolidated structured entities issued and/or managed by other institutions, and records interest income, net trading gains and net gains on investment securities therefrom. These structured entities mainly comprise fund investments, trust investment plans, asset management plans, asset-backed securities and other debt instruments, etc. The nature and purpose of the structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors.

As at June 30, 2025 and December 31, 2024, the Group's maximum exposure to these unconsolidated structured entities was summarized in the table below:

	As at June 30, 2025		Total
	Financial assets measured at FVTPL	Financial assets measured at amortized cost	
Fund investments	746,916	–	746,916
Trust investment plans and asset management plans	45	5,741	5,786
Asset-backed securities	9,710	71,422	81,132
<b>Total</b>	<b>756,671</b>	<b>77,163</b>	<b>833,834</b>

	As at December 31, 2024		Total
	Financial assets measured at FVTPL	Financial assets measured at amortized cost	
Fund investments	762,525	–	762,525
Trust investment plans and asset management plans	45	12,788	12,833
Asset-backed securities	3,149	96,835	99,984
<b>Total</b>	<b>765,719</b>	<b>109,623</b>	<b>875,342</b>

No open market information was readily available for the overall scale of those unconsolidated structured entities mentioned above.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 37 Structured entities (continued)

### 37.2 Unconsolidated structured entities invested by the Group (continued)

For the six-month period ended June 30, 2025 and 2024, the income from these unconsolidated structured entities earned by the Group was as follows:

	Six-month period ended June 30	
	2025	2024
Interest income	<b>1,104</b>	1,957
Net gains on investment securities	<b>10,353</b>	12,035
Net trading gains	<b>1</b>	1
Total	<b>11,458</b>	13,993

### 37.3 Consolidated structured entities held by the Group

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

## 38 Contingent liabilities and commitments

### 38.1 Capital commitments

	As at June 30, 2025	As at December 31, 2024
Contracts signed but not executed	<b>3,873</b>	4,706

The Group's capital commitments are contracts signed but not executed, which mainly include purchase of property and equipment, and decoration projects.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 38 Contingent liabilities and commitments (continued)

### 38.2 Collateral

#### Assets pledged as collaterals

Certain assets held by the Group were pledged as collaterals under repurchase agreements. Such transactions were conducted in accordance with normal business terms and conditions.

	As at June 30, 2025	As at December 31, 2024
Debt securities	<b>152,387</b>	110,006
Bills	<b>17,644</b>	17,395
<b>Total</b>	<b>170,031</b>	127,401

In addition, some of the debt securities held by the Group were pledged as collaterals. As at June 30, 2025, the carrying amount of debt securities pledged as collaterals amounted to RMB162,058 million (December 31, 2024: RMB120,951 million).

#### Collaterals received

Collaterals under loans and advances to customers mainly include land use rights and buildings. The Group has not resold or re-pledged these collaterals which the owners of the pledged properties have not breached the contracts. As at June 30, 2025, the Group's exposure to credit-impaired loans and advances to customers covered by corresponding collateral was RMB43,458 million (December 31, 2024: RMB41,139 million).

Collaterals under certain deposits with banks mainly include bonds issued by Chinese government or policy banks. The Group has not resold or re-pledged these collaterals which the owners of the pledged properties have not breached the contracts.

Financial assets held under resale agreements are mainly collateralized by debt securities and bills. As part of certain resale agreements, the Group obtains debt securities or bills from counterparts which could be resold or re-pledged as collaterals during the business operation of financial assets held under resale agreements from banks. As at June 30, 2025 and December 31, 2024, the Group did not obtain debt securities as collaterals from counterparts under the business. As at June 30, 2025, the principal amount of the bills accepted by the Group that can be resold or re-pledged was RMB21,618 million (December 31, 2024: RMB28,354 million).



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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## 38 Contingent liabilities and commitments (continued)

### 38.3 Redemption commitment for government bonds

The Group is entrusted by the MOF to underwrite certain treasury bonds. The investors of the treasury bonds have the right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The MOF will not provide funding for the early redemption of these bonds on a back-to-back basis, but will settle the principal and interest upon maturity or regular settlement. The redemption price is the face value of the treasury bonds underwritten and sold plus unpaid interest in accordance with the terms of the early redemption arrangement.

As at June 30, 2025, the nominal value of treasury bonds the Group was obligated to redeem was RMB155,469 million (December 31, 2024: RMB141,703 million). The original maturities of these bonds range from 1 to 5 years. Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

### 38.4 Lawsuits and claims

The Group was involved in a number of lawsuits and claims during its normal course of business. As at June 30, 2025, provisions of RMB3,120 million were made by the Group (December 31, 2024: RMB3,119 million) based on court judgments or advice of legal counsel, and included in Note 30(2) Provisions. Management of the Group believes that the final result of these lawsuits and claims will not have a material impact on the financial position or operations of the Group.

### 38.5 Credit commitments

	As at June 30, 2025	As at December 31, 2024
Loan commitments		
– With an original maturity of less than 1 year	–	–
– With an original maturity of 1 year or above	<b>23,269</b>	27,543
Subtotal	<b>23,269</b>	27,543
Bank acceptances	<b>231,937</b>	186,026
Guarantees and letters of guarantee	<b>143,735</b>	123,816
Letters of credit	<b>171,256</b>	127,969
Unused credit card commitments	<b>485,858</b>	490,968
Total	<b>1,056,055</b>	956,322

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 38 Contingent liabilities and commitments (continued)

### 38.5 Credit commitments (continued)

Credit commitments of the Group mainly include unused limits for credit cards issued to customers and general credit facilities. These general credit facilities may be drawn in the form of loans or through the issuance of letters of credit, guarantees and letters of guarantee or bank acceptances.

As at June 30, 2025 and December 31, 2024, the credit risk exposure of the credit commitments was mainly in Stage 1.

### 38.6 Credit risk-weighted amounts for credit commitments

	As at June 30, 2025	As at December 31, 2024
Credit commitments	<b>293,849</b>	285,926

The credit risk-weighted amounts for credit commitments is based on positions of the counterparties and maturity characteristics of each type of contract, etc.

## 39 Transfers of financial assets

The Group enters into transactions during the normal course of business by which it transfers recognized financial assets to third parties or to special purpose trusts. In some cases these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

### 39.1 Outright repurchase agreements

The Group has entered into the following repurchase agreements, and the recourse rights of the counterparties are not limited to the transferred assets. The Group does not derecognize financial assets transferred as collateral in connection with repurchase agreements.

	As at June 30, 2025	As at December 31, 2024
Carrying amount of the collateral	<b>67,515</b>	82,382
Financial assets sold under repurchase agreements	<b>(63,096)</b>	(77,229)



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## 39 Transfers of financial assets (continued)

### 39.2 Securities lending transactions

Counterparties are allowed to sell or repledge securities lent under securities lending agreements in the absence of any default by the Group, but at the same time, they have an obligation to return such securities upon the maturity of the securities lending agreements. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at June 30, 2025, the carrying amount of debt securities lent to counterparties was RMB54,680 million (December 31, 2024: RMB64,109 million).

### 39.3 Credit assets securitization transactions

The Group enters into securitization transactions during the normal course of business by which it transfers credit assets to special purpose trusts which in turn issues asset-backed securities to investors. The Group may acquire some asset-backed securities and fund shares at the senior and subordinated tranche level. Accordingly, the Group may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognize the associated credit assets by evaluating the extent to which it transfers the risks and rewards of the assets.

With respect to the credit assets that are securitized and qualified for derecognition, the Group derecognizes the transferred credit assets in their entirety. For the six-month period ended June 30, 2025, the face value at the date of transfer of the original credit assets was RMB11,685 million (for the six-month period ended June 30, 2024: RMB8,403 million). As the Bank substantially transferred all the risks and rewards of these credit assets, the full amount of such securitized credit assets were derecognized.

In the cases that the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and for which the Group retains control, the Group recognizes an asset in the consolidated statement of financial position to the extent of the Group's continuing involvement in the transferred assets. The extent of the Group's continuing involvement is the extent of the risks and rewards exposed by the Group to the value changes of the transferred assets. For the six-month period ended June 30, 2025, there were no new securitised credit assets in which the Group retained the continuing involvement (for the six-month period ended June 30, 2024: nil). The carrying amount of the continuing involvement assets and the corresponding continuing involvement liabilities, which were recognized in other assets and other liabilities in the consolidated statement of financial position, was RMB4,402 million as at June 30, 2025 (December 31, 2024: RMB4,450 million). The Group acts as a credit service provider of the special purpose trusts, manages the credit assets transferred to the special purpose trusts, and collects the corresponding fee as the loan asset manager. For the six-month ended June 30, 2025 and the year 2024, the Group did not provide any financial support to these special purpose trusts.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

## 40 Segment analysis

### 40.1 Operating segment

The Group manages the business from both a business and geographic perspective. From the business perspective, the Group provides services through four main operating segments listed below:

#### Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include savings deposit-taking, personal loans, credit cards and debit cards, payments and settlements, wealth management products and funds, insurance agency services, etc.

#### Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include current account settlement, deposits, overdrafts, loans, trade related products and other credit facilities, foreign currency, and wealth management products, etc.

#### Treasury

This segment covers businesses including deposits and placements with banks and other financial institutions, interbank borrowings and lendings, repurchase and resale transactions, various debt instrument investments and equity instrument investment, etc. The issuance of bond securities also falls into this segment.

#### Others

This segment includes items that are not attributed to the above segments or cannot be allocated on a reasonable basis.

The management of the Group monitors operating results of each segment for the purposes of resource allocation and assessment of segment performance. The accounting policies of the operating segments are the same as the Group's accounting policies when preparing segment financial information.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 40 Segment analysis (continued)

### 40.1 Operating segment (continued)

	Six-month period ended June 30, 2025				
	Personal banking	Corporate banking	Treasury	Others	Total
Interest income from external customers	89,925	64,608	87,125	–	241,658
Interest expense to external customers	(85,432)	(10,535)	(6,633)	–	(102,600)
Intersegment net interest income/(expense)	101,884	(20,441)	(81,443)	–	–
Net interest income/(expense)	106,377	33,632	(951)	–	139,058
Net fee and commission income	8,120	7,033	1,765	–	16,918
Net trading gains	–	–	1,621	–	1,621
Net gains on investment securities	–	100	13,208	–	13,308
Net gains on derecognition of financial assets measured at amortized cost	2,343	–	6,142	–	8,485
Net other operating gains/(losses)	85	(19)	(70)	132	128
Share of results of associates	–	–	–	7	7
Operating expenses	(77,551)	(12,186)	(9,862)	(209)	(99,808)
Credit impairment losses	(30,317)	7,678	924	–	(21,715)
Impairment losses on other assets	(4)	–	–	–	(4)
Profit/(loss) before income tax	9,053	36,238	12,777	(70)	57,998
Supplementary information					
Depreciation and amortization	4,394	1,110	103	–	5,607
Capital expenditures	3,344	855	36	–	4,235

	Six-month period ended June 30, 2025				
	Personal banking	Corporate banking	Treasury	Others	Total
Segment assets	5,243,507	4,487,522	8,393,675	739	18,125,443
Deferred tax assets					65,078
Total assets					18,190,521
Segment liabilities	(14,326,843)	(1,916,687)	(806,140)	–	(17,049,670)
Deferred tax liabilities					(45)
Total liabilities					(17,049,715)
Supplementary information					
Credit commitments	485,858	570,197	–	–	1,056,055

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 40 Segment analysis (continued)

#### 40.1 Operating segment (continued)

	Six-month period ended June 30, 2024				
	Personal banking	Corporate banking	Treasury	Others	Total
Interest income from external customers	102,913	63,345	88,425	–	254,683
Interest expense to external customers	(95,700)	(10,259)	(5,848)	–	(111,807)
Intersegment net interest income/(expense)	110,428	(24,468)	(85,960)	–	–
<b>Net interest income/(expense)</b>	<b>117,641</b>	<b>28,618</b>	<b>(3,383)</b>	<b>–</b>	<b>142,876</b>
Net fee and commission income	8,537	4,966	1,658	–	15,161
Net trading gains	–	–	2,281	–	2,281
Net gains on investment securities	–	270	14,158	–	14,428
Net gains on derecognition of financial assets measured at amortized cost	90	–	1,641	–	1,731
Net other operating gains/(losses)	512	104	(405)	225	436
Share of results of associates	–	–	–	6	6
Operating expenses	(83,723)	(12,754)	(10,781)	(114)	(107,372)
Credit impairment losses	(25,917)	8,779	1,018	–	(16,120)
Impairment losses on other assets	(13)	–	–	–	(13)
<b>Profit before income tax</b>	<b>17,127</b>	<b>29,983</b>	<b>6,187</b>	<b>117</b>	<b>53,414</b>
Supplementary information					
Depreciation and amortization	4,469	1,093	122	–	5,684
Capital expenditures	5,887	1,456	67	–	7,410
	Year ended December 31, 2024				
	Personal banking	Corporate banking	Treasury	Others	Total
Segment assets	5,193,893	3,914,978	7,914,121	733	17,023,725
Deferred tax assets					61,185
<b>Total assets</b>					<b>17,084,910</b>
Segment liabilities	(13,719,363)	(1,682,280)	(651,391)	(170)	(16,053,204)
Deferred tax liabilities					(57)
<b>Total liabilities</b>					<b>(16,053,261)</b>
Supplementary information					
Credit commitments	490,968	465,354	–	–	956,322



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## 40 Segment analysis (continued)

### 40.2 Geographical segment

Geographical segments, as defined for management reporting purposes, are as follows:

- Head Office
- “Yangtze River Delta”: Shanghai Municipality, Jiangsu Province, Zhejiang Province and Ningbo;
- “Pearl River Delta”: Guangdong Province, Shenzhen, Fujian Province and Xiamen;
- “Bohai Rim”: Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province and Qingdao;
- “Central China” region: Shanxi Province, Henan Province, Hubei Province, Hunan Province, Anhui Province, Jiangxi Province and Hainan Province;
- “Western China” region: Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Xizang Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Autonomous Region and Xinjiang Autonomous Region;
- “Northeastern China” region: Liaoning Province, Heilongjiang Province, Jilin Province and Dalian.

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## 40 Segment analysis (continued)

### 40.2 Geographical segment (continued)

	Six-month period ended June 30, 2025								
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Total	
Interest income from external customers	93,586	31,685	22,644	22,457	36,374	27,910	7,002	241,658	
Interest expense to external customers	(4,710)	(17,625)	(8,775)	(15,770)	(30,020)	(19,135)	(6,565)	(102,600)	
Intersegment net interest (expense)/income	(104,833)	12,410	6,168	17,064	36,692	23,129	9,370	-	
Net interest (expense)/income	(15,957)	26,470	20,037	23,751	43,046	31,904	9,807	139,058	
Net fee and commission income	410	3,534	2,385	3,529	3,775	2,667	618	16,918	
Net trading gains	1,621	-	-	-	-	-	-	1,621	
Net gains on investment securities	12,125	433	126	234	242	132	16	13,308	
Net gains on derecognition of financial assets measured at amortized cost	6,177	634	712	76	437	376	73	8,485	
Net other operating (losses)/gains	(369)	86	173	63	94	52	29	128	
Share of results of associates	-	-	-	7	-	-	-	7	
Operating expenses	(6,104)	(14,463)	(10,277)	(14,030)	(27,396)	(20,514)	(7,024)	(99,808)	
Credit impairment losses	10,151	(7,081)	(7,940)	(4,141)	(6,673)	(4,541)	(1,490)	(21,715)	
Impairment losses on other assets	-	-	-	-	-	(4)	-	(4)	
Profit before income tax	8,054	9,613	5,216	9,489	13,525	10,072	2,029	57,998	
Supplementary information									
Depreciation and amortization	1,086	778	576	889	991	958	329	5,607	
Capital expenditures	1,411	293	333	487	1,015	564	132	4,235	
	As at June 30, 2025								
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Eliminations	Total
Segment assets	10,354,358	2,963,587	1,766,073	2,916,120	5,462,732	3,657,250	1,224,226	(10,218,903)	18,125,443
Deferred tax assets									65,078
Total assets									18,190,521
Segment liabilities	(9,333,053)	(2,950,450)	(1,755,703)	(2,893,510)	(5,450,297)	(3,648,508)	(1,222,470)	10,204,321	(17,049,670)
Deferred tax liabilities									(45)
Total liabilities									(17,049,715)
Supplementary information									
Credit commitments	485,858	117,729	111,818	149,023	97,183	82,694	11,750	-	1,056,055



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 40 Segment analysis (continued)

### 40.2 Geographical segment (continued)

	Six-month period ended June 30, 2024							Total
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	
Interest income from external customers	95,146	33,301	24,097	23,995	40,376	29,448	8,320	254,683
Interest expense to external customers	(4,235)	(19,175)	(9,180)	(17,416)	(33,059)	(21,331)	(7,411)	(111,807)
Intersegment net interest (expense)/income	(109,389)	12,626	5,829	17,671	38,400	24,900	9,963	-
<b>Net interest (expense)/income</b>	<b>(18,478)</b>	<b>26,752</b>	<b>20,746</b>	<b>24,250</b>	<b>45,717</b>	<b>33,017</b>	<b>10,872</b>	<b>142,876</b>
Net fee and commission income	298	2,890	2,232	3,123	3,439	2,496	683	15,161
Net trading gains	2,281	-	-	-	-	-	-	2,281
Net gains on investment securities	13,601	321	127	166	224	57	(68)	14,428
Net gains on derecognition of financial assets measured at amortized cost	171	368	277	213	332	322	48	1,731
Net other operating (losses)/gains	(532)	106	202	93	152	379	36	436
Share of results of associates	-	-	-	6	-	-	-	6
Operating expenses	(5,971)	(15,428)	(11,113)	(14,992)	(30,075)	(21,922)	(7,871)	(107,372)
Credit impairment losses	18,048	(5,604)	(7,043)	(4,142)	(8,634)	(6,329)	(2,416)	(16,120)
Impairment losses on other assets	-	-	-	(2)	-	(5)	(6)	(13)
<b>Profit before income tax</b>	<b>9,418</b>	<b>9,405</b>	<b>5,428</b>	<b>8,715</b>	<b>11,155</b>	<b>8,015</b>	<b>1,278</b>	<b>53,414</b>
Supplementary information								
Depreciation and amortization	1,229	776	584	833	977	965	320	5,684
Capital expenditures	3,899	676	332	887	1,047	370	199	7,410

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## 40 Segment analysis (continued)

### 40.2 Geographical segment (continued)

	Year ended December 31, 2024								Total
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Eliminations	
Segment assets	9,814,204	2,756,352	1,662,697	2,695,029	5,166,752	3,489,706	1,196,451	(9,757,466)	17,023,725
Deferred tax assets									61,185
<b>Total assets</b>									<b>17,084,910</b>
Segment liabilities	(8,909,665)	(2,738,938)	(1,652,206)	(2,669,556)	(5,152,567)	(3,478,572)	(1,194,498)	9,742,798	(16,053,204)
Deferred tax liabilities									(57)
<b>Total liabilities</b>									<b>(16,053,261)</b>
Supplementary information									
Credit commitments	490,968	104,770	75,977	124,546	78,071	69,928	12,062	-	956,322

## 41 Financial risk management

### 41.1 Overview

To ensure an appropriate level of risk-adjusted return and sufficient capital adequacy, the Group adheres to a prudent and sound risk appetite, and sets management objectives appropriate to the strategic positioning of the Bank Group, the Bank and its subsidiaries for various major risks, and achieves a decent return through appropriate risk-taking with consideration of size, growth and quality of its businesses.

The Group is mainly exposed to credit risk, market risk, interest rate risk in the banking book, liquidity risk and operational risk, etc.

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



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## 41 Financial risk management (continued)

### 41.2 Framework of financial risk management

The Group's Board of Directors assumes the ultimate responsibilities for comprehensive risk management, which include establishing risk culture, formulating and approving risk management strategies, setting and approving risk appetites and ensuring the establishment of risk limits, reviewing and approving major risk management policies and procedures, monitoring comprehensive risk management implemented by the senior management, reviewing comprehensive risk management reports, reviewing and approving the aggregation of risk data and the risk reporting framework, ensuring adequate resource support, regularly hearing special reports, and fully understanding and grasping the progress of the aggregation of risk data and risk reporting work, examining and approving disclosure of comprehensive risks and various significant risks, appointing the Chief Risk Officer or other senior management personnel to lead the comprehensive risk management efforts, and other duties related to risk management.

The Group's Board of Supervisors assumes the supervisory responsibilities for comprehensive risk management, and is responsible for supervising the Board of Directors and the senior management in fulfilling their duties of risk management and urging them for any rectifications.

The Group's senior management assumes the responsibilities for implementation of comprehensive risk management and carrying out decisions of the Board of Directors, which includes setting up the operation and management structure in line with comprehensive risk management framework, clarifying division of responsibilities among functional departments, business departments and other departments under comprehensive risk management framework, establishing coordination mechanism with effective balance of power across departments, formulating clear implementation and accountability mechanism to ensure adequate communication and effective implementation of risk management strategies, risk appetites and risk limits, setting up risk limits according to risk appetite determined by the Board of Directors, including but not limited to levels such as industry, region, customer, and product. The Group's senior management is also responsible for formulating risk management policies and procedures, regular assessments, with adjustments when necessary, and establishing a risk data aggregation and reporting system covering all material risk areas, and assessing conditions of comprehensive risks and various important risk management with reports to the Board of Directors. In addition, it is the Group's senior management's responsibility to establish sound management information system and data quality control mechanism, and oversee violation of risk appetite, risk limits, and risk management policies and procedures, and deal with them under authorization of the Board of Directors, and assume other responsibilities from risk management perspective.

### 41.3 Credit risk

Credit risk refers to the risk of loss caused by the default or the deterioration of credit rating and repayment ability of the debtor or the counterparty.

The main sources of the Group's credit risk include: credit business, treasury business (including deposits and placements, resale agreement, debt securities issued by corporates and financial institutions, inter-bank investment, etc.), off-balance sheet credit business (including guarantee, commitment, etc.).

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

The organizational structure of the Group on credit risk management is as follows: the Board of Directors takes the ultimate responsibilities for credit risk management, the Board of Supervisors takes the supervisory responsibilities for credit risk management, while the senior management undertaking the responsibilities for implementation of credit risk management, and for the implementation of resolutions approved by the Board of Directors on credit risk; the Risk Management Committee is responsible for credit risk management; and the Credit Business Approval Committee is responsible for approving credit lines within the scope of authorization; each business department shall bear the primary responsibility for credit risk mitigation, and implementation of policies, standards and procedures of credit risk management in its own field of business in accordance with the segregation of duties among different functions; departments of credit management, risk management, credit approval, internal control and compliance, legal affairs and others are responsible for the overall planning, supervision and review of credit risk management and mitigation, of which the Credit Management Department is the leading department of credit risk management, and the Internal Audit Department supervises each department's performance of duties in credit risk management independently and objectively.

#### (1) Loans and advances to customers, loan commitments and financial guarantees

The risk on loan portfolio refers to the risk of uncertain income or loan losses due to failure of a borrower to repay the principal and interest in full upon maturity of a loan. Given the loan portfolio is a major component of the Group's assets, risk on the loan portfolio is considered as a principal credit risk.

#### (2) Debt securities and other debt instruments

Credit risks on debt securities and other debt instruments arising from changes in credit spreads, default rates, loss ratios and credit quality of underlying assets.

The Group adopts a prudent approach in making debt security investments by focusing on low-risk debt securities, including government bonds and bonds issued by financial institutions. Other debt instruments are mainly trust investment plans and assets management plans.

The Group established a risk evaluation system on the issuers of corporate bonds and other debt instruments, and performs ongoing post-lending monitoring on a timely basis.

#### (3) Interbank financing business

The Group manages the credit quality by considering the size, financial position and the internal and external credit rating of those banks and financial institutions.



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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.1 Expected credit loss measurement

The Group has applied ECL models to measure the impairment of debt instruments measured at amortized cost and at FVTOCI, as well as credit commitments.

Based on whether a significant increase in credit risk has occurred since initial recognition of a financial instrument or becoming credit impaired, the Group will classify credit risk exposures into three stages to calculate the ECL.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition, measured by the changes of default risk over their expected life. These changes have been determined by comparing the default risk at the end of the reporting period and at the date of initial recognition.

Stage 3 includes financial instruments that are credit-impaired.

The Group could assess impairment allowance through either the ECL models or discounted cash flow method.

The Group has incorporated forward-looking information for measuring ECL and constructed complicated models involving substantial management judgements and assumptions, mainly including the following:

- Grouping of risks;
- Significant increase in credit risk;
- Definition of default and credit-impaired;
- Descriptions of parameters, assumptions and estimation techniques;
- Forward-looking information;
- Management overlay;
- The estimated future cash flows for loans and advances to customers as well as financial investments which applied discounted cash flow method.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.1 Expected credit loss measurement (continued)

##### (1) Grouping of risks

For measurement of ECL, the credit risk exposures will be segmented based on similar credit risk characteristics. In determination of the portfolio segmentation of credit assets, the Group considers the type of borrower, type of product, and industry, etc. The segmentation of portfolio is regularly monitored and reviewed to ensure the appropriateness and reliability of credit risk segmentation.

##### (2) Significant Increase in credit risk (SICR)

At the end of each reporting period, the Group evaluates whether a SICR of related financial instruments has occurred since initial recognition, which mainly includes: impacts of regulation and operating environment, changes in internal and external credit rating, insolvency, business performance, loan contractual terms, etc. Based on individual financial instrument or financial instrument portfolios with similar credit risk characteristics, the Group determines changes of the default risk by comparing the risk at the end of each reporting period with that at the date of initial recognition.

The Group has set up both quantitative and qualitative standards according to the different features of credit risk associated with the financial assets as well as the current status of risk management initiatives. In determining whether a significant increase in credit risk of financial assets has occurred, the Group mainly considers whether the internal credit rating has been downgraded by more than a certain scale and has reached a certain threshold since initial recognition, whether there has been an adverse change of risk classification, and whether principal or interest has been more than 30 days past due, etc.

##### (3) Definition of default and credit-impaired

The Group considers a financial instrument as in default or being credit-impaired when it meets one or more of the following criteria, including whether principal or interest has been more than 90 days past due, and whether the risk classification of the credit risk exposure has been downgraded below a certain category or the internal credit rating has been downgraded below a certain threshold, etc.



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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.1 Expected credit loss measurement (continued)

##### (4) Description of parameters, assumptions, and estimation techniques

ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a SICR has occurred since initial recognition and whether an asset is considered being credit-impaired. ECL derived from the discounted value of the multiplication of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).

Related definitions are as follows:

The PD represents the likelihood of a borrower breaching the contractual terms or defaulting on its financial obligation over a specific time, either the next 12 months, or the remaining lifetime of the obligation. The Group's PD has adopted the results of internal rating model, or for financial asset that does not use this model, historical analysis is adopted, where the historical default records are calculated by historical data of asset portfolios with similar credit risk characteristics, incorporating forward-looking information, to reflect the PD at a specific point in time under the current macroeconomic environment.

LGD refers to the ratio of the expected loss in the total amount of the loan portfolios, which is the extent of loss on a default. The Group's LGD is calculated by internal rating model. For financial asset that does not use this model, historical analysis is adopted, where the loss of default has been calculated over the next 12 months or over the remaining lifetime from the time of default. The assessment is on an individual basis by customer type, guarantee method, and historical non-performing loan collection experience, etc.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default.

The Group estimates PD, LGD and EAD of each portfolio in the future to calculate the ECL. The Group multiplies the three and adjusts their expected life (such as default), and discount and aggregate the calculation result of each period to determine the ECL. The discount rate used in the ECL calculation is the effective rate or its approximate value.

The Group periodically monitors the related assumptions concerning the calculation of ECL and makes necessary updates and adjustments.

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.1 Expected credit loss measurement (continued)

##### (5) Forward-looking information

The calculation of ECL incorporates forward-looking information. The Group performs historical analysis and has identified the key economic variables impacting credit risk and ECL for each portfolio, mainly including Gross Domestic Product ("GDP"), Consumer Price Index, Consumer Confidence Index, etc.

These economic variables and their associated impacts on PD and LGD vary by segmentation of portfolios. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "basic economic scenario") are made by the Group regularly, and the relationship between these economic variables and PD and LGD is identified through performing statistical regression analysis with the purpose of understanding the impact that the historical changes of these variables that might have on PD and LGD.

The Group has adopted three economic scenarios (Base, Upside and Downside) and applied weightings for them respectively, on the basis of a combination of the macroeconomic information, statistical analysis and expert judgement. For the six-month period ended June 30, 2025, the highest weighting is assigned to Base scenario, while weightings of Upside and Downside were not higher than 30% respectively.

As at June 30, 2025, the Group considers the macroeconomy by referring to the prediction of internal and external authoritative experts to determine the base scenario. Under the base scenario, the growth rate of GDP is predicted in the range of 4.3%-5.3%. Forecast 2025 GDP growth value under the upside and downside scenarios had been determined by moving up and down, by a certain degree, from the base scenario forecast.

The Group periodically reviews and monitors the appropriateness of the above assumptions, and makes necessary updates and adjustments.

Relatively substantial management judgements are involved in the weighting scheme of macroeconomic scenarios, macroeconomic forecasts, and significant increase in credit risk in ECL models. The variation of key inputs above will inevitably lead to changes in ECL as a result of model's inherent complexity. The Group has analyzed sensitivity of ECL model by considering the fluctuation of macroeconomic forecasts.

Assuming year-over-year growth in GDP, the core macroeconomic forecasting indicator, would increase or decrease by 10%, the absolute change rate of the balance of loss allowance as at June 30, 2025 would be no more than 5%.



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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.1 Expected credit loss measurement (continued)

##### (6) Management Overlay

Taking into account inherent limitations of ECL models and temporary systematic risk factors, the Group has accrued additional loss allowance in response to potential risk and improved its risk compensation capability. The amount of management overlay adjustments was not material as compared to the total balance of loss allowance as at June 30, 2025.

##### (7) The estimated future cash flows for loans and advances to customers as well as financial investments which applied discounted cash flow method

At each measurement date, the Group projects the future cash inflows of each future period related to the financial assets. The cash flows are discounted and aggregated to determine the present value of the assets' future cash flows.

##### (8) Write-off policy

The Group writes off financial assets, in full or in part, when it has taken all necessary recovery efforts and is still not capable of reasonably expecting to recover partial or all the financial assets. The Group may write-off financial assets that are still subject to enforcement activities. The outstanding amounts of such assets written off during the six-month period ended June 30, 2025 were RMB17,320 million (for the six-month period ended June 30, 2024: RMB10,290 million).

##### (9) The modification of contractual cash flows

In order to minimize the credit loss, the Group may renegotiate the terms of the contract with borrowers that have deteriorated in financial position, or are unable to meet their original repayment schedule, which include concessions given by the Group that would not otherwise be granted to these borrowers for economic or legal reasons relating to their financial difficulties. Such contract modifications may include terms of loan, repayment schedule or interest rate. Based on the management's judgement of the borrowers' repayment possibility, the Group has formulated specific rescheduled loan policy and practice, and reviewed the policy continuously. Rescheduled loans should be reviewed with an observation period to reach the corresponding stage classification criteria, and the observation period should contain at least 2 consecutive repayment periods and not be less than 1 year. As at June 30, 2025, the amount of the rescheduled loans and advances to customers of the Group was RMB22,631 million (as at December 31, 2024: RMB22,379 million).

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.2 Credit risk limit control and mitigation policy

In accordance with risk policies and limits, the risk management and business departments of the Group enhanced risk management policies and procedures to optimize business processes and monitor the implementation of risk control indicators.

To mitigate risks, the Group requires customers to provide collateral or guarantees when appropriate. The Group has established guidelines for the acceptability of specific types of collateral, and set up a collateral management system to standardize the collateral operation process. At the same time, the value, structure and legal documents of the collateral are regularly reviewed by the Group to ensure its validity and conform to market practices.

#### 41.3.3 Credit risk exposures

##### (1) Maximum credit risk exposures

The table below presents the Group's maximum credit risk exposures before considering any collaterals or other credit enhancements as at June 30, 2025 and December 31, 2024 respectively. For on-balance sheet assets, the maximum credit risk exposures are presented at their net carrying amounts on the consolidated statement of financial position.

	As at June 30, 2025	As at December 31, 2024
Deposits with central bank	1,246,856	1,268,225
Deposits with banks and other financial institutions	387,492	262,476
Placements with banks and other financial institutions	368,009	348,017
Derivative financial assets	4,766	6,661
Financial assets held under resale agreements	421,253	229,842
Loans and advances to customers	9,309,437	8,684,144
Financial investments		
Financial assets measured at FVTPL – debt instruments	1,086,637	1,023,031
Financial assets measured at FVTOCI – debt instruments	684,683	668,812
Financial assets measured at amortized cost	4,393,840	4,306,513
Other financial assets	39,803	45,246
Subtotal	17,942,776	16,842,967
Credit commitments	1,056,055	956,322
Total	18,998,831	17,799,289



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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.4 Loans and advances to customers

(1) Loans and advances to customers by geographical region:

	As at June 30, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Head Office	269,146	3%	344,895	4%
Central China	2,286,321	23%	2,168,479	24%
Yangtze River Delta	2,108,140	22%	1,840,445	21%
Western China	1,673,384	18%	1,579,873	18%
Bohai Rim	1,525,493	16%	1,422,923	16%
Pearl River Delta	1,216,602	13%	1,114,851	12%
Northeastern China	457,098	5%	441,736	5%
<b>Total</b>	<b>9,536,184</b>	<b>100%</b>	<b>8,913,202</b>	<b>100%</b>

(2) Loans and advances to customers by types:

	As at June 30, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Personal loans and advances	4,860,376	51%	4,771,583	53%
Corporate loans and advances				
Including:				
Corporate loans	4,190,261	44%	3,649,163	41%
Discounted bills	485,547	5%	492,456	6%
<b>Total</b>	<b>9,536,184</b>	<b>100%</b>	<b>8,913,202</b>	<b>100%</b>

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.4 Loans and advances to customers (continued)

(3) Loans and advances to customers by industries:

	As at June 30, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
<b>Personal loans and advances</b>				
Consumer loans				
– Residential mortgage loans	2,403,462	25%	2,382,146	27%
– Other consumer loans	629,518	7%	613,853	6%
Personal small and micro loans	1,602,690	17%	1,537,363	17%
Credit overdrafts and others	224,706	2%	238,221	3%
<b>Subtotal</b>	<b>4,860,376</b>	<b>51%</b>	<b>4,771,583</b>	<b>53%</b>
<b>Corporate loans and advances</b>				
Transportation, storage and postal services				
	831,887	8%	830,416	10%
Manufacturing	671,252	7%	577,205	6%
Real estate	336,392	4%	308,590	4%
Production and supply of electricity, heating, gas and water				
	310,221	3%	287,913	3%
Wholesale and retail	365,184	4%	290,923	3%
Water conservancy, environmental and public facilities management				
	406,740	4%	303,444	3%
Financial services	339,970	4%	294,995	3%
Construction	248,846	3%	228,512	3%
Leasing and business services	354,424	4%	277,904	3%
Mining	106,835	1%	86,856	1%
Other industries	218,510	2%	162,405	2%
<b>Subtotal</b>	<b>4,190,261</b>	<b>44%</b>	<b>3,649,163</b>	<b>41%</b>
<b>Discounted bills</b>	<b>485,547</b>	<b>5%</b>	<b>492,456</b>	<b>6%</b>
<b>Total</b>	<b>9,536,184</b>	<b>100%</b>	<b>8,913,202</b>	<b>100%</b>

As at June 30, 2025, the balance of loans and advances to customers in relation to transportation, storage and postal services included loans to China State Railway Group Co., Ltd. of RMB49,914 million (December 31, 2024: RMB99,269 million).

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.4 Loans and advances to customers (continued)

(4) Loans and advances to customers by types of collateral:

	As at June 30, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Unsecured loans	2,811,771	29%	2,548,632	29%
Guaranteed loans	1,024,686	11%	805,421	9%
Loans secured by mortgages	4,246,425	45%	4,188,326	47%
Loans secured by pledges	967,754	10%	878,367	10%
Discounted bills	485,548	5%	492,456	5%
<b>Total</b>	<b>9,536,184</b>	<b>100%</b>	<b>8,913,202</b>	<b>100%</b>

(5) Overdue loans and advances to customers

Overdue loans and advances to customers by security types and overdue status are as follows:

	As at June 30, 2025				Total
	Overdue for 1 to 90 days (including 90 days)	Overdue for 91 days to 1 year (including 1 year)	Overdue for 1 to 3 years (including 3 years)	Overdue for over 3 years	
Unsecured loans	10,848	17,253	4,361	941	33,403
Guaranteed loans	2,336	3,433	1,836	630	8,235
Loans secured by mortgages	28,965	29,853	14,859	1,919	75,596
Loans secured by pledges	421	65	15	55	556
<b>Total</b>	<b>42,570</b>	<b>50,604</b>	<b>21,071</b>	<b>3,545</b>	<b>117,790</b>

	As at December 31, 2024				Total
	Overdue for 1 to 90 days (including 90 days)	Overdue for 91 days to 1 year (including 1 year)	Overdue for 1 to 3 years (including 3 years)	Overdue for over 3 years	
Unsecured loans	12,296	14,529	4,606	990	32,421
Guaranteed loans	2,153	3,181	1,756	656	7,746
Loans secured by mortgages	24,628	26,002	12,960	1,842	65,432
Loans secured by pledges	38	77	35	68	218
<b>Total</b>	<b>39,115</b>	<b>43,789</b>	<b>19,357</b>	<b>3,556</b>	<b>105,817</b>

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.5 Debt instruments

##### (1) Credit quality of debt instruments

The table below represents the carrying amounts of financial assets at amortized cost and financial assets measured at FVTOCI – debt instruments:

	As at June 30, 2025			
	Stage 1 (i)	Stage 2	Stage 3	Total
Financial assets measured at FVTOCI – debt instruments	<b>684,683</b>	–	–	<b>684,683</b>
Financial assets measured at amortized cost	<b>4,392,818</b>	<b>1,022</b>	–	<b>4,393,840</b>
<b>Total</b>	<b>5,077,501</b>	<b>1,022</b>	–	<b>5,078,523</b>

	As at December 31, 2024			
	Stage 1 (i)	Stage 2	Stage 3	Total
Financial assets measured at FVTOCI – debt instruments	668,812	–	–	668,812
Financial assets measured at amortized cost	4,305,138	1,375	–	4,306,513
<b>Total</b>	<b>4,973,950</b>	<b>1,375</b>	–	<b>4,975,325</b>



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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.5 Debt instruments (continued)

(1) Credit quality of debt instruments (continued)

(i) Debt instruments of stage 1

The types of debt instruments	As at June 30, 2025		Total
	Financial assets at FVTOCI	Financial assets at amortized cost	
Debt securities-by types of issuers:			
Government	249,564	1,996,373	2,245,937
Financial institutions	323,215	1,927,370	2,250,585
Corporates	64,651	136,263	200,914
Interbank certificates of deposits	47,253	259,433	306,686
Asset-backed securities	–	71,540	71,540
Other debt instruments	–	4,936	4,936
Debt financing plans	–	408	408
Gross amount	684,683	4,396,323	5,081,006
Less: Allowance for impairment loss	–	3,505	3,505
Carrying amount of debt instruments at stage 1	684,683	4,392,818	5,077,501

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.5 Debt instruments (continued)

(1) Credit quality of debt instruments (continued)

(i) Debt instruments of stage 1 (continued)

The types of debt instruments	As at December 31, 2024		Total
	Financial assets at FVTOCI	Financial assets at amortized cost	
Debt securities-by types of issuers:			
Government	308,090	1,704,448	2,012,538
Financial institutions	280,494	2,066,271	2,346,765
Corporates	79,322	134,371	213,693
Interbank certificates of deposits	906	293,645	294,551
Asset-backed securities	–	97,116	97,116
Other debt instruments	–	11,789	11,789
Debt financing plans	–	1,451	1,451
Gross amount	668,812	4,309,091	4,977,903
Less: Allowance for impairment loss	–	3,953	3,953
Carrying amount of debt instruments at stage 1	668,812	4,305,138	4,973,950



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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.5 Debt instruments (continued)

##### (2) Debt instruments analyzed by credit rating

The Group adopts a credit rating approach to manage the credit risk of the debts instruments held. The ratings are based on the ratings from major rating agencies where the issuers of the debt instruments are located. The amounts of debts instruments analyzed by rating as at the end of the reporting period are as follows:

	As at June 30, 2025					Total
	Unrated	AAA	AA	A	Below A	
Government bonds	588,344	1,658,683	2,440	1,064	-	2,250,531
Bonds issued by financial institutions	1,912,921	378,308	1,403	14,766	9,704	2,317,102
Corporate bonds	103,139	98,383	2,924	11,395	2,551	218,392
Interbank certificates of deposits	461,659	4,442	-	-	-	466,101
Asset-backed securities	18,594	63,182	-	-	500	82,276
Debt financing plans	408	-	-	-	-	408
Fund investments	832,581	-	-	-	-	832,581
Trust investment plans and asset management plans	45	-	-	-	-	45
Wealth management products issued by financial institutions	1,335	-	-	-	-	1,335
Other debt instruments	17,256	-	-	-	-	17,256
<b>Total</b>	<b>3,936,282</b>	<b>2,202,998</b>	<b>6,767</b>	<b>27,225</b>	<b>12,755</b>	<b>6,186,027</b>

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## 41 Financial risk management (continued)

### 41.3 Credit risk (continued)

#### 41.3.5 Debt instruments (continued)

##### (2) Debt instruments analyzed by credit rating (continued)

	As at December 31, 2024					Total
	Unrated	AAA	AA	A	Below A	
Government bonds	740,529	1,271,394	2,643	488	-	2,015,054
Bonds issued by financial institutions	2,049,028	325,951	1,458	11,056	11,253	2,398,746
Corporate bonds	103,834	111,339	1,579	12,571	2,795	232,118
Interbank certificates of deposits	415,243	5,083	-	-	-	420,326
Asset-backed securities	25,155	75,577	59	-	500	101,291
Debt financing plans	1,451	-	-	-	-	1,451
Fund investments	825,356	-	-	-	-	825,356
Trust investment plans and asset management plans	45	-	-	-	-	45
Wealth management products issued by financial institutions	1,029	-	-	-	-	1,029
Other debt instruments	24,823	-	-	-	-	24,823
<b>Total</b>	<b>4,186,493</b>	<b>1,789,344</b>	<b>5,739</b>	<b>24,115</b>	<b>14,548</b>	<b>6,020,239</b>

Unrated debt instruments held by the Group are bonds issued by the Chinese government, policy banks, interbank certificates of deposits, fund investments and other debt instruments such as trust investment plans and asset management plans issued by financial institutions, the principal and income of which are mainly guaranteed by financial institutions or third party companies, or secured by bills and other financial assets as collateral.

#### 41.3.6 Concentration of credit risk

The credit risk exposure of financial assets mainly concentrates in the mainland of China.



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## 41 Financial risk management (continued)

### 41.4 Market risk

Market risk refers to the risk of losses in the on- and off-balance sheet business arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price).

The Group adopts a centralized approach during the market risk management process, including identification, measurement, monitoring and mitigation of the market risk. The Group has established basic policies and procedures for the management of market risk, separation of banking and trading books, and valuation of financial assets. The Group applies such policies and procedures to identify, measure, monitor and mitigate market risks on both banking book and trading book respectively.

The Group is also exposed to market risk on its derivative investments on behalf of customers that are hedged through back-to-back transactions with other financial institutions.

The Group uses exposure analysis, profit or loss analysis, sensitivity analysis, scenario analysis, value at risk (VaR), and stress testing and other methods to manage the market risk and control the risk exposure within an acceptable range.

#### Foreign exchange rate risk

The tables below present the Group's exposures that were subject to changes in exchange rates as at June 30, 2025 and December 31, 2024 respectively. The Group's RMB exposures were included in the table for comparison. The financial assets and liabilities and off-balance sheet credit commitments were stated at their carrying amounts in RMB equivalent.

The major currency of the Group for daily operation is RMB. Other currencies used by the Group include United States Dollars (USD), Euro (EUR), Hong Kong Dollars (HKD) and U.K. Pound Sterling (GBP), etc.

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## 41 Financial risk management (continued)

### 41.4 Market risk (continued)

#### Foreign exchange rate risk (continued)

	As at June 30, 2025			
		USD	Other currencies	Total
	RMB	(RMB equivalent)	(RMB equivalent)	
Cash and deposits with central bank	1,285,141	2,902	814	1,288,857
Deposits with banks and other financial institutions	382,784	3,496	1,212	387,492
Placements with banks and other financial institutions	355,739	12,270	-	368,009
Derivative financial assets	3,250	1,505	11	4,766
Financial assets held under resale agreements	421,253	-	-	421,253
Loans and advances to customers	9,303,038	4,496	1,903	9,309,437
Financial assets measured at FVTPL	1,077,479	10,220	-	1,087,699
Financial assets measured at FVTOCI-debt instruments	681,859	2,019	805	684,683
Financial assets measured at FVTOCI-equity instruments	4,647	-	-	4,647
Financial assets measured at amortized cost	4,347,928	45,065	847	4,393,840
Other financial assets	38,896	878	29	39,803
<b>Total financial assets</b>	<b>17,902,014</b>	<b>82,851</b>	<b>5,621</b>	<b>17,990,486</b>
Borrowings from central bank	26,963	-	-	26,963
Deposits from banks and other financial institutions	234,266	-	-	234,266
Placements from banks and other financial institutions	49,269	7,098	-	56,367
Derivative financial liabilities	3,926	2,524	86	6,536
Financial assets sold under repurchase agreements	222,960	5,069	-	228,029
Customer deposits	16,062,134	26,791	19,884	16,108,809
Debt securities issued	265,421	-	-	265,421
Other financial liabilities	78,760	21	2	78,783
<b>Total financial liabilities</b>	<b>16,943,699</b>	<b>41,503</b>	<b>19,972</b>	<b>17,005,174</b>
<b>Net on-balance sheet position</b>	<b>958,315</b>	<b>41,348</b>	<b>(14,351)</b>	<b>985,312</b>
<b>Net notional amount of derivative financial instruments</b>	<b>5,237</b>	<b>(11,945)</b>	<b>5,310</b>	<b>(1,398)</b>
<b>Credit commitments</b>	<b>1,027,694</b>	<b>23,485</b>	<b>4,876</b>	<b>1,056,055</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

## 41 Financial risk management (continued)

### 41.4 Market risk (continued)

#### Foreign exchange rate risk (continued)

	As at December 31, 2024			Total
	RMB	USD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and deposits with central bank	1,311,354	3,043	306	1,314,703
Deposits with banks and other financial institutions	258,146	3,613	717	262,476
Placements with banks and other financial institutions	339,246	8,771	-	348,017
Derivative financial assets	3,106	3,532	23	6,661
Financial assets held under resale agreements	229,842	-	-	229,842
Loans and advances to customers	8,675,061	7,398	1,685	8,684,144
Financial assets measured at FVTPL	1,024,165	-	-	1,024,165
Financial assets measured at FVTOCI-debt instruments	665,500	2,590	722	668,812
Financial assets measured at FVTOCI-equity instruments	4,637	-	-	4,637
Financial assets measured at amortized cost	4,259,447	46,181	885	4,306,513
Other financial assets	44,934	312	-	45,246
<b>Total financial assets</b>	<b>16,815,438</b>	<b>75,440</b>	<b>4,338</b>	<b>16,895,216</b>
Borrowings from central bank	26,138	-	-	26,138
Deposits from banks and other financial institutions	135,599	-	-	135,599
Placements from banks and other financial institutions	44,288	3,011	-	47,299
Derivative financial liabilities	3,480	3,713	6	7,199
Financial assets sold under repurchase agreements	187,395	-	7,129	194,524
Customer deposits	15,249,859	33,540	4,142	15,287,541
Debt securities issued	241,980	-	-	241,980
Other financial liabilities	68,144	438	47	68,629
<b>Total financial liabilities</b>	<b>15,956,883</b>	<b>40,702</b>	<b>11,324</b>	<b>16,008,909</b>
<b>Net on-balance sheet position</b>	<b>858,555</b>	<b>34,738</b>	<b>(6,986)</b>	<b>886,307</b>
<b>Net notional amount of derivative financial instruments</b>	<b>2,926</b>	<b>(2,908)</b>	<b>(161)</b>	<b>(143)</b>
<b>Credit commitments</b>	<b>933,624</b>	<b>18,264</b>	<b>4,434</b>	<b>956,322</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

## 41 Financial risk management (continued)

### 41.4 Market risk (continued)

#### Foreign exchange rate risk (continued)

##### Exchange rate sensitivity analysis

The table below indicates the potential effect of appreciation or depreciation of USD spot and forward exchange rate against RMB by 5% on net profit of the Group.

Exchange rate changes	As at June 30, 2025	As at December 31, 2024
5% of appreciation of USD against RMB	<b>222</b>	509
5% of depreciation of USD against RMB	<b>(222)</b>	(509)

The impact on the net profit arises from the effects of fluctuation in RMB exchange rate on the net positions of foreign monetary assets and liabilities. The effect on the net profit is based on the assumption that the Group's net foreign currency at the end of the reporting period remains unchanged. The Group mitigates its foreign currency risk through active management of its foreign exchange exposures, based on the management expectation of future foreign currency fluctuation. Therefore the above sensitivity analysis may differ from the actual situation.

### 41.5 Interest rate risk in the banking book

Interest rate risk in banking book refers to the risk that causes losses to the economic value of books and overall earnings of banks due to adverse changes in interest rates and maturity structure, etc. The interest rate risk in the Group's banking book mainly arises from the mismatch between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis.

The Group measures the gap between assets and liabilities caused by repricing dates and maturity dates mismatch through using repricing gap analysis, and makes adjustments to refine the structure and bridge the interest rate risk gap by assessing potential changes of interest rates.



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(All amounts in millions of RMB unless otherwise stated)

## 41 Financial risk management (continued)

### 41.5 Interest rate risk in the banking book (continued)

#### Sensitivity analysis on net interest income

The sensitivity analysis on net interest income is based on changes in interest rates with the assumption that all interest rates move by the same margin and the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behaviour, prime interest rates or any prepayment options on debt securities into consideration. On the assumption that the RMB yield and foreign currency yield move in parallel, the Group calculates changes of net interest income in the coming year.

The table below shows the potential impact on the Group's net interest income by an upward or a downward parallel shift of interest rates by 100 basis points. The actual circumstances may differ from the assumptions so that the impact on the net interest income as shown in the following analysis may be different from the actual outcome.

	(Decrease)/Increase in net interest income	
	As at June 30, 2025	As at December 31, 2024
Upward parallel shift of 100 bps for yield curves	(26,253)	(27,367)
Downward parallel shift of 100 bps for yield curves	26,253	27,367

#### Interest rate repricing gap analysis

The Group's interest rate exposures are as follows. The financial assets and financial liabilities at the end of the reporting period were stated at their carrying amounts based on the earlier of their repricing date or contractual maturity date.

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## 41 Financial risk management (continued)

### 41.5 Interest rate risk in the banking book (continued)

#### Interest rate repricing gap analysis (continued)

	As at June 30, 2025						Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Cash and deposits with central bank	1,240,962	-	-	-	-	47,895	1,288,857
Deposits with banks and other financial institutions	48,187	14,766	322,362	-	-	2,177	387,492
Placements with banks and other financial institutions	31,233	61,257	184,849	90,123	-	547	368,009
Derivative financial assets	-	-	-	-	-	4,766	4,766
Financial assets held under resale agreements	397,878	12,792	10,341	-	-	242	421,253
Loans and advances to customers	818,358	1,331,038	6,420,604	706,176	14,691	18,570	9,309,437
Financial assets measured at FVTPL	18,007	46,242	120,298	22,282	43,692	837,178	1,087,699
Financial assets measured at FVTOCI-debt instruments	9,756	28,296	179,285	355,333	104,255	7,758	684,683
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	4,647	4,647
Financial assets measured at amortized cost	33,214	200,622	555,570	2,022,710	1,533,495	48,229	4,393,840
Other financial assets	-	-	-	-	-	39,803	39,803
<b>Total financial assets</b>	<b>2,597,595</b>	<b>1,695,013</b>	<b>7,793,309</b>	<b>3,196,624</b>	<b>1,696,133</b>	<b>1,011,812</b>	<b>17,990,486</b>
Borrowings from central bank	1,979	4,684	19,743	-	-	557	26,963
Deposits from banks and other financial institutions	233,830	-	151	200	-	85	234,266
Placements from banks and other financial institutions	11,721	8,500	35,753	-	-	393	56,367
Derivative financial liabilities	-	-	-	-	-	6,536	6,536
Financial assets sold under repurchase agreements	161,023	61,836	4,858	-	-	312	228,029
Customer deposits	4,896,773	1,328,380	8,227,699	1,527,856	-	128,101	16,108,809
Debt securities issued	-	84,991	48,294	9,676	119,992	2,468	265,421
Other financial liabilities	207	434	1,817	5,503	1,374	69,448	78,783
<b>Total financial liabilities</b>	<b>5,305,533</b>	<b>1,488,825</b>	<b>8,338,315</b>	<b>1,543,235</b>	<b>121,366</b>	<b>207,900</b>	<b>17,005,174</b>
<b>Interest rate risk gap</b>	<b>(2,707,938)</b>	<b>206,188</b>	<b>(545,006)</b>	<b>1,653,389</b>	<b>1,574,767</b>	<b>803,912</b>	<b>985,312</b>

The data set out in the above table includes trading book data.



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## 41 Financial risk management (continued)

### 41.5 Interest rate risk in the banking book (continued)

#### Interest rate repricing gap analysis (continued)

	As at December 31, 2024						Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Cash and deposits with central bank	1,260,371	-	-	-	-	54,332	1,314,703
Deposits with banks and other financial institutions	32,591	58,488	168,837	-	-	2,560	262,476
Placements with banks and other financial institutions	44,517	48,030	186,855	68,071	-	544	348,017
Derivative financial assets	-	-	-	-	-	6,661	6,661
Financial assets held under resale agreements	173,548	46,472	9,591	-	-	231	229,842
Loans and advances to customers	3,078,464	982,941	3,978,604	604,195	19,405	20,535	8,684,144
Financial assets measured at FVTPL	31,734	28,328	79,542	15,817	39,435	829,309	1,024,165
Financial assets measured at FVTOCI-debt instruments	19,306	42,786	146,976	306,259	146,001	7,484	668,812
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	4,637	4,637
Financial assets measured at amortized cost	57,470	82,534	606,955	1,894,254	1,605,725	59,575	4,306,513
Other financial assets	-	-	-	-	-	45,246	45,246
<b>Total financial assets</b>	<b>4,698,001</b>	<b>1,289,579</b>	<b>5,177,360</b>	<b>2,888,596</b>	<b>1,810,566</b>	<b>1,031,114</b>	<b>16,895,216</b>
Borrowings from central bank	1,633	4,819	19,040	-	-	646	26,138
Deposits from banks and other financial institutions	135,209	-	300	20	-	70	135,599
Placements from banks and other financial institutions	8,297	11,671	26,815	-	-	516	47,299
Derivative financial liabilities	-	-	-	-	-	7,199	7,199
Financial assets sold under repurchase agreements	105,025	85,241	4,101	-	-	157	194,524
Customer deposits	5,540,590	3,031,515	5,269,001	1,272,914	-	173,521	15,287,541
Debt securities issued	-	44,289	61,612	13,495	119,992	2,592	241,980
Other financial liabilities	209	423	2,134	5,030	1,425	59,408	68,629
<b>Total financial liabilities</b>	<b>5,790,963</b>	<b>3,177,958</b>	<b>5,383,003</b>	<b>1,291,459</b>	<b>121,417</b>	<b>244,109</b>	<b>16,008,909</b>
<b>Interest rate risk gap</b>	<b>(1,092,962)</b>	<b>(1,888,379)</b>	<b>(205,643)</b>	<b>1,597,137</b>	<b>1,689,149</b>	<b>787,005</b>	<b>886,307</b>

The data set out in the above table includes trading book data.

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## 41 Financial risk management (continued)

### 41.6 Liquidity risk

Liquidity risk refers to the risk of failure to obtain sufficient funds by commercial banks at a reasonable cost in a timely manner to repay matured debts, fulfill other payment obligations and meet other financial needs of normal operation. Liquidity risk may arise from the following events or factors: significant adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, excessive maturity mismatch between assets and liabilities, difficulties in asset realization, weakened financing ability, operating losses and risks associated with the affiliates, etc.

The objective of liquidity risk management of the Group is to effectively identify, measure, monitor and control liquidity risk via the establishment of a scientific and comprehensive liquidity risk management system, and to ensure that the liquidity demand is satisfied and its payment obligation to external parties is fulfilled promptly under the normal operation scenario and the stress scenario. The Group adheres to a prudent and sound liquidity risk management strategy, proactively assesses changes in both internal and external conditions, reasonably manages the overall amount, pace and structure of its funding sources and uses, and strikes a balance among safety, liquidity and profitability. In accordance with requirements of regulatory policies, changes in external environment as well as the characteristics of its business, formulates liquidity risk management policies such as those on limit management, intraday liquidity management, stress testing and contingency plans, manages the liquidity risk of the Group in a centralized manner.

The Group conducts liquidity risk stress tests on a quarterly basis to identify potential liquidity risks and continually improve stress testing methods based on regulatory and internal management requirements. The stress test results show that under the various pressure scenario assumptions, the Group can pass the minimum life expectancy test.

The Group's liabilities were stable, as its major source of funds was retail deposits. Its assets were highly liquid, with a relatively large proportion of qualified high-quality bonds. During the reporting period, the Group's liquidity regulatory indicators were functioning normally, with sufficient liquidity as a whole and safe and controllable.



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## 41 Financial risk management (continued)

### 41.6 Liquidity risk (continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities

	As at June 30, 2025								Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	
Cash and deposits with central bank	-	91,570	-	645	1,382	83	-	1,195,177	1,288,857
Deposits with banks and other financial institutions	-	33,827	14,571	14,933	324,161	-	-	-	387,492
Placements with banks and other financial institutions	-	-	31,500	61,350	185,036	90,123	-	-	368,009
Derivative financial assets	-	-	946	838	718	2,264	-	-	4,766
Financial assets held under resale agreements	-	-	398,057	12,829	10,367	-	-	-	421,253
Loans and advances to customers	24,406	-	315,846	585,148	2,810,542	1,988,862	3,584,633	-	9,309,437
Financial assets measured at FVTPL	-	278,625	22,577	65,920	350,738	199,341	169,436	1,062	1,087,699
Financial assets measured at FVTOCI-debt instruments	-	-	10,814	30,550	183,731	355,333	104,255	-	684,683
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	-	-	4,647	4,647
Financial assets measured at amortized cost	-	-	41,756	216,633	578,105	2,023,643	1,533,703	-	4,393,840
Other financial assets	2,353	30,836	154	4,460	432	723	-	845	39,803
<b>Total financial assets</b>	<b>26,759</b>	<b>434,858</b>	<b>836,221</b>	<b>993,306</b>	<b>4,445,212</b>	<b>4,660,372</b>	<b>5,392,027</b>	<b>1,201,731</b>	<b>17,990,486</b>
Borrowings from central bank	-	-	2,235	4,750	19,978	-	-	-	26,963
Deposits from banks and other financial institutions	-	233,903	10	-	152	201	-	-	234,266
Placements from banks and other financial institutions	-	-	11,821	8,604	35,942	-	-	-	56,367
Derivative financial liabilities	-	-	1,198	825	1,979	2,534	-	-	6,536
Financial assets sold under repurchase agreements	-	-	161,131	61,992	4,906	-	-	-	228,029
Customer deposits	-	4,211,999	703,166	1,347,982	8,291,290	1,554,372	-	-	16,108,809
Debt securities issued	-	-	39	86,878	48,836	9,676	119,992	-	265,421
Other financial liabilities	-	20,217	43,626	4,802	2,309	6,102	1,374	353	78,783
<b>Total financial liabilities</b>	<b>-</b>	<b>4,466,119</b>	<b>923,226</b>	<b>1,515,833</b>	<b>8,405,392</b>	<b>1,572,885</b>	<b>121,366</b>	<b>353</b>	<b>17,005,174</b>
<b>Net liquidity</b>	<b>26,759</b>	<b>(4,031,261)</b>	<b>(87,005)</b>	<b>(522,527)</b>	<b>(3,960,180)</b>	<b>3,087,487</b>	<b>5,270,661</b>	<b>1,201,378</b>	<b>985,312</b>

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## 41 Financial risk management (continued)

### 41.6 Liquidity risk (continued)

#### Analysis of the remaining contractual maturity of financial assets and financial liabilities (continued)

	As at December 31, 2024								Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	
Cash and deposits with central bank	-	98,742	-	818	1,223	198	-	1,213,722	1,314,703
Deposits with banks and other financial institutions	-	7,201	25,879	59,429	169,967	-	-	-	262,476
Placements with banks and other financial institutions	-	-	44,646	48,381	186,911	68,079	-	-	348,017
Derivative financial assets	-	-	485	882	2,294	3,000	-	-	6,661
Financial assets held under resale agreements	-	-	173,649	46,587	9,606	-	-	-	229,842
Loans and advances to customers	27,938	-	314,596	471,899	2,612,238	1,885,647	3,371,826	-	8,684,144
Financial assets measured at FVTPL	-	268,579	58,781	46,227	358,538	117,846	173,060	1,134	1,024,165
Financial assets measured at FVTOCI-debt instruments	-	-	20,479	44,843	151,230	306,259	146,001	-	668,812
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	-	-	4,637	4,637
Financial assets measured at amortized cost	-	-	68,731	101,558	635,145	1,895,345	1,605,734	-	4,306,513
Other financial assets	2,059	38,038	464	3,043	361	447	-	834	45,246
<b>Total financial assets</b>	<b>29,997</b>	<b>412,560</b>	<b>707,710</b>	<b>823,667</b>	<b>4,127,513</b>	<b>4,276,821</b>	<b>5,296,621</b>	<b>1,220,327</b>	<b>16,895,216</b>
Borrowings from central bank	-	-	1,660	4,889	19,589	-	-	-	26,138
Deposits from banks and other financial institutions	-	135,260	-	-	319	20	-	-	135,599
Placements from banks and other financial institutions	-	-	8,474	11,807	27,018	-	-	-	47,299
Derivative financial liabilities	-	-	605	1,111	2,245	3,238	-	-	7,199
Financial assets sold under repurchase agreements	-	-	105,059	85,359	4,106	-	-	-	194,524
Customer deposits	-	4,215,516	1,358,247	3,089,765	5,324,083	1,299,930	-	-	15,287,541
Debt securities issued	-	-	-	45,671	62,822	13,495	119,992	-	241,980
Other financial liabilities	-	12,628	38,577	6,701	3,270	5,852	1,425	176	68,629
<b>Total financial liabilities</b>	<b>-</b>	<b>4,363,404</b>	<b>1,512,622</b>	<b>3,245,303</b>	<b>5,443,452</b>	<b>1,322,535</b>	<b>121,417</b>	<b>176</b>	<b>16,008,909</b>
<b>Net liquidity</b>	<b>29,997</b>	<b>(3,950,844)</b>	<b>(804,912)</b>	<b>(2,421,636)</b>	<b>(1,315,939)</b>	<b>2,954,286</b>	<b>5,175,204</b>	<b>1,220,151</b>	<b>886,307</b>



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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

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## 41 Financial risk management (continued)

### 41.6 Liquidity risk (continued)

**Analysis of the undiscounted contractual cash flows of non-derivative financial assets and financial liabilities by remaining maturities**

The Group manages its inherent liquidity risk in the short term based on the expected undiscounted cash flows.

	As at June 30, 2025								Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	
Non-derivative financial assets									
Cash and deposits with central bank	-	91,570	-	645	1,382	83	-	1,195,177	1,288,857
Deposits with banks and other financial institutions	-	33,827	14,606	15,340	327,913	-	-	-	391,686
Placements with banks and other financial institutions	-	-	31,509	62,805	188,096	94,046	-	-	376,456
Financial assets held under resale agreements	-	-	399,289	12,874	10,470	-	-	-	422,633
Loans and advances to customers	26,759	-	330,314	616,083	2,984,026	2,620,844	4,835,751	-	11,413,777
Financial assets measured at FVTPL	-	278,625	22,806	66,205	352,866	204,887	173,168	1,062	1,099,619
Financial assets measured at FVTOCI-debt instruments	-	-	11,123	31,603	191,308	378,715	111,040	-	723,789
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	-	-	4,647	4,647
Financial assets measured at amortized cost	-	-	42,730	222,944	648,536	2,352,741	1,734,119	-	5,001,070
Other financial assets	-	30,836	154	4,460	432	723	-	845	37,450
<b>Total non-derivative financial assets</b>	<b>26,759</b>	<b>434,858</b>	<b>852,531</b>	<b>1,032,959</b>	<b>4,705,029</b>	<b>5,652,039</b>	<b>6,854,078</b>	<b>1,201,731</b>	<b>20,759,984</b>
Non-derivative financial liabilities									
Borrowings from central bank	-	-	2,237	4,767	20,202	-	-	-	27,206
Deposits from banks and other financial institutions	-	233,903	10	-	157	219	-	-	234,289
Placements from banks and other financial institutions	-	-	11,822	8,724	36,258	-	-	-	56,804
Financial assets sold under repurchase agreements	-	-	161,154	62,230	5,049	-	-	-	228,433
Customer deposits	-	4,211,999	703,673	1,351,735	8,366,396	1,617,464	-	-	16,251,267
Debt securities issued	-	-	42	88,332	50,221	27,450	142,833	-	308,878
Other financial liabilities	-	20,217	43,633	4,817	2,374	6,301	1,423	353	79,118
<b>Total non-derivative financial liabilities</b>	<b>-</b>	<b>4,466,119</b>	<b>922,571</b>	<b>1,520,605</b>	<b>8,480,657</b>	<b>1,651,434</b>	<b>144,256</b>	<b>353</b>	<b>17,185,995</b>
<b>Net liquidity</b>	<b>26,759</b>	<b>(4,031,261)</b>	<b>(70,040)</b>	<b>(487,646)</b>	<b>(3,775,628)</b>	<b>4,000,605</b>	<b>6,709,822</b>	<b>1,201,378</b>	<b>3,573,989</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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## 41 Financial risk management (continued)

### 41.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of non-derivative financial assets and financial liabilities by remaining maturities (continued)

	As at December 31, 2024								Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	
Non-derivative financial assets									
Cash and deposits with central bank	-	98,742	-	818	1,223	198	-	1,213,722	1,314,703
Deposits with banks and other financial institutions	-	7,201	26,046	60,040	172,565	-	-	-	265,852
Placements with banks and other financial institutions	-	-	44,787	49,626	189,849	70,704	-	-	354,966
Financial assets held under resale agreements	-	-	173,676	46,787	9,666	-	-	-	230,129
Loans and advances to customers	29,997	-	330,092	503,717	2,786,761	2,544,419	4,680,465	-	10,875,451
Financial assets measured at FVTPL	-	268,579	59,013	46,367	360,295	122,773	176,155	1,134	1,034,316
Financial assets measured at FVTOCI-debt instruments	-	-	20,575	45,243	156,176	331,566	154,785	-	708,345
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	-	-	4,637	4,637
Financial assets measured at amortized cost	-	-	70,349	108,174	699,728	2,245,022	1,814,182	-	4,937,455
Other financial assets	-	38,038	464	3,043	361	447	-	834	43,187
<b>Total non-derivative financial assets</b>	<b>29,997</b>	<b>412,560</b>	<b>725,002</b>	<b>863,815</b>	<b>4,376,624</b>	<b>5,315,129</b>	<b>6,825,587</b>	<b>1,220,327</b>	<b>19,769,041</b>
Non-derivative financial liabilities									
Borrowings from central bank	-	-	1,662	4,905	19,800	-	-	-	26,367
Deposits from banks and other financial institutions	-	135,260	-	-	322	21	-	-	135,603
Placements from banks and other financial institutions	-	-	8,489	11,904	27,380	-	-	-	47,773
Financial assets sold under repurchase agreements	-	-	105,077	85,589	4,126	-	-	-	194,792
Customer deposits	-	4,215,516	1,359,391	3,098,539	5,378,981	1,354,823	-	-	15,407,250
Debt securities issued	-	-	-	46,156	64,938	30,725	137,380	-	279,199
Other financial liabilities	-	12,628	38,602	6,752	3,528	6,459	1,597	176	69,742
<b>Total non-derivative financial liabilities</b>	<b>-</b>	<b>4,363,404</b>	<b>1,513,221</b>	<b>3,253,845</b>	<b>5,499,075</b>	<b>1,392,028</b>	<b>138,977</b>	<b>176</b>	<b>16,160,726</b>
<b>Net liquidity</b>	<b>29,997</b>	<b>(3,950,844)</b>	<b>(788,219)</b>	<b>(2,390,030)</b>	<b>(1,122,451)</b>	<b>3,923,101</b>	<b>6,686,610</b>	<b>1,220,151</b>	<b>3,608,315</b>



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## 41 Financial risk management (continued)

### 41.6 Liquidity risk (continued)

#### Analysis of the undiscounted contractual cash flows of derivative financial instruments by remaining maturities

##### Derivative financial instruments settled on a net basis

The fair value of the Group's derivative financial instruments that will be settled on a net basis are primarily related to changes in interest rates. The tables below present the undiscounted contractual cash flows of the Group's net derivative positions based on their remaining contractual maturities:

	As at June 30, 2025							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Interest rate derivative financial instruments	-	-	(10)	(8)	(16)	(198)	-	(232)

	As at December 31, 2024							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Interest rate derivative financial instruments	-	-	(9)	(4)	(72)	(187)	-	(272)

##### Derivative financial instruments settled on a gross basis

The fair value of the Group's derivative financial instruments that will be settled on a gross basis are primarily related to changes in foreign exchange rates, interest rates and precious metal. The tables below present the undiscounted contractual cash flows of the Group's gross derivative positions based on their remaining contractual maturities:

	As at June 30, 2025							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Derivative financial instruments settled on a gross basis								
- Cash inflow	-	-	150,014	70,424	169,542	10,041	-	400,021
- Cash outflow	-	-	(150,294)	(70,410)	(170,551)	(10,162)	-	(401,417)
Total	-	-	(280)	14	(1,009)	(121)	-	(1,396)

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## 41 Financial risk management (continued)

### 41.6 Liquidity risk (continued)

#### Analysis of the undiscounted contractual cash flows of derivative financial instruments by remaining maturities (continued)

Derivative financial instruments settled on a gross basis (continued)

	As at December 31, 2024							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Derivative financial instruments settled on a gross basis								
- Cash inflow	-	-	61,391	66,368	151,785	6,615	-	286,159
- Cash outflow	-	-	(61,595)	(66,556)	(151,510)	(6,640)	-	(286,301)
<b>Total</b>	-	-	(204)	(188)	275	(25)	-	(142)

#### Credit commitments

The off-balance sheet items of the Group are listed in the following table by remaining contractual maturity, and the financial guarantees are listed in the notional amount according to the earliest contract expiration date:

	As at June 30, 2025			Total
	Within 1 year	1 to 5 years	Over 5 years	
Loan commitments	-	2,301	20,968	23,269
Bank acceptances	231,937	-	-	231,937
Guarantees and letters of guarantee	72,861	61,128	9,746	143,735
Letters of credit	171,256	-	-	171,256
Unused credit card commitments	485,858	-	-	485,858
<b>Total</b>	<b>961,912</b>	<b>63,429</b>	<b>30,714</b>	<b>1,056,055</b>

	As at December 31, 2024			Total
	Within 1 year	1 to 5 years	Over 5 years	
Loan commitments	12,600	13,632	1,311	27,543
Bank acceptances	186,026	-	-	186,026
Guarantees and letters of guarantee	58,632	57,201	7,983	123,816
Letters of credit	127,969	-	-	127,969
Unused credit card commitments	490,968	-	-	490,968
<b>Total</b>	<b>876,195</b>	<b>70,833</b>	<b>9,294</b>	<b>956,322</b>



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## 41 Financial risk management (continued)

### 41.7 Operational risk

Operational risk refers to risks caused by inadequate or problematic internal procedures, employee misconduct and IT system failures, and external events. The types of operational risks that the Group may face include seven categories: internal fraud, external fraud, employment systems and workplace safety, customers, products and business activities, damage to physical assets, information technology system failures, execution, delivery and process management.

Guided by the operational risk appetite approved by the Board of Directors, the Group's senior management is mainly responsible for establishing and implementing the operational risk management policies and limits. The policies aim to continuously improve the internal control mechanism, reinforce the supervision and inspection framework, improve the information technology capability, enrich the basis of operation management, intensify monitoring reports, regulate staff behaviour, foster risk management culture and initiative awareness to regulations and ensure the security of business operation.

### 41.8 Fair value of financial instruments

Most of the balance sheet items of the Group are financial assets and financial liabilities. The fair value measurement of non-financial assets and non-financial liabilities will not have a significant impact on the Group's overall financial performance.

During the six-month period ended June 30, 2025 and 2024, there were no assets or liabilities which were discontinued being measured at fair value by the Group.

#### (1) Valuation techniques, parameters and processes

The fair value of financial assets and financial liabilities is determined according to the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in an active market is determined by reference to the market price.
- For non-option derivative financial instruments, the fair value is determined by discounted cash flow analysis using the applicable yield curve within the term of the instrument.
- The fair value of other financial assets and financial liabilities is determined according to the generally accepted pricing model or the current market price observable for similar instruments based on the discounted cash flow analysis. If there is no observable market transaction price for similar instruments, the net assets are used for valuation, and the price is analyzed by the management.

The Group has established an independent valuation process for financial assets and financial liabilities to satisfy segregation of duties and relevant departments are respectively responsible for valuation, model validation and accounting treatment.

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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (2) Fair value hierarchy

Financial instruments at fair value are classified into the following three levels of measurement hierarchy:

Level 1: Fair value is determined based on quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

#### (3) Financial assets and financial liabilities not measured at fair value on the statement of financial position

Financial assets and liabilities not measured at fair value mainly represent deposits with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers measured at amortized cost, financial assets measured at amortized cost, borrowings from central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits and debt securities issued.



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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (3) Financial assets and financial liabilities not measured at fair value on the statement of financial position (continued)

The tables below summarize the carrying amounts and the fair value of the financial assets measured at amortized cost and debt securities issued which are not set out in the statement of financial position.

	As at June 30, 2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortized cost	4,393,840	4,592,953	–	4,317,001	275,952
Financial liabilities					
Debt securities issued	265,421	273,290	–	273,290	–

	As at December 31, 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortized cost	4,306,513	4,535,087	–	4,204,031	331,056
Financial liabilities					
Debt securities issued	241,980	250,365	–	250,365	–

Except for the financial assets and liabilities above, the fair value of other financial assets and financial liabilities not measured at fair value in the statement of financial position are determined using discounted future cash flows. There is no significant difference between their carrying amounts and fair value.

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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position

The tables below summarize the fair value of the financial assets and financial liabilities measured at their fair value on the statement of financial position.

	As at June 30, 2025			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Loans and advances to customers				
– Measured at FVTOCI	–	883,250	–	883,250
<b>Financial assets measured at FVTPL</b>				
– Debt securities	–	83,551	–	83,551
– Interbank certificates of deposits	–	159,415	–	159,415
– Asset-backed securities	–	9,559	151	9,710
– Fund investments	–	638,767	193,814	832,581
– Trust investment plans and asset management plans	–	–	45	45
– Wealth management products issued by financial institutions	–	1,335	–	1,335
– Equity instruments	222	–	840	1,062
<b>Subtotal</b>	<b>222</b>	<b>892,627</b>	<b>194,850</b>	<b>1,087,699</b>
<b>Derivative financial assets</b>				
– Exchange rate derivatives	–	1,516	–	1,516
– Interest rate derivatives	–	2,409	–	2,409
– Precious metal derivatives	–	841	–	841
<b>Subtotal</b>	<b>–</b>	<b>4,766</b>	<b>–</b>	<b>4,766</b>
<b>Financial assets measured at FVTOCI – debt instruments</b>				
– Debt securities	–	637,430	–	637,430
– Interbank certificates of deposits	–	47,253	–	47,253
<b>Subtotal</b>	<b>–</b>	<b>684,683</b>	<b>–</b>	<b>684,683</b>
<b>Financial assets measured at FVTOCI – equity instruments</b>				
– Equity instruments	–	1,548	3,099	4,647
<b>Total financial assets</b>	<b>222</b>	<b>2,466,874</b>	<b>197,949</b>	<b>2,665,045</b>
<b>Financial liabilities</b>				
<b>Derivative financial liabilities</b>				
– Exchange rate derivatives	–	(1,674)	–	(1,674)
– Interest rate derivatives	–	(2,632)	–	(2,632)
– Precious metal derivatives	–	(2,216)	–	(2,216)
– Other derivatives	–	(14)	–	(14)
<b>Subtotal</b>	<b>–</b>	<b>(6,536)</b>	<b>–</b>	<b>(6,536)</b>
<b>Other liabilities</b>				
– Financial liabilities at FVTPL	–	(2,376)	–	(2,376)
<b>Subtotal</b>	<b>–</b>	<b>(2,376)</b>	<b>–</b>	<b>(2,376)</b>
<b>Total financial liabilities</b>	<b>–</b>	<b>(8,912)</b>	<b>–</b>	<b>(8,912)</b>



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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Loans and advances to customers				
– Measured at FVTOCI	–	785,675	–	785,675
<b>Financial assets measured at FVTPL</b>				
– Debt securities	–	67,677	–	67,677
– Interbank certificates of deposits	–	125,775	–	125,775
– Asset-backed securities	–	3,149	–	3,149
– Fund investments	–	658,785	166,571	825,356
– Trust investment plans and asset management plans	–	–	45	45
– Wealth management products issued by financial institutions	–	1,029	–	1,029
– Equity instruments	235	–	899	1,134
<b>Subtotal</b>	<b>235</b>	<b>856,415</b>	<b>167,515</b>	<b>1,024,165</b>
<b>Derivative financial assets</b>				
– Exchange rate derivatives	–	3,487	–	3,487
– Interest rate derivatives	–	3,089	–	3,089
– Precious metal derivatives	–	85	–	85
<b>Subtotal</b>	<b>–</b>	<b>6,661</b>	<b>–</b>	<b>6,661</b>
<b>Financial assets measured at FVTOCI – debt instruments</b>				
– Debt securities	–	667,906	–	667,906
– Interbank certificates of deposits	–	906	–	906
<b>Subtotal</b>	<b>–</b>	<b>668,812</b>	<b>–</b>	<b>668,812</b>
<b>Financial assets measured at FVTOCI – equity instruments</b>				
– Equity instruments	–	1,550	3,087	4,637
<b>Total financial assets</b>	<b>235</b>	<b>2,319,113</b>	<b>170,602</b>	<b>2,489,950</b>
<b>Financial liabilities</b>				
<b>Derivative financial liabilities</b>				
– Exchange rate derivatives	–	(3,719)	–	(3,719)
– Interest rate derivatives	–	(3,357)	–	(3,357)
– Precious metal derivatives	–	(117)	–	(117)
– Other derivatives	–	(6)	–	(6)
<b>Subtotal</b>	<b>–</b>	<b>(7,199)</b>	<b>–</b>	<b>(7,199)</b>
<b>Other liabilities</b>				
– Financial liabilities at FVTPL	–	(1,169)	–	(1,169)
<b>Subtotal</b>	<b>–</b>	<b>(1,169)</b>	<b>–</b>	<b>(1,169)</b>
<b>Total financial liabilities</b>	<b>–</b>	<b>(8,368)</b>	<b>–</b>	<b>(8,368)</b>

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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

For financial instruments traded in active markets, the determination of fair value is based on quoted market prices. Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

Parameters used in valuation techniques mainly include debt securities prices, interest rates, exchange rates, equity prices, volatility level, correlation, pre-payment rate and counterparties' credit spread.

##### (a) Basis of determining the market price for recurring fair value measurements categorized within Level 1

Quoted prices are used for financial instruments with quoted prices in an active market.

##### (b) Valuation techniques, key parameters used for recurring fair value measurement categorized within Level 2

###### *Financial investments*

Financial investments using valuation techniques mainly consist of debt securities, interbank certificates of deposits, investment fund and equity instruments, etc. The fair value of RMB bonds and interbank certificates of deposits is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. The fair value of foreign currency bonds and interbank certificates of deposits is determined based on the valuation results of Bloomberg. The fair value of these bonds and interbank certificates of deposits is determined based on a valuation technique for which all significant inputs are observable market data. The fair value of the investment fund classified as Level 2 derived from the observable quoted price in market. The fair value of the equity instruments classified as Level 2 is measured by discounted cash flow method.

###### *Derivatives*

Derivatives using valuation techniques with market observable inputs are mainly foreign exchange forwards and swaps, interest rate swaps, cross currency interest rate swaps, and precious metals swaps, etc. The most frequently applied valuation techniques include discounted cash flow method and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, precious metal spot and forward price, interest rate yield curves, etc.

###### *Loans and advances to customers*

The loans and advances to customers involving valuation techniques are mainly forfaiting and discounted bills. The fair value of these forfaiting and discounted bills is measured by discounted cash flow method.

###### *Financial liabilities at FVTPL*

The fair value of RMB bonds is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. The fair value of precious metal contract is mainly determined in accordance with the closing prices of the Shanghai Gold Exchange.



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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below:

June 30, 2025	Fair value	Valuation technique	Unobservable inputs	
			Inputs	Relationship of unobservable inputs to fair value
Financial assets				
Financial assets measured at FVTPL				
– Fund investments	193,814	(i)	Net assets	Positive correlation
– Trust investment plans and asset management plans	45	(i)	Net assets Discounted	Positive correlation
– Asset-backed securities	151	(ii)	cash flow	Positive correlation
– Equity instruments	840	(i)	Net assets	Positive correlation
Subtotal	194,850			
Financial assets measured at				
FVTOCI – equity instruments	3,099	(i)	Net assets	Positive correlation
Total	197,949			

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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below: (continued)

December 31, 2024	Fair value	Valuation technique	Unobservable inputs	
			Inputs	Relationship of unobservable inputs to fair value
<b>Financial assets</b>				
Financial assets measured at FVTPL				
– Fund investments	166,571	(i)	Net assets	Positive correlation
– Trust investment plans and asset management plans	45	(i)	Net assets	Positive correlation
– Equity instruments	899	(i)	Net assets	Positive correlation
<b>Subtotal</b>	<b>167,515</b>			
Financial assets measured at FVTOCI – equity instruments				
	3,087	(i)	Net assets	Positive correlation
<b>Total</b>	<b>170,602</b>			

(i) The fair value of fund investments, trust investment plans and asset management plans, equity instruments measured at FVTPL, and equity instruments measured at FVTOCI are all determined using net asset method, where the significant unobservable inputs are the net assets.

(ii) For certain illiquid debt securities (mainly asset-backed securities), management uses valuation techniques to determine the fair value, including discounted cash flow analysis.



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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

- (c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below: (continued)

Changes in Level 3 are analyzed below:

	Six-month period ended June 30, 2025	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI-equity instruments
Balance at the beginning of the period	167,515	3,087
Increased	22,471	-
Total gains or losses recognized in		
- Profit or loss	4,864	-
- Other comprehensive income	-	12
Balance at the end of the period	194,850	3,099
Total unrealized gains in profit or loss	4,864	-

	Year ended December 31, 2024	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI-equity instruments
Balance at the beginning of the period	151,526	2,598
Increased	63,589	400
Settled	(50,845)	-
Total gains or losses recognized in		
- Profit or loss	3,245	-
- Other comprehensive income	-	89
Balance at the end of the period	167,515	3,087
Total unrealized gains in profit or loss	3,295	-

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## 41 Financial risk management (continued)

### 41.8 Fair value of financial instruments (continued)

#### (4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

##### (d) Transfers between Levels

For the six-month period ended June 30, 2025 and 2024, there were no changes of fair value hierarchies.

### 41.9 Capital management

The Group's capital management aims at meeting regulatory requirements, continuously improving the ability to mitigate risks and ensuring sustained and sound operations. Accordingly, the Group has set its capital adequacy objectives and employed various means and methods to meet its management objectives, including limit management and performance evaluation; to ensure its capital management meets external regulatory, credit rating, risk compensation and shareholders' value requirements; ensuring drive risk management across the Group; ensure a disciplinary expansion of its assets; and continually improve its business structure.

The Group has maintained steady business growth in recent years with an increase in the demand of capital accordingly. In order to ensure that the Group meets regulatory capital adequacy requirements and steadily strengthens returns to shareholders, the Group has continuously refined its capital constraint and guidance mechanisms, and promotes the transformation of its business model towards a capital efficient one through the comprehensive use of several measurement tools such as economic capital allocation, limit management, monitoring and reporting, performance assessment, and estimation of internal capital adequacy, in order to ensure that the capital adequacy ratios meet regulatory requirements continuously.

In accordance with the Capital Rules for Commercial Bank and the related provisions promulgated by the NFRA, and Additional Regulations Supervision on Systemically Important Banks (for Trial Implementation) (《系統重要性銀行附加監管規定(試行)》) issued by the PBOC and the former CBIRC, as at June 30, 2025, the Group's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio should be 8.00%, 9.00%, and 11.00% (December 31, 2024: 8.00%, 9.00% and 11.00%). During the six-month period ended June 30, 2025, the Group continuously intensified the monitoring, analyzing and reporting of capital adequacy ratios, constantly optimized the asset structure, reinforces internal capital accumulation, and promoted the supplement of external capital, in order to ensure that the Group's capital adequacy ratio meets regulatory requirements and internal management needs.



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## 41 Financial risk management (continued)

### 41.9 Capital management (continued)

The Group's regulatory capital as calculated according to the Rules on Capital Management of Commercial Banks (商業銀行資本管理辦法) promulgated by NFRA at June 30, 2025 and December 31, 2024 is as follows:

		As at June 30, 2025	As at December 31, 2024
CET1 capital adequacy ratio	(1)	<b>10.52%</b>	9.56%
Tier 1 capital adequacy ratio	(1)	<b>12.13%</b>	11.89%
Capital adequacy ratio	(1)	<b>14.57%</b>	14.44%
Common Equity Tier 1 capital		<b>989,909</b>	830,854
Common Equity Tier 1 capital: deductions	(2)	<b>(6,156)</b>	(6,663)
Net CET1 capital		<b>983,753</b>	824,191
Additional tier 1 capital		<b>150,165</b>	200,141
Net tier 1 capital		<b>1,133,918</b>	1,024,332
Tier 2 capital			
Tier 2 capital instruments and related premium		<b>119,992</b>	119,991
Valid portion of surplus provisions for loss		<b>108,239</b>	99,476
Valid portion of minority interests		<b>338</b>	312
Net capital	(3)	<b>1,362,487</b>	1,244,111
Risk-weighted assets	(4)	<b>9,349,529</b>	8,617,743

(1) CET1 capital adequacy ratio is equal to net common equity tier 1 capital divided by risk-weighted assets; tier 1 capital adequacy ratio is equal to net tier 1 capital divided by risk-weighted assets; and capital adequacy ratio is equal to net capital divided by risk-weighted assets.

(2) Deductions from common equity tier 1 capital include other intangible assets (not including land use rights).

(3) Net capital is equal to total capital net of deductions from total capital.

(4) Risk-weighted assets include credit risk-weighted assets measured using the standardized approach, market risk-weighted assets measured using the standardized approach, and operational risk-weighted assets measured using the standardized approach.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 42 Events after the end of the reporting period

### (1) Dividend distribution

On August 29, 2025, the Board of Directors of the Bank proposed distributing interim cash dividends for 2025 for ordinary shares of RMB1.230 (before tax) for each ten shares, totalling RMB14,772 million (tax included). This distribution plan shall be subject to the approval of the Shareholders' General Meeting.

### (2) Establishing a financial asset investment company

On July 16, 2025, with the resolution of the board of directors, the Bank intends to invest RMB10 billion with its own funds as the investment entity to initiate the establishment of China Post Financial Asset Investment Co., Ltd. (tentative name, subject to the name approved by relevant regulatory authorities and market supervision and management departments) in accordance with the "Management Measures for Financial Asset Investment Companies (Trial)". This investment still requires approval from relevant regulatory authorities.

### (3) The Contribution of Subscription Capital for State-level Funds

In July 2025, the Bank completed the second instalment of RMB440 million to the National Integrated Circuit Industry Investment Fund Phase III Co., Ltd., bringing the cumulative contribution to RMB840 million.

## 43 Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation.



# UNREVIEWED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 1 Liquidity ratios

	As at June 30, 2025	As at December 31, 2024
Liquidity ratios (RMB and foreign currency)	<b>104.07%</b>	94.13%

Pursuant to the relevant regulations published by the former CBIRC, the above liquidity ratio was calculated based on the financial statements prepared in accordance with Accounting Standards for Business Enterprises issued by the MOF.

## 2 Currency concentration

	As at June 30, 2025			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	71,545	1,152	16,701	89,398
Spot liabilities	(34,895)	(17,975)	(3,654)	(56,524)
Forward purchases	185,304	36,243	10,304	231,851
Forward sales	(197,907)	(17,745)	(22,439)	(238,091)
<b>Net long position</b>	<b>24,047</b>	<b>1,675</b>	<b>912</b>	<b>26,634</b>

	As at December 31, 2024			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	64,904	525	11,730	77,159
Spot liabilities	(34,015)	(3,386)	(8,448)	(45,849)
Forward purchases	142,850	6,698	8,170	157,718
Forward sales	(146,732)	(3,521)	(11,545)	(161,798)
<b>Net long/(short) position</b>	<b>27,007</b>	<b>316</b>	<b>(93)</b>	<b>27,230</b>

The Group had no structural position as at June 30, 2025 and December 31, 2024.

# UNREVIEWED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

## 3 International claims

The Group regards all claims on third parties outside the mainland of China and claims denominated in foreign currencies on third parties inside the mainland of China as international claims.

International claims include loans and advances to customers, deposits with the central bank, deposits and placements with banks and other financial institutions, investments in debt securities and others.

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

	As at June 30, 2025			Total
	Public sectors	Banks and other financial institutions	Non-bank private sectors	
Asia Pacific	13,281	79,108	34,641	127,030
– of which attributed to Hong Kong, China	9,342	15,468	15,560	40,370
Europe	–	24,693	8,577	33,270
North and South America	–	16,419	1,659	18,078
Other regions	337	–	75	412
<b>Total</b>	<b>13,618</b>	<b>120,220</b>	<b>44,952</b>	<b>178,790</b>

	As at December 31, 2024			Total
	Public sectors	Banks and other financial institutions	Non-bank private sectors	
Asia Pacific	8,664	78,503	32,003	119,170
– of which attributed to Hong Kong, China	4,951	19,282	13,182	37,415
Europe	–	22,951	8,099	31,050
North and South America	717	8,269	5,634	14,620
Other regions	341	–	–	341
<b>Total</b>	<b>9,722</b>	<b>109,723</b>	<b>45,736</b>	<b>165,181</b>



## UNREVIEWED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

(All amounts in millions of RMB unless otherwise stated)

### 4 Gross amounts of overdue loans and advances to customers

	As at June 30, 2025	As at December 31, 2024
Gross amounts of loans and advances to customers which have been overdue with respect to either principal or interest for periods <sup>(1)</sup>		
Within 3 months (inclusive)	<b>42,482</b>	39,032
Between 3 months and 6 months (inclusive)	<b>23,757</b>	20,389
Between 6 months and 12 months (inclusive)	<b>26,805</b>	23,365
Over 12 months	<b>24,609</b>	22,905
<b>Total</b>	<b>117,653</b>	105,691
As a percentage of total gross amounts of loans and advances to customers		
Within 3 months (inclusive)	<b>0.45%</b>	0.44%
Between 3 months and 6 months (inclusive)	<b>0.25%</b>	0.23%
Between 6 months and 12 months (inclusive)	<b>0.28%</b>	0.26%
Over 12 months	<b>0.26%</b>	0.26%
<b>Total</b>	<b>1.24%</b>	1.19%

Overdue loans and advances to customers by geographical region:

	As at June 30, 2025	As at December 31, 2024
Head Office	<b>6,092</b>	6,297
Yangtze River Delta	<b>23,041</b>	20,855
Pearl River Delta	<b>17,809</b>	16,022
Bohai Rim	<b>14,773</b>	12,574
Central China	<b>28,300</b>	25,141
Western China	<b>21,176</b>	18,898
Northeastern China	<b>6,462</b>	5,904
<b>Total</b>	<b>117,653</b>	105,691

(1) The gross amounts of loans and advances to customers excluded accrued interest as at June 30, 2025 and December 31, 2024.

## Appendix: Supplementary Information

### International Claims

The Group regards all claims on third parties outside the Chinese mainland and claims denominated in foreign currencies on third parties in the Chinese mainland as international claims.

International claims include loans and advances to customers, deposits with the central bank, deposits and placements with banks and other financial institutions, investments in debt securities and others.

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

*In RMB million*

	As at June 30, 2025			Total
	Public sectors	Banks and other financial institutions	Non-bank private sectors	
Asia Pacific	13,281	79,108	34,641	127,030
– of which attributed to Hong Kong, China	9,342	15,468	15,560	40,370
Europe	–	24,693	8,577	33,270
North and South America	–	16,419	1,659	18,078
Other areas	337	–	75	412
Total	13,618	120,220	44,952	178,790

*In RMB million*

	As at December 31, 2024			Total
	Public sectors	Banks and other financial institutions	Non-bank private sectors	
Asia Pacific	8,664	78,503	32,003	119,170
– of which attributed to Hong Kong, China	4,951	19,282	13,182	37,415
Europe	–	22,951	8,099	31,050
North and South America	717	8,269	5,634	14,620
Other areas	341	–	–	341
Total	9,722	109,723	45,736	165,181



# Appendix: Supplementary Information

## Pillar 3 Information Disclosed Pursuant to the Rules on Capital Management of Commercial Banks

Based on the Basel III (final version) issued by the Basel Committee on Banking Supervision and the realities of China's banking industry, the NFRA promulgated the Rules on Capital Management of Commercial Banks (hereinafter referred to as the "Capital Rules") on November 1, 2023. This section was prepared in accordance with the relevant concepts and rules regarding the capital adequacy ratio in the Capital Rules, rather than financial reporting and accounting standards. Information disclosed by the Bank in accordance with the Information Disclosures and Requirements for Commercial Banks in Appendix 22 to the Capital Rules and the requirements of relevant regulatory documents is as follow:

### 1. Table KM1: Key Prudential Regulatory Metrics at Consolidated Group Level

*In RMB million, except for percentages*

	a	b	c	d	e
	As at	As at	As at	As at	As at
	June 30,	March 31,	December 31,	September 30,	June 30,
	2025	2025	2024	2024	2024
<b>Available capital (amounts)</b>					
1 Net Common Equity Tier 1 (CET1) capital	983,753	839,119	824,191	826,754	799,366
2 Net tier 1 capital	1,133,918	989,279	1,024,332	1,026,922	999,498
3 Net capital	1,362,487	1,214,705	1,244,111	1,248,661	1,219,300
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	9,349,529	9,106,551	8,617,743	8,773,018	8,613,974
4a Total risk-weighted assets (pre-floor)	9,349,529	9,106,551	8,617,743	8,773,018	8,613,974
<b>Capital adequacy ratio</b>					
5 CET1 capital adequacy ratio (%)	10.52	9.21	9.56	9.42	9.28
5a CET1 capital adequacy ratio (%) (pre-floor ratio)	10.52	9.21	9.56	9.42	9.28
6 Tier 1 capital adequacy ratio (%)	12.13	10.86	11.89	11.71	11.60
6a Tier 1 capital adequacy ratio (%) (pre-floor ratio)	12.13	10.86	11.89	11.71	11.60
7 Capital adequacy ratio (%)	14.57	13.34	14.44	14.23	14.15
7a Capital adequacy ratio (%) (pre-floor ratio)	14.57	13.34	14.44	14.23	14.15
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	–	–	–	–	–
10 Bank G-SIB and/or D-SIB additional requirements (%) <sup>(1)</sup>	0.50	0.50	0.50	0.50	0.50
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.00	3.00	3.00	3.00	3.00
12 CET1 available after meeting the bank's minimum capital requirements (%)	5.52	4.21	4.56	4.42	4.28

	a	b	c	d	e
	As at	As at	As at	As at	As at
	June 30,	March 31,	December 31,	September 30,	June 30,
	2025	2025	2024	2024	2024
<b>Leverage ratio</b>					
13 Adjusted on- and off-balance sheet exposures	19,162,535	18,522,819	17,907,043	17,526,447	17,155,120
14 Leverage ratio (%) <sup>(2)</sup>	5.92	5.34	5.72	5.86	5.83
14a Leverage ratio a (%) <sup>(3)</sup>	5.92	5.34	5.72	5.86	5.83
14b Leverage ratio b (%) <sup>(4)</sup>	5.93	5.33	5.73	5.88	5.83
14c Leverage ratio c (%) <sup>(5)</sup>	5.93	5.33	5.73	5.88	5.83
<b>Liquidity coverage ratio</b>					
15 High-quality liquid assets	3,052,575	3,230,956	3,296,267	3,152,739	3,194,323
16 Net cash outflow	1,367,074	1,438,343	1,147,394	1,212,804	1,315,009
17 Liquidity coverage ratio (%)	223.29	224.63	287.28	259.95	242.91
<b>Net stable funding ratio</b>					
18 Total available stable funding	15,287,803	15,038,926	14,555,976	14,246,095	14,081,132
19 Total required stable funding	9,069,883	8,890,209	8,472,650	8,400,400	8,322,703
20 Net stable funding ratio (%)	168.56	169.16	171.80	169.59	169.19

Note (1): As at the end of the reporting period, the Bank was a Group II domestic systemically important bank, to which the additional capital requirement of 0.5 percent applies.

Note (2): Leverage ratio refers to the leverage ratio taking into account the temporarily exempted deposit reserves.

Note (3): Leverage ratio a refers to the leverage ratio without taking into account the temporarily exempted deposit reserves.

Note (4): Leverage ratio b refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporarily exempted deposit reserves.

Note (5): Leverage ratio c refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporarily exempted deposit reserves.



## Appendix: Supplementary Information

### 2. Table OV1: Overview of Risk-Weighted Assets

*In RMB million*

		a	b	c
		Risk-weighted assets		Minimum capital requirements
		As at	As at	As at
		June 30, 2025	March 31, 2025	June 30, 2025
1	Credit risk	8,767,392	8,513,677	701,391
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, asset management products in banking book and securitisation exposures in banking book)	8,507,261	8,260,355	680,581
3	Of which: standardized approach	8,507,261	8,260,355	680,581
4	Of which: exposure formed in the process of clearing securities, commodities and foreign exchange transactions	–	–	–
5	Of which: amounts below the thresholds for deduction	175,580	172,885	14,046
6	Of which: foundation internal ratings-based approach	–	–	–
7	Of which: supervisory slotting approach	–	–	–
8	Of which: advanced internal ratings-based approach	–	–	–
9	Counterparty credit risk	11,485	19,454	919
10	Of which: standardized approach	11,485	19,454	919
11	Of which: current exposure method	–	–	–
12	Of which: other approaches	–	–	–
13	Credit valuation adjustment	953	1,137	76
14	Asset management products in banking book	221,028	209,318	17,682
15	Of which: look-through approach	50,934	52,443	4,075
16	Of which: mandate-based approach	157,651	144,277	12,612
17	Of which: 1250% risk weight	12,443	12,598	995
18	Securitisation exposures in banking book	26,665	23,413	2,133
19	Of which: securitisation internal ratings-based approach	–	–	–
20	Of which: securitisation external ratings-based approach	14,263	15,092	1,141
21	Of which: securitisation standardized approach	12,402	8,321	992
22	Market risk	110,849	121,586	8,868
23	Of which: standardized approach	110,849	121,586	8,868
24	Of which: internal model approach	–	–	–
25	Of which: simplified standardized approach	–	–	–
26	Capital charge for switch between trading book and banking book	–	–	–
27	Operational risk	471,288	471,288	37,703
28	Additional adjustment due to the application of capital floor	–	–	
29	<b>Total</b>	<b>9,349,529</b>	<b>9,106,551</b>	<b>747,962</b>

### 3. Table CCA: Main Features of Regulatory Capital Instruments and of Other TLAC-eligible Instruments

*In RMB million, except for percentages or otherwise stated*

	a	b	c	d	e	f	g	h	i	j	k	l
	Ordinary shares (A shares)	Ordinary shares (H shares)	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
1 Issuer	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.
2 Unique identifier	601658.SH	1658.HK	2128011JB	2228001JB	242380019JB	242400004JB	242580002JB	2128028JB	2128029JB	2228017JB	2228018JB	232300009JB
3 Governing law(s) of the instrument	PRC laws	PRC laws/laws of Hong Kong, PRC	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws
3a Means for disposal of other TLAC-eligible instruments governed by foreign law (laws other than enacted in the country of the disposal entity)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
4 Capital level	CET1 capital	CET1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5 Eligible at solo/group/solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group
6 Type of instrument	CET1 capital instruments	CET1 capital instruments	Additional tier 1 capital instruments	Additional tier 1 capital instruments	Additional tier 1 capital instruments	Additional tier 1 capital instruments	Additional tier 1 capital instruments	Tier 2 capital instruments	Tier 2 capital instruments	Tier 2 capital instruments	Tier 2 capital instruments	Tier 2 capital instruments
7 Amount recognized in regulatory capital (currency in RMB million, as of most recent reporting date)	316,186	75,606	29,996	30,000	30,000	30,000	30,000	49,997	9,999	34,997	5,000	19,999
8 Par value of instrument (currency in RMB million)	100,239	19,856	30,000	30,000	30,000	30,000	30,000	50,000	10,000	35,000	5,000	20,000
9 Accounting classification	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost
10 Original date of issuance	November 28, 2019	September 20, 2016	March 19, 2021	January 14, 2022	October 13, 2023	March 14, 2024	February 19, 2025	August 19, 2021	August 19, 2021	March 4, 2022	March 4, 2022	May 11, 2023
11 Dated or undated	Undated	Undated	Undated	Undated	Undated	Undated	Undated	With maturity date	With maturity date	With maturity date	With maturity date	With maturity date
12 Of which: original maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date	August 23, 2031	August 23, 2036	March 8, 2032	March 8, 2037	May 15, 2038
13 Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
14 Of which: optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	The first redemption date is March 23, 2026, in full or in part	The first redemption date is January 18, 2027, in full or in part	The first redemption date is October 17, 2028, in full or in part	The first redemption date is March 18, 2029, in full or in part	The first redemption date is February 21, 2030, in full or in part	August 23, 2026 redemption in part or in full	August 23, 2031 redemption in part or in full	March 8, 2027 redemption in part or in full	March 8, 2032 redemption in part or in full	May 15, 2033 redemption in part or in full
15 Of which: subsequent call dates, if applicable	Not applicable	Not applicable	March 23 each year after the first redemption date, in full or in part	January 18 each year after the first redemption date, in full or in part	October 17 each year after the first redemption date, in full or in part	March 18 each year after the first redemption date, in full or in part	February 21 each year after the first redemption date, in full or in part	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable



## Appendix: Supplementary Information

	a	b	c	d	e	f	g	h	i	j	k	l	
	Ordinary shares (A shares)	Ordinary shares (H shares)	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	
Coupons/dividends													
16	Of which: fixed or floating coupons/dividends	Floating	Floating	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Fixed	Fixed	Fixed	Fixed	Fixed
17	Of which: coupon rate and any related index (i.e. the benchmark rate applied)	Not applicable	Not applicable	The coupon rate in the first 5 years is 4.42% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 133 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 3.46% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 83 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 3.42% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 88 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 2.73% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 51 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 1.99% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 53 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	3.44%	3.75%	3.54%	3.74%	3.39%
18	Of which: existence of a dividend stopper	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
19	Of which: discretion to cancel coupons/dividends	Full discretion	Full discretion	Full discretion	Full discretion	Full discretion	Full discretion	Full discretion	No discretion	No discretion	No discretion	No discretion	No discretion
20	Of which: existence of incentive to redeem	No	No	No	No	No	No	No	No	No	No	No	No
21	Of which: cumulative or noncumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
22	Convertible or non-convertible	No	No	No	No	No	No	No	No	No	No	No	No
23	Of which: if convertible, conversion triggering conditions	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

		a	b	c	d	e	f	g	h	i	j	k	l
		Ordinary shares (A shares)	Ordinary shares (H shares)	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
24	Of which: if convertible, fully or partially	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
25	Of which: if convertible, conversion rate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
26	Of which: if convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
27	Of which: if convertible, specify type of instrument convertible into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
28	Of which: if convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
29	Write-down feature	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30	Of which: if write-down, write-down triggering conditions	Not applicable	Not applicable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	Trigger events refer to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	A non-viability trigger event refers to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	A non-viability trigger event refers to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	A non-viability trigger event refers to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	A non-viability trigger event refers to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable	A non-viability trigger event refers to either of the following circumstances (whichever is earlier): 1. the NFRA having concluded that a write-off is necessary without which the issuer would become non-viable; 2. the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the issuer would become non-viable
31	Of which: if write-down, full or partial	Not applicable	Not applicable	Partial or full	Partial or full	Partial or full	Partial or full	Partial or full	Partial or full	Partial or full	Partial or full	Partial or full	Partial or full
32	Of which: if write-down, permanent or temporary	Not applicable	Not applicable	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
33	Of which: if temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable



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	a	b	c	d	e	f	g	h	i	j	k	l
	Ordinary shares (A shares)	Ordinary shares (H shares)	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
33a	Type of subordination	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
34	Position in subordination hierarchy in liquidation (specify type of instrument immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	After depositor, general creditor, and holders of subordinated debts (including tier 2 capital bonds) and additional tier 1 capital instruments	After depositor, general creditor, and holders of subordinated debts (including tier 2 capital bonds) and additional tier 1 capital instruments	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order	After depositors, general creditors, and holders of subordinated debts that are senior to the current bonds and before all classes of shares held by shareholders of the issuer; the current bonds are in the same priority as additional tier 1 capital instruments of the issuer with the same repayment order

#### 4. Table CC1: Composition of Capital

*In RMB million, except for percentages*

	a As at June 30, 2025 <b>Amounts</b>	b <b>Code</b>
<b>CET1 capital</b>		
1 Valid portion of paid-in capital and capital reserve	391,792	e+g
2 Retained earnings	590,569	
2a Surplus reserve	75,540	h
2b General reserve	219,993	i
2c Undistributed profits	295,036	j
3 Accumulated other comprehensive income	6,282	
4 Valid portion of minority interests	1,266	
5 <b>CET1 capital before deductions</b>	989,909	
<b>CET1 capital: deductions</b>		
6 Prudential valuation adjustments	–	
7 Goodwill (net of deferred tax liabilities)	–	
8 Other intangible assets (other than land use rights) (net of deferred tax liabilities)	6,156	a-b-d
9 Net deferred tax assets that rely on future profitability and arise from operating losses	–	
10 Cash flow hedge reserve that relates to the hedging of items that are not fair valued on the balance sheet	–	
11 Shortfall of provisions to expected losses	–	
12 Securitisation gain on sale	–	
13 Unrealized gains and losses resulted from changes in the fair value of liabilities due to changes in the bank's own credit risk	–	
14 Defined-benefit pension fund net assets (net of deferred tax liabilities)	–	
15 Direct or indirect holdings of the bank's shares	–	
16 Reciprocal cross-holdings in CET1 capital between banks or between banks and other financial institutions	–	
17 Deductible amount of non-significant minority investments in CET1 capital of unconsolidated financial institutions	–	
18 Deductible amount of significant minority investments in CET1 capital of unconsolidated financial institutions	–	
19 Deductible amount of other net deferred tax assets that rely on the bank's future profitability	–	
20 Deductible amount of non-deducted part of CET1 capital of significant minority investments in unconsolidated financial institutions and other net deferred tax assets that rely on the bank's future profitability in excess of 15% of CET1 capital	–	



## Appendix: Supplementary Information

		a	b
		As at June 30, 2025	
		<b>Amounts</b>	<b>Code</b>
21	Of which: deductible amount of significant minority investments in the capital of financial institutions	–	
22	Of which: deductible amount in net deferred tax assets that rely on the bank's future profitability	–	
23	The total of other items that should be deducted from CET1 capital	–	
24	Undeducted shortfall that should be deducted from additional tier 1 capital and tier 2 capital	–	
25	<b>Total regulatory adjustments to CET1 capital</b>	6,156	
26	<b>Net CET1 capital</b>	983,753	
<b>Additional tier 1 capital</b>			
27	Additional tier 1 capital instruments and related premium	149,996	
28	Of which: portion classified as equity	149,996	
29	Of which: portion classified as liabilities	–	
30	Valid portion of minority interests	169	
31	<b>Additional tier 1 capital before deductions</b>	150,165	
<b>Additional tier 1 capital: deductions</b>			
32	Direct or indirect investments in the bank's additional tier 1 capital	–	
33	Reciprocal cross-holdings in additional tier 1 capital between banks or between banks and other financial institutions	–	
34	Deductible amount of non-significant minority investments in additional tier 1 capital of unconsolidated financial institutions	–	
35	Deductible amount of significant minority investments in additional tier 1 capital of unconsolidated financial institutions	–	
36	The total of other items that should be deducted from additional tier 1 capital	–	
37	Undeducted shortfall that should be deducted from tier 2 capital	–	
38	<b>Total deductions to additional tier 1 capital</b>	–	
39	<b>Net additional tier 1 capital</b>	150,165	
40	<b>Net tier 1 capital</b>	1,133,918	
<b>Tier 2 capital</b>			
41	Tier 2 capital instruments and related premium	119,992	
42	Valid portion of minority interests	338	
43	Valid portion of surplus provisions for loss	108,239	
44	<b>Tier 2 capital before deductions</b>	228,569	

	a	b
	As at June 30, 2025	
	<b>Amounts</b>	<b>Code</b>
<b>Tier 2 capital: deductions</b>		
45	–	
46	–	
47	–	
47a	–	
48	–	
48a	–	
49	–	
50	–	
51	228,569	
52	1,362,487	
53	9,349,529	
<b>Capital adequacy ratio and additional capital requirements</b>		
54	10.52%	
55	12.13%	
56	14.57%	
57	3.00	
58	2.50	
59	–	
60	0.50	
61	5.52	
<b>Domestic minimum requirements for regulatory capital</b>		
62	5.00%	
63	6.00%	
64	8.00%	



## Appendix: Supplementary Information

		a	b
		As at	
		June 30, 2025	
		<b>Amounts</b>	<b>Code</b>
<b>Amounts below the thresholds for deduction</b>			
65	Undeducted portion of non-significant minority investments in the capital of unconsolidated financial institutions	63,421	
65a	Undeducted portion of non-significant investments in TLAC non-capital debt instruments of unconsolidated financial institutions (for G-SIBs only)	–	
66	Undeducted portion of significant minority investments in the capital of unconsolidated financial institutions	–	
67	Other net deferred tax assets that rely on the bank's future profitability (net of deferred tax liabilities)	65,078	
<b>Applicable caps on the inclusion of surplus provisions in tier 2 capital</b>			
68	Surplus provisions for loss eligible for inclusion in tier 2 capital in respect of exposures subject to standardized approach	154,473	
69	Cap on inclusion of surplus provisions for loss in tier 2 capital under standardized approach	108,239	
70	Surplus provisions for loss eligible for inclusion in tier 2 capital in respect of exposures subject to internal ratings-based approach	–	
71	Cap on inclusion of surplus provisions for loss in tier 2 capital under internal ratings-based approach	–	

## 5. Table CC2: Differences Between the Scope of Accounting Consolidation and the Scope of Regulatory Consolidation

*In RMB million*

	a	b	c	
	As at June 30, 2025			
	<b>Under the scope of accounting consolidation</b>	<b>Under the scope of regulatory consolidation</b>	<b>Code</b>	
<b>Assets</b>				
1	Cash and deposits with central bank	1,288,857	1,288,857	
2	Deposits with banks and other financial institutions	387,492	387,492	
3	Placements with banks and other financial institutions	368,009	368,009	
4	Derivative financial assets	4,766	4,766	
5	Financial assets held under resale agreements	421,253	421,253	
6	Loans and advances to customers	9,309,437	9,309,437	
7	Financial investments			
8	Financial assets held for trading	1,087,699	1,087,699	
9	Debt investments	4,393,840	4,393,840	
10	Other debt investments	684,683	684,683	
11	Investments in other equity instruments	4,647	4,647	
12	Long-term equity investment	739	739	
13	Fixed assets	47,637	47,637	
14	Construction in progress	13,254	13,254	
15	Right-of-use assets	9,912	9,912	
16	Intangible assets	7,832	7,832	a
17	Of which: land use rights	1,676	1,676	b
18	Deferred tax assets	65,078	65,078	
19	Other assets	95,386	95,386	
<b>20</b>	<b>Total assets</b>	<b>18,190,521</b>	<b>18,190,521</b>	



## Appendix: Supplementary Information

	a	b	c
	As at June 30, 2025		
	<b>Under the scope of accounting consolidation</b>	<b>Under the scope of regulatory consolidation</b>	<b>Code</b>
<b>Liabilities</b>			
21	26,963	26,963	
22	234,266	234,266	
23	56,367	56,367	
24	6,536	6,536	
25	228,029	228,029	
26	16,108,809	16,108,809	
27	19,759	19,759	
28	8,930	8,930	
29	265,421	265,421	
30	9,330	9,330	
31	45	45	
32	–	–	c
33	–	–	d
34	85,260	85,260	
<b>35 Total liabilities</b>	<b>17,049,715</b>	<b>17,049,715</b>	
<b>Shareholders' equity</b>			
36	120,095	120,095	
37	120,095	120,095	e
38	–	–	f
39			
40	149,996	149,996	
41	271,697	271,697	g
42	6,282	6,282	
43	75,540	75,540	h
44	219,993	219,993	i
45	295,036	295,036	j
46	1,138,639	1,138,639	
47	2,167	2,167	
<b>48 Total shareholders' equity</b>	<b>1,140,806</b>	<b>1,140,806</b>	
<b>49 Total liabilities and shareholders' equity</b>	<b>18,190,521</b>	<b>18,190,521</b>	

Note (1): Pursuant to the regulatory requirements, insurance companies and industrial and commercial enterprises should not be included under the scope of regulatory consolidation. As the Group does not have any subsidiaries of the above-mentioned type, the scope of regulatory consolidation is the same as the scope of accounting consolidation.

Note (2): Prepared in accordance with PRC GAAP.

## 6. Table CR5-2: Credit Risk Exposures and Credit Conversion Factors (by Risk Weights)

*In RMB million, except for percentages*

	a	b	c	d	
	As at June 30, 2025				
Risk weight	On-balance sheet exposure	Off-balance sheet exposure (pre-conversion)	Weighted average credit conversion factor*	On- and off-balance sheet risk exposure (post-conversion and post-mitigation)	
1	Less than 40%	8,247,177	141,494	22.75%	9,031,955
2	40 – 70%	1,721,447	218,474	22.26%	2,044,169
3	75%	2,693,056	728,869	22.48%	2,789,163
4	85%	554,662	200,737	12.19%	551,369
5	90 – 100%	3,168,267	1,265,647	48.73%	2,851,286
6	105 – 130%	456,756	277,089	2.96%	464,626
7	150%	118,381	54,190	5.15%	118,363
8	250%	71,422	–	–	71,422
9	400%	16	–	–	16
10	1250%	103	–	–	103
11	<b>Total exposures</b>	17,031,287	2,886,500	31.07%	17,922,472

\* Weighted average credit conversion factor: Weighting is based on off-balance sheet exposure (pre-conversion).

## 7. Table CCR1: Counterparty Credit Risk Exposures (by Approach)

*In RMB million, except for coefficients*

	a	b	c	d	e	f	
	As at June 30, 2025						
	Replacement cost (RC)	Potential future exposure (PFE)	Additional factors of potential future exposure (Add-on)	α used for computing regulatory exposure at default	Exposure at default post-credit risk mitigation	Risk-weighted assets	
1	Standardized approach (for derivatives)	2,292	7,199		1.4	13,288	5,812
2	Current exposure method (for derivatives)	–		–	1	–	–
3	Securities financing transactions					87,421	5,665
4	<b>Total</b>					100,709	11,477



## Appendix: Supplementary Information

### 8. Table SEC1: Securitisation Exposures in the Banking Book

In RMB million

	a	b	c	d	e	f	g	h	i	j	k	l
	Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
	Of which simple, transparent and comparable				Of which				Of which			
	Traditional	(STC)	Synthetic	Sub-total	Traditional	which STC	Synthetic	Sub-total	Traditional	which STC	Synthetic	Sub-total
1 <b>Retail (total) - of which</b>	4,802	-	-	4,802	-	-	-	-	55,771	-	-	55,771
2 residential mortgage	4,634	-	-	4,634	-	-	-	-	9,922	-	-	9,922
3 credit card	23	-	-	23	-	-	-	-	128	-	-	128
4 other retail exposures	145	-	-	145	-	-	-	-	45,721	-	-	45,721
5 re-securitisation	-		-	-	-		-	-	-		-	-
6 <b>Wholesale (total) - of which</b>	-	-	-	-	-	-	-	-	24,987	-	-	24,987
7 loans to corporates	-	-	-	-	-	-	-	-	1,500	-	-	1,500
8 commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
9 lease and receivables	-	-	-	-	-	-	-	-	22,346	-	-	22,346
10 other wholesale	-	-	-	-	-	-	-	-	1,141	-	-	1,141
11 re-securitisation	-		-	-	-		-	-	-		-	-

### 9. Table SEC2: Securitisation Exposures in the Trading Book

The Group's trading book did not involve securitisation exposures as at 30 June 2025.

## 10. Table MR1: Market Risk Under Standardized Approach

*In RMB million*

		a
		Capital requirement under standardized approach
		As at June 30, 2025
1	General interest rate risk	1,464
2	Equity risk	–
3	Commodity risk	0
4	Foreign exchange risk	2,770
5	Credit spread risk – non-securitisations	2,871
6	Credit spread risk – securitisations (non-correlation trading portfolio)	–
7	Credit spread risk – securitisation (correlation trading portfolio)	–
8	Default risk – non-securitisations	1,493
9	Default risk – securitisations (non-correlation trading portfolio)	–
10	Default risk – securitisations (correlation trading portfolio)	–
11	Residual risk add-on	270
12	<b>Total</b>	<b>8,868</b>

## 11. Table GSIB1: Disclosure of G-SIB Indicators

For details on the assessment indicators of global systemically important banks of the Group for the previous year and previous periods, please visit the Bank's website ([www.psbc.com/en/investor\\_relations/finance/financial\\_reports/](http://www.psbc.com/en/investor_relations/finance/financial_reports/)).



## Appendix: Supplementary Information

### 12. Table LR1: Summary Comparison of Accounting Assets versus Leverage Ratio Exposure Measure

*In RMB million*

		a
		As at June 30, 2025
1	Total consolidated assets	18,190,521
2	Adjustments that are consolidated for accounting purposes but outside the regulatory scope of consolidation	–
3	Adjustments for fiduciary assets	–
4	Adjustments for derivative financial instruments	9,409
5	Adjustments for securities financing transactions	77,574
6	Adjustments for off-balance sheet items	891,187
7	Adjustments for asset securitisation transactions	–
8	Adjustments for unsettled financial assets	–
9	Adjustments for eligible cash pooling transactions	–
10	Adjustments for temporary exemption of central bank reserves (if applicable)	–
11	Adjustments for prudent valuation adjustments and provisions	–
12	Other adjustments	(6,156)
<b>13</b>	<b>Balance of adjusted on- and off-balance sheet assets</b>	<b>19,162,535</b>

### 13. Table LR2: Leverage Ratio Common Disclosure

*In RMB million, except for percentages*

		a	b
		As at June 30, 2025	As at March 31, 2025
<b>On-balance sheet exposures</b>			
1	On-balance sheet assets (excluding derivatives and securities financing transactions (SFTs))	18,015,195	17,685,791
2	Less: provisions associated with on-balance sheet exposures	(250,693)	(253,401)
3	Less: tier 1 capital deductions	(6,156)	(6,410)
4	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>17,758,346</b>	<b>17,425,980</b>
<b>Derivative exposures</b>			
5	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3,578	5,464
6	Add-on amounts for potential future exposure associated with all derivatives transactions	10,111	10,466
7	Gross-up for derivatives collateral provided where deducted from the balance sheet assets	–	–
8	Less: deductions of receivable assets for cash variation margin provided in derivatives transactions	–	–
9	Less: exempted central counterparty (CCP) leg of client-cleared trade exposures	–	–

	a	b
	As at June 30, 2025	As at March 31, 2025
10 Adjusted effective notional amount of written credit derivatives	486	530
11 Less: adjusted effective notional offsets and add-on deductions for written credit derivatives	–	–
<b>12 Total derivative exposures</b>	<b>14,175</b>	<b>16,460</b>
<b>Securities financing transaction exposures</b>		
13 Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	421,253	251,147
14 Less: netted amounts of cash payables and cash receivables of gross SFT assets	–	–
15 Counterparty credit risk exposure for SFT assets	77,574	96,268
16 Agent transaction exposures	–	–
<b>17 Total securities financing transaction exposures</b>	<b>498,827</b>	<b>347,415</b>
<b>Other off-balance sheet exposures</b>		
18 Off-balance sheet exposure at gross notional amount	2,887,629	2,649,862
19 Less: adjustments for conversion to credit equivalent amounts	(1,990,679)	(1,910,175)
20 Less: provisions associated with off-balance sheet exposures	(5,763)	(6,723)
<b>21 Off-balance sheet items</b>	<b>891,187</b>	<b>732,964</b>
<b>Capital and total exposures</b>		
22 Net tier 1 capital	1,133,918	989,279
23 Adjusted on- and off-balance sheet exposures	19,162,535	18,522,819
<b>Leverage ratio</b>		
24 Leverage ratio	5.92%	5.34%
24a Leverage ratio a <sup>(1)</sup>	5.92%	5.34%
25 Minimum leverage ratio requirements	4.00%	4.00%
26 Additional leverage buffers	0.25%	0.25%
<b>Disclosure of mean values</b>		
27 Mean value of gross SFT assets	376,159	281,087
27a Quarter-end value of gross SFT assets	421,253	251,147
28 Adjusted on- and off-balance sheet exposures a <sup>(2)</sup>	19,117,441	18,552,759
28a Adjusted on- and off-balance sheet exposures b <sup>(3)</sup>	19,117,441	18,552,759
29 Leverage ratio b <sup>(4)</sup>	5.93%	5.33%
29a Leverage ratio c <sup>(5)</sup>	5.93%	5.33%

Note (1): Leverage ratio a refers to the leverage ratio without taking into account the temporarily exempted deposit reserves.

Note (2): Adjusted on- and off-balance sheet exposures a refers to the balance of adjusted on- and off-balance sheet assets calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporarily exempted deposit reserves.

Note (3): Adjusted on- and off-balance sheet exposures b refers to the balance of adjusted on- and off-balance sheet assets calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporarily exempted deposit reserves.

Note (4): Leverage ratio b refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporarily exempted deposit reserves.

Note (5): Leverage ratio c refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporarily exempted deposit reserves.



## Appendix: Supplementary Information

### 14. Table LIQ1: Liquidity Coverage Ratio

*In RMB million, except for percentages*

		a
		<b>Total adjusted value</b>
		As at June 30, 2025
1	High-quality liquid assets	3,052,575
2	Net cash outflow <sup>(1)</sup>	1,367,074
3	Liquidity coverage ratio (%)	223.29

Note (1): Net cash outflow represents net cash outflow for the next 30 days.

### 15. Table LIQ2: Net Stable Funding Ratio

*In RMB million, except for percentages*

		a	b
		Total weighted value	Total weighted value
		As at June 30, 2025	As at March 31, 2025
1	Total available stable funding	15,287,803	15,038,926
2	Total required stable funding	9,069,883	8,890,209
3	Net stable funding ratio (%)	168.56	169.16



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