

2024

INTERIM REPORT

SERVING WITH HEART

BANK
OF GUIZHOU



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The Bank holds a financial license No. B1383H252010001 approved by the National Financial Regulatory Administration (the former China Banking and Insurance Regulatory Commission) and was authorised by the National Financial Regulatory Administration Guizhou Office to obtain the business license with a unified social credit code 915200000550280000. Within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), the Bank is not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking or deposit-taking business in Hong Kong.

Definitions

The following terms shall have the following meanings in this report unless the context requires otherwise.

“Articles of Association” or “Articles”	the articles of association of the Bank, the version of which was passed by our shareholders at the extraordinary general meeting held on 16 June 2022, and has been approved by the National Financial Regulatory Administration Guizhou Office and came into effect on 26 April 2023
“Board”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Director(s)”	the director(s) of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank
“NFRA” or “CBIRC” or “CBRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) (before 18 May 2023)/China Banking Regulatory Commission (中國銀行業監督管理委員會) (before 17 March 2018). On 18 May 2023, the National Financial Regulatory Administration was established on the basis of the former China Banking and Insurance Regulatory Commission
“Bank”, “whole Bank” or “Bank of Guizhou”	Bank of Guizhou Co., Ltd. (貴州銀行股份有限公司), a joint stock company incorporated on 28 September 2012 in Guizhou Province, China, with limited liability in accordance with the PRC laws and regulations and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
“Banking Ordinance”	the Banking Ordinance, Chapter 155 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“commercial banks”	all the banking financial institutions in the PRC other than policy banks, including the large commercial banks, the joint-stock commercial banks, city commercial banks, foreign banks and other banking financial institutions
“Domestic Shares”	ordinary shares issued by the Bank in the PRC, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in full in Renminbi

Definitions (Continued)

“H Shares”	overseas-listed shares in the share capital of the Bank, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are listed on the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$” or “HKD” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Date”	30 December 2019, the date on which dealings in the H Shares of the Bank first commenced on the Hong Kong Stock Exchange
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PBOC” or “Central Bank”	the People’s Bank of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Yuan”	Renminbi-yuan, the lawful currency unit of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“CBIRC Guizhou Office”	China Banking and Insurance Regulatory Commission Guizhou Office (中國銀行保險監督管理委員會貴州監管局) (before 23 July 2023). On 23 July 2023, the National Financial Regulatory Administration Guizhou Office (國家金融監督管理總局貴州監管局) was officially established
“NFRA Guizhou Office”	the National Financial Regulatory Administration Guizhou Office

Definitions (Continued)

“Four News”	exploring new path, launching new start point, seizing new opportunities and making new achievements
“Four-zations”	new industrialization, new urbanization, agricultural modernization and tourism industrialization
“new No.2 Document of State Council”	Opinions of the State Council on Supporting Guizhou to Break New Paths in Western Development in the New Era (Guo Fa [2022] No. 2) (國務院關於支持貴州在新時代西部大開發上闖新路的意見) (國發[2022]2號)
“LPR”	the abbreviation to Loan Prime Rate, which refers to loan prime rate
“Basis Point or Bp or Bps”	measurement unit of changes in interest rate or exchange rate. 1 basis point is equivalent to 0.01 percentage point
“five major articles”	the ‘five major articles’ proposed at the Central Financial Work Conference, namely technology finance, green finance, inclusive finance, pension finance and digital finance
“Reporting Period”	for the six months ended 30 June 2024
“Reporting Date”	the date on which the 2024 interim report of the Bank was approved by the Board, being 30 August 2024

Company Profile

1. BASIC INFORMATION

LEGAL CHINESE NAME:

貴州銀行股份有限公司

ENGLISH NAME:

BANK OF GUIZHOU CO., LTD.

LEGAL REPRESENTATIVE:

Mr. YANG Mingshang

AUTHORISED REPRESENTATIVES FOR THE HONG KONG STOCK EXCHANGE:

Mr. YANG Mingshang, Mr. ZHOU Guichang

BOARD SECRETARY AND COMPANY SECRETARY:

Mr. ZHOU Guichang

REGISTERED ADDRESS:

Bank of Guizhou Head Office Building, No. 9, Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC

HEAD OFFICE IN THE PRC:

Bank of Guizhou Head Office Building, No. 9, Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:

40th Floor, Dah Sing Financial Centre, No. 248, Queen's Road East, Wanchai, Hong Kong

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PLACE OF LISTING, STOCK NAME AND STOCK CODE:

The Stock Exchange of Hong Kong Limited, BANK OF GUIZHOU, 06199.HK

CORPORATE UNIFORM SOCIAL CREDIT CODE:

915200000550280000

FINANCIAL LICENSE INSTITUTION NUMBER:

B1383H252010001

AUDITORS:

Overseas Auditor: BDO Limited

Domestic Auditor: BDO China Shu Lun Pan Certified Public Accountants LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE:

Computershare Hong Kong Investor Services Limited

Company Profile (Continued)

2. COMPANY PROFILE

Officially listed on 11 October 2012, and headquartered in Guiyang City, Guizhou Province, Bank of Guizhou is a legal person financial institution established through the merger and reorganization of Zunyi City Commercial Bank, Anshun City Commercial Bank and Liupanshui City Commercial Bank. Bank of Guizhou has been listed on the main board of The Hong Kong Stock Exchange on 30 December 2019 with its stock code of 6199.HK. As at the end of the Reporting Period, the Bank had 5,487 regular employees and totally 223 business outlets.

Bank of Guizhou always adheres to the concept of “bank with heart”, strongly supports the economic and social development of Guizhou, established business areas covering corporate banking, retail banking, small and micro financial services, financial market operations, and asset management, continuously innovated business products, and each business has developed rapidly, with branches in 88 counties (districts, cities) in Guizhou Province. Electronic banking, mobile banking, WeChat banking, online banking, telephone banking and other service channels have been continuously improved, and the customer base has been continuously expanded. Bank of Guizhou insists on steady and prudent operations, and has established a comprehensive risk management system that matches business development. Bank of Guizhou ranked 252nd in the list of “2024 Top 1000 Global Banks” released by the British Magazine “the Banker”, and ranked 46th in the “2024 China Top 100 Bank List” released by the China Banking Association.

Bank of Guizhou continuously strengthens the construction of the production & disaster recovery system of “Two Locations with Three Centers”, with the Jinyang Data Center and Guian Unicom’s IDC data room serving as local dual-active centers, and the Zunyi Backup Center for Disaster Recovery serving as an off-site data-level backup center for disaster recovery, so as to form the layout framework of “Two Locations with Three Centers” to improve the availability and stability of the entire information-based system and achieve a historic breakthrough in the technical and support capabilities for business continuity. Bank of Guizhou continues to strengthen the application of new technologies such as cloud computing, artificial intelligence, big data, biometric identification, etc. It is China’s first bank that fully implements private cloud-based transaction systems, as well as China’s first bank to adopt distributed deployment of major transaction system applications and databases, significantly improving its business continuity assurance capacity and high concurrency bearing capacity.

Summary of Accounting Data and Financial Indicators

The financial information contained herein is prepared under the International Accounting Standards. Unless otherwise stated, such information is denominated in RMB.

Item	For the six months ended 30 June		
	2024	2023	Year-on-Year
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>		
Operation results			Rate of change
			(%)
Net interest income	4,342.58	5,036.29	(13.77)
Net fee and commission income	206.44	201.54	2.43
Operating income	5,967.27	6,429.95	(7.20)
Operating expenses	(1,612.76)	(1,695.35)	(4.87)
Impairment losses on assets	(1,907.98)	(2,155.54)	(11.48)
Total profit	2,437.58	2,570.56	(5.17)
Net profit	2,122.50	2,206.35	(3.80)
			Rate of change
			(%)
Per share (RMB)			
Net assets per share	3.45	3.22	7.14
Basic earnings per share	0.14	0.15	(6.67)
			Change (%)
Profitability indicators (%)			
Return on average total assets ⁽¹⁾	0.73%	0.80%	(0.07%)
Return on average equity ⁽²⁾	8.60%	9.71%	(1.11%)
Net interest spread ⁽³⁾	1.75%	2.16%	(0.41%)
Net interest margin ⁽⁴⁾	1.68%	2.07%	(0.39%)
Net fee and commission income to operating income	3.46%	3.13%	0.33%
Cost-to-income ratio ⁽⁵⁾	25.62%	25.03%	0.59%

Summary of Accounting Data and Financial Indicators (Continued)

Item	As at 30 June 2024	As at 31 December 2023	First half of 2024 over the end of 2023
<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Scale indicators			Rate of change (%)
Total assets	588,440.54	576,786.03	2.02
Including: Gross loans and advances to customers	348,653.94	331,948.54	5.03
Net loans and advances to customers ⁽⁶⁾	332,691.36	316,610.23	5.08
Total liabilities	538,132.72	528,368.12	1.85
Including: Deposits from customers ⁽⁷⁾	370,312.41	356,246.25	3.95
Share capital	14,588.05	14,588.05	–
Total equity	50,307.82	48,417.91	3.90
Asset quality indicators			Change (%)
Non-performing loan ratio ⁽⁸⁾	1.65%	1.68%	(0.03%)
Allowance coverage ratio ⁽⁹⁾	290.57%	287.71%	2.86%
Allowance to gross loans ⁽¹⁰⁾	4.80%	4.83%	(0.03%)
Capital adequacy ratio indicators⁽¹¹⁾			Change (%)
Core tier-one capital adequacy ratio	11.21%	11.25%	(0.04%)
Tier-one capital adequacy ratio	12.08%	12.16%	(0.08%)
Capital adequacy ratio	13.22%	13.30%	(0.08%)
Total equity to total assets	8.55%	8.39%	0.16%
Other indicators			Change (%)
Liquidity coverage ratio	273.59%	365.70%	(92.11%)
Liquidity ratio	75.08%	106.05%	(30.97%)
Loan-to-deposit ratio	96.00%	95.01%	0.99%

Summary of Accounting Data and Financial Indicators (Continued)

Notes:

- (1) The percentage of net profit for the Reporting Period to the average balance of the total assets at the beginning and the end of the period.
- (2) The percentage of net profit for the Reporting Period to the average balance of total equity at the beginning and the end of the period.
- (3) Calculated by the difference between the average yield on total interest-earning assets and the average cost on total interest-bearing liabilities, on a basis of the daily average of the interest-earning assets and interest-bearing liabilities.
- (4) Calculated by dividing net interest income by average interest-earning assets, on a basis of the daily average of the interest-earning assets.
- (5) Calculated by dividing operating cost after tax and surcharges by operating income.
- (6) Net loans and advances to customers = total loans and advances to customers + accrued interest on loans and advances to customers - provision for impairment of loans and advances to customers.
- (7) Deposits from customers = principal of deposits from customers + interest payable on deposits from customers.
- (8) Calculated by dividing total non-performing loans by total loans and advances to customers.
- (9) Calculated by dividing provision for impairment loss on loan by total non-performing loans.
- (10) Calculated by dividing provision for impairment loss on loan by total loans and advances to customers.
- (11) As at 30 June 2024, indicators were calculated in accordance with the "Regulation Governing Capital of Commercial Banks" promulgated by the National Financial Regulatory Administration and as at 31 December 2023, indicators were calculated in accordance with the "Regulation Governing Capital of Commercial Banks (Provisional)" promulgated by the former China Banking Regulatory Commission.

Management Discussion and Analysis

3.1 ANALYSIS OF OPERATION PERFORMANCE

3.1.1 Development strategies and future development prospects

With high-quality development as the guiding principle, the Bank adheres to the service concept of “bank with heart”, consolidates and strengthens its urban business and vigorously expands the rural market, striving to become the most heartfelt top-notch regional bank in China. Looking ahead, the Bank will, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the spirit of the Central Economic Working Conference and the Central Financial Work Conference, adhere to the market positioning of “serving urban and rural residents, serving small and medium-sized enterprises, and serving the local economy”, insist on the political and people-oriented nature of financial work, accelerate the cultivation of new productive forces in finance, make efforts in “five major articles”, lead the transformation of development models, business structures, operational capabilities and management methods by means of digital transformation, and strive to build itself into a digital regional bank that serves customers intelligently, provides products agilely, and possesses an abundant cooperative ecosystem, precise risk prevention and control, and safe and efficient operation, and plays a significant role in promoting high-quality economic and social development in Guizhou.

- I. The Bank will make efforts in technology finance, thoroughly implement the requirements of regulatory bodies on technology finance-related work, establish and improve the financing system and mechanism for science-and-technology enterprises, and increase the support for science-and-technology enterprises in terms of product innovation, credit policy, approval authority, credit process, etc.
- II. The Bank will make efforts in green finance, strive to promote the systematic development of green finance, and continuously optimize and improve the system and mechanism in six aspects, including increasing investment, innovating products, improving management, optimizing structure, managing and controlling risks, and expanding influence, so as to strengthen the brand of green bank.
- III. The Bank will make efforts in inclusive finance, implement earnestly the Implementation Opinions on Promoting the High-quality Development of Inclusive Finance, formulate the Bank’s inclusive finance implementation plan in the light of the actual situation, further improve the long-term mechanism of dare, willing, able and sure to lend (敢貸、願貸、能貸、會貸) for inclusive micro and small enterprises, and continue to consolidate and improve the quality and efficiency of our work.
- IV. The Bank will make efforts in pension finance, and enrich the financial products for elderly services, with the diversified demands for financial services in the field of pension as the starting point, to help the development of the pension industry. We will intensify efforts to carry out elderly-oriented modification work in online and offline channels and accelerate the optimization and upgrade of elderly-oriented services.
- V. The Bank will make efforts in digital finance, uphold the connotation and goal of business transformation driven by data elements and digital technology, continue to improve the data governance system, and make breakthroughs in the transformation of key businesses in the five areas including connection, data, intelligence, platform, and ecology, so as to constantly forge and enhance our core competitiveness.

Management Discussion and Analysis (Continued)

- VI. The Bank will boost the development of the real economy, focus on key projects, characteristic industries and high-quality customers of the “Four-zations” construction in Guizhou, and continue to increase our financial support for the construction of the modern industrial system in Guizhou. We will vigorously expand the rural market, continuously improve the construction of the rural service outlets, and increase credit investment in rural areas to help rural revitalization.
- VII. The Bank will solidify the foundation of comprehensive risk management, strictly adhere to the relevant regulatory requirements outlined in comprehensive risk management guidelines, establish a robust risk management system covering all risk categories, spanning the first, second, and third lines of defense, and extending from the board of directors to branch offices in a top-down manner. It will also deepen its digital capabilities to drive empowerment, utilize scientific quantitative techniques to enhance risk quantification analysis capabilities, and strengthen the creation of value through risk management.
- VIII. The Bank will earnestly implement the new capital regulations, focus on giving play to the role of capital in guiding and promoting the business development of the whole bank, accelerate the construction of the capital management system, and improve the level of refined capital management. We will actively broaden capital replenishment channels and enrich the usage of capital replenishment tools to provide strong support for the development of the Bank.

3.1.2 Analysis of overall operation performance

In the first half of 2024, the Bank took high-quality development as the overall strategy, adhered to the general principle of seeking progress while maintaining stability, comprehensively implemented the new development concept, and continued to promote the transformation and development, and the Bank's business development in all aspects remained generally stable, and high-quality development was steadily promoted.

Business scale grew steadily. As of the end of the Reporting Period, the Bank recorded total assets of RMB588.441 billion, representing an increase of RMB11.655 billion or 2.02% from the beginning of the year; total loans of RMB348.654 billion, representing an increase of RMB16.705 billion or 5.03% from the beginning of the year; total liabilities of RMB538.133 billion, representing an increase of RMB9.765 billion or 1.85% from the beginning of the year; total deposits of RMB370.312 billion, representing an increase of RMB14.066 billion or 3.95% from the beginning of the year.

Operating efficiency was basically stable. During the Reporting Period, the Bank recorded operating income of RMB5.967 billion, representing a decrease of RMB463 million or 7.20% as compared with the corresponding period of the previous year; net profit of RMB2.123 billion, representing a decrease of RMB84 million or 3.80% as compared with the corresponding period of the previous year; basic earnings per share of RMB0.14, representing a decrease of RMB0.01 or 6.67% from the same period last year and net assets per share of RMB3.45, representing an increase of RMB0.23 or 7.14% as compared with the corresponding period of the previous year.

Development base consolidated continuously. As of the end of the Reporting Period, the Bank recorded the ratio of loans to total assets of 59.25%, representing an increase of 1.7 percentage points from the beginning of the year; the ratio of deposits to total liabilities of 68.81%, representing an increase of 1.39 percentage points from the beginning of the year, and the asset-liability structure continued to be optimized. The Bank had 109,400 corporate customers, representing an increase of 400 or 0.39% from the beginning of the year; 7,725,100 personal deposits customers, representing an increase of 84,600 or 1.11% from the beginning of the year, with a steady growth in customer scale.

Management Discussion and Analysis (Continued)

Asset quality was generally manageable. As of the end of the Reporting Period, the Bank recorded non-performing loan ratio of 1.65%, down 0.03 percentage point from the beginning of the year, with loans classified as special mention accounted for 2.89% of the total loans, down 0.03 percentage points from the beginning of the year; provision coverage ratio of 290.57%, up 2.86 percentage points from the beginning of the year; allowance to gross loans of 4.80%, down 0.03 percentage points from the beginning of the year.

3.1.3 Business summary

I. "Five major articles"

(I) *Technology finance*

The Bank actively formulated implementation guidelines for financial support of technological innovation and detailed rules for enhancing its capabilities in providing financial services for science and technology innovation in the past. It focused on high-tech industries, specialized and innovative enterprises, and technology-based small and medium-sized enterprises, launching specialized loan products for technological innovation to support the full lifecycle development of tech companies. As of the end of the Reporting Period, the Bank's balance of technology financial loans stood at RMB6.884 billion, an increase of RMB1.908 billion from the beginning of the year, representing a growth rate of 38.34%.

(II) *Green finance*

The Bank continued to improve the ESG risk classification management process for corporate credit customers, actively participated in the research on the transformation of financial planning conducted by the head office of the People's Bank of China, and formulated the transformation financial framework and classification standards for Bank of Guizhou, consistently increasing financial support for energy conservation and emission reduction, as well as the green and low-carbon sectors. As of the end of the Reporting Period, the Bank's green credit balance was RMB56.850 billion, up RMB4.656 billion from the beginning of the year, of which the balance of corporate green loans was RMB56.698 billion, up RMB4.689 billion or 9.02% from the beginning of the year; the percentage of corporate green loans was 23.18%, up 0.88 percentage point from the beginning of the year. The scale and proportion of green loans ranked the Bank among the top corporate financial institutions in the province.

Management Discussion and Analysis (Continued)

(III) *Inclusive finance*

The Bank adhered to the goal of “continuously improving the coverage, accessibility, and satisfaction of inclusive financial services”, strengthened credit investment, increased technological empowerment, enhanced compliance awareness, continuously improved the organizational structure of inclusive finance, and strived to improve the long-term mechanism for the development of inclusive finance. During the Reporting Period, the Bank made efforts to provide higher quality, convenient, and efficient financial services for small and micro enterprises, “agriculture, rural areas and farmers”, new citizens, specialized, refined and new and other key areas, contributed to the structural reform of the supply side of inclusive finance in the province, and was committed to making great achievements in inclusive finance. As of the end of the Reporting Period, the Bank has provided a total of RMB17.717 billion in inclusive small and micro enterprise loans to 23,600 small and micro enterprise customers.

(IV) *Pension finance*

The Bank has prioritized pension finance as a key area of support in its annual credit policy, continuously increasing its support for pension finance services. During the Reporting Period, the Bank actively recommended scientifically operated and promising elderly care projects to the Guizhou Elderly Service Industry Development Fund, effectively promoting the development of the province’s elderly care industry. As of the end of the Reporting Period, the Bank’s balance of loans supporting pension finance was RMB827 million, up RMB534 million or 182.25% from the beginning of the year.

(V) *Digital finance*

The Bank actively embraced the trend of digital transformation, clearly defining the direction and goals of transformation around ecological applications, digital assets, digital genetics, digital technologies, and digital foundations. It continuously promoted the organic integration of data, technology, and business, and 9 key digitalisation projects in three major categories (including data governance level enhancement, online business and ecological scenario construction) were successfully put into operation, which effectively enhanced the scenario-based, intelligent and digitalised level of the business across the Bank. During the Reporting Period, the Bank’s independently developed “Large-Scale Complex Variable Zero-Code Development and High-Performance Computing Platform” was awarded the third prize of the “2022 FinTech Development Awards” by the People’s Bank of China.

Management Discussion and Analysis (Continued)

II. Corporate banking

The Bank continued to increase the allocation of credit resources to the real economy, further supporting the stable growth, structural adjustment, and transformation of the economy in the province to aid in the province's modernization efforts. As of the end of the Reporting Period, the financing balance of the Bank for the real economy was RMB216.621 billion, representing an increase of RMB12.017 billion or 5.87% from the beginning of the year.

The Bank diligently implemented the spirit of the province's new industrialization and the advancement promoted during the "Precision Development for Rich Mines (富礦精開)" conference, fully supporting the high-quality development of the province's "Four-Zations". As of the end of the Reporting Period, the Bank's balance of new industrialization loans was RMB28.772 billion, with a cumulative investment of RMB9.744 billion; the balance of new urbanization loans was RMB154.549 billion, with a cumulative investment of RMB11.551 billion; the balance of agricultural modernization loans was RMB27.605 billion, with a cumulative investment of RMB8.9 billion; and the balance of tourism industrialization loans was RMB20.353 billion, with a cumulative investment of RMB3.525 billion.

III. Transaction banking

Focusing on the full industry chain of the supply chain, the Bank continuously improved the supply chain financial system and product service system, and strived to deeply integrate financial services into various aspects such as procurement, operation, production, logistics, warehousing, and sales. In areas like coal used for electricity, pharmaceutical distribution and featured agriculture, the Bank is gradually achieving digital, intelligent, and standardized one-stop financial service outputs. As of the end of the Reporting Period, the Bank had 980 customers in the supply chain finance, and the balance of trade financing was RMB12.071 billion; the total investment in trade financing during the Reporting Period was RMB7.687 billion, of which 85.1% was invested in micro, small and medium-sized enterprises, satisfying the financing needs of 620 small and medium-sized enterprises.

The Bank focused on scenario-based finance, and deeply cultivated Maotai-flavor liquor industry chain in Guizhou Province. Utilizing an innovative model of "industry + digital + finance", the Bank directly connected with the transaction platform of liquor production enterprises, aiming to facilitate efficient process integration and data sharing, provide timely and flexible financial support to distributors, address the cash flow difficulties that distributors face due to centralized purchasing during peak sales seasons, accelerate the release of production capacity for liquor companies and effectively promote growth in production and sales for customers. During the Reporting Period, the Bank processed online bank acceptance bills amounting to RMB585 million for 68 distributors.

Management Discussion and Analysis (Continued)

The Bank focused on the digitalization needs of the provincial state-owned enterprise treasury, continuously leveraged cash management service advantages, developed treasury construction plans and focused on technological upgrades and innovations. By effectively implementing the requirements set by the SASAC for accelerating treasury construction, the Bank provided comprehensive financial services to customers, supporting the digital transformation of state-owned enterprises. As of the end of the Reporting Period, the Bank's cash management system served 2,030 customers, representing an increase of 138 customers or 7.29% from the beginning of the year, and a year-on-year growth rate of 18.51%; during the Reporting Period, the system recorded a total of 29,381 financial transactions, showing a year-on-year increase of 29.10%, with the transaction amount of RMB62.974 billion, representing a year-on-year increase of 136.22%.

IV. Institutional business

The Bank engaged in regular communication with key clients, focusing on finance, social security (medical insurance), housing construction, state-owned assets, legal affairs, healthcare, education, and other clients and funding sources. Centering around the fiscal funding chain, the progress of fiscal expenditure funds, key tasks of the provincial Party committee and provincial government, the Bank endeavored to expand the increment. As of the end of the Reporting Period, the Bank had institutional deposits of RMB74.396 billion, representing an increase of RMB6.202 billion or 9.09% from the beginning of the year; 17,813 institutional clients, representing an increase of 571 or 3.31% from the beginning of the year.

V. Rural revitalization

Focusing on the key areas and weak links of "agriculture, rural areas and farmers", the Bank has continued to increase its credit investment by improving service mechanisms, optimizing the allocation of resources, customizing service solutions, etc., to provide strong financial support to Guizhou Province for promoting the construction of a modern mountainous characteristic and efficient agriculture powerhouse and the development of "New-look Farming Households • Beautiful Countryside", and played a significant role in supporting rural comprehensive revitalization through financial assistance. During the Reporting Period, the Bank invested a total of RMB8.9 billion in modern agricultural loans, bringing the balance of modern agricultural loans to RMB27.605 billion.

By continuously providing service to lower levels, enhancing service system, and optimizing service models, the Bank was dedicated to serving "agriculture, rural areas and farmers". As of the end of the Reporting Period, the Bank has established and opened 2,143 rural inclusive financial service outlets, opened agriculture-related accounts for 1,918,200 rural residents, conducted over 4,000 financial service activities such as financial knowledge dissemination and anti-fraud campaigns through rural service outlets, and provided financial services to peasant households such as withdrawals, remittances, and charge agency services, totaling 992,300 transactions amounting to RMB2.172 billion.

The Bank proactively served rural youth in entrepreneurship and employment. As of the end of the Reporting Period, the Bank delivered 13,308 "Qing Hui Loans (青惠貸)" amounting to RMB728 million, which benefited 8,610 households (persons) of micro and small enterprises and entrepreneurial youths, stimulating the growth of more than 7,500 upstream and downstream enterprises, creating over 7,000 job opportunities.

Management Discussion and Analysis (Continued)

VI. Personal deposits

The Bank has always adhered to a customer-centric approach and carried out multi-dimensional activities to improve the rights and interests of star-rated customers, continuously consolidating our customer base. As of the end of the Reporting Period, the number of personal deposit customers was 11,921,400, representing an increase of 242,400 or 2.08% from the beginning of the year. On the basis of strictly controlling the cost of funds, personal deposits continued to maintain stable growth. As of the end of the Reporting Period, the balance of personal deposits amounted to RMB182.758 billion, representing an increase of RMB9.396 billion or 5.42% from the beginning of the year.

VII. Consumer finance

The Bank steadily developed consumer finance business, continuously accelerated the online process, enriched our product system, and improved business quality and customer experience. It strengthened cooperation with high-quality real estate development enterprises and real estate intermediaries, optimized mortgage loan products, and increased housing mortgage loans. Centered around the theme of “food, housing, transportation, entertainment, and shopping”, the Bank focused on the high-frequency consumption industry, carried out marketing activities in scenarios such as exchanging old for new cars, home decoration, and home appliances, and increased marketing efforts in credit card installment. It optimized the functions of consumer loans and continuously increased the scale of personal loans. As of the end of the Reporting Period, the balance of consumer finance loans amounted to RMB34.550 billion, representing an increase of RMB1.971 billion from the beginning of the year.

VIII. Small and micro business

Focusing on “business development, structural transformation, quality control, and team building”, the Bank accurately grasped the strategic direction of inclusive small and micro enterprise development, and adhered to its main responsibility of serving the local as well as micro, small and medium-sized enterprises. During the Reporting Period, the Bank strengthened financial support for small and micro enterprises and grid marketing management, enhanced system development and product innovation, continuously improved the digital risk control system for small and micro businesses, and contributed to the practical implementation of small and micro financial services in the province. As of the end of the Reporting Period, the balance of inclusive loans for small and micro enterprises was RMB49.034 billion, representing an increase of RMB1.606 billion from the beginning of the year; the number of inclusive small and micro enterprise customers was 62,700, representing an increase of 3,600 from the beginning of the year.

Management Discussion and Analysis (Continued)

IX. Financial market

The Bank continued to enhance the breadth and depth of interbank cooperation, prudently carried out interbank credit, increased market activity, and supported diversified business development. During the Reporting Period, the spread income of bond trading increased by 358.62% year on year, and the net profit of proprietary business increased by 109.02% year on year; the underwriting amount of treasury bond increased by 68.03% year on year, the underwriting amount of local bonds in Guizhou Province increased by 62.49% year on year, and the distribution amount of treasury bond increased by 76.80% year on year; the weighted average interest rate of newly-issued interbank deposits has decreased by 33 Bps compared to the beginning of the year, and the interest rate of one-year interbank deposits has narrowed by 6 Bps year on year compared to those of state-owned large banks.

X. Asset management

The Bank continued to strengthen its investment and research capabilities in wealth management business, adhered to the direction of diversified asset allocation, continuously enriched asset types, and diversified investment risks. During the Reporting Period, the Bank's asset management business was based on fixed income assets, adhered to the principle of balancing stability and innovation, actively practiced diversified asset allocation strategies, deepened the "fixed income+" asset layout, continuously enriched the sources of wealth management asset returns, continuously strengthened the ability of timing and analysis in capital market, effectively enhanced the asset portfolio's ability to resist market risks, helping the province to implement the livelihood project of "increasing the property income of urban residents in the province".

As of the end of the Reporting Period, all of the Bank's existing wealth management products are net value wealth management products, covering multiple categories such as periodic open, regular open, closed net value, and cash management, with maturities ranging from 1 day to 2 years, meeting customers' long, medium, and short-term investment needs.

XI. Online finance

Taking digital transformation as an opportunity, the Bank has deeply promoted channel construction and customer operation, resulting in continuous enrichment of product functions, continuous improvement of customer experience, steady increase of financial transactions, and continuous consolidation of channel support foundation. As of the end of the Reporting Period, the Bank's electronic financial transactions accounted for 99.23% of the total transactions, with 336 million transactions occurring throughout the year, representing an increase of 24.12% year on year. The role of mobile banking as the main battlefield for online operations is becoming increasingly prominent. The number of mobile banking customers reached 6,756,600, representing an increase of 266,300 from the beginning of the year. The number of average monthly active customers in the first half of the year was 926,000, an increase of 140,000 from the previous year. The scene ecology continued to enrich, with continuous efforts in education, e-commerce, labor and other scenarios, further extending channel service touchpoints. The Bank efficiently completed the hall intelligence, launching a total of 211 outlets, and digital branches have taken shape, laying a solid foundation for the comprehensive transformation of branches. The Bank continuously optimized acquiring payments, and received 99 million merchant transactions in the first half of the year with a transaction amount of RMB20.620 billion. Acquiring merchants' accumulated deposits continued to grow, and their business contribution continued to improve.

Management Discussion and Analysis (Continued)

3.2 ANALYSIS OF PROFIT STATEMENTS

In the first half of 2024, the Bank recorded profit before tax of RMB2,438 million, representing a decrease of 5.17% as compared with the corresponding period of the previous year; net profit of RMB2,123 million, representing a decrease of 3.80% as compared with the corresponding period of the previous year.

Item	For the six months ended 30 June			
	2024	2023	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Interest income	10,957.00	11,588.98	(631.98)	(5.45)
Interest expense	(6,614.42)	(6,552.69)	(61.73)	0.94
Net interest income	4,342.58	5,036.29	(693.71)	(13.77)
Fee and commission income	307.78	280.21	27.57	9.84
Fee and commission expense	(101.34)	(78.67)	(22.67)	28.82
Net fee and commission income	206.44	201.54	4.90	2.43
Net trading gains	506.05	506.88	(0.83)	(0.16)
Net gains arising from investment securities	887.57	502.65	384.92	76.58
Other operating income	24.63	182.59	(157.96)	(86.51)
Operating income	5,967.27	6,429.95	(462.68)	(7.20)
Operating expenses	(1,612.76)	(1,695.35)	82.59	(4.87)
Impairment losses on assets	(1,907.98)	(2,155.54)	247.56	(11.48)
Share of losses of associates	(8.96)	(8.50)	(0.46)	5.41
Profit before tax	2,437.57	2,570.56	(132.99)	(5.17)
Income tax expense	(315.07)	(364.21)	49.14	(13.49)
Net profit	2,122.50	2,206.35	(83.85)	(3.80)

Management Discussion and Analysis (Continued)

3.2.1 Net interest income, net interest spread and net interest margin

In the first half of 2024, the Bank's net interest income amounted to RMB4,343 million, accounting for 72.77% of the operating income.

The following tables set forth, for the periods indicated, the average balance of the Bank's interest-earning assets and interest-bearing liabilities, interest income and expense from these assets and liabilities, and the average yield of these interest-earning assets and the average cost of these interest-bearing liabilities.

Item	For the six months ended 30 June					
	2024			2023		
	Average balance	Interest income/expense	Average yield/cost ⁽¹⁾ (%)	Average balance	Interest income/expense	Average yield/cost ⁽¹⁾ (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>						
Assets						
Total loans and advances to customers	338,482.91	8,092.24	4.78	307,753.62	8,594.70	5.59
Financial investments ⁽²⁾	133,145.44	2,487.49	3.74	133,096.13	2,627.36	3.95
Cash and deposits with the central bank	20,040.23	149.22	1.49	19,815.62	144.79	1.46
Deposits with banks and other financial institutions	5,119.13	44.03	1.72	2,534.49	16.38	1.29
Financial assets held under resale agreements	19,343.65	184.02	1.90	23,324.36	205.75	1.76
Total interest-earning assets	516,131.36	10,957.00	4.25	486,524.22	11,588.98	4.76

Management Discussion and Analysis (Continued)

Item	For the six months ended 30 June					
	2024			2023		
	Average balance	Interest income/ expense	Average yield/cost ⁽¹⁾ (%)	Average balance	Interest income/ expense	Average yield/cost ⁽¹⁾ (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>						
Liabilities						
Deposits from customers	354,729.58	4,376.96	2.47	338,571.62	4,408.17	2.60
Deposits from banks and other financial institutions	25,792.22	350.32	2.72	23,405.42	298.58	2.55
Borrowings from the central bank	43,175.93	528.96	2.45	37,806.03	498.52	2.64
Placements from banks and other financial institutions	4,684.10	57.25	2.44	5,184.60	72.22	2.79
Financial assets sold under repurchase agreements	7,647.83	67.51	1.77	9,819.30	75.25	1.53
Debt securities issued	92,706.55	1,233.42	2.66	89,183.34	1,199.95	2.69
Total interest-bearing liabilities	528,736.21	6,614.42	2.50	503,970.31	6,552.69	2.60
Net interest income		4,342.58			5,036.29	
Net interest spread ⁽³⁾		1.75%			2.16%	
Net interest margin ⁽⁴⁾		1.68%			2.07%	

Notes:

- (1) Calculated by dividing interest income or expense by average balance.
- (2) Financial investments include financial investments at amortised cost and financial investments at fair value through other comprehensive income.
- (3) Calculated based on the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities, and based on daily average interest-earning assets and interest-bearing assets.
- (4) Calculated by dividing net interest income by average interest-earning assets, and based on daily average interest-earning assets.

Management Discussion and Analysis (Continued)

The following table sets out, for the periods indicated, the changes in the Bank's interest income and interest expense attributable to changes in volume and interest rate. Changes in volume are measured by the change in average balance of interest-earning assets and interest-bearing liabilities, while changes in interest rates are measured by changes in the average interest rates of interest-earning assets and interest-bearing liabilities. Changes caused by both volume and interest rate have been allocated to changes in interest rate.

Item	For the six months ended 30 June 2024 compared to 2023 Increase/(decrease) as a result of		
	Scale ⁽¹⁾	Interest rate ⁽²⁾	Net increase/ (decrease) ⁽³⁾
Interest-earning assets			
Total loans and advances to customers	1,469.31	(2,474.23)	(502.46)
Financial investments	1.84	(281.58)	(139.87)
Deposits with the central bank	3.34	5.52	4.43
Deposits with banks and other financial institutions	44.46	10.84	27.65
Financial assets held under resale agreements	(75.74)	32.28	(21.73)
Changes in interest income	1,443.21	(2,707.17)	(631.98)
Interest-bearing liabilities			
Deposits from customers	398.74	(461.16)	(31.21)
Deposits from banks and other financial institutions	64.84	38.64	51.74
Borrowings from central bank	131.58	(70.70)	30.44
Placements from banks and other financial institutions	(12.23)	(17.71)	(14.97)
Financial assets sold under repurchase agreements	(38.34)	22.86	(7.74)
Debts securities issued	93.75	(26.81)	33.47
Changes in interest expenses	638.34	(514.88)	61.73
Changes in net interest income	804.87	(2,192.29)	(693.71)

Notes:

- (1) Represents the average balance for the period minus the average balance for the previous period, multiplied by the average yield/cost for the period.
- (2) Represents the average yield/cost for the period minus the average yield/cost for the previous period, multiplied by the average balance for the period.
- (3) Represents interest income/expense for the period minus interest income/expense for the previous period.

Management Discussion and Analysis (Continued)

3.2.2 Analysis on interest income

In the first half of 2024, the Bank realized interest income of RMB10,957 million, representing a year-on-year decrease of RMB632 million or 5.45%.

I. Interest income from loans and advances to customers

In the first half of 2024, the Bank's interest income from loans to customers was RMB8,092 million, representing a year-on-year decrease of RMB502 million or 5.85%.

The following table sets forth, for the period indicated, the average balance, interest income and average yield for each component of our loans to customers.

Item	For the six months ended 30 June					
	2024			2023		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>						
Corporate loans and advances	277,766.88	6,997.25	5.04	259,327.32	7,565.58	5.83
Personal loans and advances	47,827.62	1,013.52	4.24	40,736.34	953.71	4.68
Discounted bills	12,888.41	81.47	1.26	7,689.96	75.41	1.96
Total loans and advances to customers	338,482.91	8,092.24	4.78	307,753.62	8,594.70	5.59

Management Discussion and Analysis (Continued)

II. Interest income from financial investments

In the first half of 2024, the Bank's interest income from financial investments was RMB2,487 million, representing a year-on-year decrease of RMB140 million or 5.32%.

III. Interest income from deposits with the Central Bank

In the first half of 2024, the Bank's interest income from deposits with the central bank amounted to RMB149 million, representing a year-on-year increase of RMB4 million or 3.06%.

IV. Interest income from deposits with banks and other financial institutions

In the first half of 2024, the Bank's interest income from deposits with banks and other financial institutions was RMB44 million, representing a year-on-year increase of RMB28 million or 168.80%.

V. Interest income from financial assets held under resale agreements

In the first half of 2024, the Bank's interest income from financial assets held under resale agreements was RMB184 million, representing a year-on-year decrease of RMB22 million or 10.56%.

Management Discussion and Analysis (Continued)

3.2.3 Analysis on interest expenses

In the first half of 2024, the Bank's interest expense amounted to RMB6,614 million, representing a year-on-year increase of RMB62 million or 0.94%.

I. Interest expense on deposits from customers

In the first half of 2024, the Bank's interest expense on deposits from customers amounted to RMB4,377 million, representing a year-on-year decrease of RMB31 million or 0.71%.

II. Interest expense on deposits from banks and other financial institutions

In the first half of 2024, the Bank's interest expense on deposits from banks and other financial institutions amounted to RMB350 million, representing a year-on-year increase of RMB52 million or 17.33%.

III. Interest expense on financial assets sold under repurchase agreements

In the first half of 2024, the Bank's interest expense on financial assets sold under repurchase agreements was RMB68 million, representing a year-on-year decrease of RMB8 million or 10.29%.

IV. Interest expense on debt securities issued

In the first half of 2024, the Bank's interest expense on debt securities issued was RMB1,233 million, representing a year-on-year increase of RMB33 million or 2.79%.

V. Interest expense on borrowings from Central Bank

In the first half of 2024, the Bank's interest expense on borrowings from central bank amounted to RMB529 million, representing a year-on-year increase of RMB30 million or 6.11%.

VI. Interest expenses on placements from banks and other financial institutions

In the first half of 2024, the interest expenses on placements from banks and other financial institutions was RMB57 million, representing a year-on-year decrease of RMB15 million or 20.73%.

Management Discussion and Analysis (Continued)

3.2.4 Analysis on non-interest income

I. Fee and commission income

In the first half of 2024, the Bank's net fee and commission income amounted to RMB206 million, representing a year-on-year increase of RMB5 million or 2.43%.

The following table sets forth each component of fee and commission income in the period indicated.

Item	For the six months ended 30 June			
	2024	2023	Change	Rate of change (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Acceptance and guarantee services fees	134.38	138.78	(4.40)	(3.17)
Agency services fees	111.70	64.83	46.87	72.30
Settlement and clearing fees	10.98	14.04	(3.06)	(21.79)
Fund supervision services fees	7.74	12.81	(5.07)	(39.58)
Bank card services fees	42.98	49.75	(6.77)	(13.61)
Fee and commission income	307.78	280.21	27.57	9.84
Bank card services fee	(65.02)	(44.96)	(20.06)	44.62
Other service fee	(36.32)	(33.71)	(2.61)	7.74
Fee and commission expenses	(101.34)	(78.67)	(22.67)	28.82
Net fee and commission income	206.44	201.54	4.90	2.43

II. Net trading gains

In the first half of 2024, the Bank's net trading gains amounted to RMB506 million, representing a year-on-year decrease of RMB1 million, or 0.16%.

Management Discussion and Analysis (Continued)

III. Net gains arising from investment securities

In the first half of 2024, the Bank's net gains arising from investment securities amounted to RMB888 million, representing a year-on-year increase of RMB385 million or 76.58%.

IV. Other operating income

In the first half of 2024, the Bank's other operating income was RMB25 million, representing a year-on-year decrease of RMB158 million or 86.51%.

3.2.5 Analysis on operating expenses

In the first half of 2024, the Bank's operating expenses amounted to RMB1,613 million, representing a year-on-year decrease of RMB83 million or 4.87%.

The following table sets forth, for the periods indicated, the amount, amount of change and rate of change for each component of our operating expenses.

Item	For the six months ended 30 June			
	2024	2023	Change	Rate of change (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Staff costs	1,009.66	1,041.74	(32.08)	(3.08)
Depreciation and amortization	172.23	190.95	(18.72)	(9.80)
Rental and property management expenses	14.94	19.28	(4.34)	(22.51)
Taxes and surcharges	84.24	85.71	(1.47)	(1.72)
Depreciation charge for right-of-use assets	60.98	60.80	0.18	0.30
Interest expense on lease liabilities	4.86	5.65	(0.79)	(13.98)
Other general and administrative expenses	265.85	291.22	(25.37)	(8.71)
Total operating expenses	1,612.76	1,695.35	(82.59)	(4.87)

Management Discussion and Analysis (Continued)

In the first half of 2024, the Bank's staff costs were RMB1,010 million, representing a year-on-year decrease of RMB32 million or 3.08%.

In the first half of 2024, depreciation and amortization of the Bank amounted to RMB172 million, representing a year-on-year decrease of RMB19 million or 9.80%.

In the first half of 2024, the Bank's other general and administrative expenses amounted to RMB266 million, representing a year-on-year decrease of RMB25 million or 8.71%.

In the first half of 2024, the Bank's tax and surcharges amounted to RMB84 million, representing a year-on-year decrease of RMB1 million, or 1.72%.

In the first half of 2024, the Bank's depreciation charge for right-of-use assets amounted to RMB61 million, representing a year-on-year increase of RMB1 million, or 0.30%.

3.2.6 Impairment losses on assets

In the first half of 2024, the Bank's impairment loss amounted to RMB1,908 million, representing a year-on-year decrease of RMB248 million or 11.48%.

The following table sets forth, for the period indicated, the amount, amount of change and rate of change for each component of impairment loss of the Bank.

Item	For the six months ended 30 June			
	2024	2023	Change	Rate of change (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans and advances to customers	1,719.96	1,552.30	167.66	10.80
Financial investments	155.77	787.66	(631.89)	(80.22)
Credit commitments	23.46	(130.49)	153.95	(117.98)
Deposit with banks and other financial institutions	1.36	3.84	(2.48)	(64.58)
Financial assets held under resale agreements	(0.07)	0.01	(0.08)	(800.00)
Others	7.50	(57.78)	65.28	(112.98)
Total	1,907.98	2,155.54	(247.56)	(11.48)

Management Discussion and Analysis (Continued)

3.2.7 Income tax

In the first half of 2024, the Bank's income tax amounted to RMB315 million, representing a year-on-year decrease of RMB49 million or 13.49%.

The following table sets forth, for the periods indicated, the amount, amount of change and rate of change for each component of the Bank's income tax expenses.

Item	For the six months ended 30 June			
	2024	2023	Change	Rate of change (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Current income tax expense	635.35	768.65	(133.30)	(17.34)
Deferred income tax expense	(320.28)	(404.44)	84.16	(20.81)
Income tax	315.07	364.21	(49.14)	(13.49)

Management Discussion and Analysis (Continued)

3.3 ANALYSIS ON MAJOR ITEMS IN THE BALANCE SHEET

3.3.1 Assets

As at 30 June 2024, the Bank's total assets amounted to RMB588,441 million, representing an increase of RMB11,655 million or 2.02% as compared to the end of last year.

The following table sets forth, as at the dates indicated, each component of total assets of the Bank.

Item	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Gross loans and advances to customers	348,653.94	59.25	331,948.54	57.55
Add: accrued interest	766.58	0.12	680.04	0.11
Less: allowance for impairment losses on assets	(16,729.16)	(2.84)	(16,018.35)	(2.78)
Net loans and advances to customers	332,691.36	56.53	316,610.23	54.88
Financial investments	203,530.20	34.59	211,956.90	36.75
Cash and deposits with the central bank	21,889.05	3.72	29,750.84	5.16
Deposits with banks and other financial institutions	12,625.73	2.15	5,974.25	1.04
Financial assets held under resale agreements	6,599.37	1.12	1,651.24	0.29
Other assets ⁽¹⁾	11,104.83	1.89	10,842.57	1.88
Total assets	588,440.54	100.00	576,786.03	100.00

Note:

(1) Consists primarily of interests in associates, property and equipment, deferred income tax assets and other assets.

Management Discussion and Analysis (Continued)

(1) Loans and advances to customers

As at 30 June 2024, the Bank's total loans and advances to customers amounted to RMB348,654 million, representing an increase of RMB16,705 million or 5.03% as compared to the end of last year. The following table sets out, at the dates indicated, a breakdown of the Bank's loans by business lines.

Item	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans and advances to customers measured at amortised cost				
Corporate loans and advances	286,195.48	82.08	272,961.14	82.23
Personal loans and advances	49,076.71	14.08	47,529.87	14.32
Sub-total	335,272.19	96.16	320,491.01	96.55
Loans and advances to customers measured at fair value through other comprehensive income				
Discounted bills	13,381.75	3.84	11,457.53	3.45
Sub-total	13,381.75	3.84	11,457.53	3.45
Total loans and advances to customers	348,653.94	100.00	331,948.54	100.00

Management Discussion and Analysis (Continued)

1. Corporate loans and advances

As at 30 June 2024, the Bank's corporate loans and advances amounted to RMB286,195 million, representing an increase of RMB13,234 million or 4.85% as compared with the end of last year.

2. Personal loans and advances

As at 30 June 2024, the Bank's personal loans amounted to RMB49,077 million, representing an increase of RMB1,547 million or 3.25% as compared to the end of last year.

(2) Investment securities and other financial assets

As at 30 June 2024, the Bank's investment securities and other financial assets amounted to RMB203,530 million, representing a decrease of RMB8,427 million or 3.98% as compared to the end of last year.

The following table sets forth, at the dates indicated, the components of our investment securities and other financial assets by our investment intention.

Item	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Financial investments at fair value through profit or loss	73,868.47	36.29	80,406.91	37.93
Financial investments at fair value through other comprehensive income	50,017.89	24.58	57,880.29	27.31
Financial investments at amortised cost	79,643.84	39.13	73,669.70	34.76
Net financial investments	203,530.20	100.00	211,956.90	100.00

Management Discussion and Analysis (Continued)

The following table sets forth, at the dates indicated, the distribution of our investment securities and other financial assets.

	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>Distribution of financial investments</i>				
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Bonds				
Debt securities issued by central and local governments	84,151.06	41.35	81,481.46	38.44
Debt securities issued by policy banks	30,845.97	15.16	37,418.02	17.65
Debt securities issued by banks and other financial institutions	4,315.12	2.12	7,980.62	3.77
Debt securities issued by corporates	26,624.69	13.08	28,372.46	13.39
Sub-total	145,936.84	71.71	155,252.56	73.25
Other financial assets				
Asset-backed securities	397.26	0.20	383.78	0.18
Structured notes issued by securities companies	–	–	303.82	0.14
Investment funds managed by mutual fund managers ⁽¹⁾	45,679.35	22.44	43,485.88	20.52
Equity investments	37.75	0.02	37.75	0.02
Investment management products managed by asset management companies and trust schemes	7,409.39	3.64	8,437.45	3.98
Private debt financing plans	90.00	0.04	90.00	0.04
Other debt investments	4,435.12	2.18	4,097.44	1.93
Sub-total	58,048.87	28.52	56,836.12	26.81
Accrued interest	2,000.94	0.98	2,158.36	1.02
Allowance for impairment losses on assets	(2,456.45)	(1.21)	(2,290.14)	(1.08)
Net financial investments	203,530.20	100.00	211,956.90	100.00

Notes:

- (1) Mainly include monetary funds and bond funds.
- (2) As at the end of the Reporting Period, the financial investment of the Bank were all financial markets business within the scope of operation approved by the former CBIRC (NAFR). The Bank has conducted a review according to the disclosure requirements for significant investments held as set out in Appendix D2 to the Hong Kong Listing Rules, and to the best knowledge of the Bank, there is no book value of the above investments accounting for 5% or more of the Bank's total assets as at 30 June 2024.

Management Discussion and Analysis (Continued)

3.3.2 Liabilities

As at 30 June 2024, the Bank's total liabilities amounted to RMB538,133 million, representing an increase of RMB9,765 million or 1.85% as compared to the end of last year.

The following table sets forth, at the dates indicated, each component of total liabilities of the Bank.

Item	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Borrowings from the central bank	44,572.77	8.28	43,458.07	8.22
Deposits from customers	370,312.41	68.81	356,246.25	67.42
Deposits from banks and other financial institutions	26,518.34	4.93	25,382.49	4.80
Placements from banks and other financial institutions	4,642.09	0.86	4,944.63	0.94
Debt securities issued	87,323.31	16.23	94,267.80	17.84
Other liabilities ⁽¹⁾	4,763.80	0.89	4,068.88	0.78
Total liabilities	538,132.72	100.00	528,368.12	100.00

Note:

(1) Including primarily other payables, employee remuneration payable and taxes payable, deferred tax liabilities etc.

Management Discussion and Analysis (Continued)

I. Deposits from customers

As at 30 June 2024, deposits from customers of the Bank amounted to RMB370,312 million, representing an increase of RMB14,066 million or 3.95% as compared with the end of last year.

The following table sets forth, at the dates indicated, deposits from customers of the Bank by product type and maturity.

Item	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Demand deposits				
Corporate deposits	85,514.18	23.09	85,981.14	24.14
Individual deposits	44,924.07	12.13	41,856.63	11.75
Sub-total	130,438.25	35.22	127,837.77	35.89
Time deposits				
Corporate deposits	87,831.92	23.72	82,250.76	23.09
Individual deposits	137,833.75	37.22	131,505.38	36.91
Sub-total	225,665.67	60.94	213,756.14	60.00
Pledged deposits	6,877.09	1.86	7,123.04	2.00
Fiscal deposits	31.88	0.01	142.21	0.04
Inward and outward remittances	151.53	0.04	519.42	0.15
Sub-total	7,060.50	1.91	7,784.67	2.19
Accrued interest	7,147.99	1.93	6,867.67	1.92
Total deposits from customers	370,312.41	100.00	356,246.25	100.00

Management Discussion and Analysis (Continued)

II. Deposits from banks and other financial institutions

As at 30 June 2024, the Bank's deposits from banks and other financial institutions amounted to RMB26,518 million, representing an increase of RMB1,136 million or 4.47% as compared to the end of last year.

III. Debt securities issued

As at 30 June 2024, the Bank's debt securities issued amounted to RMB87,323 million, representing a decrease of RMB6,944 million or 7.37% as compared to the end of last year.

3.3.3 Equity

As at 30 June 2024, the total shareholders' equity of the Bank amounted to RMB50,308 million, representing an increase of RMB1,890 million or 3.90% as compared to the end of last year.

The following table sets forth, as of the dates indicated, the components of our shareholders' equity.

Item	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Share capital	14,588.05	29.00	14,588.05	30.13
Other equity instrument	3,499.48	6.96	3,499.48	7.23
Capital reserve	8,670.09	17.23	8,670.09	17.91
Surplus reserve	2,976.98	5.92	2,976.98	6.15
General reserve	6,150.00	12.22	5,590.00	11.55
Fair value reserve	579.81	1.15	17.26	0.04
Impairment reserve	429.03	0.85	435.53	0.90
Deficit on re-measurement of net defined benefit liability	(50.93)	(0.10)	(40.70)	(0.08)
Retained earnings	13,465.31	26.77	12,681.22	26.17
Total equity	50,307.82	100.00	48,417.91	100.00

Management Discussion and Analysis (Continued)

3.4 OFF-BALANCE SHEET CREDIT COMMITMENTS AND CONTINGENT LIABILITIES

The following table sets forth, as at the dates indicated, the amount of the Bank's off-balance sheet commitments.

Item	As at	
	30 June 2024	31 December 2023
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>	
Acceptances	8,569.73	9,627.07
Letters of credit	814.61	899.88
Credit card commitments	14,410.05	12,891.29
Letters of guarantee	954.51	894.40
Total	24,748.90	24,312.64

3.5 ANALYSIS ON LOANS QUALITY

3.5.1 Loan distribution by the five-category classification

Five-category classification	As at 30 June 2024		As at 31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Normal	332,816.18	95.46	316,684.74	95.40
Special mention	10,080.44	2.89	9,696.18	2.92
Substandard	1,339.41	0.38	989.60	0.30
Doubtful	905.54	0.26	999.70	0.30
Loss	3,512.37	1.01	3,578.32	1.08
Gross loans and advances to customers	348,653.94	100.00	331,948.54	100.00
Non-performing loans and non-performing loans ratio	5,757.32	1.65	5,567.62	1.68

During the Reporting Period, the Bank's non-performing loans ratio and the proportion of loans classified as special mention both decreased as compared to the beginning of the year. The balance of non-performing loans amounted to RMB5,757 million. The non-performing loans ratio was 1.65%, representing a decrease of 0.03 percentage points as compared to the beginning of the year. The balance of loans classified as special mention amounted to RMB10,080 million; the proportion amounted to 2.89%, representing a decrease of 0.03 percentage points as compared to the beginning of the year.

Management Discussion and Analysis (Continued)

3.5.2 Distribution of loans and non-performing loans by product type

Item	As at 30 June 2024				As at 31 December 2023			
	Loan amount	Percentage (%)	Amount of non-	Non-	Loan amount	Percentage (%)	Amount of non-	Non-
			performing loans	performing loan ratio (%)			performing loans	performing loan ratio (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Loans and advances to customers measured at amortised cost:								
Corporate loans and advances								
Working capital loans	100,655.61	28.86	1,223.17	1.22	91,294.68	27.50	721.03	0.79
Fixed assets loans	153,878.46	44.14	2,738.68	1.78	169,555.92	51.08	3,620.52	2.14
Others	31,661.41	9.08	–	–	12,110.54	3.65	5.00	0.04
Sub-total	286,195.48	82.08	3,961.85	1.38	272,961.14	82.23	4,346.55	1.59
Personal loans and advances								
Personal residential mortgage loans								
	23,135.61	6.63	376.94	1.63	21,534.59	6.49	301.75	1.40
Personal business loans	14,526.69	4.17	838.85	5.77	14,950.46	4.50	504.59	3.38
Personal consumption loans	4,449.38	1.28	95.86	2.15	2,949.35	0.89	40.45	1.37
Credit cards	6,965.03	2.00	483.82	6.95	8,095.47	2.44	374.28	4.62
Sub-total	49,076.71	14.08	1,795.47	3.66	47,529.87	14.32	1,221.07	2.57
Loans and advances to customers measured at fair value through other comprehensive income:								
Discounted bills	13,381.75	3.84	–	–	11,457.53	3.45	–	–
Total	348,653.94	100.00	5,757.32	1.65	331,948.54	100.00	5,567.62	1.68

During the Reporting Period, the Bank continued to increase its credit lending efforts, and achieved steady growth in its business scale. As at the end of the Reporting Period, the balance of loans of the Bank amounted to RMB348,654 million, representing an increase of RMB16,705 million, or 5.03%, from the beginning of the year. Among them, the balance of corporate loans and advances amounted to RMB286,195 million and accounted for 82.08%, representing a decrease of 0.15 percentage points from the beginning of the year; the balance of personal loans and advances amounted to RMB49,077 million and accounted for 14.08%, representing a decrease of 0.24 percentage points from the beginning of the year; the balance of discounted bills amounted to RMB13,382 million and accounted for 3.84%, representing an increase of 0.39 percentage points from the beginning of the year.

Management Discussion and Analysis (Continued)

3.5.3 Distribution of non-performing loans by industry

Industry	As at 30 June 2024				As at 31 December 2023			
	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Leasing and commercial services	117,957.76	33.83	664.09	0.56	117,769.57	35.47	621.80	0.53
Wholesale and retail trade	43,807.51	12.56	444.07	1.01	38,401.73	11.57	273.39	0.71
Water resources, environment and public facilities management	21,847.46	6.27	59.87	0.27	22,134.21	6.67	69.87	0.32
Construction	19,317.44	5.54	278.94	1.44	16,031.88	4.83	165.26	1.03
Mining	7,454.64	2.14	153.07	2.05	10,558.96	3.18	-	-
Real estate	7,228.14	2.07	2,063.00	28.54	7,541.16	2.27	3,046.19	40.39
Education	9,470.47	2.72	10.98	0.12	9,497.36	2.86	4.69	0.05
Transportation, storage and postal services	9,496.31	2.72	22.63	0.24	10,551.47	3.18	3.79	0.04
Agriculture, forestry, animal husbandry and fishery	10,311.51	2.96	58.77	0.57	9,667.14	2.91	49.89	0.52
Manufacturing	20,951.67	6.01	88.95	0.42	13,819.07	4.16	47.94	0.35
Health and social work	4,972.74	1.43	10.09	0.20	4,703.02	1.42	11.13	0.24
Production and supply of electric power, gas and water	5,749.56	1.65	19.25	0.33	4,685.31	1.41	-	-
Finance	443.50	0.13	-	-	1,346.50	0.41	-	-
Accommodation and catering industry	2,122.87	0.61	70.89	3.34	1,561.43	0.47	46.70	2.99
Culture, sports and entertainment	303.36	0.09	6.95	2.29	450.10	0.14	5.00	1.11
Others	4,760.54	1.36	10.30	0.22	4,242.23	1.28	0.90	0.02
Corporate loans and advances	286,195.48	82.09	3,961.85	1.38	272,961.14	82.23	4,346.55	1.59
Personal loans	49,076.71	14.07	1,795.47	3.66	47,529.87	14.32	1,221.07	2.57
Discounted bills	13,381.75	3.84	-	-	11,457.53	3.45	-	-
Total	348,653.94	100.00	5,757.32	1.65	331,948.54	100.00	5,567.62	1.68

During the Reporting Period, the Bank conscientiously implemented national economic and financial policies, industrial policies, and regulatory policies, focused on regional development strategies and plans, and promoted balanced development of various businesses. As at the end of the Reporting Period, the proportion of loans to leasing and commercial services accounted for 33.83%, representing a decrease of 1.64 percentage points from the beginning of the year; the proportion of loans to wholesale and retail trade accounted for 12.56%, representing an increase of 0.99 percentage point from the beginning of the year; the proportion of personal loans accounted for 14.07%, representing a decrease of 0.25 percentage point from the beginning of the year; the proportions of other industries were all below 7.00%.

As at the end of the Reporting Period, the balance of loans to the real estate of the Bank was RMB7.228 billion, representing a decrease of RMB313 million from the beginning of the year, and its proportion was 2.07%, representing a decrease of 0.20 percentage point from the beginning of the year. The Bank continued to intensify efforts in the collection and disposal of non-performing real estate loans, and the balance and non-performing loan ratio of non-performing real estate loans showed a significant downward trend. As at the end of the Reporting Period, the balance of non-performing real estate loans was RMB2.063 billion, representing a decrease of RMB983 million from the beginning of the year, and the non-performing loan ratio of real estate loans was 28.54%, representing a decrease of 11.85 percentage points from the beginning of the year. From January to June 2024, the Bank had no new non-performing real estate loans. The main reason for the higher non-performing loan ratio of real estate was that the Bank has included individual real estate development enterprise loans under non-performing management, and the scale of the total amount of loans to the real estate was relatively small, resulting in the higher non-performing loan ratio of real estate. As of 30 June 2024, the above non-performing loans have been provided for expected credit losses at 100%. The Bank has fully considered the potential losses that may be incurred on the related loans and expects that there is no any further impact on future financial data.

Management Discussion and Analysis (Continued)

3.5.4 Distribution of loans and non-performing loans by security type

Item	As at 30 June 2024				As at 31 December 2023			
	Loan amount	Percentage (%)	Amount of	Non-	Loan amount	Percentage (%)	Amount of	Non-
			non-performing loans	performing loan ratio (%)			non-performing loans	performing loan ratio (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Unsecured loans	59,915.62	17.18	1,007.50	1.68	54,906.01	16.54	636.17	1.16
Guaranteed loans	194,931.89	55.92	1,713.16	0.88	184,257.87	55.51	1,124.51	0.61
Collateralised loans	55,028.77	15.78	2,901.79	5.27	52,216.10	15.73	3,708.06	7.10
Pledged loans	38,777.66	11.12	134.87	0.35	40,568.56	12.22	98.88	0.24
Total	348,653.94	100.00	5,757.32	1.65	331,948.54	100.00	5,567.62	1.68

As at the end of the Reporting Period, the proportion of various types of loans classified by security type of the Bank remained relatively stable compared to the beginning of the year. Except for pledged loans, the scale and proportion of unsecured, guaranteed, and collateralised loans of the Bank increased compared to the beginning of the year. In terms of non-performing loan ratios, the non-performing loan ratio of collateralised loans decreased by 1.83 percentage points compared to the beginning of the year, while the non-performing loan ratio of unsecured loans increased by 0.52 percentage point compared to the beginning of the year. The non-performing loan ratios of guaranteed loans and pledged loans changed little.

Management Discussion and Analysis (Continued)

3.5.5 Distribution of loans by overdue period

Category	As at 30 June 2024		As at 31 December 2023	
	Total	Percentage (%)	Total	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans not past due	339,752.90	97.45	325,502.69	98.06
Overdue loans				
Within 3 months	3,514.01	1.01	2,130.51	0.64
Over 3 months but within 1 year	4,077.40	1.17	3,099.91	0.93
Over 1 year but within 3 years	1,017.24	0.29	1,045.90	0.32
Over 3 years	292.39	0.08	169.53	0.05
Overdue loans and overdue ratio	8,901.04	2.55	6,445.85	1.94
Total loans	348,653.94	100.00	331,948.54	100.00

As at the end of the Reporting Period, the overdue loan balance of the Bank was RMB8,901 million, representing an increase of RMB2,455 million over the beginning of the year, with an overdue rate of 2.55%, an increase of 0.61 percentage point as compared to the beginning of the year. Among them, the proportion of overdue loans within three months was 1.01%, representing an increase of 0.37 percentage point as compared to the beginning of the year; the proportion of overdue loans over three months but within one year was 1.17%, representing an increase of 0.24 percentage point as compared to the beginning of the year; the proportion of overdue loans over one year remained consistent with the beginning of the year.

Management Discussion and Analysis (Continued)

3.5.6 Loan concentration

Industry	As at 30 June 2024			Five-category classification
	Balance	Percentage of total loans (%)	Percentage of net capital (%)	
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Manufacturing	3,908.77	1.12	7.34	Normal
Leasing and commercial service	3,216.29	0.92	6.04	Normal
Leasing and commercial service	2,847.50	0.82	5.35	Normal
Leasing and commercial service	2,411.99	0.69	4.53	Normal
Leasing and commercial service	2,396.30	0.69	4.50	Normal
Construction	2,069.90	0.59	3.89	Normal
Leasing and commercial service	2,030.00	0.58	3.81	Normal
Wholesale and retail trade	1,900.00	0.54	3.57	Normal
Leasing and commercial service	1,844.02	0.53	3.46	Normal
Water conservancy, environment and public facilities management	1,719.55	0.49	3.23	Normal
Total	24,344.32	6.97	45.72	

As at the end of the Reporting Period, the balance of loan to the Bank's largest single borrower amounted to RMB3,909 million, representing 1.12% of the total loans and 7.34% of the net capital, and the total amount of loans to the ten largest single borrowers was RMB24,344 million, representing 6.97% of the total loans and 45.72% of the net capital, satisfying the regulatory requirements for loan concentration.

Management Discussion and Analysis (Continued)

3.6 SEGMENT REPORTING

The following table sets forth, for the periods indicated, our operating results of main operating segments.

Item	For the six months ended 30 June 2024				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
External net interest income/ (expense) ⁽²⁾	5,379.38	(1,330.73)	293.93	–	4,342.58
Inter-segment net interest (expense)/ income ⁽³⁾	(2,623.45)	2,639.00	(15.55)	–	–
Net interest income	2,755.93	1,308.27	278.38	–	4,342.58
Net fee and commission income/ (expense)	111.65	(9.14)	103.93	–	206.44
Net trading gains	–	–	506.05	–	506.05
Net gains arising from investment securities	–	–	887.57	–	887.57
Other operating income	16.88	0.05	0.06	7.64	24.63
Operating income	2,884.46	1,299.18	1,775.99	7.64	5,967.27
Operating expenses	(878.77)	(322.13)	(397.24)	(14.62)	(1,612.76)
Impairment losses on assets	(1,423.68)	(243.66)	(240.64)	–	(1,907.98)
Share of losses of associates	–	–	–	(8.96)	(8.96)
Profit/(Loss) before tax	582.01	733.39	1,138.11	(15.94)	2,437.57

(Expressed in millions of RMB, unless otherwise stated)

Management Discussion and Analysis (Continued)

Item	For the six months ended 30 June 2023				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
External net interest income/(expense) ⁽²⁾	5,897.74	(1,340.00)	478.55	–	5,036.29
Inter-segment net interest (expense)/income ⁽³⁾	(2,864.62)	2,695.21	169.41	–	–
Net interest income	3,033.12	1,355.21	647.96	–	5,036.29
Net fee and commission income	124.60	18.55	58.39	–	201.54
Net trading gains	–	–	506.88	–	506.88
Net gains arising from investment securities	–	–	502.65	–	502.65
Other operating income	169.89	2.99	4.07	5.64	182.59
Operating income	3,327.61	1,376.75	1,719.95	5.64	6,429.95
Operating expenses	(977.79)	(312.28)	(401.07)	(4.21)	(1,695.35)
Impairment losses on assets	(1,123.34)	(202.75)	(829.45)	–	(2,155.54)
Share of losses of associates	–	–	–	(8.50)	(8.50)
Profit/(Loss) before tax	1,226.48	861.72	489.43	(7.07)	2,570.56

Notes:

- (1) Consists primarily of income and expenses that are not directly attributable to a segment.
- (2) Includes net interest income/expense from external customers or activities.
- (3) Includes net interest income/expense attributable to transactions with other segments.

Management Discussion and Analysis (Continued)

The following table sets forth, for the periods indicated, our operating income by business segment and as a percentage of total operating income:

Item	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	Amount	Percentage of total amount (%)	Amount	Percentage of total amount (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Corporate Banking	2,884.46	48.34	3,327.61	51.75
Retail Banking	1,299.18	21.77	1,376.75	21.41
Financial Markets	1,775.99	29.76	1,719.95	26.75
Others ⁽¹⁾	7.64	0.13	5.64	0.09
Total	5,967.27	100.00	6,429.95	100.00

Note:

- (1) Consists primarily of income and expenses that are not directly attributable to a segment.

Management Discussion and Analysis (Continued)

3.7 CAPITAL COMPOSITION

As at 31 December 2023 and 30 June 2024, the Bank's core tier-one capital adequacy ratio were 11.25% and 11.21%, respectively, the Bank's tier-one capital adequacy ratio were 12.16% and 12.08%, respectively, and the Bank's capital adequacy ratio were 13.30% and 13.22%, respectively.

Item	As at 30 June 2024	As at 31 December 2023
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>	
Total core tier-one capital		
Share capital	14,588.05	14,588.05
Qualifying portion of capital reserve	8,670.09	8,670.09
Other comprehensive income	957.91	412.09
Surplus reserve	2,976.98	2,976.98
General reserve	6,150.00	5,590.00
Retained earnings	13,465.31	12,681.22
Core tier-one capital	46,808.34	44,918.43
Core tier-one capital deductions	(1,653.21)	(1,724.59)
Net core tier-one capital	45,155.13	43,193.84
Net other tier-one capital	3,499.48	3,499.48
Net tier-two capital	4,596.16	4,373.00
Total net capital	53,250.77	51,066.32
Total risk-weighted assets	402,878.21	383,889.98
Core tier-one capital adequacy ratio	11.21%	11.25%
Tier-one capital adequacy ratio	12.08%	12.16%
Capital adequacy ratio	13.22%	13.30%

Note: In accordance with the Regulation Governing Capital of Commercial Banks, the main features of the Bank's capital instruments will be published in the regulatory capital column of the Investor Relations section of the Bank's official website (www.bgzchina.com), please visit the website for more information.

Management Discussion and Analysis (Continued)

3.8 RISK MANAGEMENT

3.8.1 Credit risk management

Credit risk represents the risk of economic loss to the Bank arising from the failure of a debtor or counterparty to meet its contractual obligation or changes in its credit quality. The credit risk of the Bank arises primarily from loans, bonds and other investments, interbank operations and other on-balance sheet businesses, as well as bill acceptance, letters of credit, letters of guarantee and other off-balance sheet businesses.

The Board is the Bank's highest decision-making body for credit risk management, which undertakes the ultimate responsibility of credit risk management; senior management is responsible for the implementation of credit risk management strategies set by the Board, putting into practice credit risk appetite and limit, formulating risk management policies, and optimizing the credit risk management system. The Credit Risk Management Committee established under the senior management has centralized the decision-making, coordination and management in respect of credit risk management of the Bank within their authorization. The Bank has established "three lines of defense" comprising of business departments, Risk Compliance Management Department and Audit Department, each of which performs its own duties to realize mutual supervision and to jointly carry out credit risk management in collaboration.

During the Reporting Period, the Bank adhered to high-quality development which is taken as the guiding principle, implemented the "steady and balanced" overall risk appetite, continued to optimize the credit risk management policies, institutions, processes, systems and organizational structures, and improved the credit risk management system to continuously enhance the quality and effectiveness of risk management.

3.8.2 Market risk management

Market risk refers to the risk of loss on the Bank's on-and-off-balance sheet businesses due to the adverse changes in interest rates, foreign exchange rates, stock prices and commodity prices. The Bank has, in accordance with the requirements of the regulatory guidelines, set up a market risk management framework covering the directors, supervisors and senior management, with mutual checks and balances among the front, middle and back offices, and established a market risk management policy system covering market risk identification, measurement, monitoring and control. The Bank mainly quantifies market risks by adopting historical modeling method, in which it identifies, measures, controls and prevents market risks through various methods such as Value at Risk (VaR), sensitivity analysis, active monitoring of the market with stop-loss orders (町市止損), and price divergence to improve the level of market risk management. The target of market risk management of the Bank is to control market risk within the reasonable range and maximize shareholders' returns based on its risk appetite.

Management Discussion and Analysis (Continued)

The Bank's market risk arises from trading book, and the market risk it faces is mainly the interest rate risk of trading book. In 2024, the Bank's comprehensive risk management policies clarified market risk appetite and policy requirements, risk management objectives, trading and investment business access standards, asset portfolio allocation orientation, and acceptable risk tolerance and risk limits. Adhering to a steady and balanced risk appetite, the Bank adhered to the implementation of representative accreditation in response to financial market risks, and the centralized management of market risks continued to show results. During the Reporting Period, on the basis of the transformation of market risk consulting results under the new Capital Accord and the requirements of the new regulations of the Regulation Governing Capital of Commercial Banks (《商業銀行資本管理辦法》), the Bank continued to improve its market risk identification, quantitative analysis, limit management, stress testing, capital measurement and other functions and consolidate the monitoring and forewarning management of the risks, and the market risk appetite was transmitted and implemented while reported more smoothly. In the first half of 2024, indicators of market risk limit such as mark-to-market profit and loss and Value at Risk (VaR) in the trading book were all within the limit range.

Considering that the domestic economy is still facing challenges such as insufficient effective demand, structural overcapacity in certain industries and weak social expectations, along with the increasing complexity, severity and uncertainty of the external environment, the internal and external environments of the bond market still has uncertainties. It is necessary to pay attention to the risk of low-level interest rate fluctuations and continue to strengthen the market risk management and control.

3.8.3 Information technology risk management

Information technology risks refer to the operational risk, legal risk, reputational risk, and other types of risks caused by natural or human factors, technical leaks and management defects during the application of information technology by the Bank.

The Board and senior management of the Bank fully recognize the risks of information technology and have established and implemented a cyber-security responsibility system with clear ideas and plans for information technology risk governance. The Bank has established a relatively sound "three lines of defense" governance system for information technology risks. The Bank continued to carry out information technology risk management, including the identification, measurement, monitoring, evaluation and control over the information technology risks to effectively promote the safe, continuous and stable operation of the Bank's business. During the Reporting Period, the Bank improved the relevant institutional norms on information technology risks, strengthened the regulation and control of data security, continuously carried out information technology security inspection and special risk assessment, continuously improved business continuity management and emergency response capabilities, regularly organized and carried out information technology outsourcing inspection work, etc., and effectively improved the comprehensive capability and level of information technology risk management.

During the Reporting Period, the Bank did not have any material events involving information technology risks or substantial operational suspension as stipulated in the Guidelines on the Information Technology Risk Management of Commercial Banks (《商業銀行信息科技風險管理指引》) and the Regulatory Guidelines on the Business Continuity of Commercial Banks (《商業銀行業務連續性監管指引》).

Management Discussion and Analysis (Continued)

3.8.4 Operational risk management

Operational risk is the risk of losses due to problems with internal procedures, personnel and information systems, or external events. The primary operational risks the bank is exposed to include internal and external frauds, misconduct of employees, safety incidents, worksite security, business interruptions, information system events, and defects in the execution and settlement of transactions and operational procedure management.

The Board is ultimately responsible for our operational risk management and the senior management leads our day-to-day operational risk management. The Bank has established “three lines of defence” against operational risk. The first line of defense is formed by various business and management departments, as well as the operating institutions, directly managing and assuming operational risk and being responsible for operational risk management in their respective areas. The second line of defense is formed by the lead departments at all levels responsible for operational risk management and measurement, supervising and guiding the management of operational risk in the first line of defense. The third line of defense is formed by the internal audit department at all levels, supervising and evaluating the performance of our operational risk management in the first and second lines of defense and their effectiveness.

In the first half of 2024, the Bank clarified the operational risk management policy, improved the operational risk management system, actively promoted the digital transformation of operational risk and internal control and compliance, incrementally improved operational risk management tools, and strengthened operational risk supervision and inspection, effectively enhancing the quality and efficiency of the Bank’s operational risk management. Firstly, the Bank implemented the new requirements for operational risk management of regulators and revised the Operational Risk Management Measures of Bank of Guizhou (《貴州銀行操作風險管理辦法》). Secondly, the Bank completed the transformation of the measurement of operational risk-weighted assets within the system in accordance with Regulation Governing Capital of Commercial Banks to meet the needs of regulatory reporting under the new standard law. Thirdly, the Bank actively explored the digital transformation in the field of internal control and compliance and formulated the Implementation Plan for Intelligent Transformation of Operational Risk and Compliance Risk Management (《操作風險與合規風險管理智能化轉型實施方案》). Fourthly, the Bank regularly organized the collection of operational risk loss data and the monitoring of key risk indicators across the Bank, and completed the 2023 Stress Test for Operational Risk of the Bank. Fifthly, the Bank organized training on new operational risk regulations. Sixthly, the Bank launched and optimized monitoring models and list rules regarding products and behavior management. Seventhly, the Bank solidly promoted outsourcing risk management inspection and project approval risk assessment and continued to deepen outsourcing risk management.

During the Reporting Period, the Bank did not have any material operational risk events as stipulated in the Commercial Bank Operational Risks Management Guidelines (《商業銀行操作風險管理指引》) and the Operational Risk Management Measures of Bank of Guizhou and the overall operational risk was controllable.

Management Discussion and Analysis (Continued)

3.8.5 Money laundering risk management

Money laundering risk refers to the risk of legal sanctions, regulatory penalties, significant financial losses, reputational losses and internal control deficiencies resulting from a financial institution's failure to strictly fulfill its legal obligations and duties of anti-money laundering. The Bank has built an organizational structure for anti-money laundering management consisting of the Board, the Board of Supervisors, senior management and anti-money laundering leading group, various functional departments of the head office and institutions at all levels. The Board assumes the ultimate responsibility for money laundering risk management, the Board of Supervisors assumes the supervisory responsibility for money laundering risk management, and the senior management assumes the implementary responsibility for money laundering risk management. The Bank adheres to the risk-based money laundering risk management philosophy, incorporates money laundering risk management into the comprehensive risk management system, reinforces the awareness of money laundering risk management into all aspects of operation and management, and proactively and effectively prevents money laundering risks.

During the Reporting Period, the Bank continued to improve the internal control system, enhanced the use of anti-money laundering technology, intensified the supervision and inspection, actively submitted suspicious transaction reports to help combat money laundering crimes, and effectively improved the quality and efficiency of anti-money laundering. Firstly, the Bank continued to improve the internal control system and further standardized the monitoring of suspicious transactions and the management of employees to improve the system day by day. Secondly, the Bank organized and carried out money laundering risk investigation of business products and strengthened control measures to effectively prevent money laundering risks. Thirdly, the Bank increased anti-money laundering supervision and inspection, and supervised branches to make efforts in anti-money laundering related work. Fourthly, the Bank strengthened anti-money laundering education and training and organized and carried out training on business topics to continue to enhance the professional ability of employees in performing their duties. Fifthly, the Bank continued to enhance the level of anti-money laundering intelligence, optimized system functions and processes, and improved data collection to enhance the effectiveness of system monitoring. Sixthly, the Bank gave full play to the joint mechanism of money laundering risk prevention and control and actively submitted suspicious transaction reports.

During the Reporting Period, the Bank's overall money laundering risk was under control and no significant money laundering incidents occurred.

Management Discussion and Analysis (Continued)

3.8.6 Legal risk management

Legal risk refers to the possibility of negative legal consequences for the Bank due to changes in the legal environment outside the Bank in the course of implementation of laws, or due to the Bank's failure to exercise its rights and fulfill its obligations in accordance with legal provisions or contractual agreements. The Legal Compliance Department of the Bank and the Risk and Legal Compliance Department of the branches are responsible for managing the legal risks of the Bank.

During the Reporting Period, the Bank endeavored to improve the quality and effectiveness of legal risk management and control, which provided strong legal support and guarantee for operation and management. Firstly, the Bank strictly implemented the legal review system. It conducted legal review on the bank-wide contracts for all types of business and various rules and systems, and focused on the review of consumer rights and interests protection. It carried out legal risk assessment and argumentation on significant operation and management and risk resolution matters, and provided legal opinions or risk prevention programs to ensure the legality of the operation and management activities of the Bank. Secondly, the Bank consistently formulated formatted contract texts system. It formulated formatted contract texts for online business and frequent offline business activities based on business operation and management needs and continuously supplemented and amended them based on regulatory requirements and business demands to improve the database of formatted contract texts and effectively prevent systematic legal risks. Thirdly, the Bank effectively conducted litigation cases management. For litigations cases, it conducted feasibility and necessity analysis and argumentation and prepared lawsuit plans before the litigation based on management requirements. It strictly went through approval procedures in terms of authority to enhance the management and handling ability on litigations and effectively safeguard the legitimate rights of the Bank. Fourthly, the Bank conducted a bank-wide examination on the knowledge and understanding of rules and regulations to promote the mastery of rules and regulations by employees in various positions and the strict implementation of the rules and regulations. Fifthly, the Bank enhanced legal advocacy and training. Based on the requirements on the 8th Five-Year Plan of Legal Popularization, the Bank carried on legal advocacy through publishing learning materials on laws and regulations on the website of the Bank, timely delivery of newly issued laws and regulations and other means. It organized legal training through centralized training, consultancy and guidance and online law learning and examining to enhance the employees' legal and prevention of legal risk awareness.

During the Reporting Period, the Bank recorded no major legal risk events.

Management Discussion and Analysis (Continued)

3.8.7 Compliance risk management

Compliance risk refers to the risk of legal sanctions, regulatory penalties, significant financial losses or reputational damage due to the Bank's failure to comply with laws, rules and guidelines and internal regulations. The objective of the Bank's compliance risk management is to achieve effective identification, assessment and prevention of compliance risks through the establishment of a sound compliance risk management mechanism, promoting the construction of a comprehensive risk management system and ensuring compliance operation in accordance with the law.

The Bank earnestly benchmarked against regulatory requirements, strengthened compliance risk management in a comprehensive manner in accordance with the working requirements of "establishing rules, serious implementation and supervision and strict accountability"; paid close attention to the implementation of inspection and rectification; continuously improved the corporate governance mechanism; established and conscientiously implemented the post-evaluation mechanism of rules and regulations and continued to improve the system of rules and regulations; reinforced the supervision of the performance of duties by the "three lines of defense", and performed well on coordination of supervision and auditing; reinforced the connection between the enforcement of rules and disciplinary actions, further improved the system of internal accountability and carried out its implementation properly; and intensified the disposal and warnings and education of non-compliance, and adopted the management and control measures of "proactive prevention, focused control and comprehensive management (主動防、重點抓、全面管)" by carrying out multiple special internal inspections, aiming to enhance the awareness of compliance, the professional competence of compliance management, and the level of compliance management among all staff members, and the compliance with laws, regulations, and supervisory provisions, as well as the implementation of the rules and regulations within the Bank.

During the Reporting Period, the Bank had no significant compliance risk events.

3.8.8 Reputational risk management

Reputational risk refers to the risk of negative comments to the banking institutions by relevant stakeholders, the public and the media as a result of the actions of the banking institutions, the behavior of their practitioners or external events, which may damage their brand value, adversely affect their normal operation, or even affect market stability and social stability.

During the Reporting Period, the Bank persisted in improving the reputational risk management system, promoting the "institutionalized construction" and "whole-process management" for reputational risk, and building a solid defense against reputational risk. Firstly, the Bank strengthened the prior assessment, potential risk investigation, and source management of reputational risk, regularly reviewed the situation of reputational risk management and potential risks, realized the forward movement of risk exposure, and made plans for risk prevention promptly. Secondly, in the treatment of reputational risk, the Bank responded quickly, cooperated and handled them properly, nipping the risk in the bud in the first instance. Thirdly, the Bank continued to carry out reputational risk management training to enhance employees' awareness of reputational risk, actively cultivated reputational risk management culture and improved the level of reputational risk management capability. Fourthly, the Bank actively spread the voice price of Bank of Guizhou and told the story of Bank of Guizhou to accumulate the reputational capital of Bank of Guizhou and establish the brand image of "bank with heart". During the Reporting Period, the Bank's level of reputational risk management improved steadily and no major reputational risk events occurred.

Management Discussion and Analysis (Continued)

3.8.9 Strategic risk management

Strategic risk refers to the risk caused by changes in the external environment or improper operation policies during the formulation and implementation of strategies, which may have negative effects on the current or future capital, reputation or market position of the Bank as a whole. The strategic risk management is an integral part of the Bank's corporate governance and comprehensive risk management system, which aims to enhance the effectiveness of strategic risk management and support the Bank's high-quality development through a sound governance structure and effective management procedures.

The Bank has established a relatively complete strategic risk governance structure. The Board is responsible for approving the strategic risk management policies, supervising the senior management in fulfilling various responsibilities in strategic risk management, and keeping abreast of the changes in strategic risk status and the problems identified in the management process through consideration or review of relevant reports on a regular basis. The senior management assumes the responsibility for the implementation of strategic risk management, and is responsible for establishing the organizational structure for strategic risk management and organizing the implementation of strategic plan, tracking and monitoring and strategic risk management. The office of the Board is the competent authority for strategic risk, and is responsible for coordinating internal and external resources with the Board and the senior management, completing the drafting and revision of the Bank's strategic plan, supervising the implementation, adjustment and evaluation of the strategic plan, and promoting the implementation of the relevant system of strategic risk management by the senior management and functional departments; the risk management department of the head office is responsible for incorporating the strategic risk management into the Bank's comprehensive risk management system; the relevant departments and branches of the head office are responsible for cooperating in the implementation of strategic risk management.

During the Reporting Period, the Bank pushed forward the implementation of the 2022–2024 Plan of Development Strategies of Bank of Guizhou in an orderly manner, and executed strategic risk management procedures strictly in accordance with the Management Measures for Strategic Risks of Bank of Guizhou (Provisional), with an overall stable level of strategic risk, good control and no major strategic risk events.

3.8.10 Exchange Rate Risk Management

Exchange rate risk refers to the possibility of economic loss to the Bank due to changes in the value of claims or liabilities denominated in foreign currencies as a result of changes in exchange rates. The Bank's foreign currency assets and liabilities are denominated mainly in US dollars and Euros.

The Bank has formulated a clear exchange rate risk management strategy and constructed a comprehensive risk management framework. In terms of exchange rate risk management, the Bank mainly follows two principles: firstly, the Bank conducts real-time monitoring of foreign exchange exposure, striving to match assets and liabilities in each currency and to reduce the adverse impact of exchange rate fluctuations on the Bank's operations; secondly, the Bank effectively avoids exchange losses arising from exchange rate fluctuations through settlement and sales of foreign exchange in a timely manner under a prudent foreign exchange transaction strategy to retain the cumulative foreign exchange exposure position indicators held by the Bank within the regulatory limits.

Management Discussion and Analysis (Continued)

The exchange rate between the US dollar and RMB has fluctuated greatly since this year. In accordance with regulatory requirements, the Bank has continued to promote the concept of “exchange rate risk neutrality”, guiding customers to incorporate exchange rate fluctuations into their daily financial decision-making and to minimize the impact of exchange rate fluctuations on their main businesses.

3.8.11 Interest rate risk management of banking book

Interest rate risk in the banking book refers to the risk of loss in the economic value and overall income of the banking book due to adverse changes in interest rate level, term structure and other elements, mainly including gap risk, basis risk and optionality risk.

The Bank adopts repricing gap, net interest income, economic value, indicator limits and other tools to identify, measure, monitor and control interest rate risks in banking book and continuously strengthens the management of interest rate risk of banking book based on factors such as the risk preference of interest rate of banking book, risk profile, macroeconomic and market changes, so as to enhance the level of fine-tuned management of interest rate risk of banking book. Firstly, the Bank continuously improves the governance system of interest rate risk of banking book, clarifies the responsibilities of each department under the organizational structure, and regularly evaluates and improves the risk management process of interest rate risk of banking book to ensure the effectiveness, reliability and compliance of the management process. Secondly, the Bank continues to carry out regular work on the identification and measurement of interest rate risk of banking book and monitoring feedback, regularly monitor the re-pricing gap and ensure that the exposure to interest rate risk of banking book develops in the desired direction by adjusting the business scale, maturity structure and interest rate structure of assets and liabilities, continuously realizing the active management of interest rate risk of banking book. Thirdly, the Bank regularly implements scenario analysis and stress tests to manage the limits of interest rate risk of banking book, avoid losses in the Bank's economic value and overall earnings due to adverse changes in interest rate risk, and maintain a balance between risk and earnings while meeting regulatory requirements and controlling risk.

3.8.12 Liquidity risk management

Liquidity risk refers to the risk of failure to obtain adequate funds in time at a reasonable cost to repay debts when they are due, perform other payment obligations and meet other capital requirements in the ordinary course of business. Factors affecting liquidity risk include external factors and internal factors. External factors include domestic and international financial and economic conditions, macroeconomic control policies, the depth and breadth of the development of financial markets and the competitive landscape of the banking industry; internal factors include the maturity and business structure of assets and liabilities, stability of deposits, market financing capability and various unexpected events.

The Bank established a relatively sound liquidity risk management and organization system. The Board is ultimately responsible for the management of liquidity risks; the senior management undertakes the organization work in respect of liquidity risk management and is responsible for the implementation of liquidity risk management, the establishment of organization, the promotion of systems and policies in relation to liquidity risk management; the Board of Supervisors is responsible for overseeing and assessing the performance of duties by the Board and the senior management in respect of liquidity risk management; the Planning and Finance Department of the head office is responsible for providing leadership for risk management and implementing specific work in relation to liquidity risk management and various departments under the head office and branches and sub-branches of the Banks provide assistance for liquidity risk management pursuant to their respective duties.

Management Discussion and Analysis (Continued)

During the Reporting Period, the Bank continued to implement the “steady, compliant, prudent” liquidity risk management appetite. Taking into account the Bank’s strategic development objectives, the Bank continued to strengthen asset and liability management, accelerated bond issuance, further increased deposit organization, effectively mitigated the mismatch of asset and liability maturities and insisted on the bottom line of safe operation of liquidity risk management.

The Bank has established a relatively complete liquidity risk management system. During the Reporting Period, the Bank had no liquidity risk event occurred and the liquidity indicators continued to meet the regulatory requirements. Meanwhile, the Bank ensured that liquidity risks were generally manageable through a series of control and management measures. Firstly, the Bank effectively identified, measured, monitored, controlled and reported liquidity risks through cash flow assessment and analysis, and established scientific and sound liquidity risk management systems. Secondly, the Bank determined limit of liquidity risks based on business nature, scale, complexity, risk appetite, development of external market and risk tolerance and made capital arrangements according to its own liquidity situation to improve the pro-activeness and foresight of liquidity management. Thirdly, the Bank enhanced the application of results from the liquidity risk pressure tests, based on the results of which it identified weaknesses in the liquidity risk management of the Bank and made adjustments to the liquidity risk management strategies. Fourthly, the Bank implemented centralized fund management, and fund position was managed by designated persons who were especially responsible for this, to maintain reasonable and sufficient intraday liquidity and meet customers’ payment and settlement needs. Fifthly, the Bank strengthened the management of matured initiative debt and balanced the mature time of initiative debt on the basis of maintaining reasonable liability in the industry to ease the pressure of concentrated maturity of initiative debt and ensure sufficient liquidity for the Bank. Sixthly, the Bank improved the liquidity risk emergency plan, regularly carried out liquidity risk emergency drills, and effectively improved the applicability of the plan and the emergency handling ability of managers.

During the Reporting Period, our liquidity pressure tests involved significant loss of corporate and retail deposits, the material drop of liquidity of current assets, the decrease of availability of corporate and retail financing, the past due status of balance sheet and off-balance sheet asset business and other aspects. Based on the analysis of the test results, the Bank had relatively sufficient high-quality current assets and better liquidity pressure tolerance and the shortest period of survival was over 30 days.

As at the end of the Reporting Period, the Bank’s liquidity coverage ratio was 273.59%; the qualified current assets amounted to RMB55,314 million; the net cash outflow for the next 30 days was RMB20,218 million; and the current ratio was 75.08%. The net stable funding ratio was set out in the table below:

Net Stable Funding Ratio			
<i>Unit: RMB100 million, %</i>			
No.	Item	June 2024	March 2024
1	Stable funding available	3,757.06	3,905.41
2	Stable funding needed	3,499.82	3,477.71
3	Net stable funding ratio (%)	107.35	112.30

Management Discussion and Analysis (Continued)

3.9 INFORMATION TECHNOLOGY DEVELOPMENT

In terms of information technology, the Bank has continued to strengthen its safety production barriers and improved the quality and efficiency of system research and development, which has made efforts in providing robust technological supports for the high-quality development of its all aspects.

During the Reporting Period, benefiting from its continuous enhancement of network security monitoring and defense system, the Bank has added over 10 network attack monitoring models, upgraded more than 70 security policies and optimized more than 370 firewall policies, and continuously improved its network security defense resulting from its implementation of drills on phishing emails and ransomware emails, effectively ensuring the security of its entire network.

The Bank has constantly consolidated its application system security control measures, actively carried out application system attack and defense drills, optimized standardized inspections of crucial application systems, and timely controlled operational risks, thereby effectively ensuring the safe and stable operation of production. During the Reporting Period, the Bank didn't incur any material incidents affecting business continuity and achieved the target of production system availability at 99.99%.

The Bank positively organized business continuity trainings, executed 2 special emergency trainings, increased 12 automated emergency tools, and fulfilled 12 technical special drills; revised and compiled 10 emergency plans based on feedbacks from its drills, established a standardized emergency management system of its application system covering 3 standardized emergency response processes, 10 standardized emergency response plans, 18 special emergency response scenarios, and 12 standardized automated emergency response tools, resulting in the continuous improvement of ability to ensure business continuity.

In view of its unremitting improvement of its research and development's quality and efficiency, the Bank smoothly completed the research and development of pivotal projects such as "Central Bank Support for Small and Medium Loans (中央銀行支小再貸款)" debt products, Chaqing trading platform (茶青交易平台), POS migration of the unified acquirer system (統一收單系統POS遷移), credit renewal, loan renewal without principal repayment, village-wide credit, Qiankuai loans secondary marketing (黔快貸二級營銷), and Qiancheng loans (黔城貸), and vigorously propelled "three bazaars with one warehouse" data warehouse and marketing market, providing sound technical supports for business development. During the Reporting Period, the Bank's "Large-scale complex variable zero-code development and high-performance computing platform" (大規模複雜變量零代碼開發與高性能計算平台) was awarded the third prize in relation to the financial technology development authorized by the head office of the People's Bank of China, being the only bank consecutively awarded in the province among financial institutions.

Management Discussion and Analysis (Continued)

3.10 DIGITAL TRANSFORMATION

The Bank insisted on the innovative development path of digitization and intelligence, taking advantage of traction and promotion of digital technology and data elements, consecutively made breakthroughs in product innovation, scenario expansion, customer service, digital operations, and risk control, successfully launched projects such as financing for liquor distributors financing (白酒經銷商融資) and online personal credit inquiries, and continued to improve the accessibility, inclusiveness, convenience, and security of financial services, therefore injecting new vitality into the high-quality development of the province's economy and society.

I. Driving the emergence of new businesses, products, and services through digitization and intelligence

The Bank has deepened digital finance and continuously innovated financial service models through the mutual promotion and in-depth integration of digital technology and data elements, and the digitization, intelligence, and diversification of financial services have been significantly increased. **The development of digital finance in industries has been accelerated.** By utilizing advanced technologies such as big data, intelligent risk control, and electronic signatures, the distributor procurement financing project created for a liquor company was successfully launched, and the invoiced amount exceeded RMB500 million during the Reporting Period, effectively promoting the increase in “chain master (鏈主)” value for core enterprises. The digital platform built in cooperation with other party has accumulated 300,000 transactions, driving a daily average deposit of RMB200 million; the “Guizhou wine and dishes (黔酒黔菜)” system and the “Xijiang Thousand-house Miao Village (西江千戶苗寨)” system have realized the expansion from its financial services to industries such as catering and tourism; and a financial platform established for the tea and coal trading scenes has been progressing in an orderly manner. Industry digital finance has been drawing a new growth curve for the Bank. **Inclusive digital finance has been deepened and solidified.** The R&D of key projects and demands such as whole village credit, secondary marketing of Qianqi loan, and Qiancheng loan, etc. was completed. The financial service support capability for small and micro customers on the intelligent micro-loan platform has been constantly strengthened, and new businesses and products of the platform have been continuously enriched, with business scale continuously increasing and loan balance surpassing RMB9 billion. During the Reporting Period, there were over 15,000 new applications and more than 12,000 customers were served, effectively expanding the scope of inclusive finance and increasing customer stickiness. **The process of online business has been constantly accelerated.** With customers as the core, the convenience of business has been unremittingly achieved through online methods. The “Social Bank Integration (社銀一體化)” has been implemented on the Huinong terminal (惠農終端), providing services such as social security and policy inquiries. The “Bank-Medical Connection (銀醫通)”, “Bank-School Treasure (銀校寶)”, “New E-Loan (新e貸)”, and online personal housing mortgage loans have become powerful weapons for online customer acquisition and retention, promoting the bank's services more diverse and convenient for customers.

Management Discussion and Analysis (Continued)

II. Empowering the Bank's overall operation and management with digital technology

The Bank has attached great importance to the construction of basic capabilities regarding digital transformation and data application tools. **Empowering upper-level applications with the construction of a middle platform**, the Bank has been fully committed to promoting the construction of “three bazaars with one warehouse”, and smoothed the arteries of data interconnection and interoperability by way of establishing a data application foundation with a middle platform. **Replacing decision-making with artificial intelligence**, the Bank has initially built a machine learning-based decision-making AI that uses internal data as the training base, combines various algorithms and provides the basis for decision-making, which has been validly applied in risk prediction for multiple products such as small and micro loans, consumer loans, credit cards, and mortgages, as well as customer financial management recommendations and customer churn warning models. **Empowering customer marketing with data**, the Bank has constantly enriched customer profiles, further enhancing its ability to identify customer segments, and making customer marketing more accurate and diverse. Taking account of data including “user behavior + internal credit (用戶行為+行內信貸)”, the Bank has conducted comprehensive analysis on customers with maturity, high value, churn, high pricing, etc., classified the potential credit needs of customers into levels, and adopted different marketing methods to carry out differentiated marketing, so as to continuously improve the accuracy of the credit needs of the customer base. **Empowering rural business with digital technology**, the Bank has introduced the Huinong platform APP based on the intelligent hall, the inspection of which was migrated from offline to online; the related parties' abnormal transaction monitoring model of which was refined in conjunction with the scope of such abnormal transaction monitoring being substantially expanded, enhancing its digitization, productively reducing business risks, and achieving a leap in the quality and efficiency of management. **Empowering data applications with BI tools**, the BI business intelligence data analysis tool vigorously promoted by the Bank has realized in-depth application in 18 business areas, including personal, small and micro, credit card, consumer loan, and operation management, with the usage of more than 140,000 times in the first half of 2024, representing a significant year-on-year increase of 362%. The Bank has formed a strong atmosphere of for the use of data, and discoveries of business value from data has become a consensus throughout the Bank.

III. Adhering to the bottom line of safe financial development, enabling “the safest bank” the core competitiveness of the Bank's digital transformation

The Bank has consistently adhered to the bottom line of financial security development and taken multiple measures to build a solid fence for digital financial security and eliminate potential financial security risks. **Continuously satisfying regulatory compliance requirements**, the Bank has put the operational risk capital measurement module into operation, achieving the transition of operational risk capital measurement to the new standard method. The Bank has fully benchmarked the “new capital rules (資本新規)” and completed the operation of the credit risk-weighted asset management system, which has provide a basic platform for boosting business development and risk management mechanisms under capital constraints. **Constantly improving the risk prevention capabilities**, the Bank has continued to iterate and optimize its anti-fraud system, completing the access to the anti-fraud system for labor fund settlement and other businesses, increasing the account classification and grading control lists, and achieving automatic processing of account risk levels. Considering the analysis of transaction data models, the Bank has assisted in the effective implementation of the governance of telecommunication network fraud and cross-border gambling “capital chain”; following its commissioning of operation management platform, the Bank has terminated its traditional post-approval supervision mechanism and revealed a new chapter in the digital management of operational and operational risk.

Management Discussion and Analysis (Continued)

IV. Continuously optimizing institutional and mechanistic construction, ensuring the steady and far-reaching progress of digital transformation work

The transformation of institutional mechanisms and mindset is a crucial guarantee for the success of digital transformation. During the Reporting Period, the Bank restructured its business demand review mechanism to ensure the quality of business requirements at the source during the digital transformation process. It initiated the construction of a data analyst team to move towards the goal of “making data usable and decision-making more intelligent.” The Bank also launched the “Digital Finance Lecture Series” to continuously enhance the overall digital transformation literacy of the entire organization.

3.11 SOCIAL RESPONSIBILITIES

I. Promoting rural revitalization

The Bank has been dedicated to providing assistance to its designated areas with heart and soul, formulated and issued the “2024 Guizhou Bank Rural Revitalization Assistance Plan (《貴州銀行2024年鄉村振興幫扶工作計劃》)” through the establishment of an assistance team and deployment of assistance cadres, defined its assistance plan measures in eight aspects, including policy propaganda, organization construction, and capital assistance, to provide comprehensive supports for rural revitalization in the assisted villages. During the Reporting Period, the Bank donated a total of RMB1.6 million to four assisted villages in Danzhai County, and an aggregate of RMB500,000 to red beautiful villages, substantially fulfilling its responsibilities as a state-owned enterprise and contributing to developing stronger industries, building more beautiful villages, and enabling the people’s lives more affluent in the assisted villages.

II. Serving micro and small private enterprises

Based on the positioning of “three services” responsibilities, the Bank actively introduced measures to benefit enterprises and the people around the difficulties and obstacles in the development of small and medium-sized enterprises, continuously improved the long-term mechanism of “daring to lend, willing to lend and capable of lending”, took multiple measures to promote the simultaneous improvement of the quantity and quality of private economy. As of the end of the Reporting Period, the loan balance of the Bank for private economy was RMB50.946 billion.

III. Deeply cultivating green finance

The Bank actively implemented the national strategy of “peak carbon emissions and carbon neutrality”, focused on writing a “good article of green finance”, and focused on the “3533” industrial cluster to increase green finance support for new quality productivity projects such as “Precision Development for Rich Mines (富礦精開)” and “Electric Guizhou (電動貴州)”, comprehensively promoting the transformation of the province’s green mountains and waters into “happy real estate (幸福不動產)” and “green ATM (綠色提款機)”. As of the end of the Reporting Period, the balance of the Bank’s green credit was RMB56.850 billion, representing an increase of RMB4.656 billion or 8.92% compared to the beginning of the year.

Management Discussion and Analysis (Continued)

IV. Safeguarding rights and interests of consumers

The Bank always adheres to the concept of finance for the people, integrates the concept of consumer rights protection into the entire business process, vigorously popularizes financial knowledge, enhances public financial literacy, and strengthens the ability of ordinary people to identify and prevent risks. During the Reporting Period, the Bank organized 931 “3·15” educational and promotional activities on protecting consumer rights, covering 774,500 person-times of consumers; organized 904 “Promoting Financial Knowledge” events, covering 123,000 consumers, which further enhanced the awareness of risk prevention and self-protection of financial consumers.

V. Fulfilling social responsibility

During the Reporting Period, the Bank organized public welfare activities such as publicizing the law for female employees in 2024, rights protection, knowledge lectures on “family education and family building” and the summer caring event. It promoted the construction of 327 outdoor workers’ caring stations, providing intimate services for outdoor workers such as “heating when cold, cooling when hot, water for thirsty, heating cold rice, rest for the tired and open toilet”. It guided the vast number of communist youth league members of the Bank to actively practice the socialist core values, and carried out financial knowledge education and publicity volunteer services more than 120 times, benefiting more than 20,000 people. It vigorously led young people to participate in public welfare practices, organized more than 80 employees across the Bank to participate in the voluntary blood donation activities. It actively carried out the “Riding the Wind and Waves with Your Dreams” charity assistance for college entrance examination volunteer activities, and young volunteers from the Bank provided services with dedication to nearly 10,000 candidates, parents, logistics support workers, etc. for 720 person-times. During the Reporting Period, the Bank donated a total of RMB2.2 million to external parties, actively fulfilling the responsibilities of the Bank.

VI. Leading the talent development

The Bank has thoroughly implemented the decision-making and deployment of stabilizing and ensuring employment, studied and formulated annual talent introduction plans, improved the talent recruitment mechanism, and successfully completed the spring recruitment work, employing nearly 200 professionals of all kinds. It solidly carried out the relevant work of retired soldiers’ resettlement and fully demonstrated the responsibility and commitment of state-owned enterprises. It revised and improved the management measures for professional sequence and rank, solidly promoted the appointment of professional titles, and continuously smoothed the channel for talent growth. It coordinated the preparation of an annual education and training plan, as well as a certificate on job examination plan, organized and conducted over 470 training programs and 7 certificate on job examinations, and launched a batch of financial literacy improvement courses to meet the self-learning needs of various talents. It seriously implemented the mechanism for members of the Party committee team to contact expert talents and talent service specialists, conducted face-to-face communication with expert talents during the “Talent Day” period, assigned service specialists for each expert talent, implemented caring and incentive measures, actively carried out talent service work such as “Talent Green Card” application, school enrollment application for children of high-level talents, and professional title application.

Changes in Share Capital and Information on Shareholders

4.1 CHANGES IN SHARE CAPITAL

As at 30 June 2024, total share capital of the Bank was 14,588,046,744, comprising 12,388,046,744 Domestic Shares and 2,200,000,000 H Shares.

Item	As at 31 December 2023		Changes in shares during the Reporting Period (share)	As at 30 June 2024	
	Number of shares (share)	Percentage (%)		Number of shares (share)	Percentage (%)
Domestic Shares	12,388,046,744	84.92	–	12,388,046,744	84.92
H Shares	2,200,000,000	15.08	–	2,200,000,000	15.08
Total number of ordinary shares	14,588,046,744	100.00	–	14,588,046,744	100.00

4.2 INFORMATION ON SHAREHOLDERS

4.2.1 Total number of domestic shareholders

As at 30 June 2024, the Bank had 5,300 domestic shareholders in total, consisting of 10 state-owned shareholders, 62 state-owned legal person shareholders, 120 private enterprise legal person shareholders and 5,108 natural person shareholders.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.2 Top ten holders of the Domestic Shares

As at 30 June 2024, the shareholdings of top ten Domestic Shareholders of the Bank are detailed as follow:

No.	Name of shareholder	Class of share	Number of shares held (Unit: Share)	Approximate percentage of total issued share capital of the Bank (Note) (%)
1	Guizhou Provincial Finance Bureau (貴州省財政廳)	Domestic Shares	2,917,500,000	20.00
2	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台 酒廠(集團)有限責任公司)	Domestic Shares	1,750,000,001	12.00
3	Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營 管理有限責任公司)	Domestic Shares	955,477,904	6.55
4	Shenzhen Expressway Corporation Limited (深圳高速公路集團股 份有限公司)	Domestic Shares	426,000,000	2.92
5	Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	334,000,000	2.29
6	Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Domestic Shares	300,000,000	2.06
7	Liupanshui Municipal Finance Bureau (六盤水市財政局)	Domestic Shares	284,067,540	1.95
8	Guizhou Science and Technology Venture Capital Co., Ltd. (貴州省 科技風險創業投資有限公司)	Domestic Shares	202,602,689	1.39
9	Guizhou Renhuai Maotai Town Hutu Liquor (Group) Co., Ltd. (貴州省仁懷市茅台鎮糊塗酒 業(集團)有限公司)	Domestic Shares	188,633,460	1.29
10	AECC Guizhou Liyang Aero Engine Co., Ltd. (中國航發貴州黎陽航 空動力有限公司)	Domestic Shares	178,856,984	1.23

Note: Total issued share capital includes Domestic Shares and H Shares.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.3 Interests and short positions of substantial shareholders in Shares and underlying shares under the Regulations of Hong Kong

As at 30 June 2024, to the best knowledge of the Bank, the following persons (other than the Bank's Directors, Supervisors and chief executive) had interests and/or short positions in the Shares or underlying shares as recorded in the register of interests required to be kept by the Bank pursuant to Section 336 of Part XV of the SFO, or, directly or indirectly, were interested in 5% or more of the nominal value of any class of the Bank's share capital:

Name of shareholder	Class of shares	Long positions/ Short positions	Nature of interests	Number of Shares (Shares)	Approximate percentage of the relevant class of share capital issued of the Bank (%)	Approximate percentage of the total issued share capital of the Bank (%)
Guizhou Provincial Finance Bureau (貴州省財政廳)	Domestic Shares	Long positions	Beneficial owner	2,917,500,000	23.55	20.00
China Kweichow Moutai Distillery (Group) Co., Ltd. ⁽¹⁾ (中國貴州茅台酒廠(集團)有限責任公司)	Domestic Shares	Long positions	Beneficial owner	1,750,000,001	14.13	12.00
State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽¹⁾ (貴州省人民政府國有資產監督管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	1,750,000,001	14.13	12.00
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. ⁽²⁾ (遵義市國有資產投融資經營管理有限責任公司)	Domestic Shares	Long positions	Beneficial owner	955,477,904	7.71	6.55
Zunyi State-owned Capital Operation Co., Ltd. ⁽²⁾ (遵義市國有資本運營有限公司)	Domestic Shares	Long positions	Interest in controlled corporation	955,477,904	7.71	6.55

Changes in Share Capital and Information on Shareholders (Continued)

Name of shareholder	Class of shares	Long positions/ Short positions	Nature of interests	Number of Shares (Shares)	Approximate percentage of the relevant class of share capital issued of the Bank (%)	Approximate percentage of the total issued share capital of the Bank (%)
Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. ⁽²⁾ (遵義市名城國有資產投資經營有限公司)	Domestic Shares	Long positions	Beneficial owner	34,065,055	0.27	0.23
State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi Municipality ⁽²⁾ (遵義市人民政府國有資產監督管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	989,542,959	7.98	6.78
Guizhou Water Investment Water Affairs Group Co., Ltd. ⁽³⁾ (貴州水投水務集團有限公司)	H Shares	Long positions	Beneficial owner	314,030,000	14.27	2.15
Guizhou Water Conservancy Investment Group Co., Ltd. ⁽³⁾ (貴州省水利投資(集團)有限責任公司)	H Shares	Long positions	Interest in controlled corporation	314,030,000	14.27	2.15
State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽³⁾ (貴州省人民政府國有資產監督管理委員會)	H Shares	Long positions	Interest in controlled corporation	314,030,000	14.27	2.15
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. ⁽⁴⁾ (黔西南州宏升資本運營有限責任公司)	H Shares	Long positions	Beneficial owner	310,487,000	14.11	2.13

Changes in Share Capital and Information on Shareholders (Continued)

Name of shareholder	Class of shares	Long positions/ Short positions	Nature of interests	Number of Shares (Shares)	Approximate percentage of the relevant class of share capital issued of the Bank (%)	Approximate percentage of the total issued share capital of the Bank (%)
State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture ⁽⁴⁾ (黔西南州人民政府國有資產監督管理委員會)	H Shares	Long positions	Interest in controlled corporation	310,487,000	14.11	2.13
Renhuai Sauce-flavored Liquor (Group) Co., Ltd. ⁽⁵⁾ (仁懷醬酒(集團)有限責任公司)	H Shares	Long positions	Beneficial owner	309,382,000	14.06	2.12
The People's Government of Renhuai Municipality ⁽⁵⁾ (仁懷市人民政府)	H Shares	Long positions	Interest in controlled corporation	309,382,000	14.06	2.12
Guizhou Fanjingshan Investment Holding Group Co., Ltd. ⁽⁶⁾ (貴州省梵淨山投資控股集團有限公司)	H Shares	Long positions	Beneficial owner	142,000,000	6.45	0.97
Tongren State-owned Assets Supervision and Administration Bureau ⁽⁶⁾ (銅仁市國有資產監督管理局)	H Shares	Long positions	Interest in controlled corporation	142,000,000	6.45	0.97
Changsheng Fund Management Co. Ltd-Changsheng Fund Zunyi No.1 Single Asset Management Plan ⁽⁷⁾ (長盛基金遵義1號單一資產管理計劃)	H Shares	Long positions	Investment manager	140,000,000	6.36	0.96

Changes in Share Capital and Information on Shareholders (Continued)

Notes:

- (1) China Kweichow Moutai Distillery (Group) Co., Ltd. is 90% owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province (貴州省人民政府國有資產監督管理委員會). By virtue of the SFO, the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province is deemed to be interested in the shares of the Bank held by China Kweichow Moutai Distillery (Group) Co., Ltd.
- (2) Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. is wholly owned by State-owned Assets Supervision and Administration Commission of Zunyi Municipality. The 58.44% interests of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. is held by Zunyi State-owned Capital Operation Co., Ltd. Zunyi State-owned Capital Operation Co., Ltd. is 98% owned by the State-owned Assets Supervision and Administration Commission of Zunyi Municipality. By virtue of the SFO, Zunyi State-owned Capital Operation Co., Ltd. is deemed to be interested in the shares of the Bank held by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. State-owned Assets Supervision and Administration Commission of Zunyi Municipality is deemed to be interested in the shares of the Bank held by Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. and Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
- (3) Guizhou Water Investment Water Affairs Group Co., Ltd. is 87.47% owned by Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) 82.18% interests of which is held by State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province. By virtue of the SFO, both Guizhou Water Conservancy Investment Group Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province are deemed to be interested in the shares of the Bank held by Guizhou Water Investment Water Affairs Group Co., Ltd.
- (4) Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. is 73.23% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture. By virtue of the SFO, State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture is deemed to be interested in the shares of the Bank held by Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd.
- (5) Renhuai Sauce-flavored Liquor (Group) Co., Ltd. is 92.61% owned by the People's Government of Renhuai Municipality. By virtue of the SFO, the People's Government of Renhuai Municipality is deemed to be interested in the shares of the Bank held by Renhuai Sauce-flavored Liquor (Group) Co., Ltd.
- (6) Tongren State-owned Assets Supervision and Administration Bureau holds 67.77% interests in Guizhou Fanjingshan Investment Holding Group Co., Ltd. In virtue of the SFO, Tongren State-owned Assets Supervision and Administration Bureau is deemed to be interested in the shares of the Bank held by Guizhou Fanjingshan Investment Holding Group Co., Ltd.
- (7) Changsheng Fund Management Co. Ltd is the investment manager of the asset management plan products of Changsheng Fund Zunyi No.1 Single Asset Management Plan.

Save as disclosed above, the Bank is not aware of any other person (other than the Directors, Supervisors and chief executives of the Bank) having any interests or short positions in the shares or underlying shares of the Bank as at 30 June 2024 as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.4 Shareholders holding 5% or more of the shares

For information on shareholders holding 5% or more of the share capital of the Bank, please refer to “Interests and short positions of substantial shareholders in Shares and underlying shares under the Regulations of Hong Kong” as described in 4.2.3 above.

4.2.5 Other substantial shareholders

According to the Interim Measures for the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) (formerly the CBIRC Order 2018 No. 1), substantial shareholders of a commercial bank mean shareholders who hold or control 5% or above shares or voting right of the commercial bank, or who hold less than 5% of total capital or total shares of the commercial bank but have significant impact on the operation and management of the commercial bank. The significant impact mentioned above includes but not limited to dispatching directors, supervisors or senior management to a commercial bank.

Other than Guizhou Provincial Finance Bureau, China Kweichow Moutai Distillery (Group) Co., Ltd., Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. as disclosed in section 4.2.3 headed “Interests and short positions of substantial shareholders in shares and underlying shares under the Regulations of Hong Kong” under this chapter, the followings are substantial shareholders of the Bank who hold less than 5% of total capital or total shares but have nominated directors, supervisors or senior management to the Bank and those nominated candidates have been appointed:

Name of Shareholder	Class of Shares	Long positions/ Short positions	Nature of Interests	Number of shares (Share)	Approximate percentage of the total issued share capital of the Bank (%)
Shenzhen Expressway Corporation Limited ⁽¹⁾ (深圳高速公路集團股份有限公司)	Domestic Shares	Long positions	Beneficial owner	426,000,000	2.92
	H Shares	Long positions	Interest in controlled corporation	76,207,000	0.52
Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	Long positions	Beneficial owner	334,000,000	2.29
	H Shares	Long positions	Beneficial owner	314,030,000	2.15
Guizhou Water Investment Capital Management Co., Ltd. (貴州水投資本管理有限責任公司)	Domestic Shares	Long positions	Beneficial owner	25,677,706	0.18

Changes in Share Capital and Information on Shareholders (Continued)

Name of Shareholder	Class of Shares	Long positions/ Short positions	Nature of Interests	Number of shares (Share)	Approximate percentage of the total issued share capital of the Bank (%)
Guizhou Water Conservancy Investment Group Co., Ltd. ⁽²⁾ (貴州省水利投資(集團)有限責任公司)	Domestic Shares	Long positions	Beneficial owner	165,647,484	1.14
	Domestic Shares	Long positions	Interest in controlled corporation	334,000,000	2.29
	Domestic Shares	Long positions	Interest in controlled corporation	25,677,706	0.18
	H Shares	Long positions	Interest in controlled corporation	314,030,000	2.15
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	H Shares	Long positions	Beneficial owner	310,487,000	2.13
Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Domestic Shares	Long positions	Beneficial owner	104,065,055	0.71

Notes:

- (1) Mei Wah Industrial (Hong Kong) Limited is wholly-owned by Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司) which is deemed to hold interests in 76,207,000 shares of the Bank held by Mei Wah Industrial (Hong Kong) Limited according to the SFO.
- (2) Guizhou Water Conservancy Investment Group Co., Ltd. holds 87.47% of the shares of Guizhou Water Investment Water Affairs Group Co., Ltd. and 100% of the shares of Guizhou Water Investment Capital Management Co., Ltd., and therefore Guizhou Water Conservancy Investment Group Co., Ltd. directly and indirectly holds a total of 5.75% of the shares of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd., Guizhou Water Investment Water Affairs Group Co., Ltd., and Guizhou Water Investment Capital Management Co., Ltd. are identified as substantial shareholders of the Bank.
- (3) Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) ceased to dispatch directors to the Bank on 27 June 2024 and is therefore no longer regarded as a substantial shareholder of the Bank.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.6 Related party relationships between the substantial shareholders and their controlling shareholders, actual controllers and ultimate owner

Company Name	Registry	Registered capital (RMB'000)	Percentage of shares held in the Bank as at 30 June 2024 (including Domestic Shares and H Shares)	Percentage of shares held in the Bank as at 31 December 2023 (including Domestic Shares and H Shares)	Economic nature or type	Legal representative or person in charge
Guizhou Provincial Finance Bureau (貴州省財政廳)	Guiyang, Guizhou Province	N/A	20.00%	20.00%	Provincial government department	SHI Huaqing (石化清)
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	Guiyang, Guizhou Province	10,000,000	12.00%	12.00%	Limited liability company (state-controlled)	ZHANG Deqin (張德芹)
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	Zunyi, Guizhou Province	8,163,400	6.55%	6.55%	Limited liability company (state-controlled)	SUN Junwei (孫俊偉)
Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司)	Guiyang, Guizhou Province	60,000,000	5.75%	5.75%	Limited liability company (state-controlled)	ZENG Xinbo (曾信波)
Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Guiyang, Guizhou Province	1,207,606	4.44%	4.44%	Limited liability company (state-controlled)	WANG Wencheng (王文成)

Changes in Share Capital and Information on Shareholders (Continued)

Company Name	Registry	Registered capital (RMB'000)	Percentage of shares held in the Bank as at 30 June 2024 (including Domestic Shares and H Shares)	Percentage of shares held in the Bank as at 31 December 2023 (including Domestic Shares and H Shares)	Economic nature or type	Legal representative or person in charge
Guizhou Water Investment Capital Management Co., Ltd. (貴州水投資資本管理有限責任公司)	Guiyang, Guizhou Province	5,000,000	0.18%	0.18%	Limited liability company (state-controlled)	CUI Jinbo (崔金波)
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	Shenzhen, Guangdong Province	2,180,770	3.44%	3.44%	Joint-stock company	HU Wei (胡偉)
Qianxinan Prefecture Hongsheng Capital Xingyi, Qianxinan Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	Bouyei and Miao Autonomous Prefecture, Guizhou Province	173,690	2.13%	2.13%	Limited liability company (state-controlled)	ZHOU Long (周龍)
Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Renhuai, Guizhou Province	1,130,000	0.71%	0.71%	Limited liability company (wholly state-owned)	CHEN Ce (陳策)

Changes in Share Capital and Information on Shareholders (Continued)

1. **Guizhou Provincial Finance Bureau** (貴州省財政廳)

Guizhou Provincial Finance Bureau holds 2,917,500,000 Domestic Shares of the Bank, accounting for 20.00% of the total issued share capital of the Bank. The shares held by Guizhou Provincial Finance Bureau are state-owned shares, and the ultimate owner is Guizhou Provincial Finance Bureau.

The main businesses of Guizhou Provincial Finance Bureau are to implement the national and provincial fiscal and taxation policies and laws and regulations, and organize the drafting of local regulations and rules on finance, taxation, government procurement, state-owned asset management, asset evaluation, financial accounting, government debt management, etc.

2. **China Kweichow Moutai Distillery (Group) Co., Ltd.** (中國貴州茅台酒廠(集團)有限責任公司)

China Kweichow Moutai Distillery (Group) Co., Ltd. holds 1,750,000,001 Domestic Shares of the Bank, representing 12.00% of the total share capital of the Bank. China Kweichow Moutai Distillery (Group) Co., Ltd. is 90% owned by State-owned Assets Supervision and Administration Commission of People's Government of Guizhou Province which is its actual controller and actual beneficiary. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of China Kweichow Moutai Distillery (Group) Co., Ltd. included Kweichow Moutai Distillery (Group) Real Estate Investment and Development Co., Ltd.* (貴州茅台酒廠(集團)置業投資發展有限公司) and Shanghai Moutai Trading Co., Ltd. (上海茅台貿易有限公司).

The main businesses of China Kweichow Moutai Distillery (Group) Co., Ltd. include production and operation of alcoholic products as major products, production technology consulting and services of alcoholic products, production and sales of packaging materials and beverages, catering, accommodation, tourism, logistics and transportation, import and export trade business, internet industry, real estate development and lease, parking lot management, education, health and ecological agriculture.

3. **Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.** (遵義市國有資產投融資經營管理有限責任公司)

Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank, representing 6.55% of the total share capital of the Bank. Zunyi State-owned Capital Operation Co., Ltd. holds 58.44% equity of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. and is 98% owned by State-owned Assets Supervision and Administration Commission of Zunyi Municipality. Therefore, State-owned Assets Supervision and Administration Commission of Zunyi Municipality is an actual controller and the ultimate beneficial owner of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. included, among others, Zunyi State-owned Capital Operation Co., Ltd. and Zunyi State-owned Assets Investment Hotel Management Co., Ltd. (遵義市國投酒店管理有限責任公司).

The main businesses of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. are operation and management of state-owned assets and capital within the scope of authorization, foreign investment, leasing, joint venture, cooperation, share-controlling, shareholding, acquisition, merger, reorganization, and asset disposal, industrial investment, equity investment, land development and consolidation relying on the advantages of assets, resources and capital, and corporate financing services. Projects involving licensed operation shall be operated only after obtaining permission from relevant departments.

Changes in Share Capital and Information on Shareholders (Continued)

4. Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司)

Guizhou Water Conservancy Investment Group Co., Ltd. holds 165,647,484 Domestic Shares of the Bank, representing 1.14% of the total share capital of the Bank. It and its related parties, Guizhou Water Investment Water Affairs Group Co., Ltd. and Guizhou Water Investment Capital Management Co., Ltd. hold 839,355,190 Shares of the Bank in aggregate, accounting for approximately 5.75% of the entire share capital of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd. is 82.18% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Conservancy Investment Group Co., Ltd. included, among others, Guizhou Water Investment Industry Development Co., Ltd. (貴州水投產業發展有限責任公司).

The main businesses of Guizhou Water Conservancy Investment Group Co., Ltd. include the province's key water conservancy infrastructure and supporting projects, large and medium-sized and small water supply projects, drinking water projects for human and animal, watershed development and management, urban and rural water supply and drainage, sewage treatment, urban flood control, water environment management, soil and water conservation and hydroelectric power generation, water conservancy scenic area investment and financing, construction and management; comprehensive development and utilization of land resources; foreign economic and technical cooperation in water conservancy projects; engineering consulting, project management, intermediary services and other operations and other investment and financing and operation and management matters as determined by the sponsors.

5. Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)

Guizhou Water Investment Water Affairs Group Co., Ltd. holds 334,000,000 Domestic Shares and 314,030,000 H Shares of the Bank, with a total shareholding of 648,030,000 Shares, accounting for 4.44% of the entire share capital of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) holds 87.47% equity of Guizhou Water Investment Water Affairs Group Co., Ltd.. State-owned Assets Supervision and Administration Commission of Guizhou Province holds 82.18% equity of Guizhou Water Conservancy Investment Group Co., Ltd. Therefore, the actual controller and the ultimate beneficial owner of Guizhou Water Investment Water Affairs Group Co., Ltd. is State-owned Assets Supervision and Administration Commission of Guizhou Province. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Investment Water Affairs Group Co., Ltd. included, among others, Guizhou Water Investment Water Affairs Technology Co., Ltd. (貴州水投水務科技有限公司) and Guizhou Water Affairs Co., Ltd.* (貴州水務股份有限公司).

The main businesses of Guizhou Water Investment Water Affairs Group Co., Ltd. are investment, financing, construction and operation management of water source projects, water supply integration projects in towns and industrial parks, production and sales of drinking water in-depth development, sales, installation and maintenance of water supply and supporting equipment, development and application of new technologies, new materials and new processes for water supply projects, and construction, installation, commissioning, economic and technical cooperation, technical consultation, survey design and training of water supply investment and development projects.

Changes in Share Capital and Information on Shareholders (Continued)

6. **Guizhou Water Investment Capital Management Co., Ltd. (貴州水投資本管理有限責任公司)**

Guizhou Water Investment Water Capital Management Co., Ltd. holds 25,677,706 Domestic Shares of the Bank, accounting for 0.18% of the entire share capital of the Bank. Guizhou Water Investment Water Capital Management Co., Ltd., It and its related parties, Guizhou Water Investment Water Affairs Group Co., Ltd. and Guizhou Water Conservancy Investment Group Co., Ltd. hold 5.75% equity of the Bank in aggregate, and is therefore managed as a major shareholder of the Bank. Guizhou Water Investment Water Capital Management Co., Ltd. is a wholly-owned subsidiary of Guizhou Water Conservancy Investment Group Co., Ltd., and the State-owned Assets Supervision and Administration Commission of Guizhou Province holds 82.18% equity of Guizhou Water Conservancy Investment Group Co., Ltd.. Therefore, the actual controller and the ultimate beneficial owner of Guizhou Water Investment Water Capital Management Co., Ltd. is State-owned Assets Supervision and Administration Commission of Guizhou Province. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Investment Water Affairs Group Co., Ltd. included, among others, Guizhou Water Investment Water Affairs Technology Co., Ltd. (貴州水投水務科技有限公司) and Guizhou Water Affairs Co., Ltd.*.

The main businesses of Guizhou Water Investment Water Capital Management Co., Ltd. include investment, capital operation; financial consultancy, investment consultancy (service); non-financing guarantee (project performance guarantee, bidding guarantee, project payment guarantee, prepayment guarantee, guarantee for final payment as promised; guarantee for credit purchase of raw materials, guarantee for installment payment of equipment, guarantee for leasing contract, guarantee for supervision of warehousing and guarantee for other economic contracts).

7. **Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)**

Shenzhen Expressway Corporation Limited holds 426,000,000 Domestic Shares of the Bank and its related party, Mei Wah Industrial (Hong Kong) Limited holds 76,207,000 H Shares of the Bank, with 502,207,000 Shares in aggregate, accounting for 3.44% of the total share capital of the Bank. Shenzhen Expressway Corporation Limited is an A Share and H Share listed Company. Based on its disclosed information, the actual controller and beneficial controller of Shenzhen Expressway Corporation Limited is State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Shenzhen Expressway Corporation Limited included, among others, Shenzhen Expressway Environment Company Limited (深圳高速環境有限公司) and Shenzhen Outer Ring Expressway Investment Company Limited (深圳市外環高速公路投資有限公司).

The main businesses of Shenzhen Expressway Corporation Limited are highway and road investment, construction management, business management; import and export business (operating with qualification certificates).

Changes in Share Capital and Information on Shareholders (Continued)

8. Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)

Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. holds 310,487,000 H Shares of the Bank, accounting for 2.13% of the entire share capital of the Bank. The State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture (黔西南州人民政府國有資產監督管理委員會) holds 73.23% equity of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. and is its actual controller and ultimate beneficiary owner. According to the relevant regulations as provided in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. included, among others, Guizhou Honyee Assets Management Co., Ltd.* (貴州宏義資產管理有限公司) and Guizhou Shijin Financial Guarantee Co., Ltd.* (貴州省時進融資擔保有限責任公司).

The main businesses of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. are state-owned asset equity management, financing and investment, property (equity) acquisition, merger and transfer, asset custody and disposal, state-owned asset operation and management, urban infrastructure investment and financing, construction of municipal utilities engineering, land development and rehabilitation, real estate development and operation, lease of commercial housing, real estate information consulting, engaging in real estate brokerage business, property management, lease of office spaces, and sales of commodity houses developed by the enterprise.

9. Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)

Renhuai City State-owned Assets Investment and Management Co., Ltd. holds 104,065,055 Domestic Shares of the Bank, representing 0.71% of the total share capital of the Bank. Renhuai City State-owned Assets Investment and Management Co., Ltd. is wholly owned by Renhuai People's Government which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Renhuai City State-owned Assets Investment and Management Co., Ltd. included, among others, Guizhou Xinren Industry Development and Operation Co., Ltd.* (貴州新仁產業開發運營有限責任公司) and Guizhou Renhuai Huizhi Human Resources Development Co., Ltd. (貴州省仁懷市匯智人力資源開發有限責任公司).

The main businesses of Renhuai City State-owned Assets Investment and Management Co., Ltd. are the operation and management of state-owned assets; land development, construction and operation and management of urban infrastructure such as roads, bridges, sewage, urban water supply and greening as authorised by the municipal government, and participation in the development and construction, operation and management of commercial real estate and the operation and management of guesthouses and hotels.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.7 Pledge of equity by substantial shareholders

According to the Measures on the Supervision of the Behavior of Substantial Shareholders of Banking and Insurance Institutions (Trial) (Yin Bao Jian Fa [2021] No. 43) (《銀行保險機構大股東行為監管辦法(試行)》(銀保監發[2021]43號)), substantial shareholders refer to the shareholders of city commercial banks that meet one of the following conditions: holding more than 10% of the equity of city commercial banks, rural commercial banks and other institutions; actually holding the largest equity of a city commercial bank and holding not less than 5% (including shareholders holding the same number of shares); nominating two or more directors; having controlling influence on its own operation and management in the opinion of the board of directors of a city commercial bank; and other circumstances as determined by the CBIRC or its dispatched agencies.

As at the end of the Reporting Period, to the best knowledge of the Bank, there was no pledge on the equity of the Bank held by its substantial shareholders.

4.2.8 Pledge of equity by major shareholders

- I. Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank, of which 474,932,188 shares have been pledged.
- II. Renhuai City State-owned Assets Investment and Management Co., Ltd. holds 104,065,055 Domestic Shares of the Bank, of which 100,000,000 shares have been pledged.

Save as disclosed above and to the best knowledge of the Bank, as at the end of the Reporting Period, there was no other pledge on shares made by major shareholders.

4.2.9 Despatch of Directors and Supervisors by the shareholders

Despatched by	Name	Position
Guizhou Provincial Finance Bureau	CHEN Hanqing	Non-executive Director
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	CHEN Duohang	Non-executive Director
Shenzhen Expressway Corporation Limited	GONG Taotao	Non-executive Director
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd.	HE Xinzhang	Shareholder Supervisor
Renhuai City State-owned Assets Investment and Management Co., Ltd.	CHENG Yunlong	Shareholder Supervisor

Changes in Share Capital and Information on Shareholders (Continued)

4.2.10 The number of pledged shares of the Bank reaching or exceeding 20% of the issued share capital

Nil.

4.2.11 The Bank's pledged shares being frozen, judicially auctioned, or subject to voting restriction or other restrictions under the law

- I. As at the end of the Reporting Period, to the best knowledge of the Bank, 331,919,069 pledged shares held by 6 domestic shareholders of the Bank were involved in freezing.
- II. According to the Articles of Association of the Bank, when the number of shares pledged by a shareholder of the Bank reaches or exceeds 50% of the shares of the Bank held by the shareholder, the shareholder may not exercise the right to vote on the pledged part of the shares at the shareholders' general meeting during the pledge period. As at the end of the Reporting Period, to the best knowledge of the Bank, 13 domestic shareholders of the Bank have pledged equity interests reaching or exceeding 50% of their equity interests in the Bank, with a total of 898,600,093 shares of the 13 domestic shareholders subject to restrictions on voting rights, representing 6.16% of the total number of shares in the Bank.

4.2.12 Purchase, sale or redemption of listed securities

During the Reporting Period, the Bank did not purchase, sell or redeem any of its listed securities. As of 30 June 2024, the Bank did not hold any treasury shares.

Directors, Supervisors, Senior Managements, Employees and Organizations

5.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

5.1.1 Directors

As at the end of the Reporting Period, the fourth session of the Board of the Bank consists of thirteen Directors (of which the qualification of six Directors is subject to approval), including three executive Directors, five non-executive Directors, and five independent non-executive Directors. The Directors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an independent non-executive Director shall not exceed six years pursuant to the relevant PRC laws and regulations. The details are as follows:

Name	Gender	Date of birth	Date of appointment	Position in the Bank
YANG Mingshang (楊明尚)	Male	November 1965	July 2021	Chairman of the Board, executive Director
WU Fan (吳帆) ⁽¹⁾	Female	August 1968	–	Executive Director
CAI Dong (蔡東)	Male	September 1966	August 2021	Executive Director
CHEN Hanqing (陳含青)	Male	February 1984	August 2021	Non-executive Director
ZHANG Yan (張硯) ⁽¹⁾	Female	July 1978	–	Non-executive Director
CHEN Duohang (陳多航)	Male	December 1981	July 2024	Non-executive Director
HU Yuwen (胡宇雯) ⁽¹⁾	Female	July 1975	–	Non-executive Director
GONG Taotao (龔濤濤)	Female	February 1973	November 2016	Non-executive Director
SUN Li (孫莉)	Female	October 1970	August 2022	Independent non-executive Director
LEE Hoey Simon (李浩然)	Male	March 1977	May 2022	Independent non-executive Director
YIN Mengbo (殷孟波) ⁽¹⁾	Male	October 1955	–	Independent non-executive Director
CHEN Rong (陳蓉) ⁽¹⁾	Female	July 1968	–	Independent non-executive Director
WANG Yao (王遙) ⁽¹⁾	Female	February 1975	–	Independent non-executive Director
WANG Gefan (王革凡) ⁽²⁾	Male	June 1957	August 2018	Independent non-executive Director
TANG Xin (湯欣) ⁽²⁾	Male	September 1971	August 2018	Independent non-executive Director
SONG Ke (宋科) ⁽²⁾	Male	April 1982	August 2018	Independent non-executive Director

Notes:

- (1) The qualifications of Ms. WU Fan, Ms. ZHANG Yan, Ms. HU Yuwen, Mr. YIN Mengbo, Ms. CHEN Rong and Ms. WANG Yao as Directors are subject to approval of NFRA Guizhou Office.
- (2) In order to ensure the effective operation of the Board, Mr. WANG Gefan, Mr. TANG Xin and Mr. SONG Ke, the independent non-executive Directors of the third session of the Board, will continue to perform their duties as independent non-executive Directors and members of the special committees under the Board in accordance with the relevant laws and regulations and the Articles of Association of the Bank, pending approval of the qualifications of the newly-elected independent non-executive Directors.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.1.2 Supervisors

As at the end of the Reporting Period, the third session of the Board of Supervisors of the Bank consists of six Supervisors, including two employee Supervisors, two shareholder Supervisors and two external Supervisors. The term of office of each Supervisor is three years and Supervisors are eligible to be re-elected upon expiry of their terms of office, provided that the cumulative term of an external Supervisor shall not exceed six years pursuant to the relevant PRC laws and regulations. The details are as follows:

Name	Gender	Date of birth	Date of appointment	Position in the Bank
ZHANG Hui (張惠)	Female	October 1973	June 2021	Employee Supervisor
WANG Wei (王薇)	Female	February 1978	June 2022	Employee Supervisor
CHENG Yunlong (程雲龍)	Male	October 1976	June 2021	Shareholder Supervisor
HE Xinzhang (何信彰)	Male	July 1965	June 2022	Shareholder Supervisor
YIN Xinquan (尹新全)	Male	August 1957	June 2021	External Supervisor
ZHANG Ruibin (張瑞彬)	Male	September 1972	June 2024	External Supervisor

5.1.3 Senior management

As at the date of this announcement, the senior management of the Bank comprises a total of six members. Details are as follows:

Name	Gender	Date of birth	Date of appointment	Position in the Bank
HU Liangpin (胡良品)	Male	September 1968	April 2018	Vice President of the Bank
AN Peng (安鵬)	Male	October 1976	October 2021	Vice President of the Bank
QIN Wei (覃偉)	Male	March 1976	February 2022	Vice President of the Bank
LI Jian (李健) ⁽¹⁾	Male	January 1981	–	Vice President of the Bank
ZHOU Guichang (周貴昌)	Male	August 1974	May 2019	Secretary to the Board of the Bank and Company Secretary
JIAO Zhengjun (焦正俊)	Male	September 1973	May 2022	Chief compliance officer

Note: (1) The qualification of Mr. LI Jian to serve as the Vice President of the Bank is subject to the approval of the NFRA Guizhou Office.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.2 CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

5.2.1 Changes of Directors

- I. On 27 June 2024, the Bank convened the 2023 annual general meeting to elect the fourth session of the Board. Mr. YANG Mingshang, Ms. WU Fan and Mr. CAI Dong were elected as executive Directors of the fourth session of the Board; Mr. CHEN Hanqing, Ms. ZHANG Yan, Mr. CHEN Duohang, Mr. SUN Junwei, Ms. HU Yuwen and Ms. GONG Taotao were elected as non-executive Directors of the fourth session of the Board; Mr. LEE Hoey Simon, Ms. SUN Li, Mr. YIN Mengbo, Ms. CHEN Rong and Ms. WANG Yao were elected as independent non-executive Directors of the fourth session of the Board. Meanwhile, Mr. CHEN Jingde, Ms. YE Jiangmei and Mr. ZHAO Yong ceased to be Directors of the Bank on the date of election of the fourth session of the Board. Among them, the qualifications of Ms. WU Fan, Ms. ZHANG Yan, Ms. HU Yuwen, Mr. YIN Mengbo, Ms. CHEN Rong and Ms. WANG Yao for the position of Director are yet to be approved by NFRA Guizhou Office.
- II. Mr. XU An resigned as an executive Director of the Bank on 7 March 2024.
- III. Mr. Sun Junwei resigned as a non-executive director of the Bank on 6 August 2024.

5.2.2 Changes of Supervisors

- I. Ms. WU Fan resigned as the Chairman of the Board of Supervisors and Employee Supervisor of the Bank on 7 March 2024.
- II. Mr. SU Zhi resigned as a Supervisor of the Bank on 18 May 2024.
- III. Mr. ZHANG Ruibin served as a Supervisor of the Bank with effect from 27 June 2024.

5.2.3 Changes of senior management

- I. Mr. XU An resigned as the President of the Bank on 7 March 2024.
- II. Mr. XU Peiwen resigned as the Assistant to the President of the Bank on 7 March 2024.
- III. Mr. LI Jian was approved by the board of directors to serve as the Vice President of the Bank on 30 August 2024, and will officially fulfill his duties upon approval of his qualifications by the Guizhou Regulatory Bureau.

5.2.4 Changes in information of Directors and Supervisors

Ms. ZHANG Hui resigned as the vice chairlady of the Labor Union of the Bank in June 2024.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.3 BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANagements DURING THE REPORTING PERIOD

5.3.1 Biographical details of Directors

Mr. YANG Mingshang (楊明尚) is the secretary of the Party Committee, Chairman of the Board and executive Director of the Bank.

Mr. Yang had successively served as a member of the inspection office and general office in Agricultural Bank of China ("ABC") Guizhou Branch from July 1994 to February 1997; member of the office of legal counsel in ABC Guizhou Branch from February 1997 to July 1997; deputy chief of industrial and commercial credit division in ABC Guizhou Branch from July 1997 to November 1998; deputy chief of asset preservation division in ABC Guizhou Branch from November 1998 to March 2000; chief of credit management division and chief of corporate business division in ABC Guizhou Branch from March 2000 to June 2003; and chief of retail business division in ABC Guizhou Branch from June 2003 to January 2004; the secretary of the party committee and the president in ABC Guizhou Anshun Sub-branch from January 2004 to June 2004, a member of party committee and vice president in ABC Guizhou Branch from June 2004 to May 2014; the deputy secretary of the Party Committee, director and president of the Bank from May 2014 to December 2017; the deputy secretary of the party committee, vice chairman of the board and general manager in Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) from December 2017 to March 2021; a non-executive Director of the Bank from August 2018 to March 2020. He has been the secretary of the Party Committee of the Bank since March 2021, and the Chairman of the Board and executive Director of the Bank since July 2021.

Mr. Yang graduated from Wuhan University (武漢大學) with a bachelor's degree in philosophy in June 1988 and from Xiamen University (廈門大學) with a master's degree in civil law in July 1994. Mr. Yang has been awarded the title of professorate senior economist and second-grade solicitor.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. CAI Dong (蔡東) is the deputy secretary of the Party Committee, chairman of the labor union and executive Director of the Bank.

Mr. Cai had successively served as a technician of the inspection institute of Product Quality Supervision Center in Guizhou Province (貴州省產品質量監督中心) from August 1986 to December 1987 (during which, he joined the provincial poverty alleviation team to the Farming Zone in Weining County, Guizhou Province from January 1987 to December 1987); staff of human resource office of Quality and Technology Supervision Bureau of Guizhou Province (貴州省質量技術監督局) from December 1987 to December 1996; deputy director of the inspection institute of Product Quality Supervision Center in Guizhou Province from December 1996 to December 2000; deputy director of personnel and education division of Quality and Technology Supervision Bureau of Guizhou Province from December 2000 to May 2002; director of personnel and education division of Quality and Technology Supervision Bureau of Guizhou Province from May 2002 to December 2006; Party member and secretary of the Party committee of Guizhou Administration for Industry and Commerce (貴州省工商行政管理局) from December 2006 to August 2018 (during which, he took a temporary post as the deputy director of Direct Selling Supervision Bureau of State Administration for Industry and Commerce (國家工商總局直銷監管局) from February 2013 to January 2014 and served as the deputy secretary of the Party Committee and head of the Poverty Alleviation Work Team of Taijiang County, Qiandongnan Prefecture, Guizhou Province in 2015); deputy secretary of the Party Committee and secretary of the Party Committee of the Bank from August 2018 to October 2018; and deputy secretary of the Party Committee, chairman of the labor union and secretary of the Party Committee of the Bank from October 2018 to November 2019. He has served as deputy secretary of the Party Committee and chairman of the labor union of the Bank since November 2019; and an executive Director of the Bank since August 2021.

Mr. Cai graduated from Commercial School of Guizhou Province (貴州省商業學校) in July 1986, majoring in household appliances; studied in Guizhou Radio & TV University (貴州廣播電視大學) from September 1991 to July 1993, majoring in administrative management; studied in Party School of the Guizhou Provincial Committee from September 1999 to June 2002, majoring in law; studied the course of Advanced Training of Managerial Economic of Guizhou Province in Peking University (北京大學貴州省經濟管理高級研修班) from October 2003 to December 2003; studied in junior cadre training class of Party School of the Guizhou Provincial Committee (貴州省委黨校) from March 2006 to May 2006; studied in on-job postgraduate class of Party School of the Guizhou Provincial Committee from September 2008 to June 2011, majoring in law; studied at the National School of Administration's training programme for cadres in the western region in March 2012; and studied the course of Advanced Training of Public Administration and Management of Nanyang Technological University, Singapore from October 2017 to January 2018. Mr. Cai has been awarded the titles of engineer and senior political engineer.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. CHEN Hanqing (陳含青) is a non-executive Director of the Bank.

Mr. Chen worked as an intern in the budget department, comprehensive department and payment centre of the Guizhou Provincial Finance Bureau from December 2007 to December 2008; and served as a clerk of the Guizhou Provincial Finance Bureau from December 2008 to June 2009; a clerk (grade 25 civil servant) of the State Treasury Payment Centre of Guizhou Provincial Finance Bureau from June 2009 to April 2010; a clerk of the non-tax revenue management department of the Guizhou Provincial Finance Bureau (registered in the Payment Centre) from April 2010 to February 2012; a deputy director of the non-tax revenue management department of the Guizhou Provincial Finance Bureau (registered in the Payment Centre) from February 2012 to August 2013; a deputy director of the budget department of the Guizhou Provincial Finance Bureau from August 2013 to May 2014. He worked in the finance department of Guizhou Guimin Investment Co., Ltd. (貴州省貴民投資有限責任公司) from May 2014 to June 2014; and served as the business executive of the finance department of Guizhou Guimin Investment Co., Ltd. from June 2014 to July 2014; the business executive of the finance department of Guizhou Guimin Investment Co., Ltd. and the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. (貴州省貴鑫瑞和創業投資管理有限責任公司) from July 2014 to July 2015; the business executive of the finance department of Guizhou Guimin Investment Co., Ltd. (renamed as Guizhou Guimin Development Investment Co., Ltd. (貴州省貴民發展投資有限責任公司) in December 2016), the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. and the director of Qianxinan Venture Capital Fund Co., Ltd. (黔西南州創業投資基金有限公司) from July 2015 to January 2017; the head of the finance department of Guizhou Guimin Investment Group Co., Ltd. (貴州省貴民投資集團有限責任公司) (renamed as Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) in January 2018), the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. and the director of Qianxinan Venture Capital Fund Co., Ltd. from January 2017 to September 2018; the head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.), the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. and the director of Qianxinan Venture Capital Fund Co., Ltd. from September 2018 to February 2019; the head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) and the director of Qianxinan Venture Capital Fund Co., Ltd. from February 2019 to March 2019; the deputy director of the Finance and Economics Committee of Changshun County Committee of Qiannan Prefecture and a member of the Party Group of the County People's Government (temporary position) from June 2020 to July 2021; he served as the deputy head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) from March 2019 to August 2022; he has served as the director of Qianxinan Venture Capital Fund Co., Ltd. (renamed as Qianxinan Venture Project Management Co., Ltd. in January 2024) since March 2019; he has served as a member of the Party Committee and deputy general manager of Guizhou Financing Guarantee Co., Ltd. (貴州省融資擔保有限責任公司) (renamed as Guizhou Credit Investment Co., Ltd. (貴州省信用增進有限公司) on March 2023) since August 2022; he has served as a non-executive Director of the Bank since August 2021.

Mr. Chen graduated from Jiangxi University of Finance and Economics in July 2006 with a bachelor's degree in accounting for specialization of certified public accountants, and graduated from Guizhou University in July 2012 with a master's degree in business administration. Mr. Chen has obtained the fund practice qualification and is a senior accountant, an associate constructor and an intermediate economist.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. CHEN Duohang (陳多航) is a non-executive Director of the Bank.

Mr. Chen worked in the finance office of China Kweichow Moutai Distillery (Group) Co., Ltd. from September 2006 to September 2018 (during which he took a temporary post in the Financial Supervision and Revenue Management Division under Guizhou SASAC from March 2015 to January 2016); served as a trainee assistant in the finance office of China Kweichow Moutai Distillery (Group) Co., Ltd. from September 2018 to November 2019; served as the deputy chief of accounting section in the finance office of China Kweichow Moutai Distillery (Group) Co., Ltd. from November 2019 to September 2021; on-the-job studied in the Statistical Evaluation and State-owned Capital Operation Budget Division under State-owned Assets Supervision and Administration Commission of the State Council of Guizhou Province from November 2018 to January 2020; served as a director of Kweichow Moutai Distillery (Group) Health Liquor Co., Ltd. (貴州茅台酒廠(集團)保健酒業有限公司) from August 2021 to January 2023; served as the deputy head of accounting office in the financial department of China Kweichow Moutai Distillery (Group) Co., Ltd. from September 2021 to January 2022; served as the head of accounting office in the financial department of China Kweichow Moutai Distillery (Group) Co., Ltd., as well as a director and member of the investment decision committee of Moutai Jianxin (Guizhou) Investment Fund Management Co., Ltd. (茅台建信(貴州)投資基金管理有限公司) from January 2022 to April 2022; served as the head of accounting office in the financial department of China Kweichow Moutai Distillery (Group) Co., Ltd., as well as a director, the convenor of external directors and a member of the investment decision committee of Moutai Jianxin (Guizhou) Investment Fund Management Co., Ltd. from April 2022 to November 2022; served as the head of accounting office in the financial management department of China Kweichow Moutai Distillery (Group) Co., Ltd., as well as a director, the convenor of external directors and a member of the investment decision committee of Moutai Jianxin (Guizhou) Investment Fund Management Co., Ltd. from November 2022 to January 2023; served as the head of accounting office in the financial management department of China Kweichow Moutai Distillery (Group) Co., Ltd., a director, the convenor of external directors and a member of the investment decision committee of Moutai (Guizhou) Private Equity Fund Management Co., Ltd. (茅台(貴州)私募基金管理有限公司), as well as a director and the convenor of external directors of Kweichow Moutai Distillery (Group) Health Liquor Co., Ltd. from January 2023 to October 2023; he has been the head of accounting office in the financial management department of China Kweichow Moutai Distillery (Group) Co., Ltd. director and the convenor of external directors of Kweichow Moutai Distillery (Group) Health Liquor Co., Ltd. since October 2023, and a non-executive Director of the Bank since July 2024.

From September 2002 to July 2004, Mr. Chen studied at Commercial College of Guizhou majoring in financial accounting; from September 2004 to July 2006, he studied at Guizhou University majoring in financial management.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Ms. GONG Taotao (龔濤濤) is a non-executive Director of the Bank.

Ms. Gong worked in Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司) (SEHK stock code: 0548; SSE stock code: 600548) from July 1999 to November 2002, serving successively as deputy manager of the financial department and manager of the audit department; and the finance director of Shenzhen Expressway Corporation Limited from November 2002 to September 2018, during which she acted as executive director of the company from January 2018 to September 2018. She has been the vice president of Shenzhen Expressway Corporation Limited from September 2018 to December 2021. She served as the secretary of the board of directors and joint company secretary of the company from August 2019 to March 2022, and has been a member of the Party committee of the company since October 2011. Ms. Gong has been a non-executive Director of our Bank since November 2016.

Ms. Gong graduated from the Department of Accounting of Shanghai University of Finance and Economics (上海財經大學), majoring in audit, and was conferred a bachelor's degree in economics in July 1994; she graduated from Fudan University (復旦大學), majoring in business administration, and was conferred an MBA degree in July 2000. Ms. Gong has CPA and Certified Public Valuer qualifications.

Ms. SUN Li (孫莉) is an independent non-executive Director of the Bank.

Ms. Sun served as the manager of China International Futures Brokerage Co., Ltd. from September 1994 to September 1998; partner of Ruihua Certified Public Accountants from September 1998 to December 2019; partner of Baker Tilly International (天職國際會計師事務所) from December 2019 to December 2021. Ms. Sun has been a partner of Union Power Certified Public Accountants since January 2022 and has served as an independent non-executive Director of the Bank since August 2022.

Ms. Sun graduated from Renmin University of China with a bachelor's degree in finance in September 1994 and a master's degree in accounting in September 2000. She obtained a master's degree in EMBA from China Europe International Business School in November 2014. Ms. Sun is a certified public accountant and certified tax agent.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. Lee Hoey Simon (李浩然), MH, JP, is an independent non-executive Director of the Bank.

Mr. Lee was a visiting researcher of School of Law, Tsinghua University from September 2004 to August 2006; the consultant of the Research Center of International Financial Systems of Harvard Law School, USA from August 2006 to February 2014; the deputy director general of the Justice Bureau of Xifeng County, Guizhou Province from July 2009 to November 2009 (taking a provisional post); the assistant of the county chief of Xifeng county, Guizhou province from March 2010 to July 2012 (taking a provisional post); the director of Hong Kong and Macao Studies Center of Strategy Research Center of CR from November 2012 to October 2014; the deputy executive director of Our Hong Kong Foundation from November 2014 to January 2017; the office director and secretary of the Guangdong-Hong Kong-Macau Greater Bay Area of CR, the managing director of CR Capital from May 2017 to February 2021; a member of 12th session of the Chinese People's Political Consultative Conference of Guizhou Province, the deputy director of the Hong Kong, Macao and Taiwan Overseas Chinese and Foreign Affairs Committee from January 2018 to January 2023; the consultant of Department of Economics and Finance of College of Business of City University of Hong Kong since September 2018; the chief strategy officer of the Guangdong-Hong Kong-Macau Greater Bay Area of CR, the managing director of CR Capital from March 2021 to December 2021; and has been the consultant of School of Business Administration of Hong Kong Baptist University since September 2021; the chief strategy officer of the Guangdong-Hong Kong-Macau Greater Bay Area of CR, the managing director of CR Capital, and the director of China Resources Enterprise, Limited from December 2021 to July 2022; the chief strategy officer of the Guangdong-Hong Kong-Macau Greater Bay Area of CR and the director and vice president of China Resources Enterprise, Limited since July 2022. He has served as a member of the Seventh Legislative Council of the Hong Kong Special Administrative Region since 1 January 2022. Since January 2023, he has served as a member of the 14th session of Beijing Municipal Committee of the Chinese People's Political Consultative Conference. Since June 2023, he has served as a member of the Hong Kong Basic Law Committee of the Standing Committee of the National People's Congress. Since May 2022, he has served as an independent non-executive Director of the Bank.

Mr. Lee graduated from Hong Kong Baptist University in Politics and International Relations in June 1999 with a bachelor's degree in arts with honours in Social Sciences and Literature; graduated from School of Oriental and African Studies of University of London in December 2000, with a master's degree in political science majored in politics, society and development; he graduated from Tsinghua University in January 2004 with a bachelor's degree in law; he graduated from Department of Government and Public Administration of The Chinese University of Hong Kong in December 2004 and obtained a master's degree in philosophy; and graduated from Tsinghua University in June 2012 with a doctorate in law.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.3.2 Biographical details of Supervisors

Ms. ZHANG Hui (張惠) is the employee Supervisor of the Bank.

Ms. Zhang worked in CCB from July 1994 to December 2012. In particular, she served as a clerk of CCB Qiandongnan Centre Sub-branch from July 1994 to December 2001; a deputy director clerk of the accounting section of CCB Qiandongnan Centre Sub-branch from December 2001 to May 2003; deputy manager of the finance and accounting department of CCB Qiandongnan Centre Sub-branch from May 2003 to January 2005; a clerk of the comprehensive section of the corporate department of CCB Guizhou Branch from January 2005 to February 2006; deputy manager of the comprehensive section of the corporate department of CCB Guizhou Branch from February 2006 to January 2008; manager of the comprehensive section of the corporate department of CCB Guizhou Branch from November 2008 to March 2009; manager of the business management section of the corporate department of CCB Guizhou Branch from March 2009 to January 2010; and assistant to general manager of the corporate department of CCB Guizhou Branch from January 2010 to November 2012. Ms. Zhang worked in the Bank since November 2012. In particular, she served as the deputy general manager of the Planning and Finance Department of the Bank from November 2012 to September 2015; deputy general manager of the Accounting and Settlement Department of the Bank from September 2015 to March 2018; the general manager of the Accounting and Settlement Department of the Bank from March 2018 to July 2021; and has been the general manager of the Operation Management Department of the Bank since July 2021; the deputy Chairlady of the labor union of the Bank from May 2021 to June 2024 and an employee Supervisor of the Bank since June 2021.

Ms. Zhang graduated from Harbin Investment College (哈爾濱投資高等專科學校) in July 1994 majoring in CCB accounting, and graduated from Central Radio & TV University (中央廣播電視大學) in July 2003 with a bachelor's degree in business administration.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Ms. WANG Wei (王薇) is an employee Supervisor of the Bank.

Ms. Wang served as a member of the Bank Card Center of the Retail Business Department of Bank of China Guizhou Branch from November 2001 to June 2003; a member of the Savings Fund Management Section of the Retail Business Department of Bank of China Guizhou Branch from June 2003 to June 2005; the business manager of the channel management team of Bank of China Guizhou Branch from June 2005 to February 2008; the wealth management manager of the wealth management team of Bank of China Guizhou Branch from February 2008 to November 2009; the director of the channel management team of Bank of China Guizhou Branch from November 2009 to June 2013; the director of the Retail, Operation and Protection Department of the head office of Bank of Guizhou from June 2013 to July 2014; the director of the Retail Banking Department of the head office of Bank of Guizhou from July 2014 to March 2018; the deputy general manager of the Personal Business Department of Bank of Guizhou from March 2018 to May 2019; the deputy director of the Organization Department of the Party Committee/deputy general manager of the Human Resources Department of Bank of Guizhou from May 2019 to August 2022; the vice general manager (presiding work) of Human Resource Department and the deputy director (part-time) of the Organization Department of the Party Committee of Bank of Guizhou from August 2022 to October 2022; and has been the general manager of Human Resource Department of Bank of Guizhou since October 2022. She has been an employee Supervisor of the Bank since June 2022.

In July 2001, Ms. Wang graduated from Guizhou Finance and Economics College majoring in Trade and Economics and obtained a bachelor's degree in Management. She obtained a master's degree in Business Management from Guizhou University in December 2014. Ms. Wang holds ICBRR (銀行風險與監管國際證書) granted by Global Association of Risk Professionals (全球風險管理專業人士協會) and IPMA-Certified Professional granted by International Public Management Association for Human Resources (國際人力資源公共管理協會).

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. CHENG Yunlong (程雲龍) is a shareholder Supervisor of the Bank.

Mr. Cheng worked in the Daba Town Government of Renhuai City from December 1998 to April 2003; worked in the Housing and Urban-Rural Development Bureau of Renhuai City from April 2003 to January 2017, during which he served as the head of the village station, head of the safety supervision station, member of the Party group, law enforcement team leader and concurrently served as the chairman of the labor union, and deputy secretary of the Party committee of the Housing and Urban-rural Development Bureau; served as the general manager of Renhuai Southern New City Construction Investment Development Co., Ltd. (仁懷市南部新城建設投資開發有限責任公司) from January 2017 to January 2018; served as the general manager of Renhuai Famous Wine Industrial Park Investment and Development Co., Ltd. (仁懷名酒工業園區投資開發有限責任公司), and concurrently served as the general manager of Renhuai Southern New City Construction Investment Development Co., Ltd. from January 2018 to April 2019; served as the deputy general manager of Renhuai City Urban Development Construction Investment Management Co., Ltd., and general manager of Renhuai Southern New City Construction Investment Development Co., Ltd. from April 2019 to August 2020; the general manager of Renhuai State-owned Assets Investment and Operation Co., Ltd.(仁懷市國有資產投資經營有限責任公司) from August 2020 to December 2021; a director of Renhuai State-owned Assets Investment and Operation Co., Ltd. from December 2021 to November 2022; and has been a full-time external director of Renhuai Urban Development and Construction Investment and Operation Co., Ltd. (仁懷市城市開發建設投資經營有限責任公司), Renhuai Water Investment and Development Co., Ltd. (仁懷市水務投資開發有限責任公司) and Renhuai Economic Development Zone Investment Co., Ltd. (仁懷經濟開發區投資有限責任公司) since November 2022; and has been a shareholder Supervisor of the Bank since June 2021.

Mr. Cheng graduated from Wuhan Electric Power Vocational and Technical College (武漢電力職業技術學院) with a bachelor's degree in July 1998, and graduated with a master's degree in public management from the Party School of Chongqing Municipal Committee of the Communist Party of China in July 2016.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. HE Xinzhang (何信彰) is a shareholder Supervisor of the Bank.

Mr. He served in Unit 35211 of the Chinese People's Liberation Army from October 1983 to January 1987; he served as a member of the Office of Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局辦公室) from January 1987 to January 1990; he served as a member of the Agricultural Tax Department of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局農稅科) from January 1990 to August 1992; he served as a member of the Agricultural Finance Department of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局農財科) from August 1992 to December 1997; he served as a member of the Public Affairs Department of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局工交科) from December 1997 to December 1999; he served as a member of the Infrastructure Department of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局基建科) from December 1999 to April 2002; he served as a member of the Guarantee Center of Qianxinan Prefecture of Guizhou Province (貴州省黔西南州擔保中心) from April 2002 to November 2002; he served as a deputy director of the Guarantee Center of Qianxinan Prefecture of Guizhou Province from November 2002 to September 2006; he served as the deputy chief of the Accounting Affairs Management Department of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局會計事務管理科) from September 2006 to March 2011; he served as the deputy director of the State-owned Assets Management Office of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局國有資產管理辦公室) from March 2011 to October 2012; he served as the deputy director of the State-owned Assets Administration Bureau of Qianxinan Prefecture of Guizhou Province (貴州省黔西南州國有資產管理局) from October 2012 to March 2013; he served as the section chief (director) of the Government Procurement Management Department (Qianxinan Prefecture Government Procurement Management Office) of the Qianxinan Prefecture Finance Bureau of Guizhou Province (貴州省黔西南州財政局政府採購管理科(黔西南州政府採購管理辦公室)) from March 2013 to June 2018; he served as a director and deputy general manager of Qianxinan Prefecture Caixin Financing Guarantee Co., Ltd. of Guizhou Province from June 2018 to July 2020; he served as a director and deputy general manager of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. of Guizhou Province, Qianxinan Prefecture Poverty Alleviation and Development Investment Co., Ltd. of Guizhou Province and Qianxinan Prefecture State-owned Capital Operation Co., Ltd. from July 2020 to October 2020. Since October 2020, he has served as a director and deputy general manager of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd., Qianxinan Prefecture Poverty Alleviation and Development Investment Co., Ltd. and Qianxinan Prefecture State-owned Capital Operation Co., Ltd., and the general manager of Qianxinan Prefecture Caixin Financing Guarantee Co., Ltd.; and has been a shareholder Supervisor of the Bank since June 2022.

Mr. He participated in the self-study examination of political economy and television broadcasting education, correspondence education, and graduated in June 1999 with a college degree.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. YIN Xinquan (尹新全) is an external Supervisor of the Bank.

Mr. Yin worked for Guizhou Panjiang Investment Holding (Group) Co., Ltd. (貴州盤江投資控股(集團)有限公司) and its subsidiaries from July 1978 to February 2018. In particular, he worked in the Finance Section of Huopu Mine of Panjiang Mining Bureau from July 1978 to December 1981; in the Finance Department of Panjiang Mining Bureau from January 1982 to July 1985; studied in Guizhou Finance and Economics College from August 1985 to July 1987; worked in the Finance Department of Guizhou Panjiang Coal and Electricity Refco Group Ltd. (formerly known as the Finance Department of Panjiang Mining Bureau) (盤江煤電(集團)公司財務部(原盤江礦務局財務處)) from August 1987 to June 2005; served as deputy chief from February 1989, chief accountant of the Finance Department from August 1995, deputy director of the Finance Department from March 2000 and director of the Finance Department from January 2001. He served as deputy chief accountant and director of the Finance Department of Guizhou Panjiang Coal and Electricity Refco Group Ltd. from July 2005 to February 2007; a member of the Party Committee and chief accountant of Panjiang Investment Holding (Group) Co., Ltd. from February 2007 to February 2018; chairman of the supervisory committee of Guizhou Panjiang Fine Coal Co., Ltd. (貴州盤江精煤股份有限公司) from May 2010 to February 2018. He retired in February 2018; and has been an external Supervisor of the Bank since June 2021.

Mr. Yin graduated from Guizhou Finance and Economics College (貴州財經學院) with a college degree and the title of senior accountant.

Mr. ZHANG Ruibin (張瑞彬) is an external Supervisor of the Bank.

Mr. Zhang worked at the audit department of the head office of Shenzhen Development Bank from July 1998 to May 2000; worked at the Shenzhen Stock Exchange as a post-doctoral fellow from May 2000 to May 2002; successively served as the director of the research institute, the assistant to the general manager and the deputy general manager of Xinjiang Securities Company Limited (新疆證券有限責任公司) from May 2002 to August 2006; worked at the Institute of Finance of the People's Bank of China as a post-doctoral fellow from August 2006 to January 2008; has served as a teacher at the Guizhou University of Finance and Economics since January 2008, during which he was a senior visiting scholar at the Guanghua School of Management of Peking University from September 2011 to June 2013; has served as an external director of China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) since March 2009; served as an independent non-executive director of Kontafarma China Holdings Limited (HKSE stock code: 1312) from July 2014 to June 2024; served as an independent director of China Zhenhua (Group) Science & Technology Co., Ltd. (中國振華(集團)科技股份有限公司) (SZSE stock code: 000733) from June 2015 to December 2021; served as an independent director of Poly Union Chemical Holding Group Co., Ltd. (保利聯合化工控股集團股份有限公司) (SZSE: 002037) from March 2016 to June 2022; has served as an external director of Guiyang City Construction Investment Group Co., Ltd. (貴陽市城市建設投資集團有限公司) since May 2022; served as an independent director of Guizhou Huaxi Rural Commercial Bank Co., Ltd. (貴州花溪農村商業銀行股份有限公司) from May 2023 to July 2024; has served as an independent director of Guizhou Gas Group Corporation Limited (貴州燃氣集團股份有限公司) (SSE stock code: 600903) since August 2023; an independent director of Shenzhen Rural Commercial Bank Limited (深圳農村商業銀行股份有限公司) since July 2024; and an external supervisor of the Bank since June 2024.

Mr. Zhang graduated from Harbin University of Science and Technology in July 1993 with a bachelor's degree in Computer and Applications, Department of Computer Science, and graduated from Xiamen University in July 1998 with a doctorate degree in Statistics (postgraduate and doctoral program of study), Department of Planning Statistics. Mr. Zhang holds the titles of researcher and senior economist and is qualified as a certified public accountant and a certified treasury professional.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.3.3 Biographical details of senior management

Mr. HU Liangpin (胡良品) is a member of the Party committee and Vice President of the Bank.

Mr. Hu served as a credit officer of Yuezhao Credit Cooperative in Shuicheng County of Guizhou Province from December 1986 to December 1987; served as cashier, bookkeeper and credit officer in Rural Credit Cooperative of Shuicheng County of Guizhou Province from December 1987 to May 1995; served as the business clerk and auditor of the Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province from May 1995 to October 1995; served as deputy chief (presiding work) and chief of the Auditing Section of Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province from October 1995 to May 1997; served as the chief of the Credit Section of the Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province, the assistant director and the organization member of the Party branch of the association from May 1997 to December 1998; served as the deputy director and Party branch secretary of the Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province from December 1998 to August 2001; served as acting chairman and deputy director (presiding work) of Liuzhi Special District Rural Credit Cooperative in Guizhou Province from August 2001 to April 2004; served as chairman and director of Shuicheng County Rural Credit Cooperative in Guizhou Province and council member of Guizhou Rural Credit Union from April 2004 to August 2005; served as the deputy director of Liupanshui Office of Guizhou Rural Credit Cooperative and the chairman, director and Party branch secretary of Shuicheng County Rural Credit Cooperative from August 2005 to September 2005. From September 2005 to September 2013, Mr. Hu worked in Guizhou Rural Credit Union where he successively served in several positions in the human resources division and Anshun Office, including cadre of human resources division, deputy director of Anshun Office, director of Anshun Office, deputy secretary of the Party branch, of which, he concurrently served as deputy secretary of the Zhenning County Party Committee and deputy county magistrate, Guizhou Province, secretary of the Party committee of Anshun Financial Service Center for Migrant Workers (安順市農民工金融服務中心), deputy secretary of the Party general branch in Financial Service Center for Migrant Workers of Guizhou Rural Credit Union (貴州省農村信用聯社農民工金融服務中心) from August 2011 to September 2013; assistant of the director of Guizhou Rural Credit Union from September 2013 to November 2016; concurrently the head and the secretary of the Party Working Committee of the Qiannan Branch from January 2014 to February 2015; member of the Party committee of the Bank from November 2016 to present, Chairman of the Board of Supervisors of the Bank from January 2017 to January 2018; and vice president of the Bank since April 2018.

Mr. Hu graduated from the Party School of Guizhou Provincial Party Committee with a major in law in January 2004; and graduated with a correspondence college diploma as a major in finance from the Economic Management Department of Yunnan University in July 2010. Mr. Hu won the honor of "Advanced Individual for Peasant-worker Financial Services in Guizhou Province" (貴州省農民工金融服務先進個人) from the then CBIRC Guizhou Office in April 2010; and the honor of the 10th National "Venture Star" (創業之星) in May 2012.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. AN Peng (安鵬) is a member of the Party committee and Vice President of the Bank, and concurrently serves as secretary of the Party committee and president of Guiyang Branch of the Bank.

Mr. An served as a staff of Dejiang County Credit Cooperative in Guizhou Province (貴州省德江縣信用合作聯社) from August 1999 to August 2002. He successively served as a staff of Cooperative Financial Institution Regulation Department of CBRC Guizhou Office (貴州銀監局合作金融機構監管處) from July 2005 to June 2006; deputy director clerk at Cooperative Financial Institution Regulation Department of CBRC Guizhou Office from June 2006 to August 2007; section chief of Cooperative Financial Institution Regulation Department of CBRC Guizhou Office from August 2007 to November 2008; section chief of the Third On-site Inspection Department of CBRC Guizhou Office (貴州銀監局現場檢查三處) from November 2008 to January 2011; regulatory deputy researcher of the Third On-site Inspection Department of CBRC Guizhou Office from January 2011 to December 2012; regulatory deputy researcher of Rural Small and Medium-sized Financial Institutions On-site Inspection Department of CBRC Guizhou Office (貴州銀監局農村中小金融機構現場檢查處) from December 2012 to January 2013; deputy chief of Rural Small and Medium-sized Financial Institutions On-site Inspection Department of CBRC Guizhou Office from January 2013 to November 2013; deputy director of CBRC Guizhou Office (Party committee office) from November 2013 to October 2016; secretary of the Party committee and director of Qiannan Sub-office of China Banking and Insurance Regulatory Commission (中國銀行業監督管理委員會黔南監管分局) from October 2016 to November 2018; leader of the preparatory group of Qiannan Sub-office of China Banking and Insurance Regulatory Commission from November 2018 to April 2019; secretary of the Party committee and director of Qiannan Sub-office of China Banking and Insurance Regulatory Commission from April 2019 to December 2019; secretary of the Party committee, director and first-class researcher of Qiannan Sub-office of China Banking and Insurance Regulatory Commission from December 2019 to July 2020; head of the organization department of Party committee, chief of human resource office and first-class researcher of China Banking and Insurance Regulatory Commission Guizhou Office from July 2020 to May 2021. He has been a member of the Party committee of the Bank since May 2021, Vice President of the Bank since October 2021 and also secretary of the Party committee and president of Guiyang Branch of the Bank since May 2023.

Mr. An graduated from Shaanxi University of Finance and Economics majoring in Economics and Information Management in July 1999, with a bachelor's degree in Economics, and graduated from Xi'an Jiaotong University with a master's degree in Western Economics in July 2005.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. QIN Wei (覃偉) is a member of the Party Committee and Vice President of the Bank.

Mr. Qin worked at Anshun Qianzhong Urban Credit Cooperative (安順黔中城市信用社) from January 1997 to March 1999; served as a deputy chief of Credit Section of Anshun Xixiu Urban Credit Cooperative (安順西秀城市信用社) from March 1999 to April 2001; worked at Construction Office of Anshun Urban Credit Cooperative (安順城市信用社) from April 2001 to December 2002; successively served as the deputy director of Manpower and Mass Work Department, the deputy manager of Xinxing Sector and the manager of Business Department of Anshun Urban Credit Cooperative from December 2002 to September 2007, the vice general manager of Anshun Urban Credit Cooperative from September 2007 to February 2009; a director of Anshun City Credit Cooperative from March 2008 to February 2009; vice president of Anshun City Commercial Bank from February 2009 to October 2012; the vice president of the Anshun Branch of the Bank from October 2012 to September 2013; member of the Party committee and vice president of Anshun sub-branch of the Bank from September 2013 to May 2015; deputy secretary (presiding work) of Party committee and temporary principal of Bijie Dujuan sub-branch of the Bank from May 2015 to August 2015; vice president (presiding work) of Bijie Dujuan sub-branch of the Bank from July 2015 to April 2018; deputy secretary of the Party committee of Bijie Dujuan sub-branch of the Bank from September 2015 to April 2018; secretary of the Party committee and general manager of Guiyang Management Department of the Bank from April 2018 to February 2022. He has been a member of the Party Committee of the Bank since November 2021; and Vice President of the Bank since February 2022.

Mr. Qin graduated from China Central Radio & TV University with a major of Administration Management in July 2006 and graduated from the University of International Business and Economics in December 2012 with an EMBA degree.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. ZHOU Guichang (周貴昌) is the secretary to the Board and company secretary of the Bank.

Mr. Zhou served as an accountant and cashier in Beijing Road department of Zunyi Honghuagang Sub-Branch of Agricultural Bank of China from July 1997 to July 1998; served as a secretary of the general office in Zunyi Development Region Sub-Branch of ABC from July 1998 to July 1999; served as a secretary of the general office of the Zunyi Branch of ABC from July 1999 to June 2003; served as a secretary of the general office of Guizhou Branch of ABC from June 2003 to February 2004; served as a principal staff member of the general office of Guizhou Branch of ABC from February 2004 to April 2005; served as an assistant of the director of general office of Guizhou Branch of ABC from April 2005 to August 2006; served as the vice director of the Office of Party Committee, deputy head of the Party promotion department and vice director of general office of Guizhou Branch of ABC from August 2006 to September 2007; served as a member of the Party committee and vice president of Liupanshui Branch of ABC from September 2007 to May 2012; served as a vice general manager of the corporate business department/small business department and key client department of Guizhou Branch of ABC from May 2012 to August 2012; Mr. Zhou participated in the preparatory group work of the establishment of our Bank from August 2012 and worked in our Bank from October 2012. He served as the temporary principal of the office of the Board of Directors, the office of the Board of Supervisors and the general office of our Bank from December 2012 to December 2013; served as the vice director of general office of our Bank (temporary principal) from December 2013 to March 2014; served as the vice director of the Office of Party Committee of our Bank (presiding over work) and vice director of General Office (temporary principal) from March 2014 to March 2018; served as the director of the Office of Party Committee/General Office of our Bank from March 2018 to June 2020; Mr. Zhou has been the secretary to the Board of our Bank since May 2019 and the company secretary of the Bank since March 2023.

Mr. Zhou graduated as a bachelor in journalism from the department of Chinese literature of Guizhou University (貴州大學) in July 1997; and graduated as a master in business administration from the school of management of Guizhou University in July 2014. Mr. Zhou is a senior economist.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

Mr. JIAO Zhengjun (焦正俊) is the chief compliance officer of the Bank and concurrently serves as the general manager of the Legal Compliance Department of the Bank.

Mr. Jiao served as a trainee staff member and a clerk of ABC Xiaohu Sub-branch in Guiyang from July 1999 to June 2003; a clerk and deputy director clerk of the legal affairs division of ABC Guizhou Branch from July 2003 to July 2006; a director clerk and section chief of the legal and compliance division of ABC Guizhou Branch from July 2006 to July 2008; assistant to division chief of the legal division of ABC Guizhou Branch from July 2008 to March 2009; assistant to general manager of the legal affairs department of ABC Guizhou Branch from March 2009 to December 2009; deputy general manager of the legal affairs department of ABC Guizhou Branch from December 2009 to April 2012; deputy general manager of the credit card centre of ABC Guizhou Branch from April 2012 to March 2013; deputy general manager of the Legal Compliance Department of the Bank from March 2013 to August 2013; deputy general manager of the Legal Compliance Department and the Asset Protection Department of the Bank from August 2013 to October 2014; deputy general manager (general manager level) of the Asset Protection and Legal Affairs Department of the Bank from October 2014 to March 2018. He has been the general manager of the Legal Compliance Department of the Bank since March 2018; and has been the chief compliance officer of the Bank since May 2022.

Mr. Jiao graduated from the Law Department of Guizhou Minzu College (貴州民族學院) with a bachelor's degree in Law. In December 2011, he graduated from Guizhou University with a MPM degree, majoring in joint school-running project of MPM with the University of Quebec at Chicoutimi, Canada.

5.3.4 Biographical details of company secretary

Mr. ZHOU Guichang (周貴昌) is the secretary to the Board of the Bank, company secretary of the Bank. See "Biographical details of Directors, Supervisors and Senior Managements – Biographical details of Senior Managements" for his biography.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.4 INFORMATION OF EMPLOYEES

5.4.1 Composition of employees

As of the end of the Reporting Period, the Bank had 5,487 contracted employees, the composition of whom is set out as follows:

I. By age:

The Bank had 1,592 employees aged 30 or under, accounting for 29.01% of the total number of employees; 2,288 employees aged between 31 and 40, accounting for 41.70% of the total number of employees; 957 employees aged between 41 and 50, accounting for 17.44% of the total number of employees; and 650 employees aged over 50, accounting for 11.85% of the total number of employees.

II. By gender

The Bank has a total of 2,662 male employees, accounting for 48.51%, and 2,825 female employees, accounting for 51.49%.

III. By education

The Bank has 669 employees have a college degree or below, accounting for 12.19% of the total number of employees, 4,818 employees with a bachelor's degree or above, accounting for 87.81% of the total number of employees. Among them, 6 employees have a doctor's degree, and 387 employees have a master's degree.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.4.2 Employee training

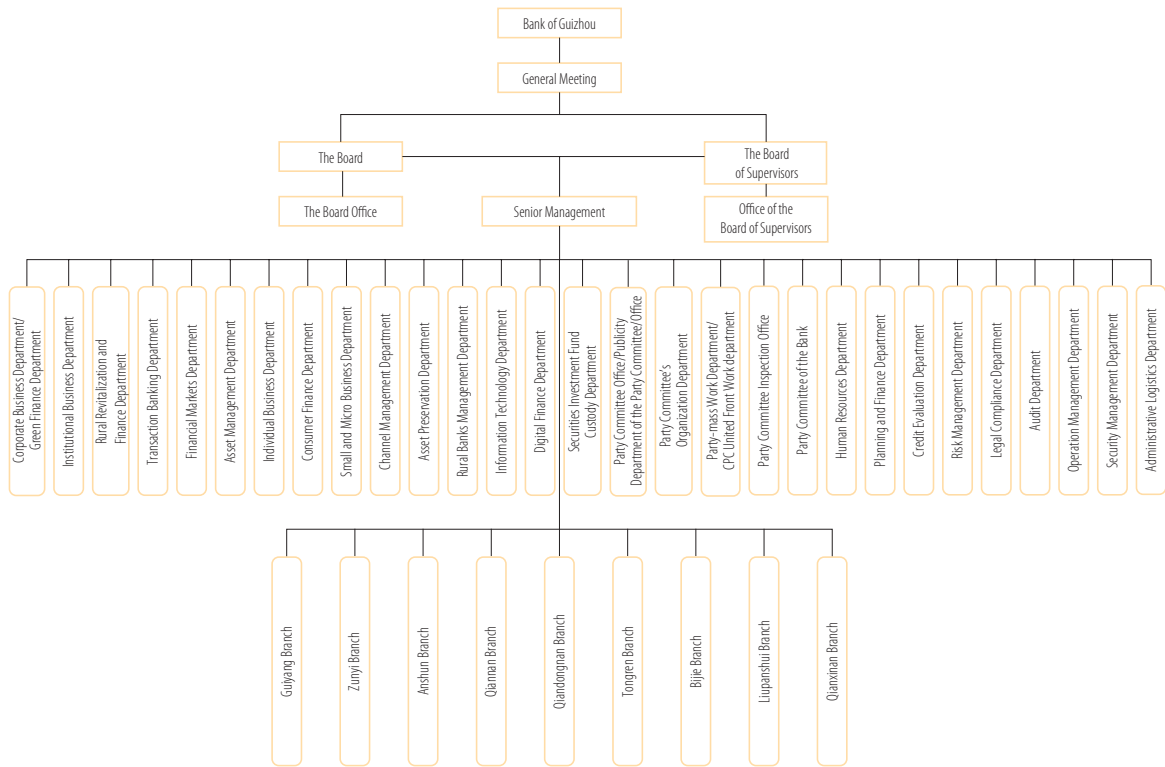
The Bank conducted an in-depth study on the demand for education, training and examination of professional qualifications to further strengthen the pertinence and effectiveness of plan formulation, then formulated and launched the 2024 plan for education, training and examination of professional qualifications, strengthened the accountability of implementation, assessed the transformation of learning into application, and enhanced overall planning and coordination. During the Reporting Period, more than 470 training courses were organised for small and micro enterprises and individuals, with a total of more than 24,000 participants; 7 examinations of professional qualifications were organised for corporate business, transaction banking and others, with more than 2,000 people obtaining professional qualification certificates. With a view to improving financial literacy and expanding professional knowledge, the Bank has purchased more than 20 online courses to meet the needs of various talents for online self-learning. The Bank formulated the Internal Trainer Evaluation Plan of Bank of Guizhou (《貴州銀行內訓師評審方案》) and carried out the selection and evaluation of internal trainers, with a total of 106 head office-level internal trainers being selected. The Bank formulated and launched the Online Learning Platform Management Regulations of Bank of Guizhou (《貴州銀行在線學習平台管理辦法》) to effectively improve the effect test function of learning and training, and thematic learning projects such as the Party and government classroom and internal trainer improvement were launched to enhance the awareness of self-learning among talents, and to promote the informatisation and digitisation of education and training.

5.4.3 Remuneration policy, employee remuneration and welfare

The Bank continuously improved the remuneration and welfare management system, researched and formulated the remuneration management measures for head office and branches of Bank of Guizhou, subsidiaries management methods, and continue to enhance the systematic and incentive nature of remuneration allocation system. The Bank has paid monthly salaries to all employees of the whole Bank, contributed social insurance and provident fund for them on time, actively built up the welfare system of Bank of Guizhou to effectively enhance the incentive effect of the welfare and security system on employees. The optimization and improvement of the management method for professional ranks and the process of testing have further improved the mechanism for the cultivation and management of professional and technical talents, and further broadened the channels for the career development of talents.

Directors, Supervisors, Senior Management, Employees and Organizations (Continued)

5.5 ORGANIZATIONAL STRUCTURE



Corporate Governance

6.1 SUMMARY OF CORPORATE GOVERNANCE

The Bank is of the view that, the enhancement of corporate governance is currently an objective requirement of commercial banks to adapt to the regulatory rules, a significant measure to prevent operational risks, an inevitable requirement to consolidate the management foundation and a solid guarantee for the Bank to achieve quality development. During the Reporting Period, the Bank continued to improve the governance structure in accordance with the regulatory requirements of the Company Law of the People's Republic of China, the Hong Kong Listing Rules and the Code of Corporate Governance for Banking and Insurance Institutions, and continued to improve the governance level and the normalized, standardized and scientific corporate governance system, mainly based on the Measures for the Management of Corporate Governance, Supervision and Evaluation of Banking and Insurance Institutions.

The Bank has complied with all the applicable code provisions contained in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Hong Kong Listing Rules during the Reporting Period, continuously promoting the orderly implementation of the Bank's corporate governance.

6.2 THE GENERAL MEETING

6.2.1 Functions and powers of the general meeting

According to the laws and regulations, regulatory provisions and the Articles of Association of the Bank, the shareholders' general meeting, consisting of all shareholders, shall be an organ of power of the Company. It may exercise the following powers in accordance with the laws and regulations and the Articles of Association: To decide on the Company's business policy and investment plans; to elect and replace Directors who are not employee representatives and to determine matters relating to remuneration of the Directors; to elect and replace Supervisors who are not employee representatives and to determine matters relating to remuneration of the Supervisors; to consider and approve the reports of the Board; to consider and approve the reports of the Board of Supervisors; to consider and approve the Company's annual financial budgets and final accounting plans; to consider and approve the Company's profit distribution plan and loss recovery plan; to resolve on increase or decrease of the registered capital of the Company; to resolve on issuance of bonds or listing of the Company; to resolve on the major asset transfer or acquisition, repurchase of the Company's Shares, merger, division, dissolution and liquidation of the Company pursuant to the laws and regulations; to amend the Articles of Association; to listen to the results of evaluation by the Board on the Directors and by the independent Directors on each other; to listen to the performance report of the independent Directors; to listen to the results of evaluation by the Board of Supervisors on the Directors, Supervisors and senior management; to consider proposals raised by shareholder(s) severally or jointly holding more

Corporate Governance (Continued)

than 3% of the total voting shares of the Company; to consider and approve the related party transactions with a single amount exceeding 10% of the Company's net capital at the end of the previous quarter; to resolve on the appointment or removal of an accounting firm that conduct regular statutory audit for the Company's financial statements; to consider and approve the rules of procedure of the shareholders' general meeting, of the Board of Directors and of the Board of Supervisors; to consider and approve the equity incentive plan; to consider and approve other issues which shall be determined at the shareholders' general meeting as stipulated by laws and regulations, securities regulatory authorities at the place where the Company's shares are listed, the Articles of Association of the Bank and other internal systems of the Company.

6.2.2 General meetings held

On 27 March 2024, the Bank held the first extraordinary general meeting at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9 Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC). The total number of the ordinary Shares entitling the shareholders of the Bank to vote in respect to the resolutions proposed at the extraordinary general meeting was 13,453,929,375, including 11,253,929,375 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the extraordinary general meeting represented, in aggregate, 9,459,896,533 ordinary Shares of the Bank carrying voting rights, being approximately 70.31% of the total number of the ordinary Shares of the Bank carrying voting rights as at the date of the extraordinary general meeting. Twelve Directors including Mr. YANG Mingshang and Mr. CAI Dong attended the above meeting.

The 2024 first extraordinary general meeting considered and approved three resolutions, including the appointment of Ms. WU Fan as an executive Director of the third session of the Board of the Bank, and the appointment of Mr. CHEN Duohang as a non-executive Director of the third session of the Board of the Bank.

On 27 June 2024, the Bank held the 2023 annual general meeting at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9 Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC). The total number of the ordinary Shares entitling the shareholders of the Bank to vote in respect to the resolutions proposed at the annual general meeting was 13,595,715,761, including 11,395,715,761 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the annual general meeting represented, in aggregate, 10,947,777,340 ordinary Shares of the Bank carrying voting rights, being approximately 80.52% of the total number of the ordinary Shares of the Bank carrying voting rights as at the date of the annual general meeting. Thirteen Directors including Mr. YANG Mingshang and Mr. CAI Dong attended the above meetings.

The 2023 annual general meeting considered and approved 25 resolutions, including 2023 Work Report of the Board of Directors, 2023 Work Report of the Board of Supervisors, 2023 Financial Statements Report, 2023 Profit Distribution Plan and others.

6.3 THE BOARD OF DIRECTORS

6.3.1 Functions and powers of the Board

According to the laws and regulations, regulatory requirements and Articles of Association of the Bank, the Board is the executive body of the general meeting of the Bank, which is accountable to the general meeting for determining strategies, making decisions and preventing risks. Its major functions and powers include convening Shareholders' general meetings and reporting its performance at the Shareholders' general meetings; implementing resolutions of the Shareholders' general meetings; formulating the Company's business development strategies and supervising the implementation of the strategies; determining the Company's business plans and investment plans; formulating annual financial budget plans, final account plans, profit distribution plans and loss recovery plans of the Company; formulating proposals for the Company's increase in or reduction of registered capital and issuance of bonds or other securities and the listing; formulating proposals for the Company's major asset acquisition,

Corporate Governance (Continued)

transfer and alienation, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company; determining the setting, merger and revocation of branches and internal management bodies of the Company; determining material external guarantees within the authorization of the Shareholders' general meeting.; considering and approving major related party transaction (a single transaction amounting to more than 10% of the net capital of the Company at the end of the previous quarter shall be submitted to the shareholders' general meeting for consideration); appointing or dismissing the President and the secretary to the Board according to the regulatory requirements; appointing or dismissing vice presidents and other senior management personnel based on the regulatory requirements and nominations of the President and determining their remunerations, awards or punishments thereof and supervising the performance of duties by senior management; determining the Company's risk management and internal control policies and formulating the Company's basic management system; formulating modifications to the Articles of Association, formulating the rules of procedure for the Shareholders' general meeting and the rules of procedure for the Board, and considering and approving the working rules of the special committees of the Board; taking charge of the information disclosures of the Company, and being ultimately responsible for the authenticity, completeness, accuracy and timeliness of the Company's accounting and financial reporting; proposing at a Shareholders' general meeting the engagement or dismissal of an accounting firm providing regular statutory audit for the Bank's financial reports; considering and determining working rules of the President, listening to his/her work reports and examining his/her work; in accordance with laws and regulations, regulatory requirements and the Articles and Association, considering and approving the Company's external investment, purchases of assets, disposal and write-off of assets, pledged assets, related transactions, data governance and other matters; formulating the capital plan of the Company and assume the ultimate responsibility for capital or solvency management; regularly evaluating and improving the corporate governance; safeguarding the legitimate rights and interests of financial consumers and other stakeholders; establishing the mechanism for identification, verification and management of the conflict

of interests between the Company and Shareholders, in particular substantial Shareholders; assuming the management responsibility for affairs of Shareholders; other functions and powers stipulated by laws and regulations and these Articles of Association of the Bank and authorized by the Shareholders' general meetings.

The Board of the Bank is also responsible for performing the corporate governance functions set out below: formulating and reviewing the Bank's policies and practices in respect of corporate governance; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Bank's policies and practices in respect of compliance with laws and regulatory requirements; formulating, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; reviewing the Bank's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

6.3.2 Composition of the Board

As at the date of this report, the Board of the Bank consisted of thirteen Directors (of which the qualification of six Directors is subject to approval), including three executive Directors, namely, Mr. YANG Mingshang (Chairman), Ms. WU Fan⁽¹⁾ and Mr. CAI Dong; five non-executive Directors, namely, Mr. CHEN Hanqing, Ms. ZHANG Yan⁽¹⁾, Mr. CHEN Duohang, Ms. HU Yuwen⁽¹⁾ and Ms. GONG Taotao; and five independent non-executive Directors, namely, Ms. SUN Li, Mr. LEE Hoey Simon, Mr. YIN Mengbo⁽¹⁾, Ms. CHEN Rong⁽¹⁾ and Ms. WANG Yao⁽¹⁾.

Note:

- (1) The qualifications for directorship of Ms. WU Fan, Ms. ZHANG Yan, Ms. HU Yuwen, Mr. YIN Mengbo, Ms. CHEN Rong and Ms. WANG Yao are subject to the approval of the NFRA Guizhou Office. To ensure the effective operation of the Bank's board of directors, Mr. WANG Gefan, Mr. TANG Xin and Mr. SONG Ke, the independent non-executive directors of the third session of the board of directors, will continue to perform their duties as independent non-executive directors and members of the special committees under the board of directors in accordance with relevant laws and regulations and the relevant provisions of the articles of association of the Bank, until the qualifications of newly-elected independent non-executive directors are approved.

Corporate Governance (Continued)

6.3.3 Meetings of the Board and its special committees held

During the Reporting Period, the Board of the Bank held a total of 8 meetings, at which 75 resolutions were considered and 33 reports were reviewed, including the regular meeting held by the Board quarterly. The special committees under the Board held a total of 23 meetings, among which, the Audit Committee held 3 meetings, at which 7 resolutions were considered and 3 resolutions were reviewed; the Nomination and Remuneration Committee held 5 meetings at which 22 resolutions were considered; ESG Management and Consumer Rights Protection Committee held a total of 3 meetings, at which 6 resolutions were considered and 1 matter was recorded; Compliance Management Committee held a total of 2 meetings, at which 4 resolutions were considered and 3 resolutions were reviewed; the Strategic Development Committee held a total of 3 meetings, at which 4 resolutions were considered and 1 resolution was reviewed; the Risk and Related Party Transactions Management Committee held a total of 7 meetings, at which 33 resolutions were considered, and 5 resolutions were reviewed.

6.3.4 Work of independent non-executive Directors

During the Reporting Period, the independent non-executive Directors of the Bank conscientiously implemented the internal requirements of independent Directors for good corporate governance by attending meetings, debriefing and other methods, and performed their duties with integrity, independence and diligence. All independent non-executive Directors made in-depth research on the relevant resolutions and important documents of the Board and the general meetings, and expressed opinions and decisions thereon independently. In particular, they expressed opinions on major issues such as 2023 Profit Distribution Plan of Bank of Guizhou Co., Ltd., Appointment of Accounting Firms for 2024, which effectively safeguard the legitimate rights and interests of the Bank, minority Shareholders and financial consumers, and promoted the implementation of the Bank's development strategy.

6.4 BOARD OF SUPERVISORS

6.4.1 The duties of the Board of Supervisors

According to the Articles of the Bank, the Board of Supervisors shall examine the financial condition of the Company and supervise the Company's financial activities; supervise the implementation of resolutions made at shareholders' general meetings and the fulfillment of duties of the Board and senior management; supervise the fulfillment of duties of Directors, Chairman and senior management personnel; undertake the resign audit of Directors and senior management personnel; supervise, inspect and urge to rectify operation decisions, risk management and internal control of the Company and guide the internal audit department of the Company in work; address inquiries to Directors, the Chairman and senior management personnel; supervise the Directors, Chairman and senior management personnel for any violation of laws and regulations or the Articles of the Bank while they perform their duties for the Company. If any act of the Directors, Chairman and senior management personnel damages the interests of the Company, the Board of Supervisors shall require them to rectify such act accordingly, and where necessary, report to the shareholders' general meeting or banking regulatory authorities; express independent opinions on proposals formulated by the Board and reports issued by the Company; evaluate the fulfillment of duties of Directors, Supervisors and senior management personnel and report to the shareholders' general meeting; propose the convening of extraordinary general meeting and interim Board meeting; negotiate with Directors or pursue legal actions against the same on behalf of the Company; supervise the Board in establishing sound business philosophy and value criteria and formulating development strategies in line with the Company's situation; evaluate the scientificity, reasonableness and soundness of the Company's development strategies and form evaluation reports; supervise the procedures for election of Directors; supervise the implementation of the Company's remuneration management system and the scientificity and reasonableness of the remuneration packages of senior management; exercise any other functions and powers as specified in the Articles or as authorized by the shareholders' general meetings.

Corporate Governance (Continued)

6.4.2 Composition of the Board of Supervisors

As of the end of the Reporting Period, the third session of the Board of Supervisors of the Bank consisted of six Supervisors, including two employee Supervisors, namely Ms. ZHANG Hui and Ms. WANG Wei, two shareholder Supervisors, namely Mr. CHENG Yunlong and Mr. HE Xinzhang, and two external Supervisors, namely Mr. YIN Xinquan and Mr. ZHANG Ruibin.

6.4.3 Meetings of the Board of Supervisors and its special committees held

During the Reporting Period, the Board of Supervisors held a total of 4 meetings, at which 12 resolutions were reviewed, involving the annual work report of the Board of Supervisors, performance evaluation reports of the Board of Directors and Board of Supervisors and Senior Management and their Members, financial accounts, financial budget, profit distribution plan and others; it carried out 23 special supervisions, including the supervision on the works relating to related party transaction management, overall risk management, consumer rights protection and others.

The Board of Supervisors of the Bank has set up two committees, namely the Supervision Committee and the Nomination, Remuneration and Evaluation Committee. During the Reporting Period, the Supervision Committee attended ordinary meetings of the Board and annual general meeting. The Nomination, Remuneration and Evaluation Committee held a total of 2 meetings, at which 2 resolutions were considered involving performance evaluation reports of the Board of Directors and Board of Supervisors and Senior Management and their Members and the nomination of candidates for external supervisors.

6.4.4 Work of external Supervisors

During the Reporting Period, the external Supervisors of the Bank were diligent and responsible, attended the meetings of the Board of Supervisors and meetings of the special committees under the Board of Supervisors on time, participated in the annual general meeting and the Board meetings, took part in duty performance training for Directors and Supervisors, expressed their supervisory opinions prudently and objectively, and fully performed the supervisory duties of external Supervisors.

6.5 SENIOR MANAGEMENT

6.5.1 Functions and powers of the senior management

The senior management is the executive body of the Bank. It is headed by the President, senior management such as Vice Presidents shall assist the President in his/her work. The main powers of the President include: taking charge of the business operation and management of the Company, organizing the implementation of the resolutions of the Board and reporting to the Board; organizing the implementation of the annual business plans and investment plans of the Company; preparing plans for the establishment of internal management structure of the Company; drafting the Company's basic management system; appointing or dismissing persons in charge of the functional departments and branches other than those to be engaged or dismissed by the Board; proposing the Board to appoint or dismiss the Vice Presidents and other senior management personnel; authorizing other senior management personnel and persons in charge of internal functional departments and branches to conduct operation activities.

6.5.2 Composition of the Senior Management

As at the date of this report, the Bank had a total of six senior management personnel, namely Mr. HU Liangpin, Mr. AN Peng, Mr. QIN Wei, Mr. LI Jian⁽¹⁾, Mr. ZHOU Guichang and Mr. JIAO Zhengjun.

Note:

- (1) The qualification of Mr. LI Jian to serve as the Vice President of the Bank is subject to the approval of the NFRA Guizhou Office.

Corporate Governance (Continued)

6.6 DEALING IN SECURITIES BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank has adopted a code of conduct which is no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Hong Kong Listing Rules, and complied with Rule 13.67 of the Hong Kong Listing Rules to regulate securities transactions by Directors, Supervisors and relevant employees of the Bank. All the Directors, Supervisors and other relevant employees were consulted specifically for this matter. During the Reporting Period, all Directors, Supervisors and relevant employees have confirmed that they had complied with the Model Code and had no dealings in shares of the Bank.

6.7 INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 30 June 2024, the interests and short positions of the Directors, Supervisors and chief executives of the Bank in the shares, underlying shares or debentures of the Bank or its associated corporations (I) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (II) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (III) which were required to be notified to the Bank and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Class of Shares held	Number of Shares held directly or indirectly (Share)	Nature of interest	Approximate percentage of the relevant class of share capital of the Bank	Approximate percentage of the total issued share capital of the Bank
ZHANG Hui (張惠)	Employee Supervisor	Domestic Shares	500,000	Beneficial Owner	0.004%	0.003%
WANG Wei (王薇)	Employee Supervisor	Domestic Shares	500,000	Beneficial Owner	0.004%	0.003%

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Bank had any interests or short positions in any shares, underlying shares or debentures of the Bank or any of its associated corporations as at 30 June 2024.

Corporate Governance (Continued)

6.8 AMENDMENTS TO THE ARTICLES OF ASSOCIATION**6.8.1 Amendments to the Articles of Association**

None.

6.8.2 Amendments to the Rules of Procedure of the Shareholders' General Meeting

None.

6.8.3 Amendments to the Rules of Procedure of the Board of Directors

None.

6.8.4 Amendments to the Rules of Procedure of the Board of Supervisors

None.

6.9 RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT**6.9.1 Risk Management**

During the Reporting Period, the Bank earnestly implemented various regulatory requirements, continued to improve its comprehensive risk management mechanism and enhance its elaborate management capability of risks.

I. Procedures for identification, assessment and management of material risks

In accordance with the Administrative Measures for the Capital of Commercial Banks and its schedules and the Guidelines for the Comprehensive Risk Management of Banking Financial Institutions (《銀行業金融機構全面風險管理指引》), the definition of risks and relevant professional terms issued by the Basel Committee and the practice of domestic and foreign banks, and on the basis of full consideration of the actual situation of the Bank, the Bank identifies, measures, monitors and controls a series of quantitative and non-quantitative risks that may arise from the interaction between external macroeconomic environment, business strategies, product portfolios and customer demands.

The material risks faced by the Bank include: credit risk, market risk, operational risk, liquidity risk. The Bank have established clear and specific procedures to effectively identify, assess and manage major risks, to ensure timely reporting and communication of relevant risks and incidents by the risk management departments at our head office, relevant departments and branches and sub-branches, and to ensure the efficient and orderly implementation of our risk management work.

II. Main features of risk management

The overall target of the Bank in risk management is to maintain the balance of risks and business development and to implement risk management comprehensively and effectively around the Bank's development strategy and risk appetite so that the Bank could effectively achieve risk control and sustainable business development.

Corporate Governance (Continued)

III. Ultimate responsibility of the Board for risk management

The Board of the Bank is ultimately responsible for risk management. The Board is responsible for establishing an adequate and effective risk management system, establishing a risk culture, formulating the risk management strategies, determining significant risk management policies and procedures, and monitoring and evaluating the adequacy and effectiveness of the Bank's risk management system, so as to ensure the Bank's prudent operation and compliance with relevant laws, regulations and financial policies.

The Bank's risk management is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

6.9.2 Internal Control

The Bank insisted on the goal of "strengthening internal control, preventing risks and promoting compliance" and was driven by high quality development. In accordance with the work requirements of "strict management, strict implementation, strict supervision, strict rectification, and strict accountability", the Bank took measures to further implement line supervision duties, the main responsibility for the management of the organization, the responsibility for non-compliance, and the responsibility for rectification of problems, focusing on credit risk, compliance risk, case risk and behavioral risk, and increasing the intensity of process management and control, the intensity of supervision and inspection of high-risk businesses, high-risk positions and high-risk sections, to earnestly form a high-pressure atmosphere of stringent governance and strict management and to promote the standardized operation of internal control management.

During the Reporting Period, the Bank continued to improve the governance pattern of "overall leadership by the Party Committee, strategic decision-making by the Board of Directors, supervision by the Board of Supervisors in accordance with the law, and operation by the management", continued to improve the corporate governance mechanism consisting of the shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management with "clear division of powers and responsibilities, independent operation, effective checks and balances and coordinated operation", and continued to optimize the corporate governance operation mechanism among the power, decision-making, supervisory and executive bodies with "scientific decision-making, effective supervision and sound operation", so as to continue to promote the modernization of the Company's governance capability.

The Bank has established an internal control system that basically covers all business lines and permeates the whole process of operation and management. The internal control measures cover authorization control, position rotation control, incompatible position separation control, review and reconciliation control, significant event reporting control, performance evaluation control, accounting management control, property protection control, financial budget control and operation analysis control, covering major risks. The corporate governance personnel implements control at the corporate level by continuously improving the corporate governance structure and ensuring effective implementation of decision making, execution and supervision; the senior management implements control at the business activity level by continuously improving rules and regulations, information systems and conducting supervision and inspection; institutions and positions at all levels implement control at the business activity level by effectively implementing rules and regulations, and internal control measures are integrated throughout the entire process of decision making, execution, supervision and improvement.

During the Reporting Period, there was no material deficiency in internal control.

Corporate Governance (Continued)

6.9.3 Internal Audit

The Bank has established an independent internal audit system, and the Board of Directors ensures the independence and effectiveness of the internal audit, for which it bears ultimate responsibility. The Audit Committee under the Board of Directors guides and supervises the Bank's internal audit work, while the Board of Supervisors supervises the internal audit work. At the first-level department of the head office, there is an Audit Department, which is responsible for the internal audit work of the entire Bank. The Bank has confirmed that it will establish the Audit Department of each branch, which is in the process of being organised, and will basically realise the full coverage of audit business and institutional scope.

During the Reporting Period, the Bank carried out 42 audit projects covering credit business, financial accounting, corporate governance, information technology, economic responsibility audit and other aspects of operation and management, and strengthened audit supervision of the implementation of key strategies and key risk areas, with 23 audit reports completed. Based on the audit situation, the Bank issued audit opinions and risk reminders, urged the units undergoing audit to complete the rectification of problems, promoting the optimization of processes and the improvement of risk control mechanisms at the head office and branches.

Major Events

7.1 EARNINGS AND DIVIDENDS

The revenue of the Bank for the six months ended 30 June 2024 and the financial position of the Bank as at the same day were set out in the chapter titled “Financial Statements and Notes to the Unaudited Interim Financial Statements” of this report.

As considered and approved at the 2023 annual general meeting of the Bank held on 27 June 2024, based on the share capital of 14,588,046,744 shares as at the end of 2023, the Bank distributed the final dividend for the year ended 31 December 2023 (the “Final Dividend for the Year 2023”) to all shareholders at 5% of the share capital, totaling RMB729,402,300 (tax inclusive) in cash. The Final Dividend for the Year 2023 has been distributed to holders of both H Shares and Domestic Shares on 22 August 2024.

The Bank did not declare interim dividend for the six months ended 30 June 2024 and no common reserve fund will be converted to increase share capital.

7.2 RELATED PARTY/CONNECTED TRANSACTIONS

I. Related Party Transaction as Defined by the NAFR

(I) Credit

As of the end of the Reporting Period, the Bank’s balance of the related party transactions under the credit category as defined by NAFR (excluding deposits, bank deposit slips, etc.) is as follows:

No.	Name of connected parties (related group consolidation)	Net amount of credit as at the end of the Reporting Period (RMB million)	Type of related party transactions	Percentage of net capital of the Bank (%)
1	Guizhou Water Conservancy Investment Group Co., Ltd.	1,696.72	Loan	3.19%
2	Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集 團有限責任公司(貴州貴民投資集 團有限責任公司))	1,003.42	Loan, debt investment	1.88%
3	Zunyi State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營 管理有限責任公司)	823.27	Loan, debt investment, bank acceptance bills	1.55%
4	Related natural persons	463.68	Loan, overdraft, unutilised credit on personal credit cards	0.87%

Major Events (Continued)

No.	Name of connected parties (related group consolidation)	Net amount of credit as at the end of the Reporting Period (RMB million)	Type of related party transactions	Percentage of net capital of the Bank (%)
5	Guiyang City Construction Investment Group Co., Ltd. (貴陽市城市建設投資集團有限公司)	346.05	Debt investment	0.65%
6	Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	28.00	Loan	0.05%
7	Harvest Fund Management Co., Ltd. (嘉實基金管理有限公司)	21.72	SPV investment	0.04%
8	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	20.72	SPV investment	0.04%
9	Guizhou Linshang Decoration Design Co., Ltd. (貴州林尚裝飾設計有限公司)	0.80	Loan	0.00%

(II) Non-credit

During the Reporting Period, the Bank incurred non-credit related party transactions of RMB11,164 million, including deposits of RMB10,844 million and financial investments of RMB320 million.

The above related party transactions are conducted under conditions not superior to similar transactions of non-related parties, with reasonable and fair pricing, and in line with relevant regulatory requirements of the regulatory institutions and related party transaction management regulations of the Bank, and the approval process is in line with internal control system requirements of the Bank. Related party transactions have no significant impact on the normal operation and financial condition of the Bank.

Major Events (Continued)

II. Connected Transactions as Defined in the Hong Kong Listing Rules

During the Reporting Period, the Bank did not engage in any connected transactions with connected parties defined in the Hong Kong Listing Rules which needs to be disclosed.

III. Related Party Transactions as Defined in Accounting Standards

For details, please refer to Note 34 “RELATED PARTY TRANSACTIONS” to the financial statements of this report.

7.3 MAJOR LITIGATION, ARBITRATION AND MAJOR CASES DURING THE REPORTING PERIOD

As of 30 June 2024, the Bank, as the plaintiff, defendant or third party, has 4 pending litigation cases with the amount of subject matter in dispute at or above RMB10 million, involving a total balance of RMB414,035,300. The Bank did not expect that such litigation and arbitration will have a material adverse effect on the Bank’s business, financial position and business performance.

7.4 PENALTIES AGAINST THE BANK AND ITS DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As far as the Bank is aware, at the end of the Reporting Period, the Bank, Directors, Supervisors and senior management were not investigated by the competent authority, enforced by the judicial disciplinary inspection department, transferred to the judicial authority or investigated for criminal responsibility, and none of them were fined by the Securities Regulatory Commission or administrative penalties, banned from the securities market, being deemed as inappropriate candidate, or being publicly condemned by the stock exchange.

7.5 SIGNIFICANT MATERIAL ASSET ACQUISITIONS, DISPOSALS AND CORPORATE MERGERS

None.

7.6 SIGNIFICANT INVESTMENT HELD

As of the end of the Reporting Period, the investment securities and other financial assets of the Bank were all financial markets businesses within the scope of operation approved by the former CBIRC (NAFR). The Bank has inspected the disclosure requirements for significant investments held as set out in Appendix D2 to the Hong Kong Listing Rules, and to the best knowledge of the Bank, there was no book value of any particular investment accounting for 5% or more of the Bank’s total assets as of the end of the Reporting Period.

7.7 APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

As considered and approved at the 2023 annual general meeting convened on 27 June 2024, BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited were appointed as the Bank’s domestic and oversea auditors for 2024, respectively, for a term of one year and with a total fee of RMB3.30 million.

Major Events (Continued)

7.8 REVIEW OF INTERIM FINANCIAL STATEMENTS

The interim financial statements disclosed in this interim report have not been audited. The interim financial statements for the six months ended 30 June 2024 have been prepared by the Bank in accordance with disclosure requirements under the International Financial Reporting Standards and the Hong Kong Listing Rules and have been reviewed by BDO Limited based on the Hong Kong Standard on Review Engagements with unqualified review report being issued.

The 2024 interim report and 2024 interim financial statements of the Bank have been considered and approved by the Bank's Board and its audit committee.

7.9 PUBLICATION OF THE INTERIM REPORT

The interim report is prepared in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version. Numbers expressed in thousands, tens of thousands, millions, 100 millions, billions or similar expressions, as well as percentage examples, are approximate unless otherwise stated.

The interim report is available on the HKEXnews website of Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the website of the Bank (<http://www.bgzchina.com/>).

7.10 SUBSEQUENT EVENTS

The Bank has no significant subsequent events occurring after 30 June 2024 and up to the reporting date which are required to be disclosed.

Report on Review of Interim Financial Information



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TO THE BOARD OF DIRECTORS OF BANK OF GUIZHOU CO., LTD.

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

INTRODUCTION

We have reviewed the accompanying interim financial information set out on pages 113 to 228, which comprises the statement of financial position of Bank of Guizhou Co., Ltd. (the "Bank") as at June 30, 2024 and the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period then ended, and notes to the interim financial statements, including material accounting policy information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

The directors are responsible for the preparation and presentation of interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

Report on Review of Interim Financial Information (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate no. P05443

Hong Kong, August 30, 2024

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30, 2024	2023
Interest income		10,956,999	11,588,978
Interest expense		(6,614,424)	(6,552,684)
Net interest income	4	<u>4,342,575</u>	<u>5,036,294</u>
Fee and commission income		307,775	280,207
Fee and commission expense		(101,340)	(78,671)
Net fee and commission income	5	<u>206,435</u>	<u>201,536</u>
Net trading gains	6	506,055	506,877
Net gains arising from investment securities	7	887,568	502,651
Other operating income	8	24,633	182,592
Operating income		<u>5,967,266</u>	<u>6,429,950</u>
Operating expenses	9	(1,612,759)	(1,695,361)
Impairment losses on assets	10	(1,907,984)	(2,155,535)
Share of losses of associates		(8,959)	(8,496)
Profit before tax		2,437,564	2,570,558
Income tax	11	(315,070)	(364,210)
Net profit for the period		<u>2,122,494</u>	<u>2,206,348</u>
Basic and diluted earnings per share (<i>in RMB</i>)	12	<u>0.14</u>	<u>0.15</u>

The notes on pages 121 to 228 form part of this interim financial report.

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

For the six months ended June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	<i>Notes</i>	Six months ended June 30, 2024	2023
Net profit for the period		2,122,494	2,206,348
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets measured at fair value through other comprehensive income:			
– Net movement in the fair value reserve, net of tax	29(d)	562,549	532,287
– Net movement in the impairment losses, net of tax	29(e)	(6,492)	91,109
Item that will not be reclassified to profit or loss:			
– Remeasurement of net defined benefit liability, net of tax	29(f)	(10,230)	(3,698)
Other comprehensive income for the period, net of tax		545,827	619,698
Total comprehensive income for the period		2,668,321	2,826,046

The notes on pages 121 to 228 form part of this interim financial report.

Statement of Financial Position

As at June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	At June 30, 2024	At December 31, 2023
Assets			
Cash and deposits with the central bank	13	21,889,051	29,750,843
Deposits with banks and other financial institutions	14	12,625,730	5,974,245
Financial assets held under resale agreements	15	6,599,369	1,651,237
Loans and advances to customers	16	332,691,360	316,610,233
Financial investments:	17		
– Financial investments measured at fair value through profit or loss		73,868,473	80,406,906
– Financial investments measured at fair value through other comprehensive income		50,017,891	57,880,290
– Financial investments measured at amortised cost		79,643,836	73,669,697
Interests in associates	18	261,612	270,572
Property and equipment	19	3,580,106	3,690,469
Deferred tax assets	20	6,337,124	5,978,200
Other assets	21	925,987	903,334
Total assets		588,440,539	576,786,026
Liabilities			
Borrowings from the central bank		44,572,771	43,458,074
Deposits from banks and other financial institutions	23	26,518,338	25,382,493
Placements from banks and other financial institutions	24	4,642,087	4,944,628
Deposits from customers	25	370,312,411	356,246,245
Income tax payable		271,807	645,800
Debt securities issued	26	87,323,313	94,267,804
Deferred tax liabilities	20	411,081	190,492
Other liabilities	27	4,080,905	3,232,583
Total liabilities		538,132,713	528,368,119

The notes on pages 121 to 228 form part of this interim financial report.

Statement of Financial Position (Continued)

As at June 30, 2024 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	At June 30, 2024	At December 31, 2023
Equity			
Share capital	28	14,588,047	14,588,047
Capital reserve	29(a)	8,670,091	8,670,091
Surplus reserve	29(b)	2,976,977	2,976,977
General reserve	29(c)	6,150,000	5,590,000
Fair value reserve	29(d)	579,807	17,258
Impairment reserve	29(e)	429,034	435,526
Deficit on remeasurement of net defined benefit liability	29(f)	(50,925)	(40,695)
Retained earnings	30	13,465,311	12,681,219
		<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank		46,808,342	44,918,423
Perpetual bonds	29(g)	3,499,484	3,499,484
		<hr/>	<hr/>
Total equity		50,307,826	48,417,907
		<hr/>	<hr/>
Total liabilities and equity		588,440,539	576,786,026
		<hr/>	<hr/>

Approved and authorised for issue by the Board of Directors on August 30, 2024.

Yang Mingshang

Chairman of the Board of Directors

Cai Dong

Executive Director

An PengThe Person In Charge of
Accounting Affairs**Li Wangang**General Manager of
the Planning and Finance Department

(Company Stamp)

The notes on pages 121 to 228 form part of this interim financial report.

Statement of Changes in Equity

For the six months ended June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

		Attributable to equity shareholders of the Bank										
		Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement of net defined benefit liability	Retained earnings	Subtotal	Perpetual bonds	Total
Notes												
	Balance at January 1, 2024	14,588,047	8,670,091	2,976,977	5,590,000	17,258	435,526	(40,695)	12,681,219	44,918,423	3,499,484	48,417,907
	Changes in equity for the period:											
	Net profit for the period	-	-	-	-	-	-	-	2,122,494	2,122,494	-	2,122,494
	Other comprehensive income	-	-	-	-	562,549	(6,492)	(10,230)	-	545,827	-	545,827
	Total comprehensive income	-	-	-	-	562,549	(6,492)	(10,230)	2,122,494	2,668,321	-	2,668,321
	Issuance of perpetual bonds	-	-	-	-	-	-	-	-	-	-	-
	Appropriation of profit:											
	Appropriation to general reserve 29(c)	-	-	-	560,000	-	-	-	(560,000)	-	-	-
	Appropriation to shareholders 30	-	-	-	-	-	-	-	(729,402)	(729,402)	-	(729,402)
	Appropriation to perpetual bondholders	-	-	-	-	-	-	-	(49,000)	(49,000)	49,000	-
	Distribution paid to perpetual bondholders 29(g)	-	-	-	-	-	-	-	-	-	(49,000)	(49,000)
	Balance at June 30, 2024	<u>14,588,047</u>	<u>8,670,091</u>	<u>2,976,977</u>	<u>6,150,000</u>	<u>579,807</u>	<u>429,034</u>	<u>(50,925)</u>	<u>13,465,311</u>	<u>46,808,342</u>	<u>3,499,484</u>	<u>50,307,826</u>
		Attributable to equity shareholders of the Bank										
		Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement of net defined benefit liability	Retained earnings	Subtotal	Perpetual bonds	Total
Notes												
	Balance at January 1, 2023	14,588,047	8,670,091	2,611,643	5,070,000	(655,674)	315,655	(29,760)	10,901,000	41,471,002	2,499,520	43,970,522
	Changes in equity for the period:											
	Net profit for the period	-	-	-	-	-	-	-	2,206,348	2,206,348	-	2,206,348
	Other comprehensive income	-	-	-	-	532,287	91,109	(3,698)	-	619,698	-	619,698
	Total comprehensive income	-	-	-	-	532,287	91,109	(3,698)	2,206,348	2,826,046	-	2,826,046
	Issuance of perpetual bonds	-	-	-	-	-	-	-	-	-	999,964	999,964
	Appropriation of profit:											
	Appropriation to general reserve 29(c)	-	-	-	520,000	-	-	-	(520,000)	-	-	-
	Appropriation to shareholders 30	-	-	-	-	-	-	-	(875,283)	(875,283)	-	(875,283)
	Balance at June 30, 2023	<u>14,588,047</u>	<u>8,670,091</u>	<u>2,611,643</u>	<u>5,590,000</u>	<u>(123,387)</u>	<u>406,764</u>	<u>(33,458)</u>	<u>11,712,065</u>	<u>43,421,765</u>	<u>3,499,484</u>	<u>46,921,249</u>

The notes on pages 121 to 228 form part of this interim financial report.

Statement of Cash Flows

For the six months ended June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2024	2023
Cash flows from operating activities			
Profit before tax		2,437,564	2,570,558
Adjustments for:			
Impairment losses on assets	10	1,907,984	2,155,535
Depreciation and amortisation	9	233,205	251,747
Depreciation of investment properties		618	472
Unrealised foreign exchange gains	6	(1,438)	(8,481)
Net losses/(gains) on disposal of property and equipment, intangible assets and other assets		236	(17,873)
Net gains from debt securities	6	(504,617)	(498,396)
Net gains arising from investment securities	7	(887,568)	(502,651)
Share of losses of associates	18	8,959	8,496
Interest expense on debt securities issued	4	1,233,423	1,199,945
Interest expense on lease liabilities	9	4,862	5,653
Others		(34,419)	(54,237)
		<hr/>	<hr/>
Operating cash flows before movements in operating assets and liabilities		4,398,809	5,110,768
		<hr/>	<hr/>
Changes in operating assets			
Net decrease/(increase) in deposits with the central bank		954,912	(76,497)
Net increase in deposits with banks and other financial institutions		(1,500,000)	–
Net increase in loans and advances to customers		(17,676,249)	(27,878,229)
Net decrease/(increase) in financial assets held for trading		14,273,128	(4,297,705)
Net decrease/(increase) in other operating assets		10,545	(1,140,674)
		<hr/>	<hr/>
Net changes in operating assets		(3,937,664)	(33,393,105)
		<hr/>	<hr/>

The notes on pages 121 to 228 form part of this interim financial report.

Statement of Cash Flows (Continued)

For the six months ended June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2024	2023
Changes in operating liabilities			
Net increase/(decrease) in borrowings from the central bank		1,121,370	(530,464)
Net increase in deposits from banks and other financial institutions		1,087,365	592,176
Net (decrease)/increase in placements from banks and other financial institutions		(301,100)	1,190,000
Net decrease in financial assets sold under repurchase agreements		–	(3,405,600)
Net increase in deposits from customers		13,785,840	30,631,010
Net increase in other operating liabilities		451,704	1,416,419
		<hr/>	<hr/>
Net changes in operating liabilities		16,145,179	29,893,541
		<hr/>	<hr/>
Net cash flows generated from operating activities before income tax paid			
Income tax paid		16,606,324	1,611,204
		(1,009,342)	(1,219,291)
		<hr/>	<hr/>
Net cash flows generated from operating activities		15,596,982	391,913
		<hr/>	<hr/>
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		58,566,701	40,806,478
Proceeds from disposal of property and equipment, intangible assets and other assets		606	77,079
Payments on acquisition of investments		(52,192,216)	(42,028,570)
Payments for capital injection for associates		–	(50,000)
Payments for acquisition of property and equipment, intangible assets and other assets		(49,384)	(144,853)
		<hr/>	<hr/>
Net cash flows generated from/(used in) investing activities		6,325,707	(1,339,866)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 121 to 228 form part of this interim financial report.

Statement of Cash Flows (Continued)

For the six months ended June 30, 2024 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2024	2023
Cash flows from financing activities			
Proceeds from issuance of debt securities	33(c)	47,930,000	57,660,000
Repayment of debt securities	33(c)	(54,940,000)	(49,110,000)
Interest paid on debt securities	33(c)	(1,167,914)	(1,207,851)
Capital element of lease liabilities paid		(61,089)	(54,049)
Interest element of lease liabilities paid		(4,862)	(5,653)
Dividends paid		(34,695)	(3,356)
Net proceeds from issuance of perpetual bonds		–	999,960
Interest paid on perpetual bonds		(49,000)	–
		<u>(8,327,560)</u>	<u>8,279,051</u>
Net cash flows (used in)/generated from financing activities			
		<u>1,005</u>	<u>4,252</u>
Effect of foreign exchange rate changes on cash and cash equivalents			
Net increase in cash and cash equivalents	33(a)	13,596,134	7,335,350
Cash and cash equivalents as at January 1		<u>61,262,021</u>	<u>54,828,236</u>
Cash and cash equivalents as at June 30	33(b)	<u><u>74,858,155</u></u>	<u><u>62,163,586</u></u>
Net cash generated by operating activities include:			
Interest received		<u>11,260,911</u>	<u>11,256,187</u>
Interest paid (excluding interest expense on debt securities issued)		<u>(5,060,310)</u>	<u>(4,583,060)</u>

The notes on pages 121 to 228 form part of this interim financial report.

Notes to the unaudited Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BACKGROUND INFORMATION

Bank of Guizhou Co., Ltd. (the “Bank”) was established in Guiyang, Guizhou Province, the People’s Republic of China (the “PRC”) on October 11, 2012 with the approval of the former China Banking Regulatory Commission (the former “CBRC”).

The Bank obtained its financial institution license No. B1383H252010001 from the former CBRC and obtained its business license No. 915200000550280000 from the State Administration for Industry and Commerce of the PRC. The Bank is regulated by National Financial Regulatory Administration (the “NFRA”) (formerly the China Banking and Insurance Regulatory Commission (the “CBIRC”)) authorised by the State Council.

In December 2019, the Bank’s H Shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 06199).

As at June 30, 2024, the Bank has one head office and 9 branches across Guizhou Province. The principal activities of the Bank are the provision of corporate and personal deposits, loans and advances, settlement, financial market business and other banking services as approved by the NFRA.

2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). It was authorised for issue on August 30, 2024.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. There have been no material revisions to the nature and amount of changes in estimates of amounts reported in prior periods.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION (CONTINUED)

This interim financial information contains financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Bank since the 2023 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (the “IFRS Accounting Standards”).

The interim financial information is unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. BDO Limited’s independent review report to the Board of Directors is included on page 111 to 112.

The financial information relating to the financial year ended December 31, 2023 that is included in the interim financial information as comparative information does not constitute the Bank’s statutory annual financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Bank has applied the following amendments to IFRS Accounting Standards issued by the IASB to this interim financial information for the current accounting period:

- Amendments to IAS 1, Classification of Liabilities as Current or Non-current
- Amendments to IAS 1, Non-current Liabilities with Covenants
- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangement

The above amendments do not have material effect on the financial position and financial performance of the Bank.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

4 NET INTEREST INCOME

	Six months ended June 30,	
	2024	2023
Interest income arising from:		
Deposits with the central bank	149,219	144,788
Deposits with banks and other financial institutions	44,033	16,378
Financial assets held under resale agreements	184,021	205,748
Loans and advances to customers		
– Corporate loans and advances	6,997,241	7,565,577
– Personal loans and advances	1,013,519	953,714
– Discounted bills	81,474	75,412
Financial investments	2,487,492	2,627,361
Sub-total	<u>10,956,999</u>	<u>11,588,978</u>
Interest expense arising from:		
Borrowings from the central bank	(528,961)	(498,522)
Deposits from banks and other financial institutions	(350,316)	(298,582)
Placements from banks and other financial institutions	(57,246)	(72,219)
Financial assets sold under repurchase agreements	(67,506)	(75,247)
Deposits from customers	(4,376,972)	(4,408,169)
Debt securities issued	(1,233,423)	(1,199,945)
Sub-total	<u>(6,614,424)</u>	<u>(6,552,684)</u>
Net interest income	<u><u>4,342,575</u></u>	<u><u>5,036,294</u></u>

Total interest income arising from financial assets that are not measured at fair value through profit or loss (“FVTPL”) for the six months ended June 30, 2024 amounted to RMB10,957 million (six months ended June 30, 2023: RMB11,589 million).

Total interest expense arising from financial liabilities that are not at FVTPL for the six months ended June 30, 2024 amounted to RMB6,614 million (six months ended June 30, 2023: RMB6,553 million).

Interest income arising from impaired loans for the six months ended June 30, 2024 amounted to RMB34 million (six months ended June 30, 2023: RMB54 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

5 NET FEE AND COMMISSION INCOME

(a) Income and expense streams

	Six months ended June 30,	
	2024	2023
Fee and commission income		
Acceptance and guarantee services fees	134,376	138,782
Agency services fees	111,699	64,833
Settlement and clearing fees	10,976	14,041
Fund supervision services fees	7,740	12,806
Bank card services fees	42,984	49,745
	<hr/>	<hr/>
Sub-total	307,775	280,207
	<hr/>	<hr/>
Fee and commission expense		
Bank card services fees	(65,019)	(44,960)
Other services fees	(36,321)	(33,711)
	<hr/>	<hr/>
Sub-total	(101,340)	(78,671)
	<hr/>	<hr/>
Net fee and commission income	<u>206,435</u>	<u>201,536</u>
Fee and commission income		
Fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading or designated at FVTPL	<u>26,851</u>	<u>21,618</u>
	<hr/>	<hr/>
Fee income on trust and other fiduciary activities where the Bank holds or invests on behalf of its customers	<u>79,393</u>	<u>36,948</u>
	<hr/>	<hr/>
Fee and commission expense		
Fee expense, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading or designated at FVTPL	<u>2,041</u>	<u>300</u>
	<hr/>	<hr/>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

5 NET FEE AND COMMISSION INCOME (CONTINUED)**(b) Disaggregation of income**

	Six months ended June 30,			
	2024		2023	
	At a point in time	Over time	At a point in time	Over time
Acceptance and guarantee services fees	–	134,376	–	138,782
Agency services fees	–	111,699	–	64,833
Settlement and clearing fees	10,976	–	14,041	–
Fund supervision services fees	–	7,740	–	12,806
Bank card services fees	42,984	–	49,745	–
Total	<u>53,960</u>	<u>253,815</u>	<u>63,786</u>	<u>216,421</u>

(c) Contract balances

The following table provides information about contract liabilities from contracts with customers:

	At June 30, 2024	At December 31, 2023
Contract liabilities, which are included in 'other liabilities'	<u>14,851</u>	<u>20,197</u>

The contract liabilities primarily relate to the fees received from customers on fund supervision services. This is recognised as revenue over the period for which a customer is expected to continue receiving fund supervision services. The contract does not have a significant financing component.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

6 NET TRADING GAINS

	Notes	Six months ended June 30,	
		2024	2023
Net gains from debt securities	(a)	504,617	498,396
Net foreign exchange gains	(b)	1,438	8,481
Total		506,055	506,877

Notes:

- (a) Net gains from debt securities include gains arising from the buying and selling of, and changes in the fair value of debt securities held for trading.
- (b) Net foreign exchange gains mainly include gains from translation of foreign currency monetary assets and liabilities into Renminbi.

7 NET GAINS ARISING FROM INVESTMENT SECURITIES

	Note	Six months ended June 30,	
		2024	2023
Net gains of financial investments measured at fair value through profit or loss	(a)	715,381	453,052
Net gains of financial investments measured at fair value through other comprehensive income		172,187	49,599
Total		887,568	502,651

Note:

- (a) Net gains of financial investments measured at fair value through profit or loss include the investment income and fair value changes of financial investments measured at fair value through profit or loss except for debt securities held for trading.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

8 OTHER OPERATING INCOME

		Six months ended June 30,	
	Note	2024	2023
Government grants	(a)	16,756	159,789
Rental income		6,605	1,551
Penalty income		817	1,145
Net gains on disposal of property and equipment and intangible assets		124	15,749
Others		331	4,358
Total		<u>24,633</u>	<u>182,592</u>

Note:

- (a) Government grants recognised as other operating income are awarded to the Bank by the local government as incentives primarily to encourage the development of the Bank and the contribution to the local economic development. The government grants are provided based on its balances of loans and advances made to small and medium-sized enterprises and agricultural enterprises in Guizhou Province in the PRC.

9 OPERATING EXPENSES

	Six months ended June 30,	
	2024	2023
Staff costs	1,009,663	1,041,741
Depreciation and amortisation	172,226	190,951
Depreciation charge for the right-of-use assets	60,979	60,796
Taxes and surcharges	84,240	85,712
Interest expense on lease liabilities	4,862	5,653
Rental and property management expenses	14,940	19,280
Others general and administrative expenses	265,849	291,228
Total	<u>1,612,759</u>	<u>1,695,361</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

10 IMPAIRMENT LOSSES ON ASSETS

	Six months ended June 30,	
	2024	2023
Loans and advances to customers	1,719,956	1,552,303
Financial investments	155,766	787,661
Credit commitments	23,461	(130,493)
Deposits with banks and other financial institutions	1,360	3,845
Financial assets held under resale agreements	(66)	8
Others	7,507	(57,789)
Total	<u>1,907,984</u>	<u>2,155,535</u>

11 INCOME TAX

(a) Income tax

	Note	Six months ended June 30,	
		2024	2023
Current tax		635,349	768,652
Deferred tax	20(b)	<u>(320,279)</u>	<u>(404,442)</u>
Total		<u>315,070</u>	<u>364,210</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***11 INCOME TAX (CONTINUED)****(b) Reconciliations between income tax and accounting profit**

	<i>Note</i>	Six months ended June 30,	
		2024	2023
Profit before tax		2,437,564	2,570,558
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		609,391	642,640
Non-deductible expenses		67,517	51,956
Non-taxable income	(i)	(361,838)	(330,386)
Income tax		<u>315,070</u>	<u>364,210</u>

Note:

- (i) The non-taxable income mainly represents the interest income arising from the PRC government bonds.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***12 BASIC AND DILUTED EARNINGS PER SHARE**

	<i>Note</i>	Six months ended June 30,	
		2024	2023
Net profit for the period		2,122,494	2,206,348
Less: distribution to perpetual bondholders		(49,000)	–
Adjusted net profit attributable to equity Shareholders of the Bank		2,073,494	–
Weighted average number of ordinary shares <i>(in thousands)</i>	(a)	14,588,047	14,588,047
Basic and diluted earnings per share <i>(in RMB)</i>		0.14	0.15

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the period.

Note:

(a) Weighted average number of ordinary shares (in thousands)

	Six months ended June 30,	
	2024	2023
Number of ordinary shares as at January 1 and June 30	14,588,047	14,588,047

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

13 CASH AND DEPOSITS WITH THE CENTRAL BANK

	Notes	At June 30, 2024	At December 31, 2023
Cash on hand		492,132	481,083
Deposits with the central bank			
– Statutory deposit reserves	(a)	17,827,455	18,647,842
– Surplus deposit reserves	(b)	3,438,158	10,354,837
– Fiscal deposits		123,020	257,546
Sub-total		21,388,633	29,260,225
Accrued interest		8,286	9,535
Total		21,889,051	29,750,843

Notes:

- (a) The Bank places statutory deposit reserves with the People's Bank of China ("PBOC") in accordance with relevant regulations. As at June 30, 2024 and December 31, 2023, the statutory deposit reserve ratios applicable to the Bank were as follows:

	At June 30, 2024	At December 31, 2023
Reserve ratio for RMB deposits	5.00%	5.00%
Reserve ratio for foreign currency deposits	4.00%	4.00%

- (b) The surplus deposit reserves are maintained with the PBOC for the purpose of clearing.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

14 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty:

	At June 30, 2024	At December 31, 2023
Deposits in mainland China		
– Banks	12,523,763	5,910,506
– Other financial institutions	100,252	63,816
Sub-total	12,624,015	5,974,322
Accrued interest	6,578	3,426
Less: provision for impairment losses	(4,863)	(3,503)
Net carrying amount	12,625,730	5,974,245

15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

	At June 30, 2024	At December 31, 2023
In mainland China		
– Banks	6,599,510	1,651,839
Sub-total	6,599,510	1,651,839
Accrued interest	395	–
Less: provision for impairment losses	(536)	(602)
Total	6,599,369	1,651,237

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (CONTINUED)****(b) Analysed by type of collateral held**

	At June 30, 2024	At December 31, 2023
Debts securities	2,505,250	–
Bills	4,094,260	1,651,839
Accrued interest	395	–
Less: provision for impairment losses	(536)	(602)
	<hr/>	<hr/>
Net carrying amount	<u>6,599,369</u>	<u>1,651,237</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS****(a) Analysed by nature**

	At June 30, 2024	At December 31, 2023
Loans and advances to customers measured at amortised cost:		
Corporate loans and advances	286,195,477	272,961,135
Personal loans and advances		
– Residential mortgage	23,135,601	21,534,597
– Personal business loans	14,526,692	14,950,460
– Personal consumption loans	4,449,383	2,949,347
– Credit cards	6,965,035	8,095,470
Sub-total	49,076,711	47,529,874
Accrued interest	766,581	680,049
Less: provision for loans and advances to customers measured at amortised cost	(16,729,162)	(16,018,352)
Sub-total	319,309,607	305,152,706
Loans and advances to customers measured at fair value through other comprehensive income:		
Discounted bills	13,381,753	11,457,527
Sub-total	13,381,753	11,457,527
Net loans and advances to customers	332,691,360	316,610,233

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector

	At June 30, 2024		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	117,957,747	33.83%	32,636,535
Wholesale and retail trade	43,807,509	12.56%	6,072,279
Water resources, environment and public facilities management	21,847,462	6.27%	4,119,556
Manufacturing	20,951,674	6.01%	6,070,209
Construction	19,317,438	5.54%	4,583,950
Agriculture, forestry, animal husbandry and fishery	10,311,511	2.96%	1,129,394
Transportation, storage and postal services	9,496,314	2.72%	3,185,819
Education	9,470,470	2.72%	880,806
Mining	7,454,640	2.14%	3,166,512
Real estate	7,228,140	2.07%	4,327,406
Production and supply of electric power, gas and water	5,749,558	1.65%	777,092
Health and social work	4,972,742	1.43%	306,318
Accommodation and catering	2,122,874	0.61%	604,790
Finance	443,500	0.13%	–
Culture, sports and entertainment	303,358	0.09%	52,740
Others	4,760,540	1.36%	735,370
Sub-total of corporate loans and advances	286,195,477	82.09%	68,648,776
Personal loans and advances	49,076,711	14.07%	25,157,654
Discounted bills	13,381,753	3.84%	–
Gross loans and advances to customers (excluding accrued interest)	348,653,941	100.00%	93,806,430

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(b) Analysed by industry sector (Continued)**

	At December 31, 2023		
	Amount	Percentage	Loans and advances secured by collaterals
Leasing and commercial services	117,769,558	35.47%	33,062,023
Wholesale and retail trade	38,401,722	11.57%	5,392,173
Water resources, environment and public facilities management	22,134,212	6.67%	4,370,703
Construction	16,031,883	4.83%	4,280,428
Manufacturing	13,819,068	4.16%	2,803,611
Mining	10,558,957	3.18%	6,108,036
Transportation, storage and postal services	10,551,470	3.18%	4,368,249
Agriculture, forestry, animal husbandry and fishery	9,667,137	2.91%	969,364
Education	9,497,361	2.86%	854,565
Real estate	7,541,163	2.27%	4,865,201
Health and social work	4,703,024	1.42%	329,716
Production and supply of electric power, gas and water	4,685,312	1.41%	434,527
Accommodation and catering	1,561,433	0.47%	585,269
Finance	1,346,500	0.41%	–
Culture, sports and entertainment	450,103	0.14%	65,590
Others	4,242,232	1.28%	501,235
Sub-total of corporate loans and advances	272,961,135	82.23%	68,990,690
Personal loans and advances	47,529,874	14.32%	23,793,966
Discounted bills	11,457,527	3.45%	–
Gross loans and advances to customers (excluding accrued interest)	<u>331,948,536</u>	<u>100.00%</u>	<u>92,784,656</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(c) Analysed by type of collateral**

	At June 30, 2024	At December 31, 2023
Unsecured loans	59,915,620	54,906,012
Guaranteed loans	194,931,891	184,257,868
Collateralised loans	55,028,768	52,216,096
Pledged loans	38,777,662	40,568,560
	<hr/>	<hr/>
Gross loans and advances to customers	348,653,941	331,948,536
	<hr/>	<hr/>
Accrued interest	766,581	680,049
Less: provision for loans and advances to customers measured at amortised cost	(16,729,162)	(16,018,352)
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Net loans and advances to customers	332,691,360	316,610,233
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Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Overdue loans analysed by overdue period

	At June 30, 2024				Total
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	
Unsecured loans	576,823	703,743	79,727	3,272	1,363,565
Guaranteed loans	2,268,902	877,024	474,046	57,546	3,677,518
Collateralised loans	521,804	2,452,840	463,464	139,668	3,577,776
Pledged loans	146,482	43,798	–	91,900	282,180
Total	3,514,011	4,077,405	1,017,237	292,386	8,901,039
As a percentage of gross loans and advances to customers	1.01%	1.17%	0.29%	0.08%	2.55%

	At December 31, 2023				Total
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	
Unsecured loans	347,055	493,054	28,906	3,656	872,671
Guaranteed loans	492,391	293,575	523,756	17,634	1,327,356
Collateralised loans	1,273,569	2,306,675	401,337	148,240	4,129,821
Pledged loans	17,500	6,605	91,900	–	116,005
Total	2,130,515	3,099,909	1,045,899	169,530	6,445,853
As a percentage of gross loans and advances to customers	0.64%	0.93%	0.32%	0.05%	1.94%

Overdue loans represent loans, of which the whole or part of the principal or interest were overdue for one day or more.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Loans and advances to customers and provision for impairment losses

	At June 30, 2024			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss (Note(i))	
Total loans and advances to customers measured at amortised cost	303,859,344	26,102,458	6,076,967	336,038,769
Less: provision for impairment losses	(7,546,415)	(3,665,589)	(5,517,158)	(16,729,162)
Carrying amount of loans and advances to customers measured at amortised cost	296,312,929	22,436,869	559,809	319,309,607
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	13,381,753	–	–	13,381,753
Total carrying amount of loans and advances to customers	309,694,682	22,436,869	559,809	332,691,360

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Loans and advances to customers and provision for impairment losses (Continued)

	At December 31, 2023			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss (Note(i))	
Total loans and advances to customers measured at amortised cost	288,585,993	25,821,951	6,763,114	321,171,058
Less: provision for impairment losses	(5,706,936)	(4,643,801)	(5,667,615)	(16,018,352)
Carrying amount of loans and advances to customers measured at amortised cost	282,879,057	21,178,150	1,095,499	305,152,706
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	11,457,527	–	–	11,457,527
Total carrying amount of loans and advances to customers	294,336,584	21,178,150	1,095,499	316,610,233

Note:

- (i) The loans and advances are “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the loans and advances have occurred. Evidence that loans and advances are credit-impaired includes the following observable data: significant financial difficulty of the borrower or issuer; a breach of contract, such as a default or delinquency in interest or principal payments; for economic or contractual reasons relating to the borrower’s financial difficulty, the Bank having granted to the borrower a concession that otherwise would not consider; it is probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or debts overdue more than 90 days.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses

(i) *Movements of provision for loans and advances to customers measured at amortised cost:*

	Six months ended June 30, 2024			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,706,936	4,643,801	5,667,615	16,018,352
Transferred:				
– to expected credit losses over the next 12 months	489,162	(398,651)	(90,511)	–
– to lifetime expected credit losses: not credit-impaired loans	(30,706)	474,604	(443,898)	–
– to lifetime expected credit losses: credit-impaired	(20,824)	(109,701)	130,525	–
Charge/(release) for the period	1,401,842	(944,464)	1,261,430	1,718,808
Recoveries	–	–	122,018	122,018
Write-offs	–	–	(1,097,252)	(1,097,252)
Others	5	–	(32,769)	(32,764)
As at June 30	7,546,415	3,665,589	5,517,158	16,729,162

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses (Continued)

(i) **Movements of provision for loans and advances to customers measured at amortised cost: (Continued)**

	Year ended December 31, 2023			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,074,375	5,411,763	4,691,714	15,177,852
Transferred:				
– to expected credit losses over the next 12 months	1,087,367	(1,024,855)	(62,512)	–
– to lifetime expected credit losses: not credit-impaired loans	(49,481)	315,794	(266,313)	–
– to lifetime expected credit losses: credit-impaired	(16,287)	(14,587)	30,874	–
(Release)/charge for the year	(388,988)	(44,314)	3,250,490	2,817,188
Recoveries	–	–	208,191	208,191
Write-offs	–	–	(2,028,012)	(2,028,012)
Others	(50)	–	(156,817)	(156,867)
As at December 31	5,706,936	4,643,801	5,667,615	16,018,352

As at June 30, 2024, the Bank adjusted the customer rating of loans and advance to customers. The loan principal transferred from stage 1 to stage 2 and stage 3 was RMB3,031.80 million (December 31, 2023: RMB3,291.80 million) and corresponding impairment provision increased by RMB1,312.61 million (December 31, 2023: RMB1,198.99 million). The loan principal transferred from stage 2 to stage 3 was RMB398.35 million (December 31, 2023: RMB49.30 million), and the impairment provision increased by RMB212.48 million (December 31, 2023: RMB23.64 million). The loan principal transferred from stage 2 to stage 1 was RMB1,493.89 million (December 31, 2023: RMB3,487.06 million), and the impairment provision decreased by RMB332.72 million (December 31, 2023: RMB958.54 million). The loan principal transferred from stage 3 to stage 2 was RMB948.83 million (December 31, 2023: RMB531.69 million), and the impairment provision decreased by RMB366.27 million (December 31, 2023: RMB185.11 million). The loan principal transferred from stage 3 to stage 1 was not significant.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses (Continued)

(ii) *Movements of provision for impairment of loans and advances to customers measured at fair value through other comprehensive income:*

	Six months ended June 30, 2024			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	8,418	–	–	8,418
Charge for the period	1,148	–	–	1,148
As at June 30	9,566	–	–	9,566

	Year ended December 31, 2023			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,510	–	–	5,510
Charge for the year	2,908	–	–	2,908
As at December 31	8,418	–	–	8,418

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS

	Notes	At June 30, 2024	At December 31, 2023
Financial investments at fair value through profit or loss	(a)	73,868,473	80,406,906
Financial investments at fair value through other comprehensive income	(b)	50,017,891	57,880,290
Financial investments at amortised cost	(c)	79,643,836	73,669,697
Total		203,530,200	211,956,893

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

	Note	At June 30, 2024	At December 31, 2023
Debt securities issued by the following institutions in mainland China	(i)		
– Government		16,036,758	18,752,888
– Policy banks		7,837,242	10,183,962
– Banks and other financial institutions		4,315,121	7,880,364
Sub-total		28,189,121	36,817,214
Unlisted		28,189,121	36,817,214
Structured notes issued by securities companies			
– Unlisted		–	103,817
Investment funds managed by public fund managers			
– Unlisted		45,679,352	43,485,875
Total		73,868,473	80,406,906

Note:

- (i) Certain debt securities were pledged for borrowings from central bank and certain deposits from customers (Note 22(a)). No other investments were subject to material restrictions in the realisation.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(b) Financial investments measured at fair value through other comprehensive income

	<i>Notes</i>	At June 30, 2024	At December 31, 2023
Debt securities issued by the following institutions in mainland China	(i)		
– Government		26,706,556	28,854,934
– Policy banks		13,232,690	17,500,826
– Banks and other financial institutions		–	100,260
– Corporates		8,802,502	9,888,463
		<hr/>	<hr/>
Sub-total		48,741,748	56,344,483
		<hr/>	<hr/>
Listed		6,674,723	7,365,705
Unlisted		42,067,025	48,978,778
Asset-backed securities			
– Listed		397,261	383,782
Equity investments			
– Unlisted	(ii) & (iii)	37,750	37,750
Accrued interest		841,132	1,114,275
		<hr/>	<hr/>
Total		50,017,891	57,880,290
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) Certain debt securities were pledged for borrowing from the central bank and deposits from customers (Note 22(a)). No other investments were subject to material restrictions in the realisation.
- (ii) The Bank designates non-trading equity investments as financial investments at fair value through other comprehensive income. The Bank did not dispose of any such equity investment, nor transfer any cumulative gain or loss from other comprehensive income to retained earnings during the reporting period.
- (iii) For the period ended June 30, 2024 and the year ended December 31, 2023, there were no cash dividends received from equity investments measured at fair value through other comprehensive income.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***17 FINANCIAL INVESTMENTS (CONTINUED)****(b) Financial investments measured at fair value through other comprehensive income (Continued)***Notes: (Continued)*

- (iv) Movements in the gross carrying amount of financial investments at fair value through other comprehensive income are as follows:

	Six months ended June 30, 2024			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	55,514,860	2,247,988	79,692	57,842,540
New financial assets originated or purchased	7,084,558	589	98	7,085,245
Financial assets derecognised during the period	(15,193,117)	(228,614)	(98)	(15,421,829)
Transferred:				
– to expected credit losses over the next 12 months	654,007	(654,007)	–	–
– to lifetime expected credit losses: not credit-impaired	(260,111)	260,111	–	–
Change in accrued interest	(228,161)	(44,982)	–	(273,143)
Change in fair value	810,048	(38,350)	(24,370)	747,328
As at June 30	48,382,084	1,542,735	55,322	49,980,141

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes: (Continued)

- (iv) Movements in the gross carrying amount of financial investments at fair value through other comprehensive income are as follows: (Continued)

	Year ended December 31, 2023			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	59,045,423	–	328,139	59,373,562
New financial assets originated or purchased	16,299,739	–	–	16,299,739
Financial assets derecognised during the year	(17,790,000)	(343,361)	(400,000)	(18,533,361)
Transferred:				
– to lifetime expected credit losses: not credit-impaired	(2,422,005)	2,422,005	–	–
Change in accrued interest	(236,267)	95,994	(48,032)	(188,305)
Change in fair value	617,970	73,350	199,585	890,905
As at December 31	<u>55,514,860</u>	<u>2,247,988</u>	<u>79,692</u>	<u>57,842,540</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes: (Continued)

- (v) Movements of provision for impairment of financial investments measured at fair value through other comprehensive income are as follows:

	Six months ended June 30, 2024			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	25,609	106,675	440,000	572,284
Transferred:				
– to expected credit losses over the next 12 months	1,600	(1,600)	–	–
– to lifetime expected credit losses: not credit-impaired	(826)	826	–	–
Charge/(release) for the period	4,875	(14,678)	(98)	(9,901)
Write-offs	–	–	98	98
As at June 30	<u>31,258</u>	<u>91,223</u>	<u>440,000</u>	<u>562,481</u>
	Year ended December 31, 2023			
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	Total
As at January 1	15,749	–	399,614	415,363
Transferred:				
– to lifetime expected credit losses: not credit-impaired	(2,750)	2,750	–	–
Charge for the year	12,610	103,925	440,386	556,921
Write-offs	–	–	(400,000)	(400,000)
As at December 31	<u>25,609</u>	<u>106,675</u>	<u>440,000</u>	<u>572,284</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost

	<i>Notes</i>	At June 30, 2024	At December 31, 2023
Debt securities issued by the following institutions in mainland China	(i)		
– Government		41,407,749	33,873,636
– Policy banks		9,776,036	9,733,229
– Corporates		17,822,187	18,483,997
Sub-total		<u>69,005,972</u>	<u>62,090,862</u>
Listed		15,258,040	15,248,165
Unlisted		53,747,932	46,842,697
Investment management products managed by asset management companies		7,409,389	8,437,449
Private debt financing plans		90,000	90,000
Other debt investments		4,435,120	4,297,439
Sub-total		<u>11,934,509</u>	<u>12,824,888</u>
Accrued interest		1,159,808	1,044,089
Less: provision for impairment losses	(iii)	<u>(2,456,453)</u>	<u>(2,290,142)</u>
Total		<u><u>79,643,836</u></u>	<u><u>73,669,697</u></u>

Notes:

- (i) Certain debt securities were pledged for borrowings from the central bank and certain deposits from customers (Note 22(a)). No other investments were subject to material restrictions in the realisation.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost (Continued)

Notes: (Continued)

(ii) Movements in the gross carrying amount of financial investments at amortised cost are as follows:

	Six months ended June 30, 2024			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	67,776,455	6,278,587	1,904,797	75,959,839
New financial assets originated or purchased	11,839,649	280,115	758	12,120,522
Financial assets derecognised during the period	(5,206,930)	(839,088)	(49,773)	(6,095,791)
Transferred:				
– to expected credit losses over the next 12 months	1,299,887	(1,299,887)	–	–
– to lifetime expected credit losses: not credit-impaired	(160,000)	160,000	–	–
Change in accrued interest	114,756	344	619	115,719
As at June 30	75,663,817	4,580,071	1,856,401	82,100,289
	Year ended December 31, 2023			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	67,953,256	1,886,527	2,687,872	72,527,655
New financial assets originated or purchased	17,374,211	999,980	25,124	18,399,315
Financial assets derecognised during the year	(14,385,475)	(213,439)	(381,221)	(14,980,135)
Transferred:				
– to expected credit losses over the next 12 months	128,312	(128,312)	–	–
– to lifetime expected credit losses: not credit-impaired	(3,333,596)	3,623,175	(289,579)	–
Change in accrued interest	39,747	110,656	(137,399)	13,004
As at December 31	67,776,455	6,278,587	1,904,797	75,959,839

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments at amortised cost (Continued)

Notes: (Continued)

(iii) Movements of provision for impairment of financial investments measured at amortised cost:

	Six months ended June 30, 2024			Total
	Expected credit losses over the next 12 month	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	331,175	305,332	1,653,635	2,290,142
Transferred:				
– to expected credit losses over the next 12 months	16,444	(16,444)	–	–
– to lifetime expected credit losses: not credit-impaired	(66)	66	–	–
(Release)/charge for the period	(2,520)	83,026	85,161	165,667
Recoveries	–	–	644	644
As at June 30	<u>345,033</u>	<u>371,980</u>	<u>1,739,440</u>	<u>2,456,453</u>
	Year ended December 31, 2023			Total
	Expected credit losses over the next 12 month	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	328,040	427,435	1,379,991	2,135,466
Transferred:				
– to expected credit losses over the next 12 months	20,410	(20,410)	–	–
– to lifetime expected credit losses: not credit-impaired	(4,926)	127,422	(122,496)	–
(Release)/charge for the year	(12,349)	(229,115)	388,273	146,809
Recoveries	–	–	7,867	7,867
As at December 31	<u>331,175</u>	<u>305,332</u>	<u>1,653,635</u>	<u>2,290,142</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

18 INTERESTS IN ASSOCIATES

	Note	At June 30, 2024	At December 31, 2023
Interests in associates	(a)	261,612	270,572

Note:

- (a) The following list contains the Bank's associates, all of which are individually immaterial to the Bank and are unlisted corporate entities whose quoted market price is not available.

	Note	At June 30, 2024	At December 31, 2023	Place of Incorporation/ registration	Business sector
Guiyang Baiyun Dexin Rural Bank Co., Ltd. (貴陽白雲德信村鎮銀行股份有限公司)	(i)	15.00%	15.00%	Guiyang Guizhou Province	Commercial Bank
Qingzhen Xingbang Rural Bank Co., Ltd. (清鎮興邦村鎮銀行有限責任公司)	(i)	17.87%	17.87%	Guiyang Guizhou Province	Commercial Bank
Zunyi Bozhou Huilong Town Bank Co., Ltd. (遵義播州匯隆村鎮銀行有限責任公司)	(i)	15.00%	15.00%	Zunyi Guizhou Province	Commercial Bank
Suiyang Qianbei Town Bank Co., Ltd. (綏陽黔北村鎮銀行有限責任公司)	(i)	15.00%	15.00%	Zunyi Guizhou Province	Commercial Bank
Zunyi Huichuan Qianxing Town Bank Co., Ltd. (遵義匯川黔興村鎮銀行有限責任公司)		20.00%	20.00%	Zunyi Guizhou Province	Commercial Bank
Liupanshui Zhongshan Liangdu Town Bank Co., Ltd. (六盤水鐘山涼都村鎮銀行股份有限公司)		20.23%	20.23%	Liupanshui Guizhou Province	Commercial Bank
Panzhou Wanhe Rural Bank Co., Ltd. (盤州萬和村鎮銀行有限責任公司)		20.00%	20.00%	Liupanshui Guizhou Province	Commercial Bank
Pingba Dingli Rural Bank Co., Ltd. (平壩鼎立村鎮銀行有限責任公司)		45.24%	45.24%	Anshun Guizhou Province	Commercial Bank
Anshun Xihang Nanma Rural Bank Co., Ltd. (安順西航南馬村鎮銀行有限責任公司)		20.95%	20.95%	Anshun Guizhou Province	Commercial Bank
Longli County Guofeng Rural Bank Co., Ltd. (龍里國豐村鎮銀行有限責任公司)		25.36%	25.36%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial Bank
Duyun Rongtong Town Bank Co., Ltd. (都勻融通村鎮銀行有限責任公司)		20.00%	20.00%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial Bank
Tongren Fengyuan Town Bank Co., Ltd. (銅仁豐源村鎮銀行有限責任公司)		20.00%	20.00%	Tongren Guizhou Province	Commercial Bank
Kaili Dongnan Town Bank Co., Ltd. (凱里東南村鎮銀行有限責任公司)		20.00%	20.00%	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Commercial Bank

Note:

- (i) At June 30, 2024 and December 31, 2023, the Bank held 17.87% interest in Qingzhen Xingbang Rural Bank Co., Ltd., 15.00% interest in Guiyang Baiyun Dexin Rural Bank Co., Ltd., Zunyi Bozhou Huilong Town Bank Co., Ltd., and Suiyang Qianbei Town Bank Co., Ltd. The Bank was the largest shareholder of Qingzhen Xingbang Rural Bank Co., Ltd., Guiyang Baiyun Dexin Rural Bank Co., Ltd., Zunyi Bozhou Huilong Town Bank Co., Ltd., and Suiyang Qianbei Town Bank Co., Ltd.. Meanwhile the Bank appointed directors to these rural banks, which exerted significant influence on them.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***18 INTERESTS IN ASSOCIATES (CONTINUED)**

The following tables illustrate the aggregate information of the Bank's associates that are not individually material:

	At June 30, 2024	At December 31, 2023
Aggregate carrying amount of individually immaterial associates in the statement of financial position of the Bank	261,612	270,572
Declaration of cash dividends	–	240
Aggregate amounts of the Bank's share of results of those associates		
– Loss from continuing operations	(8,959)	(13,357)
– Other comprehensive income	–	–
– Total comprehensive expense	(8,959)	(13,357)

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

19 PROPERTY AND EQUIPMENT

	Premises	Vehicles	Electronic equipment and others	Construction in progress	Total
Cost					
As at January 1, 2023	4,791,461	63,378	627,868	83,592	5,566,299
Additions	8,058	2,376	47,947	138,187	196,568
Disposals	(17,066)	–	(32,710)	–	(49,776)
Transfer out	–	–	–	(16,280)	(16,280)
As at December 31, 2023 and January 1, 2024	4,782,453	65,754	643,105	205,499	5,696,811
Additions	36,087	–	6,288	11,300	53,675
Disposals	(27,153)	–	(5,065)	–	(32,218)
Transfer in/(out)	89,952	–	–	(97,497)	(7,545)
As at June 30, 2024	4,881,339	65,754	644,328	119,302	5,710,723
Accumulated depreciation					
As at January 1, 2023	(1,161,355)	(58,947)	(529,319)	–	(1,749,621)
Charge for the year	(230,478)	(1,081)	(57,692)	–	(289,251)
Disposals	918	–	31,612	–	32,530
As at December 31, 2023 and January 1, 2024	(1,390,915)	(60,028)	(555,399)	–	(2,006,342)
Charge for the period	(116,547)	(443)	(15,465)	–	(132,455)
Disposals	–	–	4,809	–	4,809
Transfer out	3,371	–	–	–	3,371
As at June 30, 2024	(1,504,091)	(60,471)	(566,055)	–	(2,130,617)
Net book value					
As at December 31, 2023	3,391,538	5,726	87,706	205,499	3,690,469
As at June 30, 2024	3,377,248	5,283	78,273	119,302	3,580,106

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

19 PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment are depreciated using the straight-line method over their estimated useful lives, after taking into account their estimated residual values. The estimated useful lives, residual values and depreciation rates of each class of property and equipment are as follows:

Asset category	Estimated useful life	Estimated rate of residual value	Depreciation rate
Premises	30 years	3%	3.23%
Vehicles	2-6 years	3%	16.17% – 48.50%
Electronic equipment and others	3-5 years	3%	19.40% – 32.33%

Useful lives, residual values and depreciation methods are reviewed at least at each year-end.

As at June 30 2024, the net book value of premises of which title deeds were not yet finalised was RMB239.10 million (December 31, 2023: RMB462.80 million). The net book value of premises of which the Bank had not gone through the progress of changing the name of the warrants was RMB28.31 million (December 31, 2023: RMB58.00 million), the net book value of the above premises without title deeds does not include the net book value of the head office building of the Bank of RMB1,730.04 million (December 31, 2023: RMB1,781.07 million). The Bank is in the process of applying the outstanding title deeds for the above premises. The registration of commercial housing pre-sale contract for the head office building of Bank has been completed. The Bank is still in the progress of applying the outstanding title deeds for the above premises. The directors of the Bank are of the opinion that there would be no significant costs in obtaining the title deeds.

The carrying value of the Bank's premises is analysed based on the remaining terms of the land leases as follows:

	At June 30, 2024	At December 31, 2023
Held in mainland China		
– Medium-term leases (10-50 years)	2,747,386	2,731,700
– Long-term leases (over 50 years)	629,862	659,838
Total	3,377,248	3,391,538

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***20 DEFERRED TAX****(a) Analysed by nature**

	At June 30, 2024		At December 31, 2023	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Deferred income tax assets				
– Allowance for impairment losses	23,540,549	5,885,137	21,856,276	5,464,069
– Accrued staff costs	1,027,581	256,895	1,156,225	289,056
– Supplemental retirement benefits	305,140	76,285	301,060	75,265
– Others	475,228	118,807	599,240	149,810
Sub-total	25,348,498	6,337,124	23,912,801	5,978,200
Deferred income tax liabilities				
– Fair value changes of financial assets	(1,359,827)	(339,957)	(465,533)	(116,383)
– Others	(284,495)	(71,124)	(296,437)	(74,109)
Sub-total	(1,644,322)	(411,081)	(761,970)	(190,492)
Net balance	23,704,176	5,926,043	23,150,831	5,787,708

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

20 DEFERRED TAX (CONTINUED)

(b) Movements of deferred tax

	Allowance for impairment losses	Accrued staff costs	Supplemental retirement benefits	Fair value changes of financial assets	Others	Net balance of deferred tax assets
January 1, 2023	4,783,110	288,635	62,543	119,275	37,454	5,291,017
Recognised in profit or loss	720,917	421	9,077	(11,348)	38,247	757,314
Recognised in other comprehensive income	(39,958)	–	3,645	(224,310)	–	(260,623)
December 31, 2023	5,464,069	289,056	75,265	(116,383)	75,701	5,787,708
Recognised in profit or loss	418,905	(32,161)	(2,390)	(36,057)	(28,018)	320,279
Recognised in other comprehensive income	2,163	–	3,410	(187,517)	–	(181,944)
June 30, 2024	5,885,137	256,895	76,285	(339,957)	47,683	5,926,043

21 OTHER ASSETS

	Notes	At June 30, 2024	At December 31, 2023
Right-of-use assets	(a)	284,495	296,437
Intangible assets	(b)	146,874	157,323
Deferred expenses		90,704	103,660
Repossessed assets		17,802	19,368
Investment properties	(c)	11,128	9,072
Interests receivable	(d)	28,337	5,399
Other receivables		346,647	312,075
Total		925,987	903,334

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***21 OTHER ASSETS (CONTINUED)****(a) Right-of-use assets**

	Property
Cost	
As at January 1, 2023	721,465
Additions	106,689
Disposals	(123,720)
	<hr/>
As at December 31, 2023 and January 1, 2024	704,434
Additions	49,037
Disposals	(132,164)
	<hr/>
At as June 30, 2024	<hr/> 621,307 <hr/>
Accumulated depreciation	
As at January 1, 2023	(402,045)
Additions	(124,865)
Disposals	118,913
	<hr/>
As at December 31, 2023 and January 1, 2024	(407,997)
Additions	(60,979)
Disposals	132,164
	<hr/>
As at June 30, 2024	<hr/> (336,812) <hr/>
Net book value	
As at December 31, 2023	<hr/> 296,437 <hr/>
As at June 30, 2024	<hr/> 284,495 <hr/>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(b) Intangible assets

	Computer software	Land use rights	Total
Cost			
As at January 1, 2023	198,812	112,117	310,929
Additions	22,101	–	22,101
Disposals	(16,762)	(61,785)	(78,547)
Transfer in	1,426	–	1,426
	<u>205,577</u>	<u>50,332</u>	<u>255,909</u>
As at December 31, 2023 and January 1, 2024	205,577	50,332	255,909
Additions	1,709	–	1,709
Disposals	(818)	–	(818)
Transfer in	325	–	325
	<u>206,793</u>	<u>50,332</u>	<u>257,125</u>
At as June 30, 2024	206,793	50,332	257,125
Accumulated amortisation			
As at January 1, 2023	(68,918)	(30,107)	(99,025)
Additions	(22,303)	(1,719)	(24,022)
Disposals	4,822	19,639	24,461
	<u>(86,399)</u>	<u>(12,187)</u>	<u>(98,586)</u>
As at December 31, 2023 and January 1, 2024	(86,399)	(12,187)	(98,586)
Additions	(11,092)	(573)	(11,665)
	<u>(97,491)</u>	<u>(12,760)</u>	<u>(110,251)</u>
As at June 30, 2024	(97,491)	(12,760)	(110,251)
Net book value			
As at December 31, 2023	<u>119,178</u>	<u>38,145</u>	<u>157,323</u>
	<u>109,302</u>	<u>37,572</u>	<u>146,874</u>
As at June 30, 2024	109,302	37,572	146,874

The cost of intangible assets less residual value and impairment loss is amortised on the straight-line method over the estimated useful lives.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(b) Intangible assets (Continued)

The respective amortisation periods for intangible assets are as follows:

Land use rights	30-50 years
Computer software	3-10 years

(c) Investment properties

	Investment properties
Cost	
As at January 1, 2023, December 31, 2023 and January 1, 2024	19,444
Transfer in	6,045
As at June 30, 2024	25,489
Accumulated depreciation	
As at January 1, 2023	(9,428)
Additions	(944)
As at December 31, 2023 and January 1, 2024	(10,372)
Additions	(618)
Transfer in	(3,371)
As at June 30, 2024	(14,361)
Net book value	
As at December 31, 2023	9,072
As at June 30, 2024	11,128

Investment property is accounted for using the cost model and stated in the statements of financial position at cost less accumulated depreciation and impairment loss. Investment property is depreciated using the straight-line method over its estimated useful life after taking into account its estimated residual value.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***21 OTHER ASSETS (CONTINUED)****(c) Investment properties (Continued)**

	Estimated useful life	Estimated rate of residual value	Depreciation rate
Premises	20 years	3%	4.85%

(d) Interests receivable

	At June 30, 2024	At December 31, 2023
Interests receivable arising from:		
– Loans and advances to customers	8,954	7,070
– Financial investments measured at amortised cost	24,311	824
– Financial investments measured at fair value through other comprehensive income	4	–
Sub-total	33,269	7,894
Less: Provision for impairment losses	(4,932)	(2,495)
Total	28,337	5,399

Interests receivable only includes interest that has been due for the relevant financial instruments but not yet received at the balance sheet date. Interest on financial instruments based on the effective interest method has been reflected in the balance of corresponding financial instruments.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

22 PLEDGED ASSETS

(a) Assets pledged as collateral

	At June 30, 2024	At December 31, 2023
Borrowings from the central bank:		
– Financial investments measured at fair value through profit or loss	5,682,203	7,716,922
– Financial investments measured at fair value through other comprehensive income	14,716,919	14,133,377
– Financial investment measured at amortised cost	26,400,203	23,394,685
Sub-total	<u>46,799,325</u>	<u>45,244,984</u>
For deposits from customers:		
– Financial investments measured at fair value through profit or loss	1,511,045	3,089,323
– Financial investments measured at fair value through other comprehensive income	8,491,374	10,651,861
– Financial investments measured at amortised cost	19,966,687	14,038,744
Sub-total	<u>29,969,106</u>	<u>27,779,928</u>
Total	<u><u>76,768,431</u></u>	<u><u>73,024,912</u></u>

Financial assets pledged by the Bank as collateral for liabilities are mainly debt securities for borrowings from central bank and certain deposits from customers.

(b) Pledged assets received

The Bank conducts resale agreements under the usual and customary terms of placements, and holds collaterals for these transactions. As at June 30, 2024, the carrying amount of the received pledged assets was RMB6,600.99 million (December 31, 2023: RMB1,653.12 million).

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***23 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS****Analysed by type and location of counterparty**

	At June 30, 2024	At December 31, 2023
Deposits in mainland China		
– Banks	10,102,331	9,830,528
– Other financial institutions	16,272,145	15,456,583
Sub-total	26,374,476	25,287,111
Accrued interest	143,862	95,382
Total	26,518,338	25,382,493

24 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**Analysed by type and location of counterparty**

	At June 30, 2024	At December 31, 2023
In mainland China		
– Banks	4,640,000	4,941,100
Accrued interest	2,087	3,528
Total	4,642,087	4,944,628

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***25 DEPOSITS FROM CUSTOMERS**

	At June 30, 2024	At December 31, 2023
Demand deposits		
– Corporate customers	85,514,180	85,981,136
– Individual customers	44,924,069	41,856,629
Sub-total	<u>130,438,249</u>	<u>127,837,765</u>
Time deposits		
– Corporate customers	87,831,916	82,250,755
– Individual customers	137,833,748	131,505,379
Sub-total	<u>225,665,664</u>	<u>213,756,134</u>
Pledged deposits	6,877,094	7,123,043
Fiscal deposits	31,875	142,210
Inward and outward remittances	151,530	519,420
Sub-total	<u>363,164,412</u>	<u>349,378,572</u>
Accrued interest	7,147,999	6,867,673
Total	<u><u>370,312,411</u></u>	<u><u>356,246,245</u></u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

26 DEBT SECURITIES ISSUED

	Notes	At June 30, 2024	At December 31, 2023
Interbank deposits issued	(a)	66,047,057	75,511,603
Financial bonds issued	(b)	20,999,406	18,498,944
Accrued interest		276,850	257,257
Total		87,323,313	94,267,804

Notes:

(a) Interbank deposits issued

- (i) In 2023, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB103,370.00 million and duration between 3 to 12 months. The effective interest rates ranged from 2.25% to 2.87% per annum.
- (ii) During the six months ended June 30, 2024, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB45,430.00 million and duration between 3 to 12 months. The effective interest rates ranged from 2.12% to 2.59% per annum.
- (iii) As at June 30, 2024, the fair value of outstanding interbank deposits amounted to RMB65,429.65 million (December 31, 2023: RMB74,672.51 million).

(b) Financial bonds issued

- (i) In December 2021, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB5,000.00 million. The coupon interest rate per annum is 3.45%.
- (ii) In March 2022, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB3,000.00 million. The coupon interest rate per annum is 3.27%.
- (iii) In December 2022, the Bank issued three-year fixed-rate small and micro enterprises loans financial bonds with total nominal amount of RMB4,000.00 million. The coupon interest rate per annum is 3.45%.
- (iv) In February 2023, the Bank issued three-year fixed-rate small and micro enterprises loans financial bonds with total nominal amount of RMB4,000.00 million. The coupon interest rate per annum is 3.30%.
- (v) In May 2023, the Bank issued three-year fixed-rate "Sannong" financial bonds with total nominal amount of RMB2,500.00 million. The coupon interest rate per annum is 3.04%.
- (vi) In March 2024, the Bank issued three-year fixed-rate "Sannong" financial bonds with total nominal amount of RMB2,500.00 million. The coupon interest rate per annum is 2.69%.
- (vii) As at June 30, 2024, the fair value of outstanding financial bonds amounted to RMB21,285.87 million (December 31, 2023: RMB18,674.12 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

27 OTHER LIABILITIES

	Notes	At June 30, 2024	At December 31, 2023
Accrued staff cost	(a)	1,449,880	1,606,557
Lease liabilities		273,400	286,458
Provisions for credit commitments	(b)	134,711	111,250
Other tax payable		322,756	283,284
Payment and collection clearance accounts		621,996	346,473
Dividend payable		786,376	91,669
Contract balances	5(c)	14,851	20,197
Other payables		476,935	486,695
Total		4,080,905	3,232,583

(a) Accrued staff cost

	At June 30, 2024	At December 31, 2023
Salary, bonuses and allowances payable	1,027,670	1,210,981
Social insurance payable	105,399	87,733
Labour union fee, staff and workers' education fee	11,671	6,783
Supplemental retirement benefits payable	305,140	301,060
Total	1,449,880	1,606,557

Supplemental retirement benefits

The supplementary retirement benefits of the Bank include early retirement plan and supplementary retirement plan. The early retirement benefits is provided to employees who voluntarily agreed to retire before the retirement age during the period from the date of early retirement to the statutory retirement date. The supplementary retirement plan is provided to the Bank's eligible employees. Contributions to the defined contribution retirement plan, include the social pension insurance schemes and the annuity plan, are recognised as expenses when incurred and there are no forfeited contributions that may be used by the Bank to reduce the existing level of contribution.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***27 OTHER LIABILITIES (CONTINUED)****(a) Accrued staff cost (Continued)**

(i) The balances of supplementary retirement benefits of the Bank are as follows:

	At June 30, 2024	At December 31, 2023
Present value of early retirement plan	47,170	58,190
Present value of supplemental retirement benefits	257,970	242,870
Total	<u>305,140</u>	<u>301,060</u>

(ii) The movements of supplementary retirement benefits of the Bank are as follows:

	At June 30, 2024	At December 31, 2023
As at January 1	301,060	250,170
Benefits paid during the period/year	(10,620)	(20,240)
Changes recognised in profit or loss	1,060	56,550
Changes recognised in other comprehensive income	13,640	14,580
As at June 30/December 31	<u>305,140</u>	<u>301,060</u>

(iii) Principal actuarial assumptions of the Bank are as follows:

Early retirement plan

	At June 30, 2024	At December 31, 2023
Discount rate	2.00%	2.25%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***27 OTHER LIABILITIES (CONTINUED)****(a) Accrued staff cost (Continued)**

(iii) Principal actuarial assumptions of the Bank are as follows: (Continued)

Supplementary retirement plan

	At June 30, 2024	At December 31, 2023
Discount rate	2.50%	2.75%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

(b) Provision for credit commitments

	At June 30, 2024	At December 31, 2023
Provision for credit commitments	134,711	111,250

Note

(i)

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

27 OTHER LIABILITIES (CONTINUED)

(b) Provision for credit commitments (Continued)

(i) Movements of provisions for credit commitments are as follows:

	Six months ended June 30, 2024			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit- impaired	Lifetime expected credit losses credit- impaired	
As at January 1	108,661	271	2,318	111,250
Transferred:				
– Lifetime expected credit losses: not credit-impaired	(101)	101	–	–
– Lifetime expected credit losses: credit-impaired	(43)	–	43	–
Charge for the period	22,995	66	400	23,461
As at June 30	131,512	438	2,761	134,711
	Year ended December 31, 2023			
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit- impaired	Lifetime expected credit losses credit- impaired	Total
As at January 1	252,018	514	1,604	254,136
Transferred:				
– Lifetime expected credit losses: not credit-impaired	(4)	4	–	–
– Lifetime expected credit losses: credit-impaired	(5)	–	5	–
(Release)/charge for the year	(143,346)	(247)	709	(142,884)
Others	(2)	–	–	(2)
As at December 31	108,661	271	2,318	111,250

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 SHARE CAPITAL

Authorised and issued share capital

	At June 30, 2024	At December 31, 2023
Ordinary shares in Mainland China	12,388,047	12,388,047
Ordinary shares listed in Hong Kong (H-share)	2,200,000	2,200,000
Total	<u>14,588,047</u>	<u>14,588,047</u>

On December 30, 2019, the Bank issued 2,200.00 million H Shares with a par value of RMB1.00 at an offering price of HKD2.48 per share (the "H-share offering").

All the H shares have been listed on the Stock Exchange of Hong Kong Limited. The H Shares rank pari passu in all respects with the existing ordinary shares in Mainland China including the right to receive all dividends and distributions declared or made.

29 RESERVES

(a) Capital reserve

	At June 30, 2024	At December 31, 2023
Share premium	8,840,110	8,840,110
Changes in interests in associates	(170,019)	(170,019)
Total	<u>8,670,091</u>	<u>8,670,091</u>

(b) Surplus reserve

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

Pursuant to the Company Law of the PRC and the Articles of Association of the Bank, the Bank is required to appropriate 10% of its net profit as on an annual basis determined under the PRC GAAP after making good prior year's accumulated loss, to statutory surplus reserve until the balance reaches 50% of its registered capital.

The Bank did not appropriate statutory surplus reserve for the period ended June 30, 2024 (December 31, 2023: RMB365.33 million).

The Bank may also appropriate discretionary surplus reserve in accordance with the resolution of the shareholders.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***29 RESERVES (CONTINUED)****(c) General reserve**

Pursuant to the “Measures on Impairment Allowances for Financial Enterprises (Cai Jin [2012] No. 20)” issued by the Ministry of Finance, the Bank is required to set aside a general reserve through profit appropriation which should not be lower than 1.5% of the ending balance of its gross risk-bearing assets on an annual basis.

(d) Fair value reserve

	At June 30, 2024	At December 31, 2023
As at January 1	17,258	(655,674)
Changes in fair value recognised in other comprehensive income	796,380	638,578
Transfer to profit or loss upon disposal	(46,314)	258,664
Less: deferred tax	(187,517)	(224,310)
As at June 30/December 31	<u>579,807</u>	<u>17,258</u>

(e) Impairment reserve

	At June 30, 2024	At December 31, 2023
As at January 1	435,526	315,655
Impairment loss recognised in other comprehensive income	(8,655)	159,829
Less: deferred tax	2,163	(39,958)
As at June 30/December 31	<u>429,034</u>	<u>435,526</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

29 RESERVES (CONTINUED)

(f) Deficit on remeasurement of net defined benefit liability

Deficit on remeasurement of net defined benefit liability represents actuarial gains or losses, net of tax, from remeasuring the net defined benefit liability.

	At June 30, 2024	At December 31, 2023
As at January 1	(40,695)	(29,760)
Changes recognised in other comprehensive income	(13,640)	(14,580)
Less: deferred tax	3,410	3,645
	<hr/>	<hr/>
As at June 30/December 31	<u>(50,925)</u>	<u>(40,695)</u>

(g) Other equity instrument

On August 4, 2022, the Bank issued a perpetual bond of RMB2,500.00 million with no fixed maturity date, resulting in credits to perpetual bonds of RMB2,499.52 million, after deducting the direct issuance cost of RMB0.48 million. In addition, the payment of interest can be indefinitely deferred at the Bank's option and is not cumulative.

On February 27, 2023, the Bank issued a perpetual bond of RMB1,000.00 million with no fixed maturity date, resulting in credits to perpetual bonds of RMB999.96 million, after deducting the direct issuance cost of RMB0.04 million. In addition, the payment of interest can be indefinitely deferred at the Bank's option and is not cumulative.

Therefore, the perpetual bond is classified as an equity instrument due to it does not include any contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

During the year ended December 31, 2023, the Bank did not cancel the payment of distribution and the corresponding interest of RMB112.50 million was paid to perpetual bondholders accordingly.

During the six months ended June 30, 2024, the Bank did not cancel the payment of distribution and the corresponding interest of perpetual bond issued in 2023 amounting to RMB49.00 million was paid to perpetual bondholders accordingly.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

30 RETAINED EARNINGS

(a) Appropriation of profit

The Bank did not declare interim dividend for the six months ended 30 June 2024.

In accordance with the resolution of the Bank's Annual General Meeting held on June 27, 2024, the shareholders approved the following profit appropriations for the year ended December 31, 2023:

- Appropriation of statutory surplus reserve amounted to RMB365.33 million;
- Appropriation of general surplus reserve amounted to RMB560.00 million;
- Declaration of cash dividend of RMB0.5 per 10 shares before tax and in an aggregation amount of RMB729.40 million to shareholders whose name appear on the register of members of the shares on July 26, 2024; and
- The agreed dividend were distributed in form of cash to the equity shareholders on August 22, 2024.

In accordance with the resolution of the Bank's Annual General Meeting held on May 18, 2023, the shareholders approved the following profit appropriations for the year ended December 31, 2022:

- Appropriation of statutory surplus reserve amounted to RMB382.95 million;
- Appropriation of general reserve amounted to RMB520.00 million;
- Declaration of cash dividend of RMB0.6 per 10 shares before tax and in an aggregation amount of RMB875.28 million to shareholders whose name appear on the register of members of the shares on June 15, 2023; and
- The agreed dividend were distributed in form of cash to the equity shareholders on July 13, 2023.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

31 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

(a) Structured entities sponsored by third party institutions in which the Bank holds an interest:

The Bank holds interests in certain structured entities sponsored by third party institutions through investments in the units issued by these structured entities. Such structured entities include the investment management products under trust schemes, investment management products managed by securities companies and wealth management products issued by financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of third party investors. These vehicles are financed through the issue of units to investors.

The following table sets out an analysis of the carrying amounts of interests held by the Bank in unconsolidated structured entities, as well as an analysis of the line items in the statements of financial position in which relevant assets are recognised at June 30, 2024 and December 31, 2023:

	At June 30, 2024		At December 31, 2023	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial investments measured at fair value through profit or loss	45,679,352	45,679,352	43,485,875	43,485,875
Financial investments measured at fair value through other comprehensive income	397,261	397,261	383,782	383,782
Financial investments measured at amortised cost	6,894,560	6,894,560	7,130,792	7,130,792
Total	52,971,173	52,971,173	51,000,449	51,000,449

At June 30, 2024 and December 31, 2023, the carrying amounts of the unconsolidated structured entities are equal to the maximum exposures.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

31 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

(b) Structured entities sponsored by the Bank which the Bank does not consolidate but holds an interest in:

The types of unconsolidated structured entities sponsored by the Bank include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Bank includes fees charged by providing management services. At June 30, 2024 and December 31, 2023, the carrying amounts of the investments in the units issued by these structured entities and management fee receivables being recognised are not material in the statements of financial positions.

At June 30, 2024, the carrying amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Bank was RMB23,975.55 million (December 31, 2023: RMB23,901.30 million).

(c) Unconsolidated structures entities sponsored by the Bank during the years which the Bank does not have an interest in as at June 30:

For the six months ended June 30, 2024, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Bank after January 1, but matured before June 30 amounted to RMB400.00 million (June 30, 2023: nil).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

32 CAPITAL MANAGEMENT

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

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

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

Since 2024, the Bank calculates its capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks" issued by NFRA in November 1, 2023.

The NFRA requires commercial banks to meet the requirements of capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks". For non-systemically important banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50%, respectively.

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

As the "Regulation Governing Capital of Commercial Banks" was effective from January 1, 2024, the capital adequacy ratios as of June 30, 2024 were calculated in accordance with "Regulation Governing Capital of Commercial Banks" while the capital adequacy ratios as of December 31, 2023 were calculated in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" issued by former CBRC in June 7, 2012.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***32 CAPITAL MANAGEMENT (CONTINUED)**

The Bank's capital adequacy ratios calculated as follows:

	At June 30, 2024	At December 31, 2023
Total core tier-one capital		
– Share capital	14,588,047	14,588,047
– Qualifying portion of capital reserve	8,670,091	8,670,091
– Other comprehensive income	957,916	412,089
– Surplus reserve	2,976,977	2,976,977
– General reserve	6,150,000	5,590,000
– Retained earnings	13,465,311	12,681,219
	<hr/>	<hr/>
Core tier-one capital	46,808,342	44,918,423
Core tier-one capital deductions	(1,653,215)	(1,724,589)
	<hr/>	<hr/>
Net core tier-one capital	45,155,127	43,193,834
	<hr/>	<hr/>
Other tier-one capital	3,499,484	3,499,484
	<hr/>	<hr/>
Net tier-one capital	48,654,611	46,693,318
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Net tier-two capital	4,596,160	4,373,001
	<hr style="border-top: 1px dashed orange;"/>	<hr style="border-top: 1px dashed orange;"/>
Net capital base	53,250,771	51,066,319
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Total risk-weighted assets	402,878,214	383,889,981
Core tier-one capital adequacy ratio	11.21%	11.25%
Tier-one capital adequacy ratio	12.08%	12.16%
Capital adequacy ratio	13.22%	13.30%
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Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***33 NOTES TO STATEMENT OF CASH FLOWS****(a) Net (decrease)/increase in cash and cash equivalents**

	At June 30, 2024	At June 30, 2023
Cash and cash equivalents as at June 30	74,858,155	62,163,586
Less: cash and cash equivalents as at January 1	<u>(61,262,021)</u>	<u>(54,828,236)</u>
Net increase in cash and cash equivalents	<u>13,596,134</u>	<u>7,335,350</u>

(b) Cash and cash equivalents

On the statement of cash flows, cash and cash equivalents have an original maturity of less than three months and include the following:

	At June 30, 2024	At June 30, 2023
Cash on hand	492,132	637,878
Deposits with the central bank	3,438,158	4,733,913
Deposits with banks and other financial institutions	11,124,015	10,960,493
Financial assets held under resale agreements	6,599,510	6,668,000
Financial investments	<u>53,204,340</u>	<u>39,163,302</u>
Total	<u>74,858,155</u>	<u>62,163,586</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***33 NOTES TO STATEMENT OF CASH FLOWS (CONTINUED)****(c) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Bank's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Bank's statement of cash flows as cash flows from financing activities.

	Debt securities issued	Lease liabilities
As at January 1, 2024	94,267,804	286,458
Changes from financing cash flows:		
Net proceeds from new debt securities issued	47,930,000	–
Repayment of debt securities	(54,940,000)	–
Interest paid on debt securities	(1,167,914)	–
Repayment of lease liabilities	–	(65,951)
Total changes from financing cash flows	(8,177,914)	(65,951)
Other changes:		
Increase in lease liabilities	–	49,037
Interest expense	1,233,423	4,862
Others	–	(1,006)
Total other changes	1,233,423	52,893
As at June 30, 2024	87,323,313	273,400

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***33 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)****(c) Reconciliation of liabilities arising from financing activities (Continued)**

	Debt securities issued	Lease liabilities
As at January 1, 2023	84,790,579	307,983
Changes from financing cash flows:		
Net proceeds from new debt securities issued	109,870,000	–
Repayment of debt securities	(100,450,000)	–
Interest paid on debt securities	(2,499,960)	–
Repayment of lease liabilities	–	(135,139)
Total changes from financing cash flows	6,920,040	(135,139)
Other changes:		
Increase in lease liabilities	–	106,689
Interest expenses	2,557,185	11,604
Others	–	(4,679)
Total other changes	2,557,185	113,614
As at December 31, 2023	94,267,804	286,458

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Bank

(i) Major shareholders

Major shareholders include shareholders of the Bank with direct 5% or above shareholding, or appointed a director in the Bank.

Shareholding in the Bank:

	Notes	At June 30, 2024	At December 31, 2023
Guizhou Provincial Financial Bureau (貴州省財政廳)		20.00%	20.00%
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)		12.00%	12.00%
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理 有限責任公司)		6.55%	6.55%
Guizhou Water Investment Water Affairs Group Co., Ltd (貴州水投水務集團有限公司)	(1),(2)	4.44%	4.44%
Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司)	(1),(2)	1.14%	1.14%
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	(1),(2)	2.92%	2.92%
Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	(1),(2)	2.06%	2.06%

Notes:

- As at June 30, 2024, Guizhou Water Investment Water Affairs Group Co., Ltd and Guizhou Water Conservancy Investment Group Co., Ltd. jointly appointed one director to the Bank, the appointment is still awaiting approval by NFRA Guizhou Office. Shenzhen Expressway Corporation Limited appointed one director to the Bank. Guizhou Expressway Group Company Limited did not appoint director to the Bank.
- As at December 31, 2023, Guizhou Water Investment Water Affairs Group Co., Ltd and Guizhou Water Conservancy Investment Group Co., Ltd. jointly appointed one director to the Bank, Shenzhen Expressway Corporation Limited and Guizhou Expressway Group Company Limited appointed one director to the Bank respectively.

The official names of these related parties are in Chinese. The English translation is for reference only.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(a) Related parties of the Bank (Continued)

(ii) Associates of the Bank

The detailed information of the Bank's associates is set out in Note 18.

(iii) Others related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the board of supervisors and senior management, and close family members of such individuals; entities (and their subsidiary) controlled or jointly controlled or significantly influenced by members of the Board of Directors, the board of supervisors and senior management, and close family members of such individuals; and entities controlled or jointly controlled or significantly influenced by the major shareholders of the Bank as set out in Note 34(a) or their controlling shareholders.

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

(i) Transactions between the Bank and major shareholders:

	Six months ended June 30,	
	2024	2023
Transactions during the period		
Interest income	35,531	50,408
Interest expense	41,082	37,118
	<hr/>	<hr/>
	At June 30,	At December 31,
	2024	2023
Balances at end of the period/year		
Deposits from customers	6,030,959	6,362,604
Loans and advances to customers	1,280,605	1,298,416
Financial investments	–	838,134
	<hr/>	<hr/>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)**(b) Transactions with related parties other than key management personnel (Continued)****(ii) Transactions between the Bank and associates, and other related parties:**

	Six months ended June 30,	
	2024	2023
Transactions during the period		
Interest income	69,067	97,201
Interest expense	482,412	333,475
Financial investments	2,332	–
	<u>693,811</u>	<u>530,676</u>
	At June 30,	At December 31,
	2024	2023
Balances at end of the period/year		
Loans and advances to customers	1,403,939	3,068,999
Financial investments	1,815,785	608,774
Other assets	62,042	62,859
Deposits from customers	28,960,094	26,293,217
Deposits from banks and other financial institutions	15,465,193	13,326,695
Entrusted Loans	4,985,000	885,000
Bank acceptances	16,600	214,600
Credit card commitments	2,619	3,523
	<u>53,630,271</u>	<u>53,479,667</u>

Among above transactions and balances, there are certain interest expense amounted to RMB5.78 million and balance of deposits from banks and other financial institutions amounted to RMB755.19 million related to transaction with associates.

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***34 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)****(c) Key management personnel**

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

(i) Transactions between the Bank and key management personnel

	Six months ended June 30,	
	2024	2023
Transactions during the period		
Interest income	–	11
Interest expense	57	149
	<u>57</u>	<u>149</u>
	At June 30,	At December 31,
	2024	2023
Balances at end of the period/year		
Loans and advances to customers	23	–
Deposits from customers	3,041	8,935
Credit card commitments	1,407	2,931
	<u>1,407</u>	<u>2,931</u>

(ii) Key management personnel compensation

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

	Six months ended June 30,	
	2024	2023
Key management personnel compensation during the period	5,512	7,084
	<u>5,512</u>	<u>7,084</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***34 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)****(d) Loans and advances to directors, supervisors and senior management personnel**

	At June 30, 2024	At December 31, 2023
Aggregate amount of relevant loans outstanding at the end of period/year	23	–
Maximum aggregate amount of relevant loans outstanding during period/year	23	746

There was no amount due but unpaid, nor any impairment provision made against the principal or interest on these loans at June 30, 2024 (December 31, 2023: nil).

35 SEGMENT REPORTING

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

Corporate banking

This segment represents the provision of a range of financial products and services to corporations, government agencies and financial institutions. These products and services include corporate loans and advances, trade financing, deposit taking activities, agency services, wealth management services, settlement and clearing services and acceptance and guarantee services.

Retail banking

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

Financial markets

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 SEGMENT REPORTING (CONTINUED)

Others

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

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

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

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment income, expenses, assets and liabilities are determined before intra-bank balances and intra-bank transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred during the reporting periods to acquire property and equipment, intangible assets and other long-term assets.

	Six months ended June 30, 2024				Total
	Corporate banking	Retail banking	Financial markets	Others	
Operating income					
External net interest income/ (expense)	5,379,374	(1,330,726)	293,927	–	4,342,575
Internal net interest (expense)/ income	(2,623,449)	2,639,000	(15,551)	–	–
Net interest income	2,755,925	1,308,274	278,376	–	4,342,575
Net fee and commission income/(expense)	111,639	(9,137)	103,933	–	206,435
Net trading gains	–	–	506,055	–	506,055
Net gains arising from investment securities	–	–	887,568	–	887,568
Other operating income	16,885	47	60	7,641	24,633
Operating income	2,884,449	1,299,184	1,775,992	7,641	5,967,266
Operating expenses	(878,774)	(322,125)	(397,242)	(14,618)	(1,612,759)
Impairment losses on assets	(1,423,685)	(243,664)	(240,635)	–	(1,907,984)
Share of losses of associates	–	–	–	(8,959)	(8,959)
Profit/(Loss) before tax	581,990	733,395	1,138,115	(15,936)	2,437,564

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***35 SEGMENT REPORTING (CONTINUED)**

	Six months ended June 30, 2024				Total
	Corporate banking	Retail banking	Financial markets	Others	
Other segment information					
– Depreciation and amortisation	130,128	44,309	58,768	–	233,205
– Capital expenditure	27,556	9,383	12,445	–	49,384
	At June 30, 2024				Total
	Corporate banking	Retail banking	Financial markets	Others	
Segment assets	295,294,869	58,707,332	227,501,852	599,362	582,103,415
Deferred tax assets	–	–	–	6,337,124	6,337,124
Total assets	295,294,869	58,707,332	227,501,852	6,936,486	588,440,539
Segment liabilities	185,029,130	187,142,506	163,744,844	1,805,152	537,721,632
Deferred tax liabilities	–	–	–	411,081	411,081
Total liabilities	185,029,130	187,142,506	163,744,844	2,216,233	538,132,713

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 SEGMENT REPORTING (CONTINUED)

	Six months ended June 30, 2023				Total
	Corporate banking	Retail banking	Financial markets	Others	
Operating income					
External net interest income/ (expense)	5,897,740	(1,339,996)	478,550	–	5,036,294
Internal net interest (expense)/ income	<u>(2,864,620)</u>	<u>2,695,209</u>	<u>169,411</u>	<u>–</u>	<u>–</u>
Net interest income	3,033,120	1,355,213	647,961	–	5,036,294
Net fee and commission income	124,602	18,547	58,387	–	201,536
Net trading gains	–	–	506,877	–	506,877
Net gains arising from investment securities	–	–	502,651	–	502,651
Other operating income	<u>169,895</u>	<u>2,991</u>	<u>4,065</u>	<u>5,641</u>	<u>182,592</u>
Operating income	3,327,617	1,376,751	1,719,941	5,641	6,429,950
Operating expenses	(977,808)	(312,275)	(401,065)	(4,213)	(1,695,361)
Impairment losses on assets	(1,123,337)	(202,747)	(829,451)	–	(2,155,535)
Share of losses of associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>(8,496)</u>	<u>(8,496)</u>
Profit/(Loss) before tax	<u>1,226,472</u>	<u>861,729</u>	<u>489,425</u>	<u>(7,068)</u>	<u>2,570,558</u>
Other segment information					
– Depreciation and amortisation	<u>148,252</u>	<u>43,866</u>	<u>59,629</u>	<u>–</u>	<u>251,747</u>
– Capital expenditure	<u>85,303</u>	<u>25,240</u>	<u>34,310</u>	<u>–</u>	<u>144,853</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***35 SEGMENT REPORTING (CONTINUED)**

	At December 31, 2023				Total
	Corporate banking	Retail banking	Financial markets	Others	
Segment assets	287,045,135	61,535,026	221,625,573	602,092	570,807,826
Deferred tax assets	—	—	—	5,978,200	5,978,200
Total assets	<u>287,045,135</u>	<u>61,535,026</u>	<u>221,625,573</u>	<u>6,580,292</u>	<u>576,786,026</u>
Segment liabilities	180,524,780	177,486,427	169,229,967	936,453	528,177,627
Deferred tax liabilities	—	—	—	190,492	190,492
Total liabilities	<u>180,524,780</u>	<u>177,486,427</u>	<u>169,229,967</u>	<u>1,126,945</u>	<u>528,368,119</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT

The Bank has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and operational risk.

This note presents information about the Bank's exposure to each of the above risks and their sources, and the Bank's objectives, policies and procedures for measuring and managing these risks.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and internal controls, and to monitor risks and adherence to limits. Risk management policies and relevant internal control systems are reviewed regularly in order to adapt to the changes in market conditions and the Bank's operating activities. The internal audit department of the Bank undertakes both regular and ad-hoc reviews of risk management controls and procedures.

(a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its contractual obligation or commitment to the Bank. Credit risk exposures arise principally from credit business and debt bond investment business. In addition, off-balance sheet financial instruments, such as loan commitments, acceptance bills, letters of guarantee and letters of credit, etc.

Credit business

The Board of Directors formulates the Bank's risk management strategy and acceptable overall risk level, supervises the Bank's risk control, conducts regular assessments of risk status and risk management strategies, and advises on improving the Bank's internal controls related to risk management. The Bank's functional departments engaging in credit risk management mainly include Credit Review Department and Risk Management Department, as well as Corporate Business Department, Small and Micro Business Department and Consumer Finance Department. Risk Management Department is responsible for the overall promotion of the comprehensive risk management system and risk monitoring and management, immediately alerting any negative events that may affect the borrower's ability to repay, and taking countermeasures to prevent and control risks, and is also responsible for the establishment of relevant risk management policies. Credit Review Department is independent of Customer Relationship and Product Management Department so as to ensure the independence of credit extension review. The front line departments such as Corporate Business Department, Small and Micro Business Department and Consumer Finance Department, perform continuous monitoring and post-loan management regarding credit extension programs. The front-line departments such as branches and business divisions, carry out credit business in accordance with the Bank's risk management policies and procedures.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Credit business (Continued)

The Bank continuously improves the internal control mechanism and strengthens the management of the credit business. The Bank has established comprehensive assessment and inquiry mechanisms, assigning the credit management accountability to the relevant departments and individuals.

For corporate and institutional businesses, with respect to pre-lending evaluations, the Bank assesses customer credit ratings and performs integrated analysis on the risk and return of the loan. In the credit approval phase, all credit applications are approved by designated credit officers. During the post-lending management, the Bank continually monitors outstanding loans and other credit related businesses. Any adverse events that may significantly affect a borrower's repayment ability, actions are taken to mitigate the risks.

For personal credit operation business, credit assessment of applicants is used as the basis for loan approval. In the credit assessment, customer relationship managers are required to assess the income level, credit history and repayment ability of the applicant. The customer relationship managers then forward the application and their recommendations to the loan approval departments for further approval. The Bank monitors borrowers' repayment ability, the status of collateral and any changes to their value during the post-lending phase. Once a loan becomes overdue, the Bank starts the recovery process according to standardised loan recovery procedures.

Stages of risks in financial instrument

The financial assets are categorised by the Bank into the following stages to manage the credit risk:

Stage 1

Financial assets have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses.

Stage 2

Financial assets have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses.

Stage 3

If there is objective evidence of impairment of financial instruments at the financial reporting date, the provision for impairment is recognised on the basis of lifetime expected credit losses.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Significant increase in credit risk

The Bank has set qualitative and quantitative criteria for assessing whether the credit risk of financial instruments has increased significantly since the initial recognition, including:

- Significant adverse changes in the debtor's or the issuer's business, financial and economic status;
- The risk classification of credit assets has changed from Performing upon initial recognition to Watch list;
- The internal rating of loans are below AA (from internal rating-based approach), but above D, and the external credit ratings have downgraded by two and more levels;
- The PD of loan at the date of initial recognition be rated higher than 20% (inclusive).
- The external rating of bond issuers and that of financial institutions are below Baa2 (inclusive) (International credit rating), but above D, and the external credit ratings have downgraded by two and more levels; or
- Principal (including advances) or interest is more than 30 days past due.

The Bank uses watch lists to monitor credit risk of financial assets related to loans and treasury operations and conducts regular assessments at the counterparty level. The standards used in determining whether credit risk increases significantly are regularly monitored and reviewed by the management for the appropriateness.

As at June 30, 2024, the Bank has not considered that any of its financial assets has lower credit risk and no longer compared the credit risk at the balance sheet date with that at the initial recognition to identify whether there was a significant increase in credit risk.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Definition of “default” and “credit-impaired assets”

At each reporting date, the Bank assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or the debtor;
- The debtor constitutes a breach of contract, such as a default on interest or principal payments;
- Concessions granted by the creditor to the debtor that would not have been made under any other circumstances due to economic or contractual considerations related to the debtor's financial hardship;
- It is probable that the debtor will enter into bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or the debtor;
- The external rating of bond issuers and that of financial institutions are rated as “D” or default even occurred;
- Purchase or originate a financial asset at a substantial discount that reflects the credit losses incurred; or
- Principal or interest is more than 90 days overdue.

The above criteria apply to all financial assets of the Bank and they are consistent with the definition of “default” adopted by the internal management of credit risk.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses ("ECLs")

The Bank adopts ECL model to measure provision for loss of financial assets based on the stages categorised above.

The ECL is the result of the discounted product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The definitions of these terms are as follows:

- PD refers to the likelihood that a borrower will be unable to meet his repayment obligations over the next 12 months or the remaining lifetime of the loan;
- EAD is the amount that the Bank should be reimbursed upon default of an obligor over the next 12 months or the remaining lifetime of the loan;
- LGD refers to the expected degree of loss arising from the exposure at default which is predicted by the Bank. LGD varies according to different types of counterparties, methods and priority of recovering debts and the availability of collaterals or other credit support.

The Bank determines the ECL by estimating the PD, LGD and EAD of individual exposure or asset portfolios in the 12 months and remaining lifetime. The Bank multiplies these three parameters and makes adjustments according to the probability of their continuance (i.e. there is no prepayment or default at an earlier period). By adopting this approach, the Bank can calculate the ECL for the 12 months and remaining lifetime. The results of calculation for each month are then discounted to the balance sheet date and added up. The discount rate used in the calculation of ECL is the initial effective interest rate or its approximate value.

The lifetime PD is deduced from using the maturity model or 12-month probability of default. The maturity model describes the development rule of the defaults of the asset portfolio over its lifetime. The model is developed based on historical observational data and applicable to all assets in the same portfolio with the same credit rating. The above method is supported by empirical analysis.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

The 12-month EAD and lifetime EAD are determined based on expected repayment arrangements, which are different according to different types of products.

- In respect of the financial assets with instalment repayments and bullet repayment, the Bank determines 12-month or lifetime EAD according to the repayment schedule agreed in the contract and makes adjustment based on prediction of overlimit repayment and prepayments/refinancing made by the borrower.
- As to the off-balance sheet credit commitments, the parameter of EAD is calculated using the current exposure method and obtained from multiplying the nominal amount of the off-balance sheet items on the reporting date by the credit conversion factor ("CCF").
- The Bank determines the 12-month LGD and lifetime LGD based on the factors that affects post-default recovery. LGD for different product types are different.
- As to financial assets classified as guarantees, the Bank determines LGD according to the types of collaterals and their expected value, the discount rate at the compulsory sale, the recovery time and the estimated recovery cost.
- As to credit-based financial assets, the Bank usually determines LGD in the product level due to the limited differences in recoverable amounts from different borrowers.

Forward-looking information should be considered when determining the 12-month and lifetime probability of default, exposure at default and loss given default.

The Bank quarterly monitors and reviews assumptions related to the calculation of expected credit losses, including the changes in PD and the value of collaterals under the different time limits.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

As at June 30, 2024 and December 31, 2023, there has been no significant changes in the estimate techniques and key assumptions of the Bank Forward-looking information included in the expected credit loss model is as follows:

- Both the assessment of significant increase in credit risk and the measurement of expected credit losses involve forward-looking information. Based on the analysis on historical data, the Bank identified critical economic indicators that affect the credit risk and ECL of all asset portfolios, including macroeconomic prosperity index, consumer price index (CPI), and one year loan interest rate, etc. The Bank identified the relations between these economic indicators and the probability of default historically by conducting regression analysis and identified the expected probability of default by predicting the future economic indicators.
- When judging whether there is significant increase in credit risk, the Bank multiplies the lifetime PD at the benchmark and under other scenarios by the weight of the scenarios and considers the qualitative and maximum indicators. The Bank measures relevant provision for loss by the weighted 12-month ECL (for stage 1) or the weighted lifetime ECL (for stage 2 and stage 3). The above weighted credit losses are calculated from multiplying the ECL under the different scenarios by the weight of the corresponding scenarios.
- Similar to other economic forecasts, there is highly inherent uncertainty in the assessment of estimated economic indicators and the probability of occurrence, and therefore, the actual results may be materially different from the forecasts. The Bank believes that these forecasts reflect the Bank's best estimate of possible outcomes.
- Other forward-looking factors not incorporated in above scenarios, such as the impact of regulatory and legal changes, have also been taken into account. However, they were not considered to have significant impact and the expected credit losses were not adjusted accordingly. The Bank reviews and monitors the appropriateness of the above assumptions on a quarterly basis.

Forward-looking information included in the expected credit loss model is as follows:

The Bank adopts three economic scenarios in the ECL measurement to meet the requirements of IFRS 9. The "Baseline" scenario represents a most likely outcome and the other two scenarios, referred to as "optimistic" scenario and "pessimistic" scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to Baseline scenario.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

Forward-looking information included in the expected credit loss model is as follows: (Continued)

The Baseline scenario is prepared by our Risk Management Department. Historical data, economic trend, external forecast from governmental and non-governmental organisation, etc. are also used as benchmarks to ensure the forecasts are reasonable and supportable. For the optimistic and pessimistic scenarios, the Bank makes reference to the historical macroeconomics data.

The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each asset portfolio such as macroeconomic prosperity index, CPI, interest rate for 1 year loan. The Bank evaluates and forecasts these economic indicators at least semi-annually and applied them in the impairment model.

The probability weight assigned for each scenario reflects the Bank's view for the economic environment, which implements the Bank's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance.

A higher probability weight is assigned to the pessimistic scenario to reflect the most likely outcome and a lower probability weight is assigned to the Baseline and optimistic scenarios to reflect the less likely outcomes. As at 31 December 2023, the weights assigned to various economic scenarios were: "Baseline" 30%, "optimistic" 20%, and "pessimistic" 50% (31 December 2023: the same).

The calculation of ECL is affected by macroeconomic factors and economic scenarios. If more pessimistic macroeconomic factors are applied in ECL assessment or a higher probability weight is assigned to the Bad scenario, it would result in an increase in ECL.

(i) Maximum credit risk exposure

The maximum exposure to credit risk represents the worst-case scenario of credit risk exposure at the end of each reporting period, without considering any available collateral held or other credit enhancements. In respect of the on-balance sheet assets, the maximum exposure to credit risk represents the carrying amount of financial assets after deducting any impairment allowance. Besides, off-balance sheet items, such as loan commitments, credit card commitments, bank acceptance bills, letters of credit and financial guarantees also contain credit risks.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

(ii) Financial assets analysed by credit quality are summarised as follows:

	At June 30, 2024			
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial assets held under resale agreement	Financial investments*
Balance of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	2,439,731	–	–	1,678,337
– Neither overdue nor credit-impaired	314,090,243	12,624,015	6,599,510	194,325,402
Sub-total	316,529,974	12,624,015	6,599,510	196,003,739
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	897,890	–	–	313,428
– Neither overdue nor credit-impaired	25,149,917	–	–	5,757,970
Sub-total	26,047,807	–	–	6,071,398
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	5,563,418	–	–	457,674
– Credit-impaired but not overdue	512,742	–	–	1,452,902
Sub-total	6,076,160	–	–	1,910,576
Accrued interest	766,581	6,578	395	2,000,940
Less: provision for impairment losses	(16,729,162)	(4,863)	(536)	(2,456,453)
Net value	332,691,360	12,625,730	6,599,369	203,530,200

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

(ii) Financial assets analysed by credit quality are summarised as follows: (Continued)

	At December 31, 2023			
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial assets held under resale agreement	Financial investments*
Balances of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	497,661	–	–	800,000
– Neither overdue nor credit-impaired	298,920,949	5,974,322	1,651,839	200,987,251
Sub-total	299,418,610	5,974,322	1,651,839	201,787,251
Balances of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	649,150	–	–	–
– Neither overdue nor credit-impaired	25,121,676	–	–	8,317,460
Sub-total	25,770,826	–	–	8,317,460

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

(ii) Financial assets analysed by credit quality are summarised as follows: (Continued)

	At December 31, 2023			
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial assets held under resale agreement	Financial investments*
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	5,299,042	–	–	487,266
– Credit-impaired but not overdue	1,460,058	–	–	1,496,694
Sub-total	6,759,100	–	–	1,983,960
Accrued interests	680,049	3,426	–	2,158,364
Less: Provision for impairment losses	(16,018,352)	(3,503)	(602)	(2,290,142)
Net value	316,610,233	5,974,245	1,651,237	211,956,893

* Financial investments include financial investments measured at fair value through profit or loss, financial investments at fair value through other comprehensive income and financial investments at amortised cost.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)**(a) Credit risk (Continued)*****Measurement of ECLs (Continued)******(iii) Loans and advances to customers analysed by credit quality***

Within overdue but not credit impaired loans and advances and credit impaired loans and advances, the portions covered and not covered by the collateral held as at June 30, 2024 and December 31, 2023 are as follows:

	At June 30, 2024		At December 31, 2023	
	Overdue but not credit impaired loans and advances	Credit impaired loans and advances	Overdue but not credit impaired loans and advances	Credit impaired loans and advances
Portion covered	659,424	3,242,169	415,726	3,959,242
Portion not covered	2,678,197	2,833,991	731,085	2,799,858
Total	3,337,621	6,076,160	1,146,811	6,759,100

The collaterals mainly include land, buildings, machinery and equipment, etc. The fair value of collaterals was estimated by the Bank based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

(iv) Rescheduled loans and advances to customers

Restructured loans refer to the loans that the Bank adjusts the repayment terms of the loan contract due to the deterioration of the borrower's financial condition or inability to repay. As at June 30, 2024, the Bank has rescheduled loans and advances to customers amounted to RMB2,447.73 million (December 31, 2023: RMB1,262.80 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECLs (Continued)

(v) Credit rating

The Bank adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at June 30, 2024 and December 31, 2023 are as follows:

	At June 30, 2024	At December 31, 2023
Neither overdue nor impaired		
Ratings		
– AAA	40,452,275	37,868,020
– AA to AA+	8,186,316	9,536,100
– AA- or below	710,580	–
Sub-total	49,349,171	47,404,120
Unrated	96,587,670	107,848,439
Total	145,936,841	155,252,559

For the six months ended June 30, 2024, the unrated debt securities held by the Bank issued by the Chinese government and government institutions (the Ministry of Finance, local government and policy banks) amounted to RMB78,046.31 million (December 31, 2023: RMB84,670.32 million); Interbank deposited issued by commercial banks amounted to RMB2,127.62 million (December 31, 2023: RMB5,757.31 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk

Market risk is the risk of loss, in respect of the Bank's activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices, stock prices and other prices.

The Board of Directors is ultimately responsible for monitoring the Bank's market risk management to ensure that the Bank effectively identifies, measures, monitors and controls various market risks faced by each business. The Risk Management Committee and Related Party Transaction Management Committee are responsible for monitoring market risk management within the authorised scope of the Board of Directors, reviewing the strategies, policies and procedures regarding market risk management, and recommendations for acceptable level of market risk proposed by senior management. The market risk faced by the Bank's business operations and development are mostly concentrated in the treasury operations. The Financial Markets Department is responsible for fund investment and proprietary trading. The Planning and Financial Department is responsible for the daily monitoring and management of interest rate risk under the Bank accounts; and the Transaction Banking Department is responsible for the daily monitoring and management of exchange rate risk. The Risk Management Department is responsible for drafting basic policies and procedures for market risk management, as well as identifying, measuring and monitoring the Bank's market risk.

The major source of market risk of the Bank is the asset and liability businesses involved in market operation and the risks in interest rate and exchange rate of products.

Interest rate risk

Interest rate risk refers to the risk that the adverse changes in interest rate levels and maturity structures will cause the Bank to suffer losses. The Bank's interest rate risk mainly comes from the repricing risk, trading interest rate risk and the inconsistent changes in the benchmark interest rate on which assets and liabilities are based.

Repricing risk

Repricing risk, which is also known as "maturity mismatch risk", is the most common form of interest rate risk. It is caused by the differences in timing between the maturities (related to fixed interest instruments) or repricing (related to floating interest instruments) of bank assets, liabilities and off-balance sheet items. The mismatch of repricing timing causes the Bank's income or its inherent economic value to vary with the movement in interest rates.

The Planning and Financial Department is responsible for the measurement, monitoring and management of interest rate risk of the banking book. In respect of measuring and managing risks, the Bank regularly assesses the impact of interest rate sensitivity repricing gaps and interest rate changes on the Bank's net interest income and economic value. The main purpose of interest rate risk management of the banking book is to reduce the potential negative impact of interest rate changes on net interest income and economic value.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk

Trading interest rate risk mainly arises from the investment portfolios of financial markets. Interest rate risk is monitored using the effective duration analysis method. The Bank employs other supplementary methods to measure its interest rate sensitivity, which is expressed as changes in the fair value of investment portfolios given a 100 basis points (1%) movement in the interest rates.

- (i) The following tables indicate the assets and liabilities as at June 30, 2024 and December 31, 2023 by the expected next repricing dates or by maturity dates, depending on which is earlier:

	At June 30, 2024					
	Total	Non-interest bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years
Assets						
Cash and deposits with the central bank	21,889,051	500,418	21,388,633	-	-	-
Deposits with banks and other financial institutions	12,625,730	6,578	11,119,152	1,500,000	-	-
Financial assets held under resale agreements	6,599,369	395	6,598,974	-	-	-
Loans and advances to customers (Note (i))	332,691,360	1,171,086	75,942,606	216,717,155	20,492,990	18,367,523
Financial investments (Note (ii))	203,530,200	47,718,042	12,177,308	18,241,720	75,257,483	50,135,647
Others	374,984	374,984	-	-	-	-
Total assets	577,710,694	49,771,503	127,226,673	236,458,875	95,750,473	68,503,170
Liabilities						
Borrowings from the central bank	44,572,771	437,701	10,391,510	33,743,560	-	-
Deposits from banks and other financial institutions	26,518,338	143,862	13,184,476	13,190,000	-	-
Placements from banks and other financial institutions	4,642,087	2,087	-	4,640,000	-	-
Financial assets sold under repurchase agreements	-	-	-	-	-	-
Deposits from customers	370,312,411	7,148,199	177,045,412	72,447,372	113,271,004	400,424
Debt securities issued	87,323,313	276,850	16,619,145	57,427,545	12,999,773	-
Others	985,105	985,105	-	-	-	-
Total liabilities	534,354,025	8,993,804	217,240,543	181,448,477	126,270,777	400,424
Assets-liability gap	43,356,669	40,777,699	(90,013,870)	55,010,398	(30,520,304)	68,102,746

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)**Trading interest rate risk (Continued)**

- (i) The following tables indicate the assets and liabilities as at June 30, 2024 and December 31, 2023 by the expected next repricing dates or by maturity dates, depending on which is earlier: (Continued)

	Total	Non-interest bearing	At December 31, 2023			
			Less than three months	Between three months and one year	Between one year and five years	More than five years
Assets						
Cash and deposits with the central bank	29,750,843	490,618	29,260,225	-	-	-
Deposits with banks and other financial institutions	5,974,245	3,425	5,970,820	-	-	-
Financial assets held under resale agreements	1,651,237	-	1,651,237	-	-	-
Loans and advances to customers (Note (i))	316,610,233	1,050,681	74,356,549	199,219,062	17,725,641	24,258,300
Financial investments (Note (ii))	211,956,893	45,681,990	13,913,461	25,599,129	87,973,362	38,788,951
Others	317,474	317,474	-	-	-	-
Total assets	566,260,925	47,544,188	125,152,292	224,818,191	105,699,003	63,047,251
Liabilities						
Borrowings from the central bank	43,458,074	444,374	9,580,000	33,433,700	-	-
Deposits from banks and other financial institutions	25,382,493	95,382	3,502,111	21,785,000	-	-
Placements from banks and other financial institutions	4,944,628	3,528	2,500,000	2,141,100	300,000	-
Deposits from customers	356,246,245	7,529,303	179,159,984	68,071,431	100,354,993	1,130,534
Debt securities issued	94,267,804	257,256	27,469,584	53,041,413	13,499,551	-
Others	678,375	678,375	-	-	-	-
Total liabilities	524,977,619	9,008,218	222,211,679	178,472,644	114,154,544	1,130,534
Assets-liability gap	41,283,306	38,535,970	(97,059,387)	46,345,547	(8,455,541)	61,916,717

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk (Continued)

- (i) The following tables indicate the assets and liabilities as at June 30, 2024 and December 31, 2023 by the expected next repricing dates or by maturity dates, depending on which is earlier: (Continued)

Notes:

- (i) As at June 30, 2024, for loans and advances to customers, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB962.99 million (December 31, 2023: RMB443.01 million).
- (ii) Financial investments include financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost. As at June 30, 2024, for financial investments, the category "Less than three months" does not have overdue amounts (net of provision for impairment losses) (December 31, 2023: Nil).
- (ii) Interest rate sensitivity analysis

The Bank uses sensitivity analysis to measure the impact of changes in interest rate on the Bank's net profit or loss and equity.

	At June 30, 2024 (Decrease)/ increase	At December 31, 2023 (Decrease)/ increase
Changes in net profit		
Up 100 bps parallel shift in yield curves	(498,710)	(566,464)
Down 100 bps parallel shift in yield curves	498,710	566,464
Changes in equity		
Up 100 bps parallel shift in yield curves	(2,016,599)	(1,911,145)
Down 100 bps parallel shift in yield curves	2,216,207	2,047,807

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk (Continued)

(ii) Interest rate sensitivity analysis (Continued)

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

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

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

Foreign currency risk

The Bank's currency risk mainly arises from foreign currency deposits with banks and other financial institutions and deposits from customers. The Bank manages currency risk by matching its foreign currency denominated assets with corresponding liabilities in the same currencies.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

(i) The Bank's currency exposures as at June 30, 2024 and December 31, 2023 were as follows:

	At June 30, 2024				Total (RMB equivalent)
	RMB (RMB equivalent)	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	
Assets					
Cash and deposits with the central bank	21,882,872	6,179	-	-	21,889,051
Deposits with banks and other financial institutions	12,282,975	147,634	-	195,121	12,625,730
Financial assets held under resale agreements	6,599,369	-	-	-	6,599,369
Loans and advances to customers	332,607,536	83,824	-	-	332,691,360
Financial investments	203,530,200	-	-	-	203,530,200
Others	374,984	-	-	-	374,984
Total assets	577,277,936	237,637	-	195,121	577,710,694
Liabilities					
Borrowing from the central bank	(44,572,771)	-	-	-	(44,572,771)
Deposits from banks and other financial institutions	(26,518,338)	-	-	-	(26,518,338)
Placements from banks and other financial institutions	(4,642,087)	-	-	-	(4,642,087)
Financial assets sold under repurchase agreements	-	-	-	-	-
Deposits from customers	(370,112,190)	(5,059)	-	(195,162)	(370,312,411)
Debt securities issued	(87,323,313)	-	-	-	(87,323,313)
Others	(985,105)	-	-	-	(985,105)
Total liabilities	(534,153,804)	(5,059)	-	(195,162)	(534,354,025)
Net position	43,124,132	232,578	-	(41)	43,356,669
Off-balance sheet credit commitments	24,597,264	151,633	-	-	24,748,897

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

(i) The Bank's currency exposures as at June 30, 2024 and December 31, 2023 were as follows: (Continued)

	At December 31, 2023				Total (RMB equivalent)
	RMB (RMB equivalent)	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	
Assets					
Cash and deposits with the central bank	29,744,774	6,069	–	–	29,750,843
Deposits with banks and other financial institutions	5,818,974	6,725	–	148,546	5,974,245
Financial assets held under resale agreements	1,651,237	–	–	–	1,651,237
Loans and advances to customers	316,388,545	221,688	–	–	316,610,233
Financial investments	211,956,893	–	–	–	211,956,893
Others	317,474	–	–	–	317,474
Total assets	<u>565,877,897</u>	<u>234,482</u>	<u>–</u>	<u>148,546</u>	<u>566,260,925</u>
Liabilities					
Borrowings from the central bank	(43,458,074)	–	–	–	(43,458,074)
Deposits from banks and other financial institutions	(25,382,493)	–	–	–	(25,382,493)
Placements from banks and other financial institutions	(4,944,628)	–	–	–	(4,944,628)
Deposits from customers	(356,092,229)	(5,445)	–	(148,571)	(356,246,245)
Debt securities issued	(94,267,804)	–	–	–	(94,267,804)
Others	(455,763)	(222,612)	–	–	(678,375)
Total liabilities	<u>(524,600,991)</u>	<u>(228,057)</u>	<u>–</u>	<u>(148,571)</u>	<u>(524,977,619)</u>
Net position	<u>41,276,906</u>	<u>6,425</u>	<u>–</u>	<u>(25)</u>	<u>41,283,306</u>
Off-balance sheet credit commitments	<u>24,284,654</u>	<u>27,982</u>	<u>–</u>	<u>–</u>	<u>24,312,636</u>

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***36 RISK MANAGEMENT (CONTINUED)****(b) Market risk (Continued)****Foreign currency risk (Continued)***(ii) Exchange rate sensitivity analysis*

	At June 30, 2024	At December 31, 2023
Changes in net profit	(Decrease)/ increase	(Decrease)/ increase
Foreign exchange rate decrease by 100 bps	(1,744)	(48)
Foreign exchange rate increase by 100 bps	1,744	48

The sensitivity analysis mentioned above is based on a static foreign exchange exposure profile of assets and liabilities and certain simplified assumptions as set out below:

- The foreign exchange sensitivity is the gain and loss recognised as a result of 100 basis points fluctuation in the foreign currency exchange rates against RMB based on the closing rate of reporting date;
- The fluctuation of exchange rates by 100 basis points is based on the assumption of exchange rates movement over the next 12 months;
- The exchange rates against RMB for the US dollars and other foreign currencies change in the same direction simultaneously; and
- Other variables (including interest rates) remain unchanged.

The analysis does not take into account the effect of risk management measures taken by the Bank. Due to the assumptions adopted, actual changes in the Bank's net profit or loss resulting from the increase or decrease in foreign exchange rates may vary from the estimated results of this sensitivity analysis.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk refers to the risk of the failure to obtain sufficient funds in a timely manner at reasonable prices for meeting assets growth or repaying mature debts, although the commercial banks are capable of paying off debts. The Bank monitors its future cash flows based on liquidity risk management policies and ensures that appropriate levels of highly liquid assets are maintained.

The Liquidity Risk Management Committee is responsible for the overall liquidity of the Bank. The committee is responsible for formulating liquidity policies in accordance with regulatory requirements and prudential principles. Policy objectives include:

- Maintain a sound and adequate liquidity level and establish a sound liquidity risk management system to ensure timely payment obligations and the satisfaction of liquidity requirements arising from assets, liabilities and off-balance sheet businesses, thereby balancing the effectiveness and safety of funds; and
- Make timely and reasonable adjustments to the scale and structure of assets and liabilities based on market changes and business development, and under the premise of ensuring liquidity, moderately pursue profit maximisation and cost minimisation, and realise the centralisation of safety, liquidity and efficiency for the Bank's funds.

The Planning and Financial Department takes the lead in implementing the liquidity risk management policy and is responsible for formulating and timely revising the liquidity risk management strategy, and the identification, measurement, monitoring and mitigation management of the Bank's liquidity risk. In the meantime, the Planning and Financial Department and the Financial Markets Department are responsible for daily position management and forecasting and maintaining an appropriate level of highly liquid portfolio based on liquidity management strategies. The Financial Markets Department operates in accordance with the instructions from the Planning and Financial Department. In case of significant payment crisis or structural changes, the Financial Markets Department should report to the Liquidity Risk Management Committee and make recommendations in a timely manner.

Most of the sources of funds for the assets held by the Bank are deposits from customers. In recent years, the Bank's deposits from customers continue to grow, with diversified categories and types of maturities, it has become a stable source of funds.

The Bank mainly adopts liquidity gap analysis to measure liquidity risk and uses different scenario analysis and stress tests to assess the impact of liquidity risk.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment at June 30, 2024 and December 31, 2023:

	Indefinite (Note (i))	Repayable on demand	Within one month	At June 30, 2024				Total
				Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
Assets								
Cash and deposits with the central bank	17,950,475	3,938,576	-	-	-	-	-	21,889,051
Deposits with banks and other financial institutions	-	11,122,591	1,503,139	-	-	-	-	12,625,730
Financial assets held under resale agreements	-	-	6,599,369	-	-	-	-	6,599,369
Loans and advances to customers	1,051,311	2,466,290	11,577,001	20,905,545	81,610,526	95,633,205	119,447,482	332,691,360
Financial investments	57,350	-	52,503,469	6,386,775	19,189,476	75,257,483	50,135,647	203,530,200
Others	374,984	-	-	-	-	-	-	374,984
Total assets	19,434,120	17,527,457	72,182,978	27,292,320	100,800,002	170,890,688	169,583,129	577,710,694
Liabilities								
Borrowings from the central bank	-	-	3,516,375	6,724,955	34,331,441	-	-	44,572,771
Deposits from banks and other financial institutions	30,051	1,619,577	2,517,192	9,099,652	13,251,866	-	-	26,518,338
Placements from banks and other financial institutions	-	-	300,204	1,883	4,340,000	-	-	4,642,087
Deposits from customers	-	147,149,897	13,776,874	18,617,956	74,607,616	115,759,249	400,819	370,312,411
Debt securities issued	-	-	5,423,747	11,195,399	57,704,394	12,999,773	-	87,323,313
Others	363,109	621,996	-	-	-	-	-	985,105
Total liabilities	393,160	149,391,470	25,534,392	45,639,845	184,235,317	128,759,022	400,819	534,354,025
Net position	19,040,960	(131,864,013)	46,648,586	(18,347,525)	(83,435,315)	42,131,666	169,182,310	43,356,669

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment at June 30, 2024 and December 31, 2023: (Continued)

	Indefinite (Note (i))	Repayable on demand	Within one month	At December 31, 2023				Total
				Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
Assets								
Cash and deposits with the central bank	18,905,388	10,845,455	-	-	-	-	-	29,750,843
Deposits with banks and other financial institutions	-	5,974,245	-	-	-	-	-	5,974,245
Financial assets held under resale agreements	-	-	1,651,237	-	-	-	-	1,651,237
Loans and advances to customers	1,495,394	556,350	16,171,200	15,804,572	82,425,206	89,818,056	110,339,455	316,610,233
Financial investments	268,756	-	48,767,856	9,537,296	26,620,672	87,973,362	38,788,951	211,956,893
Others	317,474	-	-	-	-	-	-	317,474
Total assets	20,987,012	17,376,050	66,590,293	25,341,868	109,045,878	177,791,418	149,128,406	566,260,925
Liabilities								
Borrowings from the central bank	-	-	3,080,209	6,725,729	33,652,136	-	-	43,458,074
Deposits from banks and other financial institutions	-	62,121	470,990	3,020,726	21,828,656	-	-	25,382,493
Placements from banks and other financial institutions	-	-	500,368	2,003,159	2,141,101	300,000	-	4,944,628
Deposits from customers	-	134,199,154	17,624,545	29,365,279	70,008,487	103,916,297	1,132,483	356,246,245
Debt securities issued	-	-	4,304,089	23,362,367	53,101,797	13,499,551	-	94,267,804
Others	331,981	346,394	-	-	-	-	-	678,375
Total liabilities	331,981	134,607,669	25,980,201	64,477,260	180,732,177	117,715,848	1,132,483	524,977,619
Net position	20,655,031	(117,231,619)	40,610,092	(39,135,392)	(71,686,299)	60,075,570	147,995,923	41,283,306

Note:

- (i) Indefinite amount of cash and deposits with the central bank represents the statutory deposit reserves and fiscal deposits with the central bank. Impaired deposits with banks and other financial institutions represents in indefinite category. Indefinite amount of loans and advances to customers includes all the credit-impaired loans, as well as those overdue more than one month. Loans and advances to customers with no impairment but overdue within one month are classified into the category of repayable on demand. Indefinite amount of investments represents credit-impaired investments or those overdue more than one month. Equity investments are listed in the category of indefinite.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the non-derivative financial liabilities of the Bank at June 30, 2024 and December 31, 2023:

	Carrying amount	Contractual undiscounted cash flows	Repayable on demand	At June 30, 2024				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from the central bank	44,572,771	45,060,518	-	3,510,218	6,755,666	34,794,634	-	-
Deposits from banks and other financial institutions	26,518,338	26,887,749	1,649,577	2,520,665	9,268,066	13,449,441	-	-
Placements from banks and other financial institutions	4,642,087	4,712,296	-	300,817	25,142	4,386,337	-	-
Deposits from customers	370,312,411	391,199,936	149,183,077	14,015,599	19,024,447	77,801,977	130,704,674	470,162
Debt securities issued	87,323,313	88,989,450	-	5,430,000	11,230,000	58,983,450	13,346,000	-
Total non-derivative financial liabilities	533,368,920	556,849,949	150,832,654	25,777,299	46,303,321	189,415,839	144,050,674	470,162

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the non-derivative financial liabilities of the Bank at June 30, 2024 and December 31, 2023: (Continued)

	Carrying amount	Contractual undiscounted cash flows	Repayable on demand	At December 31, 2023				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from the central bank	43,458,074	44,053,960	-	3,083,646	6,798,030	34,172,284	-	-
Deposits from banks and other financial institutions	25,382,493	25,832,199	62,122	471,767	3,133,947	22,164,363	-	-
Placements from banks and other financial institutions	4,944,628	4,997,720	-	500,847	2,028,182	2,168,083	300,608	-
Deposits from customers	356,246,245	369,724,558	134,199,153	17,643,296	29,517,384	71,293,649	115,733,182	1,337,894
Debt securities issued	94,267,804	96,285,956	-	4,310,000	23,676,972	54,146,884	14,152,100	-
Total non-derivative financial liabilities	524,299,244	540,894,393	134,261,275	26,009,556	65,154,515	183,945,263	130,185,890	1,337,894

This analysis of the non-derivative financial liabilities by contractual undiscounted cash flows might diverge from actual results.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

(d) Operational risk

Operational risk is the risk of losses due to problems with internal procedures, personnel and information systems, or external events. The primary operational risks the bank is exposed to include internal and external frauds, misconduct of employees, safety incidents, worksite security, business interruptions, information system events, and defects in the execution and settlement of transactions and operational procedure management.

The Board is ultimately responsible for our operational risk management and the senior management leads our day-to-day operational risk management. The Bank has established “three lines of defence” against operational risk. The first line of defense is formed by various business and management departments, as well as the operating institutions, directly managing and assuming operational risk and being responsible for operational risk management in their respective areas. The second line of defense is formed by the lead departments at all levels responsible for operational risk management and measurement, supervising and guiding the management of operational risk in the first line of defense. The third line of defense is formed by the internal audit department at all levels, supervising and evaluating the performance of our operational risk management in the first and second lines of defense and their effectiveness.

In the first half of 2024, the Bank clarified the operational risk management policy, improved the operational risk management system, actively promoted the digital transformation of operational risk and internal control and compliance, incrementally improved operational risk management tools, and strengthened operational risk supervision and inspection, effectively enhancing the quality and efficiency of the Bank’s operational risk management. Firstly, the Bank implemented the new requirements for operational risk management of regulators and revised the Operational Risk Management Measures of Bank of Guizhou (《貴州銀行操作風險管理辦法》). Secondly, the Bank completed the transformation of the measurement of operational risk-weighted assets within the system in accordance with Regulation Governing Capital of Commercial Banks to meet the needs of regulatory reporting under the new standard law. Thirdly, the Bank actively explored the digital transformation in the field of internal control and compliance and formulated the Implementation Plan for Intelligent Transformation of Operational Risk and Compliance Risk Management (《操作風險與合規風險管理智能化轉型實施方案》). Fourthly, the Bank regularly organized the collection of operational risk loss data and the monitoring of key risk indicators across the Bank, and completed the 2023 Stress Test for Operational Risk of the Bank. Fifthly, the Bank organized training on new operational risk regulations. Sixthly, the Bank launched and optimized monitoring models and list rules regarding products and behavior management. Seventhly, the Bank solidly promoted outsourcing risk management inspection and project approval risk assessment and continued to deepen outsourcing risk management.

During the Reporting Period, the Bank did not have any material operational risk events as stipulated in the Commercial Bank Operational Risks Management Guidelines (《商業銀行操作風險管理指引》) and the Operational Risk Management Measures of Bank of Guizhou and the overall operational risk was controllable.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE

(a) Methods and assumptions for measurement of fair value

The Bank adopts the following methods and assumptions when evaluating fair values:

(i) *Debt securities and equity investments*

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of the reporting period. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows.

(ii) *Investments and other non-derivative financial assets*

Fair values are estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

(iii) *Debt securities issued and other non-derivative financial liabilities*

Fair values of debt securities issued are based on their quoted market prices at the end of the reporting period, or the present value of estimated future cash flows. The fair values of other non-derivative financial liabilities are valued at the present value of estimated future cash flows. The discount rates are based on the market interest rates at the end of the reporting period.

The Bank has established policies and internal controls with respect to the measurement of fair values, specify the framework of fair value measurement of financial instruments, fair value measurement methodologies and procedures.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE (CONTINUED)

(b) Fair value measurement

(i) **Financial assets**

The Bank's financial assets mainly consist of cash and deposits with the central bank, deposits with banks and other financial institutions, loans and advances to customers, and investments.

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

Loans and advances to customers are mostly priced at floating rates close to the PBOC rates. Accordingly, the carrying amounts approximate the fair values. The fair values of loans and advances to customers measured at fair value through other comprehensive income are based on valuation techniques.

Financial investments at fair value through other comprehensive income and financial assets at fair value through profit or loss are stated at fair value. Financial investments at amortised cost are the reasonable approximations of their fair values because, for example, they are repriced at current market rates frequently.

(ii) **Financial liabilities**

The Bank's financial liabilities mainly include deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers and debt securities issued.

The book value and fair value of debt securities issued is presented in Note 26. The carrying amounts of other financial liabilities approximate their fair value.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3: Fair value measured using significant unobservable inputs.

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

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***37 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (Continued)**

	At June 30, 2024			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
Loans and advances to customers measured at fair value through other comprehensive income				
– Discounted bills	–	13,381,753	–	13,381,753
Financial investments measured at fair value through profit or loss				
– Debt securities	–	28,189,121	–	28,189,121
– Investment funds	45,679,352	–	–	45,679,352
Financial investments measured at fair value through other comprehensive income				
– Debt securities	–	49,576,280	–	49,576,280
– Assets-backed securities	–	403,861	–	403,861
– Equity investments	–	–	37,750	37,750
Total	45,679,352	91,551,015	37,750	137,268,117

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

	At December 31, 2023			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
Loans and advances to customers measured at fair value through other comprehensive income				
– Discounted bills	–	11,457,527	–	11,457,527
Financial investments measured at fair value through profit or loss				
– Debt securities	–	36,817,214	–	36,817,214
– Investment funds	43,485,875	–	–	43,485,875
– Structured notes issued by securities companies	–	–	103,817	103,817
Financial investments measured at fair value through other comprehensive income				
– Debt securities	–	57,451,915	–	57,451,915
– Assets-backed securities	–	390,625	–	390,625
– Equity investments	–	–	37,750	37,750
Total	<u>43,485,875</u>	<u>106,117,281</u>	<u>141,567</u>	<u>149,744,723</u>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

The movement during the six months ended June 30, 2024 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2024	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchase, issues, sales and settlements		June 30, 2024	Total gains or losses for the period included in profit or loss for assets held at the end of the period
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Settlements		
Assets									
Financial investments measured at fair value through profit or loss – Structured notes issued by securities companies	103,817	-	-	(3,817)	-	-	(100,000)	-	-
Financial investments measured at fair value through other comprehensive income – Equity investments	37,750	-	-	-	-	-	-	37,750	-
Total	141,567	-	-	(3,817)	-	-	(100,000)	37,750	-

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

The movement during the year ended December 31, 2023 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2023	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements		December 31, 2023	Total gains or losses for the year included profit or loss for assets held at the end of the year
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Settlements		
Assets									
Financial investments at fair value through profit or loss – structured notes issued by securities companies	-	-	-	3,817	-	100,000	-	103,817	3,817
Financial investments at fair value through other comprehensive income – equity investments	37,750	-	-	-	-	-	-	37,750	-
Total	37,750	-	-	3,817	-	100,000	-	141,567	3,817

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

During the six months ended June 30, 2024 and year ended December 31, 2023, the carrying amount of financial instrument valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

The valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3.

Quantitative information of Level 3 fair value measurement is as below:

	Fair value at June 30, 2024	Valuation techniques	Unobservable inputs
Financial investments measured at fair value through other comprehensive income			
– Equity investments	37,750	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through profit or loss			
– structured notes issued by securities companies	103,817	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through other comprehensive income			
– Equity investments	37,750	Discounted cash flow	Risk-adjusted discount rate, cash flow

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***37 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (Continued)**

During the six months ended June 30, 2024, there were no significant changes in the valuation techniques (2023: nil).

As at June 30, 2024 and December 31, 2023, unobservable inputs such as risk-adjusted discount rate and cash flow were used in the valuation of financial assets at fair value classified as Level 3, which were mainly equity investments and wealth management products. The fair value of these financial assets fluctuates according to the changes in the unobservable inputs.

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

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

As at period ended June 30, 2024, the level 3 financial instrument has no sensitivity of fair value.

	At December 31, 2023			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial investments measured at fair value through profit or loss				
– Structured notes issued by securities companies	38	(38)	–	–

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 ENTRUSTED LENDING BUSINESS

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

	At June 30, 2024	At December 31, 2023
Entrusted loans	41,408,399	44,213,505
Entrusted funds	41,408,399	44,213,505

39 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Credit commitments

The Bank's credit commitments take the form of approved loans with signed contracts, credit card commitments, bank acceptances, letters of credit and financial guarantees.

The contractual amounts of loans commitments represent the amounts should the contracts be fully drawn upon. The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from the customers.

	At June 30, 2024	At December 31, 2023
Credit card commitments	14,410,047	12,891,294
Sub-total	14,410,047	12,891,294
Acceptances	8,569,730	9,627,067
Letters of credit	814,606	899,874
Letters of guarantees	954,514	894,401
Total	24,748,897	24,312,636

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

Notes to the unaudited Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***39 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)****(b) Credit risk-weighted amount**

	At June 30, 2024	At December 31, 2023
Credit risk-weighted amounts	6,712,925	7,598,827

The credit risk-weighted amount represents the amount calculated with reference to the guidelines issued by the former CBRC.

(c) Capital commitments

As at June 30, 2024 and December 31, 2023, the Bank's authorised capital commitments are as follows:

	At June 30, 2024	At December 31, 2023
Contracted but not paid for	138,766	201,071
Authorised but not contracted for	5,612	2,713
Total	144,378	203,784

(d) Outstanding litigations and disputes

As at June 30, 2024, the Bank was the defendant in certain pending litigations and disputes with an estimated gross amount of RMB210.93 million (December 31, 2023: RMB209.73 million). The Bank has assessed the above outstanding litigation cases that may lead to the loss of economic benefits. Management believes that the Bank is extremely unlikely to be liable for compensation. Therefore, the Bank did not recognise any litigation provision.

40 SUBSEQUENT EVENTS

The Bank has no material events for disclosure subsequent to the end of reporting period.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

41 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2024

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the six months ended June 30, 2024 and which have not been adopted in these financial statements. These include the following which may be relevant to the Bank.

	Effective for Accounting period beginning on or after
Amendments to IAS 21, Lack of Exchangeability	January 1, 2025
Amendments to IFRS 7 and IFRS 9, Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18, Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Bank has already commenced an assessment of the impact of these new IFRS Accounting Standards but is not yet in a position to state whether these new IFRS Accounting Standards would have a material impact on its results of operations and financial position.

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

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

In accordance with the Hong Kong Listing Rules and Banking (Disclosure) Rules, the Bank discloses the unaudited supplementary financial information as follows:

1 LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO

Liquidity coverage ratio

	30 June 2024,	Average for the six months ended 30 June, 2024
Liquidity coverage ratio (RMB and foreign currency)	273.59%	296.74%
	31 December, 2023	Average for the year ended 31 December, 2023
Liquidity coverage ratio (RMB and foreign currency)	365.70%	392.55%

Pursuant to the Administrative Measures for Liquidity Risk Management of Commercial Banks, the liquidity coverage ratio of commercial banks shall reach 100%..

Leverage Ratio

	At June 30, 2024	At December 31, 2023
Leverage Ratio	8.12%	7.95%

As of 30 June 2024, the Bank calculated the leverage ratio in accordance with the "Regulation Governing Capital of Commercial Banks", and the leverage ratio as of 31 December 2023 was calculated in accordance with the "Regulation Governing Leverage Ratios of Commercial Banks".

Pursuant to the "Regulation Governing Capital of Commercial Banks" issued by the NFRA and was effective since 1 January 2024, a minimum leverage ratio 4% is required for commercial banks. The leverage ratio are calculated in accordance with the formula promulgated by the NFRA and based on the financial information prepared in accordance with PRC GAAP.

Unaudited Supplementary Financial Information (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 CURRENCY CONCENTRATIONS

	At June 30, 2024			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	238,443	–	195,164	433,607
Spot liabilities	5,059	–	195,162	200,221
Net position	233,384	–	2	233,386

	At December 31, 2023			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	235,714	–	148,571	384,285
Spot liabilities	6,315	–	148,571	154,886
Net position	229,399	–	–	229,399

The Bank has no structural position at June 30, 2024 and December 31, 2023.

3 INTERNATIONAL CLAIMS

The Bank is principally engaged in business operations within Mainland China and regards all claims on third parties outside Mainland China as international claims.

International claims include loans and advances to customers, and amounts due from banks and other financial institutions.

A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account all 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, 2024 and December 31, 2023, the Bank has no international claims in all areas outside China.

Unaudited Supplementary Financial Information (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***4 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES**

	At June 30, 2024	At December 31, 2023
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– Within three months (inclusive)	3,514,011	2,130,515
– Overdue more than three months to one year(inclusive)	4,077,405	3,099,909
– Overdue more than one year	1,309,623	1,215,429
	<hr/>	<hr/>
Total	8,901,039	6,445,853
	<hr/> <hr/>	<hr/> <hr/>
As a percentage of gross loans and advances		
– Within three months (inclusive)	1.01%	0.64%
– Overdue more than three months to one year (inclusive)	1.17%	0.93%
– Overdue more than one year	0.37%	0.37%
	<hr/>	<hr/>
Total	2.55%	1.94%
	<hr/> <hr/>	<hr/> <hr/>

Appendix: List of Branches and Sub-branches

No.	Region	Name of Institution	Address of Institution
1	Guiyang	Guiyang branch Business Department of Bank of Guizhou Co., Ltd.	Shops (No. 1–2) on 1/F, 39–45/F, 47–49/F, Guizhou Tourism Building, No. 68 Beijing Road, Yunyan District, Guiyang, Guizhou Province
2	Guiyang	Guiyang Zunyi Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 1/F, No. 1 2/F, No. 1 3/F, Unit A & B, Chengshi Fangzhou, No. 25 Zunyi Road, Nanming District, Guiyang, Guizhou Province
3	Guiyang	Guiyang Qianjiang Road sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 2, 1/F, Building 5 (former Building 1), Yunkaixiyuan Phrase II, No. 29 Qianjiang Road, Guiyang Economic & Technology Development Zone, Guiyang, Guizhou Province
4	Guiyang	Guiyang Ruijin sub-branch of Bank of Guizhou Co., Ltd.	Nos. 2&3 1/F and 14/F, Yuhui Commercial Center, No. 68 Ruijin North Road, Yunyan District, Guiyang, Guizhou Province
5	Guiyang	Guiyang Huaxi sub-branch of Bank of Guizhou Co., Ltd.	Shops 1–6, 1–7, 1–8, 1–9, 1–10, 1/F & Shops 1–24, 1–25, 1–26, 1–27, 2/F, Building 1, Huaxi District Liangjiapo Big Data Comprehensive Industry Zone, Junction of Mingzhu Avenue and Huatong Road, Huaxi District, Guiyang, Guizhou Province
6	Guiyang	Guiyang Yunyan sub-branch of Bank of Guizhou Co., Ltd.	No. 77 Ruijin Middle Road, Guiyang, Guizhou Province
7	Guiyang	Guiyang Nanming sub-branch of Bank of Guizhou Co., Ltd.	Shops 6, 7, 8, 9, 11, Block C, Junyue Huating, No. 19 Xinhua Road, Nanming District, Guiyang, Guizhou Province
8	Guiyang	Guiyang Youyi sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1–7 Youyi Road, Yunyan District, Guiyang, Guizhou Province
9	Guiyang	Guiyang Baoshan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Zhongke Jiayuan annex building (on the side facing Guanshui Road), Institute of Geochemistry Chinese Academy of Sciences, No. 46 Guanshui Road, Nanming District, Guiyang, Guizhou Province
10	Guiyang	Guiyang Fushui Road sub-branch of Bank of Guizhou Co., Ltd.	Annex building of Hengfeng Yipin, No. 31 Fushui South Road, Nanming District, Guiyang, Guizhou Province
11	Guiyang	Guiyang Jinyang Keji sub-branch of Bank of Guizhou Co., Ltd.	Building No. 1, Western China (Guiyang) High-tech Production and R&D base, No. 28 Changling South Road, National High-tech Zone, Guiyang, Guizhou Province
12	Guiyang	Guiyang Shijicheng Xingfu Road sub-branch of Bank of Guizhou Co., Ltd.	1–2/F, Units 7–11, Comprehensive Market periphery, Group M, Shijicheng, Guanshanhu District, Guiyang, Guizhou Province
13	Guiyang	Guiyang Taiciqiao sub-branch of Bank of Guizhou Co., Ltd.	No. 2, B1, Yijingchuntian, No. 560, North Section of Huaxi Avenue, Nanming District, Guiyang, Guizhou Province
14	Guiyang	Guiyang Xiaohe sub-branch of Bank of Guizhou Co., Ltd.	1/F, Building No. 1, Daxing Commercial Building, No. 418 Huanghe Road, Xiaohe District, Guiyang, Guizhou Province
15	Guiyang	Guiyang Shixin sub-branch of Bank of Guizhou Co., Ltd.	Shops 15–18, Basement 1, Block 8–12, Phase One, Manpo Xiaoshicheng, Guiyang, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
16	Guiyang	Guiyang Zhongtian Garden sub-branch of Bank of Guizhou Co., Ltd.	No. 14 overhead 1/F, Zhongtian Garden Sports Field, No. 289, South section of Xintian Avenue, Yunyan District, Guiyang, Guizhou Province
17	Guiyang	Guiyang Xinxingyuan sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Basement 3, Block 4, Xinxingyuan, No. 198 North section of Xintian Avenue, Wudang District, Guiyang, Guizhou Province
18	Guiyang	Guiyang Exhibition Center sub-branch of Bank of Guizhou Co., Ltd.	No. 65 Zunyi Road, Nanming District, Guiyang, Guizhou Province
19	Guiyang	Guiyang Guikai Road sub-branch of Bank of Guizhou Co., Ltd.	Commercial units on 1/F & residential units on 11/F, No. 47 Guiwu North Road, Yunyan District, Guiyang, Guizhou Province
20	Guiyang	Guiyang Yunhuan Road Community sub-branch of Bank of Guizhou Co., Ltd.	Nos. F-1-14, F-1-15, F-1-16, F-1-20, F-1-21, F-1-22, F-1-23, Beishang Huacheng Shopping Center, Yunhuan Road, Baiyun District, Guiyang, Guizhou Province
21	Guiyang	Guiyang Shinan Road community sub-branch of Bank of Guizhou Co., Ltd.	No. 11 1/F, No. 69 Shinan Road, Nanming District, Guiyang, Guizhou Province
22	Guiyang	Guiyang Wudang sub-branch of Bank of Guizhou Co., Ltd.	No. 1 1/F and 2/F, Commodity Building Block 22, No. 22 Xintian Avenue, Wudang District, Guiyang, Guizhou Province
23	Guiyang	Guiyang Jinyang North Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-1, 1-2, 1-3, 1-4, No. 6, Guanfu No. 1, PowerChina Real Estate, No. 378, Jinyang North Road, Guanshanhu District, Guiyang, Guizhou Province
24	Guiyang	Guiyang Zhongdu sub-branch of Bank of Guizhou Co., Ltd.	1/F, Zhongdu Building, No. 149 Zhonghua South Road, Nanming District, Guiyang, Guizhou Province
25	Guiyang	Guiyang Zaoshan Road Community sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 2, 1/F, Tiedao Building, No. 31 Zaoshan Road, Yunyan District, Guiyang, Guizhou Province
26	Guiyang	Guiyang Zhongtie Yidu Community sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1, 2, 19, 20, 1/F, Unit 8, Block DS-6, 8, 10, 12, 14, Group D, Zhongtie Yidu International, No. 300 Shilin Road, Guanshanhu District, Guiyang, Guizhou Province
27	Guiyang	Guiyang Jinyang South Road Community sub-branch of Bank of Guizhou Co., Ltd.	Nos. 44, 45, 46, 47, 48, 1/F, Guoxi Center Construction Project, Phase I, Next to the side facing Jinyang South Road, Karst Park, Guanshanhu District, Guiyang, Guizhou Province
28	Guiyang	Guiyang Huizhan City sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block D1, SOHO Area, Jinyang International Convention and Exhibition Center, Guanshanhu District, Guiyang, Guizhou Province
29	Guiyang	Guiyang Xifeng sub-branch of Bank of Guizhou Co., Ltd.	No. 1-1 1/F, Block 1, Kunlun Building, Hucheng Avenue, Yongjing Town, Xifeng County, Guiyang, Guizhou Province
30	Guiyang	Guiyang Liyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, 601 Complex Building, Guiyang Liyang Aero Engine Co., Ltd., Baiyun District, Guiyang, Guizhou Province
31	Guiyang	Kaiyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, No. 395 Kaizhou Avenue, Kaiyang County, Guiyang, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
32	Guiyang	Xiuwen sub-branch of Bank of Guizhou Co., Ltd.	1/F, Unit 1, Block 1, Chaoyang Road, Xiuwen County, Guiyang, Guizhou Province
33	Guiyang	Guiyang Qingzhen sub-branch of Bank of Guizhou Co., Ltd.	1/F, high-rise residence Block A, Hongshu Dongfang, Yunling East Road, Qingzhen City, Guiyang, Guizhou Province
34	Guiyang	Gui'an New Area sub-branch of Bank of Guizhou Co., Ltd.	Temporary financial services area in the new district near Baima Road, Gui'an New Area, Guizhou Province
35	Guiyang	Guiyang Huaguoyuan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1005A & 1005B, phase one, Huaguoyuan Project, Zhongshan South Road, Guiyang, Guizhou Province
36	Guiyang	Guiyang Shuanglong Air Harbor sub-branch of Bank of Guizhou Co., Ltd.	Shop B, No. 28, -3/F, Building B, phase one, Longdongbao E-Business Port, No. 9 Airport Road, Nanming District, Guiyang, Guizhou Province
37	Guiyang	Guiyang Shibe Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Shibe Road, Yunyan District, Guiyang, Guizhou Province
38	Guiyang	Guiyang Beijing Road sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Beijing Road, Yunyan District, Guiyang, Guizhou Province
39	Guiyang	Guiyang Baiyun sub-branch of Bank of Guizhou Co., Ltd.	Nos. 2&3, 1/F, No. 65 Zhonghuan Road, Baiyun District, Guiyang, Guizhou Province
40	Guiyang	Guiyang Lanhua Plaza sub-branch of Bank of Guizhou Co., Ltd.	Shops S113, S114, S115, S116, Block 4, J Section, Huaguoyuan, Nanming District, Guiyang, Guizhou Province
41	Guiyang	Guiyang Weilai Fangzhou sub-branch of Bank of Guizhou Co., Ltd.	Nos. 16–18 Basement 7, Group E4, Weilai Fangzhou, Yu'an Anjin Area, Yunyan District, Guiyang, Guizhou Province
42	Guiyang	Guiyang Zhujiang Road sub-branch of Bank of Guizhou Co., Ltd.	Room 7&8 1/F, Block 14, Wanke Daduhui, No. 368 Zhujiang Road, Huaxi District, Guiyang, Guizhou Province
43	Guiyang	Guiyang Beijing West Road sub-branch of Bank of Guizhou Co., Ltd.	Around the corner on 1/F, Building No. 5, Longquan Resettlement Community, intersection between Beijing West Road and Jinyuan Street, Guanshanhu District, Guiyang, Guizhou Province
44	Guiyang	Guiyang Daqing Road sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 5, 1/F, No. 17 Meishu Yangguang Community, No. 288 Daqing Road, Nanming District, Guiyang, Guizhou Province
45	Guiyang	Guiyang Huansha Road sub-branch of Bank of Guizhou Co., Ltd.	1/F of attached building, No. 157 Huansha Road, Yunyan District, Guiyang, Guizhou Province
46	Guiyang	Guiyang Xiaochehe Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 103 & 104, 1/F, Block 2, R2 Section, Xiaochehe Road, Huaguoyuan, Nanming District, Guiyang, Guizhou Province
47	Guiyang	Guiyang Dongshan Road sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1–23, Block 1–4, Group Nine & Ten, Zhongtian Shiji New Town, No. 198 Dongshan Road, Yunyan District, Guiyang, Guizhou Province
48	Guiyang	Guiyang Huaxi Avenue sub-branch of Bank of Guizhou Co., Ltd.	No. 3078, Qingxi Road, Huaxi District, Guiyang, Guizhou Province
49	Guiyang	Guiyang Zhongshan West Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 affiliated to No. 23 1/F, Huayi Building, No. 77 Zhongshan West Road, Nanming District, Guiyang, Guizhou Province
50	Guiyang	Guiyang Yanwu Street sub-branch of Bank of Guizhou Co., Ltd.	No. 35 Yanwu Street, Yunyan District, Guiyang, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
51	Guiyang	Guiyang Huguo Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Basement 1, Shangri-La Building, No. 82 Huguo Road, Nanming District, Guiyang, Guizhou Province
52	Guiyang	Guiyang Youlin Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Basement 1, Group G4, Weilai Fangzhou, Yu'an Anjin Area, Yunyan District, Guiyang, Guizhou Province
53	Guiyang	Qingzhen Yunling Middle Road sub-branch of Bank of Guizhou Co., Ltd.	No. 91 Qingzhen Yunling Middle Road. Qingzhen, Guizhou Province
54	Guiyang	Guiyang Shachong North Road sub-branch of Bank of Guizhou Co., Ltd.	No. 2, 1/F, Block I, J, K, G, California Sunshine New Town, No. 145 Shachong North Road, Guiyang, Guizhou Province
55	Zunyi	Zunyi branch Business Department of Bank of Guizhou Co., Ltd.	Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province
56	Zunyi	Zunyi Hangtian sub-branch of Bank of Guizhou Co., Ltd.	No. 36 Beijing Road, Honghuagang District, Zunyi, Guizhou Province
57	Zunyi	Zunyi Waihuan Road sub-branch of Bank of Guizhou Co., Ltd.	Unit 4, 1/F, Block Caiyunjian, Dasenxin Town, Waihuan Road, Honghuagang District, Zunyi, Guizhou Province
58	Zunyi	Zunyi Nangongshan sub-branch of Bank of Guizhou Co., Ltd.	Units 004, 005 & 006, 1/F, Block 5, Zone B, Xinxueyu Southwestern Agricultural Products Trading Center, Zunyi Xiangjiang Industry Zone, Nanguan Street Office, Honghuagang District, Zunyi, Guizhou Province
59	Zunyi	Meitan County sub-branch of Bank of Guizhou Co., Ltd.	Shops 3, 4, 5, 6, 7 & 8, Old Town (Shanty Town) Alternation Project, Former Industry and Commerce Bureau Area, Meitan County, Zunyi, Guizhou Province
60	Zunyi	Zunyi Huichuan sub-branch of Bank of Guizhou Co., Ltd.	Haixin Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province
61	Zunyi	Zunyi Hong Kong Road sub-branch of Bank of Guizhou Co., Ltd.	Baoli Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province
62	Zunyi	Zunyi Jinshan sub-branch of Bank of Guizhou Co., Ltd.	Shops 17–18, 1/F, East Section of Guangzhou Road, Huichuan District, Zunyi, Guizhou Province
63	Zunyi	Zunyi Nanjing Road sub-branch of Bank of Guizhou Co., Ltd.	1/F, Office Building, Land and Resources Branch, Zunyi Economic–Technological Development Area, Junction of Nanjing Road and Ningbo Road, Huichuan District, Zunyi, Guizhou Province
64	Zunyi	Zunyi Zhongnan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 84–88 Zhonghua South Road, Honghuagang District, Zunyi, Guizhou Province
65	Zunyi	Zunyi Xinhua sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54–56 Xinhua Road, Honghuagang District, Zunyi, Guizhou Province
66	Zunyi	Zunyi Tianyu sub-branch of Bank of Guizhou Co., Ltd.	Commercial Units 1, 2 & 3, 1/F, Block A, Jingteng Construction Materials Market, Waihuan Road, Honghuagang District, Zunyi, Guizhou Province
67	Zunyi	Zunyi Donggongsi sub-branch of Bank of Guizhou Co., Ltd.	Unit 1–1, Block 1, Feiyang Tiandi, Huichuan Avenue, Zunyi, Guizhou Province
68	Zunyi	Zunyi Zhongbei sub-branch of Bank of Guizhou Co., Ltd.	Shops 6, 7, 8 & 9, 1/F, Family Dormitory Building, Dongjiu Factory, Zhonghua North Road, Honghuagang District, Zunyi, Guizhou Province
69	Zunyi	Zunyi Shanghai Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 7 & 8, 1/F, Block B, Phase II of Longquan Changqingteng Garden, Shanghai Road, Huichuan District, Zunyi, Guizhou Province
70	Zunyi	Zunyi Court Street sub-branch of Bank of Guizhou Co., Ltd.	Shops B11, B12, B13 & B14, 1/F, Zone B, Longhua Laocheng New Street, Honghuagang District, Zunyi, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
71	Zunyi	Zunyi Xima Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, Block B, Meilunhuaxiang, Xima Road, Zunyi, Guizhou Province
72	Zunyi	Zunyi Honghuagang sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Haier Avenue, Honghuagang District, Zunyi, Guizhou Province
73	Zunyi	Zunyi Nanzhou Road sub-branch of Bank of Guizhou Co., Ltd.	No. 270 Nanzhou Road, Honghuagang District, Zunyi, Guizhou Province
74	Zunyi	Zunyi Haier Avenue sub-branch of Bank of Guizhou Co., Ltd.	2-1 Yongcheng Building, Yongshengting Ruiyuan, Haier Avenue, Honghuagang District, Zunyi, Guizhou Province
75	Zunyi	Zunyi Lanjiabao sub-branch of Bank of Guizhou Co., Ltd.	Shops 8-9, Block 18, Lanjiabao Community, Honghuagang District, Zunyi, Guizhou Province
76	Zunyi	Zunyi Yinghong Bridge sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-392, 1/F, Phase I Podium, Zone A, Zhongtian Wanli Xiangjiang, Wanli Road, Honghuagang District, Zunyi, Guizhou Province
77	Zunyi	Zunyi Bozhou sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-10, 1/F, Block 5, Modern Town Square, Avenue South Section, Bozhou District, Zunyi, Guizhou Province
78	Zunyi	Zunyi Goujiang sub-branch of Bank of Guizhou Co., Ltd.	Junction of Dongnan Avenue and Goujiang Avenue, Goujiang Town, Bozhou District, Zunyi, Guizhou Province
79	Zunyi	Zunyi Majiawan sub-branch of Bank of Guizhou Co., Ltd.	No. 262 Tianchi Avenue, Longkeng Street, Bozhou District, Zunyi, Guizhou Province
80	Zunyi	Renhuai sub-branch of Bank of Guizhou Co., Ltd.	Commercial & Administrative Complex, Jiudu Xinjing Town Garden, east side of Guojiu Avenue, Jiudu New District, Renhuai, Zunyi, Guizhou Province
81	Zunyi	Renhuai Guojiu Road sub-branch of Bank of Guizhou Co., Ltd.	No. 6-7 Guojiu Middle Road, Renhuai, Zunyi, Guizhou Province
82	Zunyi	Renhuai Maotai sub-branch of Bank of Guizhou Co., Ltd.	Shop 122, Maotai Lobby Commercial Square, South of 1915 Square, Maotai Town, Renhuai, Zunyi, Guizhou Province
83	Zunyi	Renhuai Zhongshu sub-branch of Bank of Guizhou Co., Ltd.	A26-1-1-1, A26-1-1-2, A26-1-1-3, A26-1-1-4 and A26-1-1-5, Huibang International Building, Chengnan Community, Yanjin Street Office, Renhuai, Zunyi, Guizhou Province
84	Zunyi	Chishui City sub-branch of Bank of Guizhou Co., Ltd.	Shop 8, Jinwei Jiezu, Xiangyang Road, Chishui, Zunyi, Guizhou Province
85	Zunyi	Tongzi County sub-branch of Bank of Guizhou Co., Ltd.	Block 4, Zone 11, Wenbi Road, Loushanguan Town, Tongzi County, Zunyi, Guizhou Province
86	Zunyi	Tongzi County Loushan sub-branch of Bank of Guizhou Co., Ltd.	Shops 40, 41 and 42, Central Commercial Town, Shiji Xincheng, South Section of Dongqing Road, Tongzi County, Zunyi, Guizhou Province
87	Zunyi	Xishui County sub-branch of Bank of Guizhou Co., Ltd.	Units 1-13, 1/F, "Huijing Xincheng • Wealth Square", Cross of Ruijin Road and Zunyi Road, Xiancheng West Area, Xishui County, Zunyi, Guizhou Province
88	Zunyi	Yuqing sub-branch of Bank of Guizhou Co., Ltd.	Xinglong Road, Baini Town, Yuqing County, Zunyi, Guizhou Province
89	Zunyi	Fenggang sub-branch of Bank of Guizhou Co., Ltd.	Xinggongwan Community, Longquan Town, Fenggang County, Zunyi, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
90	Zunyi	Zheng'an sub-branch of Bank of Guizhou Co., Ltd.	Nos. B-11, B-12 & B-13, Shizishan Relocation Community, Shiji Fuyuan, Tongdu Avenue, Chengdong Area, Fengyi Town, Zheng'an County, Zunyi, Guizhou Province
91	Zunyi	Zunyi Shenyang Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 17#, 18# & 19#, Block 60, Tianyang Community, Shenyang Road, Huichuan District, Zunyi, Guizhou Province
92	Zunyi	Chishui Hongjun Avenue sub-branch of Bank of Guizhou Co., Ltd.	Units 1-9, 1-10 & 1-11, Mingyi Building, "Junhao Town Garden", Hongjun Avenue, Chishui, Zunyi, Guizhou Province
93	Zunyi	Zunyi Nanbai sub-branch of Bank of Guizhou Co., Ltd.	Nos. 0-1-34, 0-1-35 and 0-2-2, Block 1-2, Shanty Town Transformation Project in Wanxiang Square Area, Nanbai Street Office, Bozhou District, Zunyi, Guizhou Province
94	Zunyi	Wuchuan sub-branch of Bank of Guizhou Co., Ltd.	Shops 2-1-8, 2-1-9 & 2-1-10, 1/F, Block 2, Wuxing Xingang, Dongsheng Avenue, Yangcun Village, Duru Town, Wuchuan Mulao and Miao Autonomous County, Zunyi, Guizhou Province
95	Zunyi	Daozhen sub-branch of Bank of Guizhou Co., Ltd.	Basement 1, Block 1, Linda Yangguang Jiayuan, Zunyi Road, Yuxi Town, Daozhen Mulao and Miao Autonomous County, Zunyi, Guizhou Province
96	Zunyi	Suiyang sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-1, 1-2, 1-3, 1-4, 1-15, 1-16, 1-17 & 1-18, Zone K, Group II Project, Phase I of "Luyuan Town Square" Binhe 1st Road, Yangchuan Town, Suiyang County, Zunyi, Guizhou Province
97	Zunyi	Zunyi Xiazi sub-branch of Bank of Guizhou Co., Ltd.	South side of 1/F, Block 5#, R&D Zone, Xinqu Economic Development Area, Xiazi Town, Honghuagang District, Zunyi, Guizhou Province
98	Zunyi	Xishui County Fuxi Road sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guifu Haoyuan, Fuxi Road, Xishui County, Zunyi, Guizhou Province
99	Zunyi	Zunyi Hexing Avenue sub-branch of Bank of Guizhou Co., Ltd.	Shops B33-1-70 & B33-2-54, Zhongjian • Happiness Town, west side of Hexing Avenue, Xinqu New District, Zunyi, Guizhou Province
100	Zunyi	Zunyi Dongxin Avenue sub-branch of Bank of Guizhou Co., Ltd.	Commercial Units -2-11, -2-12 & -2-13, Block D49&50, Zone 4, Group D, Dongxin Caihong Town, Dongxin Avenue, Honghuagang District, Zunyi, Guizhou Province
101	Zunyi	Meitan County Zunyihong Road sub-branch of Bank of Guizhou Co., Ltd.	Units 2-2-14, 2-2-15 & 2-2-16, -2/F, Block 2, Meijiang Haoyuan (Podium), Zunyihong Road, Meijiang Town, Meitan County, Zunyi, Guizhou Province
102	Zunyi	Zunyi Biyun sub-branch of Bank of Guizhou Co., Ltd.	Shops 2-3, Housing Office Alternation, Chengdu Military Region, No. 01-1-08 Biyun Road, Honghuagang District, Zunyi, Guizhou Province
103	Zunyi	Zunyi Xinqu sub-branch of Bank of Guizhou Co., Ltd.	No. 1-2, Building 1, Linda Yangguang New Town, Xinqu New Area, Bozhou Avenue, Xinqu New Area, Zunyi, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
104	Anshun	Anshun sub-branch Business Department of Bank of Guizhou Co., Ltd.	1-5/F, Block B, Yinxiang Anshun·Wealth Center, Huangguoshu Street, Xixiu District, Anshun, Guizhou Province
105	Anshun	Anshun Xihang Road sub-branch of Bank of Guizhou Co., Ltd.	No. 136, Xihang Road, Economic and Technological Development Zone, Anshun, Guizhou Province
106	Anshun	Pingba sub-branch of Bank of Guizhou Co., Ltd.	Zhongshan Building, Zhongshan Road, Pingba District, Anshun, Guizhou Province
107	Anshun	Puding County sub-branch of Bank of Guizhou Co., Ltd.	No. 116, Guangming Road, Chengguan Town, Puding County, Anshun, Guizhou Province
108	Anshun	Zhenning County sub-branch of Bank of Guizhou Co., Ltd.	Shops 24-31, 1/F, Longcheng Impression, south side of Yanhe Road, Zhenning County, Anshun, Guizhou Province
109	Anshun	Guanling County sub-branch of Bank of Guizhou Co., Ltd.	No. 12, Binhe Road, Guansuo Town, Guanling County, Anshun, Guizhou Province
110	Anshun	Anshun Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Tashan East Road, Xixiu District, Anshun, Guizhou Province
111	Anshun	Anshun Dongguan sub-branch of Bank of Guizhou Co., Ltd.	Dongsheng Xingyuan at intersection of Ruofei East Road and Jianshe Road, Anshun, Guizhou Province
112	Anshun	Anshun Tuobao Mountain sub-branch of Bank of Guizhou Co., Ltd.	Xixiu District Government Financial Center, Tuobao Mountain, Huangguoshu Street, Xixiu District, Anshun
113	Anshun	Anshun Xiaoshizi sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-4&1-5, Block 1-B, Xichun Garden, Zhonghua North Road, Anshun
114	Anshun	Anshun Fenghuangshan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54, 55, 56, 57, "Longfeng Chengxiang" Basement 2, Longquan Road, Anshun, Guizhou Province
115	Anshun	Anshun Longqing Road sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1-9&1-10, Yincheng Dijing, Longqing Road, Xixiu District, Anshun, Guizhou Province
116	Anshun	Anshun Development Zone sub-branch of Bank of Guizhou Co., Ltd.	Basement 3-2, Block A3, Jiangshan Garden (Panshan Longting) on Jianyanpo, west side of North 2nd Ring Road, Anshun, Guizhou Province
117	Anshun	Anshun Xixiu sub-branch of Bank of Guizhou Co., Ltd.	Office Building No. 1, No. 64 Zhonghua South Road, Anshun, Guizhou Province
118	Anshun	Anshun Nanhua sub-branch of Bank of Guizhou Co., Ltd.	Block A, Shun'an Shiji New Town, Nanhua Road, Anshun, Guizhou Province
119	Anshun	Anshun Jian'an sub-branch of Bank of Guizhou Co., Ltd.	Block 1, Plot 3, Group three, phase two, Dongguan Economically Affordable Housing Community, Zhonghua East Road, Xixiu District, Anshun, Guizhou Province
120	Anshun	Anshun Qianzhong sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-8, 1-9 and 1-10, Cuilu Jincheng, Anshun, Guizhou Province
121	Anshun	Ziyun sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 101, 1/F, Block C, Hongtai Trade Mart, middle section of Getu Avenue, Ziyun County
122	Anshun	Huangguoshu New City sub-branch of Bank of Guizhou Co., Ltd.	No. 1, 1/F, Suofei'er Hotel, Huangguoshu New City, Guanling County, Guizhou Province
123	Anshun	Anshun Ruofei sub-branch of Bank of Guizhou Co., Ltd.	New Administrative Center of the Municipal Government on intersection of Wudang Road and North 2nd Ring Road, Anshun

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
124	Qiannan	Qiannan branch Business Department of Bank of Guizhou Co., Ltd.	1–5/F, Block 1, Guanlan Shengdingcheng Office Building, No. 25, Xishan Avenue, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
125	Qiannan	Duyun Jianjiang sub-branch of Bank of Guizhou Co., Ltd.	1/F and 3/F, Poly Star Mansion, No. 70, Doupengshan Road, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
126	Qiannan	Longli sub-branch of Bank of Guizhou Co., Ltd.	Shop 1 Basement 2 & Shop 2 Basement 2, Block A & Block B, Laiyinbao Community, Jinlong West Road, Guanshan Street, Longli County, Qiannan Prefecture, Guizhou Province
127	Qiannan	Fuquan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, 6#, Block 4, Zhongxincheng • Tianjie, Chaoyang Road, Fuquan, Qiannan Prefecture, Guizhou Province
128	Qiannan	Guiding sub-branch of Bank of Guizhou Co., Ltd.	No. 71 Hongqi Road, Guiding County, Qiannan Prefecture, Guizhou Province
129	Qiannan	Weng'an sub-branch of Bank of Guizhou Co., Ltd.	Block 1, Zone B, Lvcheng Central Park, Hexi New District, Yongyang Town, Weng'an County, Qiannan Prefecture, Guizhou Province
130	Qiannan	Huishui sub-branch of Bank of Guizhou Co., Ltd.	Shops in 1/F and 2/F, Jinhui Building, Huixing Road, Huishui County, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
131	Qiannan	Changshun sub-branch of Bank of Guizhou Co., Ltd.	Units 2, 3 & 4, 1/F, Block 2, Xinhe Building, Chengnan Avenue, Chengnan New District, Changshun County, Qiannan Prefecture, Guizhou Province
132	Qiannan	Sandu sub-branch of Bank of Guizhou Co., Ltd.	Units 1 & 2, 1/F, Commercial Building, 68 Fudi, Zhonghua Road, Sanhe Town, Sandu County, Qiannan Prefecture, Guizhou Province
133	Qiannan	Pingtang sub-branch of Bank of Guizhou Co., Ltd.	Shops 22–25, 1/F & Shops 21–22, 2/F, Podiums 3 & 4, Central Street Community, Pingtang County, Qiannan Prefecture, Guizhou Province
134	Qiannan	Dushan sub-branch of Bank of Guizhou Co., Ltd.	Unit 11, 1/F, Fuzun Huating Commerce, Zhongnan Road, Dushan County, Qiannan Prefecture, Guizhou Province
135	Qiannan	Luodian sub-branch of Bank of Guizhou Co., Ltd.	Shops in 1/F and 2/F, Fashion Shopping Center, Block B, Guizhou Mingqiang Real Estate Development, Co., Ltd., Hebin Road, Luodian County, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
136	Qiannan	Libo sub-branch of Bank of Guizhou Co., Ltd.	Units 101 & 102, No. 4 Zhangjiang East Road, Yuping Town, Libo County, Qiannan Prefecture, Guizhou Province
137	Qiannan	Duyun Dalong sub-branch of Bank of Guizhou Co., Ltd.	Shops 5–7 & 18–19, 1/F, Block 8, Yudufu, Dalong Avenue, Duyun, Qiannan Prefecture, Guizhou Province
138	Qiannan	Weng'an Middle Street sub-branch of Bank of Guizhou Co., Ltd.	Units 1–8 & 9, Block 7, Wenfeng Middle Road, Wengshui Huazhu Community, Weng'an County, Qiannan Prefecture, Guizhou Province
139	Qiannan	Duyun Shidai sub-branch of Bank of Guizhou Co., Ltd.	1/F, Times Square, No. 66 Jianjiang Middle Road, Duyun, Qiannan Prefecture, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
140	Qiandongnan	Qiandongnan branch Business Department of Bank of Guizhou Co., Ltd.	1/F-3/F, Fengqiu Xintiandi, Yingbin Avenue, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province
141	Qiandongnan	Kaili Ningbo Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 1 & 2, Block B1, Xinding Guoji Mingju, No. 33 Ningbo Road, Kaili, Guizhou Province
142	Qiandongnan	Kaili Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 11, Beijing East Road, Kaili City, Guizhou Province
143	Qiandongnan	Rongjiang sub-branch of Bank of Guizhou Co., Ltd.	Huilong Commercial Square, No. 9-1 Dongbingjiang Avenue, Rongjiang County, Guizhou Province
144	Qiandongnan	Danzhai sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Cultural, Sports, Broadcast, Television & Tourism Bureau Building, east side of middle section of Longquan Avenue, Danzhai County, Guizhou Province
145	Qiandongnan	Jianhe sub-branch of Bank of Guizhou Co., Ltd.	No. 3 Yang'ashadong Avenue, Gedong Town, Jianhe County, Guizhou Province
146	Qiandongnan	Tianzhu sub-branch of Bank of Guizhou Co., Ltd.	Old Office Building, Land Tax Bureau, Commercial Zone II Road, Fengcheng Town, Tianzhu County, Guizhou Province
147	Qiandongnan	Kaili Century Town sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, 1/F, Century Town, No. 22 Wenhua North Road, Kaili, Guizhou Province
148	Qiandongnan	Huangping sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Feiyun Road, Xinzhou Town, Huangping County, Guizhou Province
149	Qiandongnan	Taijiang sub-branch of Bank of Guizhou Co., Ltd.	No. 8 Miaojiang East Avenue, Taigong Town, Taijiang County, Guizhou Province
150	Qiandongnan	Liping sub-branch of Bank of Guizhou Co., Ltd.	Shops 12-15 and portion of 2/F, Block 8, Li'nan Jiayuan, Wukai South Road, Defeng Town, Liping County, Guizhou Province
151	Qiandongnan	Zhenyuan sub-branch of Bank of Guizhou Co., Ltd.	Former Hardware Factory's Dormitory, Lianhe Street, Wuyang Town, Zhenyuan County, Guizhou Province
152	Qiandongnan	Sansui sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-3 and portion of 3/F, Jinxiu Qiancheng, Fuzheng West Road, Bagong Town, Sanshui County, Guizhou Province
153	Qiandongnan	Congjiang sub-branch of Bank of Guizhou Co., Ltd.	Block 1 & Block 2, Trade Town, Jian'an Road, Bingmei Town, Congjiang County, Guizhou Province
154	Qiandongnan	Leishan sub-branch of Bank of Guizhou Co., Ltd.	No. 115 Leigongshan Avenue, Danjiang Town, Leishan County, Guizhou Province
155	Qiandongnan	Majiang sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Land and Resources Bureau Building, Fenghuang Avenue, Xingshan Town, Majiang County, Guizhou Province
156	Qiandongnan	Jinping sub-branch of Bank of Guizhou Co., Ltd.	Shops 13-18, State-owned company settlement building, north side of Binjiang Avenue, Sanjiang Town, Jinping County, Guizhou Province
157	Qiandongnan	Cengong sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, south side of Waihuan West Road (Yukai Express Exit-Dayuan Road Link), Cengong County, Guizhou Province
158	Qiandongnan	Shibing sub-branch of Bank of Guizhou Co., Ltd.	1/F, Office Building, Water Resources Bureau, Zhongsha Avenue, Chengguan Town, Shibing County, Guizhou Province
159	Qiandongnan	Kaili Weilaicheng sub-branch of Bank of Guizhou Co., Ltd.	Shops 90, 92-97, 101, 1/F, North Zone of the Commercial Plaza, Jiahe Shengshi Phase Two, No. 140, Kaimian Road, Kaili, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
160	Qiandongnan	Kaili Shaoshan Road sub-branch of Bank of Guizhou Co., Ltd.	Two commercial units with street frontage, 1/F, Kaili Hexie Dunpu Hotel, No. 70, Shaoshan South Road, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province
161	Tongren	Tongren branch Business Department of Bank of Guizhou Co., Ltd.	No. 256 Jinlin Avenue, Wanshan District, Tongren, Guizhou Province
162	Tongren	Dejiang sub-branch of Bank of Guizhou Co., Ltd.	No. 4 Wujiang North Road, Qinglong Street, Dejiang County, Tongren, Guizhou Province
163	Tongren	Songtao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block 1, Zone C, Binjiang Garden, Qixing Avenue, Liaogao Street Office, Songtao Miao Autonomous County, Tongren, Guizhou Province
164	Tongren	Tongren Dashizi sub-branch of Bank of Guizhou Co., Ltd.	Unit 101-3, Fulin Building, Jiefang Road, Bijiang District, Tongren, Guizhou Province
165	Tongren	Tongren Train Station sub-branch of Bank of Guizhou Co., Ltd.	7#, Planned Zone D, Railway Station Square, Bijiang District, Tongren, Guizhou Province
166	Tongren	Yuping sub-branch of Bank of Guizhou Co., Ltd.	1/F, Yuanda Caizhi Center, Yuping, Maoping New District, Yuping Dong Autonomous County, Tongren, Guizhou Province
167	Tongren	Yanhe sub-branch of Bank of Guizhou Co., Ltd.	Tuanjie Avenue, Development Area, Yanhe Tujia Autonomous County, Tongren, Guizhou Province (Opposite to County SAT Bureau)
168	Tongren	Si'nan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Water Resources Bureau Office Building, Guizhou Xinyue Group Shengshi Haoting, Chengbei Street, Si'nan County, Tongren, Guizhou Province
169	Tongren	Yinjiang sub-branch of Bank of Guizhou Co., Ltd.	Xiyuan Road, Eling Town, Yinjiang Tujia and Miao Autonomous County, Tongren, Guizhou Province (1/F, Commercial & Residential Building, Duowei Guoji)
170	Tongren	Tongren Jinjiang sub-branch of Bank of Guizhou Co., Ltd.	Ancillary Building, Jinjiang Hotel, No. 8 Jinjiang South Road, Tongren, Guizhou Province
171	Tongren	Jiangkou sub-branch of Bank of Guizhou Co., Ltd.	Foguang Road, Shuangjiang Street Office, Jiangkou County, Tongren, Guizhou Province
172	Tongren	Shiqian sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guoji Minghao, Fodingshan South Road, Wenbi Community, Quandu Street Office, Shiqian County, Tongren, Guizhou Province
173	Tongren	Tongren Bijiang sub-branch of Bank of Guizhou Co., Ltd.	Unit 3, 1/F, Block B, Bandao Haoyuan, No. 19 Nanchangcheng Road, Bijiang District, Tongren, Guizhou Province
174	Bijie	Bijie branch Business Department of Bank of Guizhou Co., Ltd.	Block A, Jinyuanda Time Square, Baili Dujuan Road, Qixingguan District, Bijie, Guizhou Province
175	Bijie	Qixingguan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block A, Shangcheng International, Biyang Avenue, Qixinguan District, Bijie, Guizhou Province
176	Bijie	Jinsha sub-branch of Bank of Guizhou Co., Ltd.	Block F0026, Zone B, Kaiming Tongxin City, Yuping Community, Guchang Street, Jinsha County, Bijie, Guizhou Province
177	Bijie	Zhijin sub-branch of Bank of Guizhou Co., Ltd.	Zijin Huafu, No. 2 Jinan Road, Chengguan Town, Zhijin County, Bijie, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
178	Bijie	Qianxi sub-branch of Bank of Guizhou Co., Ltd.	Fulin International, Wenhua Road, Qianxi City, Bijie, Guizhou Province
179	Bijie	Weining sub-branch of Bank of Guizhou Co., Ltd.	Building No. 1, Yangguang 100 International New City, Binhai Avenue, Weining County, Bijie, Guizhou Province
180	Bijie	Nayong sub-branch of Bank of Guizhou Co., Ltd.	1/F Yonghuafu, Jingsi Road, Yongxi Town, Nayong County, Bijie, Guizhou Province
181	Bijie	Dafang sub-branch of Bank of Guizhou Co., Ltd.	1/F, Dongfang Hotel, west side of middle section of Shexiang Avenue, Dafang County, Bijie, Guizhou Province
182	Bijie	Hezhang sub-branch of Bank of Guizhou Co., Ltd.	Longquan Road, Chengguan Town, Hezhang County, Bijie, Guizhou Province
183	Bijie	Bijie Jinhaihu New District sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 1, Jinhai Xinyuan, Jinhaihu New District, Bijie, Guizhou Province
184	Bijie	Bijie Hongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Hongshan Wealth International, No. 5 Hongshan Road, Qixinguan District, Bijie, Guizhou Province
185	Bijie	Weining Liuqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Jinse Yangguang Building, west side of Renmin North Road, Liuqiao Street, Weining County, Bijie, Guizhou Province
186	Bijie	Bijie Tianhe sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 9, Tianhe Farmer's Market, Tianhe Road, Qixinguan District, Bijie, Guizhou Province
187	Bijie	Baili Dujian sub-branch of Bank of Guizhou Co., Ltd.	1/F, Building No. 23, Pengcheng Community, Pudi Township, Dafang County, Bijie, Guizhou Province
188	Bijie	Jinsha Zhonghua sub-branch of Bank of Guizhou Co., Ltd.	No. 157 Zhonghua Road, Guchang Street, Jinsha County, Bijie, Guizhou Province
189	Bijie	Dafang Yingbin sub-branch of Bank of Guizhou Co., Ltd.	Shops No. 7-8, Jiuhuan International Phase I, Yingbin Avenue Road No. 4, Xinzhuang Village, Shunde Street, Dafang County, Bijie, Guizhou Province
190	Bijie	Zhijin Anju sub-branch of Bank of Guizhou Co., Ltd.	1/F, State-owned company settlement building No. 3-4, Anju Road, Shuangyan Street, Zhijin County, Bijie, Guizhou Province
191	Liupanshui	Liupanshui branch business department of Bank of Guizhou Co., Ltd.	Baolong International Building, No. 36 Zhongshan West Road, Liupanshui, Guizhou Province
192	Liupanshui	Liupanshui Liangdu sub-branch of Bank of Guizhou Co., Ltd.	No. 37, Zhongshan West Road, Liupanshui, Guizhou Province
193	Liupanshui	Liupanshui Qunli sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-1 & 1-2, Block A, Jiusheng Building, east side of Guangchang Road, Liupanshui, Guizhou Province
194	Liupanshui	Liupanshui Jinxing sub-branch of Bank of Guizhou Co., Ltd.	Nos. 8, 9, 10 affiliated to No. 14, Renmin Middle Road, Liupanshui, Guizhou Province
195	Liupanshui	Liupanshui Yinxing sub-branch of Bank of Guizhou Co., Ltd.	Room 103 affiliated to No. 25, Zhongshan Middle Road, Liupanshui, Guizhou Province
196	Liupanshui	Liuzhi Special Region sub-branch of Bank of Guizhou Co., Ltd.	A-08 & A-09, 1/F Gongkuang Building, No. 22 Renmin Road, Pingzhai Town, Liuzhi Special Region, Liupanshui, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
197	Liupanshui	Panzhou Shuangfeng sub-branch of Bank of Guizhou Co., Ltd.	No. 57 Yanhe South Road, Shuangfeng Town, Panzhou City, Liupanshui, Guizhou Province
198	Liupanshui	Panzhou sub-branch of Bank of Guizhou Co., Ltd.	1/F, Shangpin International Commercial Square, Shengjing Avenue, Yizi Street, Panzhou City, Liupanshui, Guizhou Province
199	Liupanshui	Liupanshui Guanting sub-branch of Bank of Guizhou Co., Ltd.	No. 101 affiliated to No. 24 Renmin East Road, Zhongshan District, Liupanshui, Guizhou Province
200	Liupanshui	Liupanshui Hecheng sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Block B, Mingdu Commercial Plaza, Zhongshan District, Liupanshui, Guizhou Province
201	Liupanshui	Liupanshui Huangtupo sub-branch of Bank of Guizhou Co., Ltd.	Opposite to Suning Appliance, intersection of Kangle South Road, Zhongshan District, Liupanshui, Guizhou Province
202	Liupanshui	Shuicheng sub-branch of Bank of Guizhou Co., Ltd.	No. 126 Jinshan Road, Shuangshui Development Area, Shuicheng District, Liupanshui, Guizhou Province
203	Liupanshui	Panzhou Boguo sub-branch of Bank of Guizhou Co., Ltd.	1/F, Jianhe Commercial Center, Yanjiang West Road, Boguo Town, Panzhou City, Liupanshui, Guizhou Province
204	Liupanshui	Liupanshui Gangcheng sub-branch of Bank of Guizhou Co., Ltd.	No. 452279, Shuigang Baxi Middle Road, Liupanshui, Guizhou Province
205	Liupanshui	Panzhou Panjiang sub-branch of Bank of Guizhou Co., Ltd.	No. 5 Panjiang North Road, Hanlin Street, Panzhou City, Guizhou Province
206	Liupanshui	Liupanshui Qilin sub-branch of Bank of Guizhou Co., Ltd.	1/F, Housing Provident Fund Management Center, Qilin Road, Zhongshan District, Liupanshui, Guizhou Province
207	Liupanshui	Liupanshui Zhongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F for commercial purpose, Block A3, Deyuan • Future City, Fenghuang New District, Zhongshan District, Liupanshui, Guizhou Province
208	Liupanshui	Liupanshui Jintai sub-branch of Bank of Guizhou Co., Ltd.	Jintai Building, No. 73, Zhongshan Middle Road, Liupanshui
209	Liupanshui	Liuzhi Jiankang sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Block E, Jiankang Road, Pingzhai Town, Liuzhi Special District
210	Liupanshui	Liupanshui Dexinyuan sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 10, 1/F, Building No. 10, Shuikuang Dexinyuan Community, Dewu New subdistrict, Zhongshan District, Liupanshui, Guizhou Province
211	Liupanshui	Panzhou Hongguo sub-branch of Bank of Guizhou Co., Ltd.	1/F, Office Building, Guizhou Panxing Energy Development Investment Limited, Yizi Street, Panzhou City, Liupanshui, Guizhou Province
212	Liupanshui	Liupanshui Hongqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Outlets International Plaza, Hongqiao New District, Liupanshui
213	Qianxinan	Qianxinan branch Business Department of Bank of Guizhou Co., Ltd.	1/F-2/F, Aocheng Community, Ruijin Avenue, Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province
214	Qianxinan	Xingren sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Zhenxing Avenue, Donghu Street Office, Xingren, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of Institution	Address of Institution
215	Qianxinan	Zhenfeng sub-branch of Bank of Guizhou Co., Ltd.	Side of New Transit Center, Yongfeng Avenue, Mingu Town, Zhenfeng County, Guizhou Province
216	Qianxinan	Anlong sub-branch of Bank of Guizhou Co., Ltd.	Unit 108, Stone Factory Group, Xihe Village, Zhaodi Street Office, Anlong County, Guizhou Province
217	Qianxinan	Xingyi Ruijin sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Panjiang Road, Xingyi, Qianxinan Prefecture, Guizhou Province
218	Qianxinan	Puan sub-branch of Bank of Guizhou Co., Ltd.	Block 2 Jinqiao Baihui, Nanhu Street, Puan County, Qianxinan Prefecture, Guizhou Province
219	Qianxinan	Qinglong sub-branch of Bank of Guizhou Co., Ltd.	East Street, Northeast Community, Liancheng Town, Qinglong County, Qianxinan Prefecture, Guizhou Province
220	Qianxinan	Wangmo sub-branch of Bank of Guizhou Co., Ltd.	South side of Wangmu Square, Wangmo County, Qianxinan Prefecture, Guizhou Province
221	Qianxinan	Ceheng sub-branch of Bank of Guizhou Co., Ltd.	Former SAT Bureau Office Building, Crossroad of Qianjin Road, Zhelou Street Office, Ceheng County, Qianxinan Prefecture, Guizhou Province
222	Qianxinan	Xingyi Wanfeng sub-branch of Bank of Guizhou Co., Ltd.	Side of Civil Aviation Avenue in Xingyi City, Qianxinan Prefecture, Guizhou Province
223	Qianxinan	Xingyi Jushan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Aocheng Community, Ruijin Avenue, Xingyi City, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province



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