



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

Stock Code: 6199



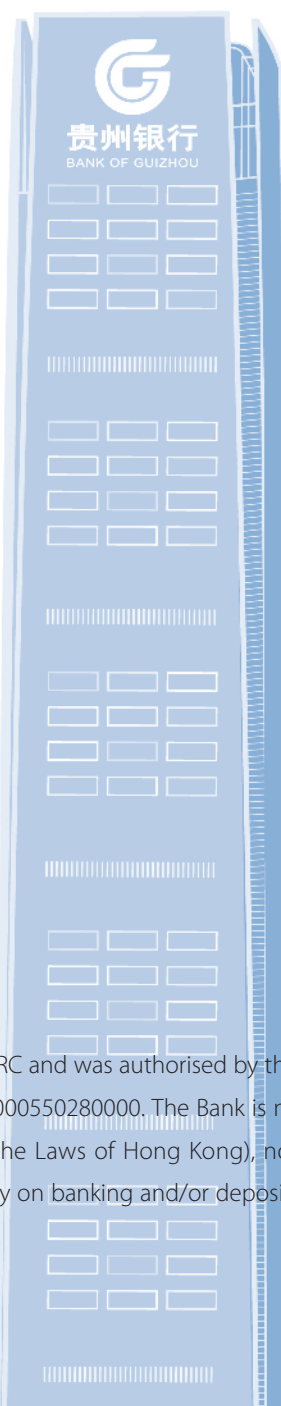
2020

ANNUAL REPORT



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The Bank holds a financial license No. B1383H252010001 approved by the CBIRC and was authorised by the CBIRC Guizhou Office to obtain the business license with a unified social credit code 915200000550280000. The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

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 shareholders’ meeting on 19 January 2021, which is subject to the approval of the CBIRC Guizhou Office
“Bank”, “We”, “Our”, “us” 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 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
“Basel III”	the revised Basel Capital Accord promulgated in 2010
“Basel Accords”	Basel I, Basel II and Basel III, collectively
“Board”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“CBIRC” or “CBRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)/China Banking Regulatory Commission (中國銀行業監督管理委員會) (before 17 March 2018)
“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)
“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
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares 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 for in Renminbi
“GDP”	gross domestic product



“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
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing 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 Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“LPR”	Loan Prime Rate
“PBOC” or “Central Bank”	the People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China, but for the purpose of this report only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Reporting Period”	the period for the year ended 31 December 2020
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“security in the six areas”	ensure security in job, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“stability on the six fronts”	ensure stability in employment, financial operations, foreign trade, foreign investment, domestic investment, and expectations
“Supervisor(s)”	the supervisor(s) of the Bank



LEADER'S STATEMENT



2020 was an extremely extraordinary and difficult year. Facing the severest pandemic of infectious diseases over the century, all the staff in Bank of Guizhou acted upon the orders and took the initiative to coordinate the pandemic prevention and control with the transformation and development work, and made every effort to provide customers with continuous and stable financial services, successfully accomplishing their mission. We took practical action by promptly donating RMB10 million to the Hubei Provincial Charity Federation, reducing fees payable by enterprises and making real concessions for them and comprehensively implementing the “stability on the six fronts” and “security in the six areas”, which showed that the staff in Bank of Guizhou had shouldered their responsibilities and made a difference.

Eight years of development convinces us to move forward and embrace the flourishing age with honor.

Eight years has passed since the establishment of Bank of Guizhou till the successful completion of the “13th Five-Year Plan”. Coinciding with the golden age for the great economic and social development of Guizhou, the Bank of Guizhou has made plans, taken actions and made progress in accordance with different situations, and have therefore achieved steady growth in business scale, significant increase in market share, continuous improvement in asset quality, continued progress in operating efficiency, effective increase in returns to shareholders and increasingly improvement in market image. We have taken a solid step on the journey of high-quality development. On behalf of Bank of Guizhou, I would like to express my sincere gratitude to all the leaders, shareholders and customers who have cared about and supported Guizhou Bank for a long time, and I would like to extend my high regards to all the cadres and employees of the bank!

Achievements belong to the past and hard work promises a future. 2021 marks the 100th anniversary of the founding of the Communist Party of China and also the first year of the “14th Five-Year Plan”. There remain a lot of uncertainties in the pandemic evolution and the external environment, and many obstructions and obstacles might lurk on the road forward. Standing at a new historical starting point and meeting point, we will adhere to the “customer-centric” approach to our operation, draw momentum and power from the old sayings “seizing every minute” and “constant dropping wears away the stone”, and build on the new development stage, implement the new development concept and integrate into the new development pattern, striving to drive Bank of Guizhou into the “fast traffic lane” for high-quality development.

To promote high-quality development, we will improve corporate governance with stricter standards. Corporate governance serves as the core of the modern corporate system, and the improvement of corporate governance is a top priority of in the reform of financial enterprises. We will strictly implement various regulatory requirements, consistently carry out regulatory assessment requirements of corporate governance throughout the entire process and various links of operation and management, and force the improvement of internal management level through information disclosure; we will adhere to the improvement of corporate governance as an important focus for enhancing the level of operation and management, continuously improve the organizational structure, and motivate each governance entity to perform its own duties and responsibilities for coordinated operation and effective check and balance, thereby advancing the modernization of our corporate governance capabilities in an all-round way; we will actively implement ESG concepts, and strive to identify the greatest common divisor among national strategies, shareholder rights, customer needs, employee well-being and social responsibility, so as to obtain the largest concentric circle.



LEADER'S STATEMENT

To promote high-quality development, we will achieve characteristic victory with a more innovative thinking.

Differentiation and specialization are inevitable choices for the high-quality development of city commercial banks. Focusing on the national strategic goals of "Carbon Peak" and "Carbon Neutrality", we will promote the innovative development of green finance with higher standards, and help make the lucid waters and lush mountains become the permanent "happy real estate" and "green cash machine" for the people in Guizhou; we will coordinate both urban and rural markets, make every effort to promote rural revitalization, vigorously support micro and small private enterprises, and devote ourselves to serving consumption upgrades, effectively promoting the coordinated development of urban and rural areas; we will seize the opportunities of the times arising from a new round of technological revolution and industrial transformation and the industrial opportunities derived from the "post-pandemic" era, continuously embed the technology gene into the whole process and field of our business, effectively integrate the strong outlet services with efficient online services, and continuously improve the level of technology empowerment to make easy access to quality, efficient and fast financial services, so as to boost the development of digital economy in our province while developing financial technology.

To promote high-quality development, we will support the local economy with more dedicated services.

It is the primary duty and responsibility of local financial institutions to be locally based and to serve the local community. We can achieve better development only if we proactively integrate into the local economic development and resonate with the economy of the whole province. We will adhere to our market positioning, actively implement the value concept of "Bank with Heart", closely focus on the working idea of "One, Two, Three, Four" put forward by Guizhou government, give full play to the unique advantages of local financial institutions, and with a more open vision, richer product offerings and better services, we are committed to injecting a continuous stream of financial water for a good start of "14th Five-Year Plan" in Guizhou, and serve the high-quality economic and social development of the whole province.

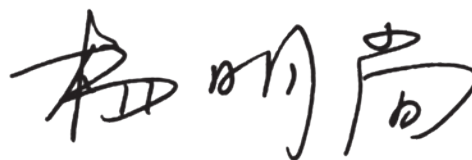
To promote high-quality development, we will strengthen risk prevention and control with more refined management.

Risk prevention and control is an unchanged theme of the operation and development of the banking industry. We will firmly implement the series of work requirements of the Central Party Committee and the Provincial Party Committee and Government on the prevention and resolution of major risks, adhere to the bottom-line thinking, accelerate the construction and application of new capital agreement projects, strengthen the refined management of risk prevention and control, continuously improve the digital risk control capability, and promote the construction of a comprehensive risk management system to achieve new results to prevent both "black swans" and "grey rhinos", so as to ensure the healthy development and stability of the Bank of Guizhou.

To promote high-quality development, we will strengthen our Party building with a stronger style.

The Party building is the "root" and "soul" of state-owned enterprises. Only by unwaveringly adhering to the Party's leadership and strengthening the Party building can we ensure that reform and development will always move forward in the right direction. We will always put the political construction of the Party in the first place, fully implement the general requirements of Party building in the new era, lead and promote development through Party building, and effectively plan, deploy and implement the Party building together with our business, and continuously promote the deep integration of Party building and our business. We will seriously organize the study of the Party history, so as to learn history to make sense, increase confidence, uphold virtue and practice diligently, and earnestly educate and guide the cadres and staff of the whole Bank to learn the Party history, understand ideas, do practical work and open up a new situation.

The best day is always the next day; the most anticipated stop is always the next stop. On the journey of high-quality development, determination is the password to success, and hard work is the key to unlocking the door to dreams. The Bank of Guizhou can seize the opportunities for now and expect a bright future of the high-quality development.



Secretary of the Party Committee



LEADER'S STATEMENT



As the season returns to spring, a new year begins. The year 2020 was an extraordinary year. In the face of the severe and complex economic and financial situation, especially the most serious COVID-19 pandemic in a century, Bank of Guizhou was determined to promote the transformation of its strategy to coordinate the pandemic prevention and control and the business development, thereby delivering outstanding results in the historic challenges, and taking solid steps on the path of high-quality development. As a result, various businesses developed steadily. Total assets reached RMB456,401 million, representing an increase of RMB47,012 million or 11.48% over the beginning of the year; total loans and advances amounted to RMB213,923 million, representing an increase of RMB34,055 million or 18.93% over the beginning of the year; deposits from customers amounted to RMB289,043 million, representing an increase of RMB28,776 million or 11.06% over the beginning of the year. The operation effects were in stable growth. Operating revenue amounted to RMB11,248 million, representing a year-on-year increase of RMB542 million or 5.06%, and net profit amounted to RMB3,671 million, representing a year-on-year increase of RMB107 million or 3.00%.

We were firmly committed to promoting transformation and development.

Our retail business witnessed rapid growth. Personal deposits exceeded RMB100,000 million, amounting to RMB101,633 million, representing an increase of RMB20,015 million or 24.52% over the beginning of the year. We continued to broaden the profit channels. The profits generated from

financial markets business recorded increased steadily, and we successfully obtained the bond underwriting qualification issued by China Development Bank and the qualification of the new treasury bond underwriting syndicate, which increasingly enhanced our involvement and influence in the national financial market. We successfully built two mid-income product lines over RMB100 million in wealth management business and transaction banking business. The “Gui Yin Heng Li (貴銀恒利)” wealth management brand was spread across the country, with the sales volume and balance of the wealth management products hitting record highs; the trade financing products were continuously enriched, with significant growth of the financing balance and market share. The revenue structure was improved significantly, with fee and commission income increasing 283.05% over the first half of the year and the proportion of non-interest revenue rising to 10.01%, representing an increase of 2.21 percentage points over the beginning of the year.

We were fully dedicated to serving the local economic construction.

We supported the whole province to win the battle against poverty on a quality basis, with a balance of more than RMB95,000 million in financing to the original 66 poor counties and a balance of RMB25,685 million in loans for targeted poverty alleviation. Due to our financial contribution to tearing off the label of poverty in Guizhou Province, we were honored with six awards in the provincial recognition for poverty alleviation. The Bank served the real economy and the micro and small private enterprises, and its balance of real economy financing amounted to RMB94,295 million, representing an increase of RMB13,811 million or 17.16% over the beginning of the year. The balance of loans granted to private enterprises amounted to RMB31,067 million, representing an increase of RMB9,074 million or 41.26% over the beginning of the year; the balance of loans granted to “inclusive micro and small enterprises” amounted to RMB20.309 billion, representing an increase of RMB7.667 billion or 60.65% over the



LEADER'S STATEMENT

beginning of the year. The Bank strived to build the "Green Bank" brand, and successfully established the sixth domestic "Equator Bank". The Bank's balance of green loans amounted to RMB22,852 million, representing an increase of RMB4,669 million or 25.68% over the beginning of the year. The Bank also signed contracts with 212 service stations which provided benefits to farmers and agriculture, further broadening the coverage of its financial services.

We took an active role in supporting the pandemic prevention and control. We fully ensured the work of "Stability of Six Fronts" and implemented the tasks of "Security in Six Areas", formulated "Ten Measures", and invested the total loans of RMB60 billion to support the pandemic prevention and control and the resumption of work and production, effectively assuring the normal operation of 7,580 market entities. We actively reduced charges and surrendered part of the profits to pull through together with the small and medium-sized enterprises affected by the pandemic. We donated RMB10 million to Hubei Province at the very beginning of the pandemic, set up various voluntary organizations and actively participated in public welfare activities for the pandemic prevention and control, and were awarded the title of "Advanced Group of Youth Volunteer Service in the National Financial System to Fight Against the COVID-19 Pandemic (全國金融系統抗擊新冠肺炎疫情青年志願服務先進集體)" by the Central Financial Working Commission of the Communist Youth League (中央金融團工委).

We took multiple measures to strengthen risk control. We maintained prudent, sound and compliance risk preference, established a risk preference indicator system on the quantification-orientated and qualitative-supplemented principle, and continued to strengthen daily risk monitoring and warning as well as risk prevention and control in key areas. New progress was made in the application of results of the new capital agreements. The internal rating system for non-retail and retail was fully completed, and a standardized risk measurement scale for the whole bank was established and applied in credit access and limit management. The stable operation of the market risk measurement platform provided a decision basis for optimizing the book structure and improving trading strategies, thus greatly improving the refinement level of risk management. As of the end of the Reporting Period, the non-performing loan ratio of the Bank was 1.15% and the provision coverage ratio was 334.36%, placing the Bank's asset quality at the leading level of city commercial banks in China.

We strived to improve and consolidate our fundamental management. We put the new-generation information system into production. Our technological capability was enhanced significantly, which provided strong support for business transformation. We launched the activity for the "Compliance Management Year" and further optimized the antifraud and anti-money laundering management system by relying on financial technology. Our compliance management capabilities were continuously enhanced and various regulatory indicators maintained a better level.

Motivated by the mission of renaissance, we have been striving ahead to make a chapter of progress. The year 2021 is the first year for implementing the 14th Five-Year Plan. We will closely focus on the deployment of the national strategy, and keep pace with the development of the local economy and society. With a sense of urgency that we cannot afford to wait, a sense of crisis that we cannot afford to slow down and a sense of responsibility that we cannot afford to relax, we will unswervingly promote transformation and development, continuously strive to strengthen internal management, so that we can reward the investors with better performance and serve the construction of the "four modernizations" in Guizhou province with stronger commitment.



President



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. Li Zhiming

Authorised Representatives for the Hong Kong Stock Exchange:

Mr. Xu An, Mr. Zhou Guichang

Board Secretary:

Mr. Zhou Guichang

Joint Company Secretaries:

Mr. Zhou Guichang, Mr. Lei Kin Keong

Registered Address:

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

Head Office in the PRC:

Bank of Guizhou Head Office Building,
No. 9, Yongchang Road,
Guanshanhu District, Guiyang,
Guizhou Province, 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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The Board Office of the Bank (43rd Floor, Bank of Guizhou Head Office Building, No. 9, Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC)

Place of Listing, Stock Name and Stock Code:

The Stock Exchange of Hong Kong Limited, BANK OF GUIZHOU, 6199.HK

Corporate Uniform Social Credit Code:

915200000550280000

Financial License Institution Number:

B1383H252010001

Compliance Advisor:

Guotai Junan Capital Limited

Auditors:

Overseas Auditor: KPMG
Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
Domestic Auditor: KPMG Huazhen LLP

Hong Kong H Share Registrar and Transfer Office:

Computershare Hong Kong Investor Services Limited



2. COMPANY PROFILE

Officially listed on 11 October 2012, and headquartered in Guiyang City, Guizhou Province, Bank of Guizhou is a provincial legal person financial institution established through the merger and reorganization of Zunyi City Commercial Bank, Anshun City Commercial Bank and Liupanshui City Commercial Bank. The Bank has been listed on the main board of The Hong Kong Stock Exchange on 30 December 2019 with its stock code of 6199.HK. It is the first financial institution in Guizhou Province to enter the international capital market.

The Bank's business scope is: absorbing public deposits; offering short-term, medium-term and long-term loans; arranging settlement of domestic accounts; arranging entrusted deposits and entrusted loans; handling acceptance and discount of instruments; issuing, cashing and undertaking the sale of government bonds as agents; buying and selling government bonds and financial bonds; undertaking inter-bank borrowing or lending; trading foreign exchanges and providing agency services for foreign exchange trading; engaging in the bank card business; providing letters of credit services and guarantee; handling receipts and payments; providing safe boxes services; concurrent-business insurance agency; fund sales business; other business approved by the banking regulatory authority and relevant department.

At the end of 2020, the Bank had total assets of RMB456,401 million, total deposits from customers of RMB289,043 million and total loans and advances to customers of RMB213,923 million, recorded profit before tax of RMB4,355 million, net profit of RMB3,671 million, non-performing loan ratio of 1.15% and provision coverage rate of 334.36%. At the end of the Reporting Period, there were 223 licensed institutions of the Bank, including one head office, eight branches, 218 traditional sub-branches, five community sub-branches and one branch banking operation department, with 5,169 regular employees. All branches of the Bank are located within Guizhou Province, realizing the full coverage of city (prefecture) and county (district) institutions in Guizhou Province.

The vision of Bank of Guizhou is to become a "domestic first-class modern commercial bank", with the goal of "contribution excellence, happiness sharing", it always adheres to the concept of "bank with heart", and strongly supports the economic and social development of Guizhou. Bank of Guizhou has established business areas covering corporate banking, retail banking, small and micro financial services, financial market operations, and



asset management. In light of Guizhou's economic and social development, it has continuously innovated business products, and each business has developed rapidly. Bank of Guizhou has vigorously strengthened the distribution network construction, with branches in 88 counties 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. The asset quality level continues to lead the industry. Bank of Guizhou continued to optimize its internal management, various systems and mechanisms were continuously improved, the building of the talent team was continuously strengthened, and the Bank has operated efficiently and orderly. Bank of Guizhou ranked 270th in the world in the list of "2020 Top 1000 Global Banks" released by the British Magazine "the Banker"; the Bank ranked 43rd in the "2020 China Top 100 Banks List" released by the China Banking Association.



COMPANY PROFILE

3. MAJOR AWARDS ACHIEVED IN 2020

The Banker, a British magazine

270th in the world in the List of 2020 Top 1000 Global Banks

Securities Times

Tianji Award For Regional Influence Bank in 2020 (2020年度區域影響力銀行天璣獎)

National Business Daily and Tsinghua University School of Economics and Management

China's Top 50 Listed Companies by Brand Value in 2020 (2020中國上市公司品牌價值榜50強)

Guizhou Charity Federation (貴州省慈善總會)

Caring Enterprise for Good Deeds, Guizhou (善行貴州·愛心企業)

China Central Depository & Clearing Co., Ltd. (中央國債登記結算有限公司)

Top 100 for Clearing – Excellent Dealer (結算100強–優秀自營商)

Summit Forum of Guizhou Top 100 Enterprises in 2020 (2020年貴州百強企業高峰論壇)

Top 100 Enterprises in Guizhou (貴州企業100強)
Top 50 Service Enterprises in Guizhou (貴州服務業企業50強)

China Banking Association

43rd in the List of 2020 China Top 100 Banks

21st Century Media

2020 Brand Construction Bank (2020年度品牌建設銀行)

GoldenBee Think Tank (金蜜蜂智庫) and China Sustainability Tribune (《可持續發展經濟導刊》)

GoldenBee Corporate Social Responsibility Finance– China List (金蜜蜂企業社會責任金融–中國榜)

Guizhou Charity Federation (貴州省慈善總會)

Award for "Protecting the Homeland against the Epidemic" ("抗擊疫情守護家園"獎)

City Commercial Banks Clearing Co., Ltd.

Outstanding Cooperation Award from City Commercial Banks Clearing Co., Ltd. in 2020 (2020年度城銀清算服務有限責任公司優秀合作獎)

Guizhou Provincial Enterprise Confederation, Guizhou Provincial Enterprise Directors Association (貴州省企業聯合會、貴州省企業家協會)

Enterprise Credit Evaluation AAA Credit Enterprise (企業信用評價AAA級信用企業)

Modern Bankers

2020 "Tiema" Award for the "Most Socially Responsible Small and Medium-sized Banks" (2020年"鐵馬"中小銀行"最具社會責任中小銀行"獎)

The Banker

Third Prize in the 2019 Evaluation of Competitiveness of City Commercial Banks with Assets Size of RMB300 billion–RMB1 trillion (2019年度資產規模3,000億–10,000億城市商業銀行競爭力評價第三名)

China Enterprise Confederation and China Enterprise Directors Association (中國企業聯合會、中國企業家協會)

2020 Top 500 Service Enterprises in China (2020中國服務業企業500強)

China Financial Certification Authority (CFCA)

Best Mobile Banking Innovation Award in 2020 (2020年度最佳手機銀行創新獎)

China Financial Publishing House (中國金融出版社)

Annual Case Award of Brand Communication (Media Innovation Orientation) (品牌傳播年度案例獎 (媒介創新方向))

Guizhou Provincial Committee of the CPC

2018–2020 Civilized Unit of Guizhou Province (2018–2020全省文明單位)

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.

Unit: RMB million

Item	For the year ended 31 December					
	2020	2019	Year-on-Year Growth	2018	2017	2016
			Rate of change (%)			
Operation results indicators						
Net interest income	10,121.39	9,870.96	2.54	8,326.29	8,710.81	7,930.24
Net fee and commission income	362.52	94.64	283.05	21.30	(9.67)	189.97
Operating income	11,247.61	10,705.53	5.06	8,769.61	8,625.38	8,068.50
Operating expenses	(3,555.74)	(3,422.11)	3.90	(3,039.83)	(2,919.53)	(2,858.21)
Impairment losses on assets	(3,231.79)	(3,172.77)	1.86	(2,392.28)	(3,058.52)	(2,819.43)
Total profit	4,355.30	4,091.39	6.45	3,303.04	2,641.84	2,397.87
Net profit	3,670.66	3,563.64	3.00	2,876.57	2,254.95	1,961.43
Net assets per share (RMB)	2.47	2.32	6.47	2.06	1.87	1.68
Basic earnings per share (RMB)	0.25	0.29	(13.79)	0.24	0.23	0.23
			Change (%)			
Profitability indicators						
Return on average total assets ⁽¹⁾	0.85%	0.95%	(0.10%)	0.92%	0.88%	0.99%
Return on average equity ⁽²⁾	10.50%	12.01%	(1.51%)	12.36%	12.07%	13.14%
Net interest spread ⁽³⁾	2.44%	2.75%	(0.31%)	2.66%	3.31%	3.86%
Net interest margin ⁽⁴⁾	2.55%	2.82%	(0.27%)	2.82%	3.45%	3.95%
Net fee and commission income to operating income	3.22%	0.88%	2.34%	0.24%	(0.11%)	2.35%
Cost-to-income ratio ⁽⁵⁾	30.29%	30.84%	(0.55%)	33.91%	33.05%	32.53%



SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

Item	For the year ended 31 December					
	2020	2019	Year-on-Year Growth	2018	2017	2016
Scale indicators			Rate of change (%)			
Total assets	456,401.20	409,388.80	11.48	341,202.88	286,368.40	228,949.27
Including: Gross loans and advances to customers	213,922.91	179,867.72	18.93	140,140.53	88,132.34	68,331.41
Net loans and advances to customers ⁽⁶⁾	206,152.61	173,349.70	18.92	135,831.85	85,409.49	65,549.85
Total liabilities	420,373.38	375,499.56	11.95	315,743.99	265,270.99	212,692.29
Including: Deposits from customers ⁽⁷⁾	289,042.77	260,266.47	11.06	220,083.74	202,270.51	164,810.11
Share capital	14,588.05	14,588.05	–	12,388.05	11,263.05	9,661.35
Total equity	36,027.82	33,889.24	6.31	25,458.89	21,097.41	16,256.98
			Change (%)			
Asset Quality Indicators						
Non-performing loan ratio ⁽⁸⁾	1.15%	1.18%	(0.03%)	1.36%	1.60%	1.91%
Allowance coverage ratio ⁽⁹⁾	334.36%	324.95%	9.41%	243.72%	192.77%	212.86%
Allowance to gross loans ⁽¹⁰⁾	3.84%	3.85%	(0.01%)	3.31%	3.09%	4.07%
			Change (%)			
Capital adequacy ratio indicators ⁽¹¹⁾						
Core tier-one capital adequacy ratio	11.63%	12.30%	(0.67%)	10.62%	10.93%	10.26%
Tier 1 capital adequacy ratio	11.63%	12.30%	(0.67%)	10.62%	10.93%	10.26%
Capital Adequacy Ratio	13.67%	14.45%	(0.78%)	12.83%	11.62%	11.21%
Total equity to total assets	7.89%	8.28%	(0.39%)	7.46%	7.37%	7.10%
			Change (%)			
Other Indicators						
Liquidity coverage ratio	289.00%	320.18%	(31.18%)	180.08%	143.01%	119.87%
Liquidity ratio	91.94%	96.29%	(4.35%)	65.31%	60.33%	49.67%
Loan-to-deposit ratio	74.63%	69.60%	5.03%	63.68%	43.57%	41.46%



Notes:

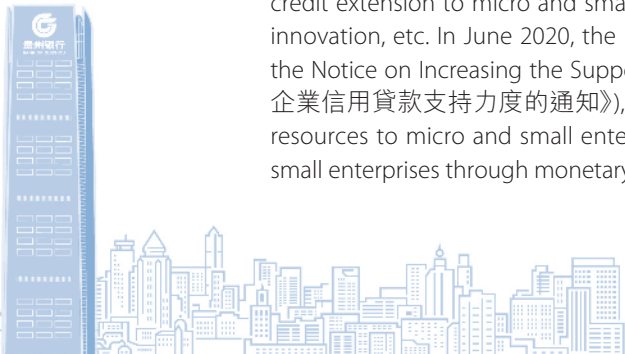
- (1) The percentage of net profit for the Reporting Period to the average balance of the total assets at the beginning and the end of the period.
- (2) The percentage of net profit for the Reporting Period to the average balance of total equity at the beginning and the end of the period.
- (3) Calculated 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-bearing assets.
- (5) Calculated by dividing operating cost after tax and surcharges by operating revenue.
- (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) Core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio were calculated in accordance with the latest guidance promulgated by the CBIRC (effective from 1 January 2013).



MANAGEMENT DISCUSSION AND ANALYSIS

4.1 ECONOMIC, FINANCIAL AND POLICY ENVIRONMENT

- I. The macro-economic situation remained stable. In 2020, amid the severe and complicated international situation, confronting with the formidable domestic tasks of reform, development and stabilisation, and under the severe impact of the COVID-19 pandemic, China made precise judgement on the situation and took effective measures, achieved decisive achievements in the “Three Critical Battles”, and became the only major economy in the world that had achieved a positive growth, with its GDP exceeding RMB100 trillion. Based on the preliminary calculation of the National Bureau of Statistics, the GDP in 2020 reached RMB101.5986 trillion, representing an increase of 2.3% as compared with the previous year. During the Reporting Period, the economic operation in Guizhou Province, where the Bank mainly conducts its operation, was generally steady and the economic growth maintained strong trends. Based on the data released by the Statistical Bureau of Guizhou Province, the gross regional product of Guizhou province amounted to RMB1,782.656 billion in 2020, representing an increase of 4.5% from the previous year. The growth rate was 2.2 percent higher than that of the whole country, ranking the top in China for ten consecutive years.
- II. The interest rate liberalization reform continued to advance. In April 2020, the Central Committee of the Communist Party of China and the State Council released the “Opinions on Improving the Systems and Mechanisms for Market-based Allocation of Factors of Production”(《關於構建更加完善的要素市場化配置體制機制的意見》), which clearly specified to positively and prudently advance the unification of the deposit and lending benchmark rates with the market interest rate. On 31 August 2020, the commercial banks in China completed the switch of the pricing basis of the interest rates of existing loans, which marked the basic completion of China’s loan rate liberalization with the LPR mechanism as the core.
- III. The regulation over commercial capital was tightening, and the policies on capital replenishment for small and medium-sized banks were favorable. Since September 2020, the People’s Bank of China and the CBIRC had successively published the Notice on the Establishment of the Buffer Mechanism for Counter-cyclical Capital (《關於建立逆週期資本緩衝機制的通知》) and the Assessment Methods for Systemically Important Banks (《系統重要性銀行評估辦法》), which further strengthened the requirements on the capital management for commercial banks. The Financial Stability and Development Committee under the State Council repeatedly required that “priority shall be given to small and medium-sized banks to allow them to replenish their capital through multiple channels”, and issued the Work Plan for Deepening Reform and Replenishing Capital for Small and Medium-sized Banks (《中小銀行深化改革和補充資本工作方案》) in May 2020, which clearly specified to support the small and medium-sized banks to deepen reform, strengthen their capital strength, and also required the small and medium-sized banks to continue to improve their corporate governance, stick to their market positioning, and sped up the construction of a culture of probity and integrity in the financial sector.
- IV. Financial services for micro and small enterprises were increased and improved through the guidance of policies. In April 2020, the CBIRC published the Assessment Measures for Supervision and Management of Financial Services Provided to the Micro and Small Enterprises by Commercial Banks (《商業銀行小微企業金融服務監管評價辦法》). Since 2020, the CBIRC would conduct annual assessment on commercial banks’ credit extension to micro and small enterprises, system and mechanism construction, product and service innovation, etc. In June 2020, the People’s Bank of China and other four ministries or commissions issued the Notice on Increasing the Support of Unsecured Loans for Micro and Small Enterprises (《關於加大小微企業信用貸款支持力度的通知》), which guided the commercial banks to increase the allocation of credit resources to micro and small enterprises and increase the proportion of the inclusive loans to micro and small enterprises through monetary policy tools such as re-lending.



4.2 ANALYSIS OF OVERALL OPERATION PERFORMANCE

During the year of 2020, the Bank overcame the challenges from both COVID-19 pandemic and economic downturn and carried out various businesses in a proactive and steady way, achieving continuous improvement in overall operation and taking solid steps on the path of high-quality development. As at the end of the Reporting Period, the total assets of the Bank reached RMB456,401 million, up by 11.48% year on year. Its total loans and advances to customers amounted to RMB213,923 million, up by 18.93% year on year. Its total deposits from customers amounted to RMB289,043 million, up by 11.06% year on year. The operation efficiency was continuously improving. For the year of 2020, the operating income reached RMB11,248 million, representing an increase of 5.06% as compared to the first half of the year. It realized a net profit of RMB3,671 million, representing an increase of 3.00% as compared to the first half of the year. As at the end of the Reporting Period, the average return on total assets and return on average equity of the Bank were 0.85% and 10.50%. The asset quality continued to remain at a good level. As at the end of the Reporting Period, the non-performing loan ratio of the Bank was 1.15%, representing a decrease of 0.03 percent year on year. The allowance coverage ratio was 334.36%, representing an increase of 9.41 percent year on year.

4.3 ANALYSIS OF PROFIT STATEMENTS

In 2020, the Bank achieved a profit before tax of RMB4,355 million, representing an increase of 6.45% as compared with the previous year. It recorded a net profit of RMB3,671 million, representing an increase of 3.00% as compared with the previous year.

Item	For the year ended 31 December			Rate of change (%)
	2020 (RMB million, except for percentages)	2019	Net change	
Interest income	19,996.95	18,264.23	1,702.72	9.32
Interest expense	(9,845.56)	(8,393.27)	(1,452.29)	17.30
Net interest income	10,121.39	9,870.96	250.43	2.54
Fee and commission income	459.73	191.73	268.00	139.78
Fee and commission expense	(97.21)	(97.09)	(0.12)	0.12
Net fee and commission income	362.52	94.64	267.88	283.05
Net trading gains	144.66	116.39	28.27	24.29
Net gains on Investment Securities	623.84	662.28	(38.44)	(5.80)
Other operating expenses	(4.80)	(38.74)	33.94	(87.61)
Operating income	11,247.61	10,705.53	542.08	5.06
Operating expenses	(3,555.74)	(3,422.11)	(133.63)	3.90
Impairment losses on assets	(3,231.79)	(3,172.77)	(59.02)	1.86
Share of losses of associates	(104.78)	(19.26)	(85.52)	444.03
Profit before tax	4,355.30	4,091.39	263.91	6.45
Less: Income tax expenses	(684.64)	(527.75)	(156.89)	29.73
Net profit	3,670.66	3,563.64	107.02	3.00



MANAGEMENT DISCUSSION AND ANALYSIS

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

In 2020, the Bank's net interest income amounted to RMB10,121 million, representing a year-on-year increase of 2.54% and accounting for 89.99% 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	Average balance	2020			2019		
		Interest income/expense	Average yield/cost (%) ⁽¹⁾	Average balance	Interest income/expense	Average yield/cost (%) ⁽¹⁾	
<i>(RMB million, except percentages)</i>							
Assets							
Total loans and advances to customers	198,813.13	11,867.08	5.97	167,109.45	10,191.40	6.10	
Financial investments ⁽²⁾	142,519.68	7,285.22	5.11	134,835.01	7,143.36	5.30	
Deposits with the central bank	29,048.67	371.93	1.28	28,486.26	431.03	1.51	
Deposits with banks and other financial institutions	4,437.69	62.91	1.42	2,593.92	93.37	3.60	
Placements with banks and other financial institutions	17.18	0.64	3.73	–	–	–	
Financial assets held under resale agreements	21,500.49	379.17	1.76	17,023.69	405.07	2.38	
Total interest-earning assets	396,336.84	19,966.95	5.04	350,048.33	18,264.23	5.22	



Item	2020			2019		
	Average balance	Interest income/expense	Average yield/cost (%) ⁽¹⁾	Average balance	Interest income/expense	Average yield/cost (%) ⁽¹⁾
<i>(RMB million, except percentages)</i>						
Liabilities						
Deposits from customers	274,306.95	6,485.06	2.36	228,434.20	4,379.61	1.92
Deposits from banks and other financial institutions	20,334.45	731.00	3.59	9,680.29	362.88	3.75
Placements from banks and other financial institutions	2,140.50	77.92	3.64	217.81	8.94	4.10
Borrowings from the central bank	12,212.96	353.74	2.90	2,559.24	72.32	2.83
Financial assets sold under repurchase agreements	2,877.00	44.38	1.54	4,523.18	111.00	2.45
Debt securities issued	66,588.70	2,153.46	3.23	94,560.31	3,458.52	3.66
Total interest-bearing liabilities	378,460.56	9,845.56	2.60	339,975.03	8,393.27	2.47
Net interest income		10,121.39			9,870.96	
Net interest spread ⁽³⁾		2.44%			2.75%	
Net interest margin ⁽⁴⁾		2.55%			2.82%	

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 as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the average balance of total interest-earning assets.



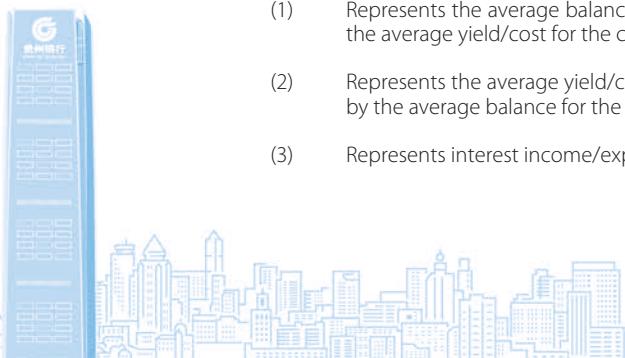
MANAGEMENT DISCUSSION AND ANALYSIS

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 rate. Changes in volume are measured by the change in average balance of interest-bearing assets and interest-bearing liabilities, while changes in interest rates are measured by changes in the average interest rates of interest-bearing assets and interest-bearing liabilities. Changes caused by both volume and rate have been allocated to changes in rate.

Item	For the year ended 31 December 2020 compared to 2019		
	Scale ⁽¹⁾	Interest rate ⁽²⁾	Net increase/ (decrease) ⁽³⁾
	<i>(RMB million, except for percentages)</i>		
Interest-earning assets			
Total loans and advances to customers	1,892.38	(216.70)	1,675.68
Financial investments	392.82	(250.96)	141.86
Deposits with the central bank	7.20	(66.30)	(59.10)
Deposits with banks and other financial institutions	26.14	(56.60)	(30.46)
Placements with banks and other financial institutions	0.64	–	0.64
Financial assets held under resale agreements	78.95	(104.85)	(25.90)
Changes in interest income	<u>2,398.13</u>	<u>(695.41)</u>	<u>1,702.72</u>
Interest-bearing liabilities			
Deposits from customers	1,084.51	1,020.94	2,105.45
Deposits and placements from banks and other financial institutions	383.00	(14.88)	368.12
Placements from banks and other financial institutions	69.99	(1.01)	68.98
Borrowings from central bank	279.61	1.81	281.42
Financial assets sold under repurchase agreements	(25.39)	(41.23)	(66.62)
Debts securities issued	(904.59)	(400.47)	(1,305.06)
Changes in interest expenses	<u>887.13</u>	<u>565.16</u>	<u>1,452.29</u>
Changes in net interest income	<u>1,511.00</u>	<u>(1,260.57)</u>	<u>250.43</u>

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 current 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 previous period.
- (3) Represents interest income/expense for the period minus interest income/expense for the previous period.



4.3.2 Analysis on interest income

In 2020, the Bank realized interest income of RMB19,967 million, representing a year-on-year increase of RMB1,703 million or 9.32%.

I. Interest Income from loans and advances to customers

In 2020, the Bank's interest income from loans and advances to customers was RMB11,867 million, representing a year-on-year increase of RMB1,676 million or 16.44%. The following table sets forth, for the period indicated, the average balance, interest income and average yield for each component of our loans and advances to customers.

Item	For the year ended 31 December					
	Average balance	2020 Interest income	Average yield	Average balance	2019 Interest income	Average yield
	<i>(RMB million, except percentages)</i>					
Corporate loans and advances	163,210.56	10,172.80	6.23%	137,063.81	8,705.06	6.35%
Personal loans	26,989.87	1,488.23	5.51%	23,255.61	1,292.61	5.56%
Discounted bills	8,612.70	206.05	2.39%	6,790.03	193.73	2.85%
Total loans and advances to customers	198,813.13	11,867.08	5.97%	167,109.45	10,191.40	6.10%

II. Interest Income from Financial Investments

In 2020, the Bank's interest income from financial investments was RMB7,285 million, representing a year-on-year increase of RMB142 million or 1.99%.

III. Interest Income from Deposits with the Central Bank

In 2020, the Bank's interest income from deposits with the central bank amounted to RMB372 million, representing a year-on-year decrease of RMB59 million or 13.71%.

IV. Interest Income from Deposits with Banks and Other Financial Institutions

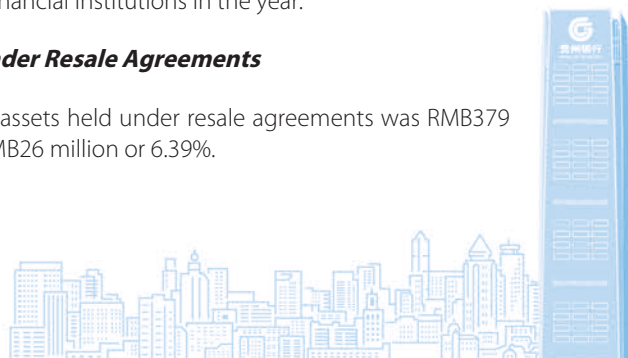
In 2020, the Bank's interest income from deposits with banks and other financial institutions was RMB63 million, representing a year-on-year decrease of RMB30 million or 32.62%.

V. Placements with banks and other financial institutions

In 2020, the interest income from the Bank's placements with banks and other financial institutions amounted to RMB640,000, representing a year-on-year increase of RMB640,000, mainly due to the increase in the placements with banks and other financial institutions in the year.

VI. Interest Income from Financial Assets Held under Resale Agreements

In 2020, the Bank's interest income from financial assets held under resale agreements was RMB379 million, representing a year-on-year decrease of RMB26 million or 6.39%.



MANAGEMENT DISCUSSION AND ANALYSIS

4.3.3 Analysis on interest expenses

In 2020, the Bank's interest expense amounted to RMB9,846 million, representing a year-on-year increase of RMB1,452 million or 17.30%.

I. Interest Expense on Deposits from Customers

In 2020, the Bank's interest expense on deposits from customers amounted to RMB6,485 million, representing a year-on-year increase of RMB2,105 million or 48.07%, mainly due to the increase in the deposits from customers.

II. Interest Expense on Deposits from Banks and Other Financial Institutions

In 2020, the Bank's interest expense on deposits from banks and other financial institutions amounted to RMB731 million, representing a year-on-year increase of RMB368 million or 101.44%, mainly due to the increase in the size of deposits from banks and other financial institutions.

III. Interest Expense on Financial Assets Sold under Repurchase Agreements

In 2020, the Bank's interest expense on financial assets sold under repurchase agreements was RMB44 million, representing a year-on-year decrease of RMB67 million or 60.02%, mainly due to the decrease in the size of financial assets sold under repurchase agreements.

IV. Interest Expense on Debt Securities Issued

In 2020, the Bank's interest expense on debt securities issued was RMB2,153 million, representing a year-on-year decrease of RMB1,305 million or 37.73%, mainly due to the decrease in the size and interest rate of interbank deposits issued.

V. Interest Expense on Borrowings from Central Bank

In 2020, the Bank's interest expense on borrowings from central bank amounted to RMB354 million, representing a year-on-year increase of RMB281 million or 389.13%, mainly due to the increase in the size of borrowings from central bank.

VI. Interest Expenses on Placements from Banks and Other Financial Institutions

In 2020, the interest expenses on placements from banks and other financial institutions was RMB78 million.



4.3.4 Analysis on non-interest income

I. Fee and commission income

In 2020, the Bank's net fee and commission income amounted to RMB363 million, representing a year-on-year increase of RMB268 million or 283.05%. The following table sets forth each component of fee and commission income in the period indicated.

Item	For the year ended 31 December			Rate of change (%)
	2020 (RMB million, except percentages)	2019	Change	
Agency services fees	209.73	100.68	109.05	108.31
Bank card services fees	46.04	33.63	12.41	36.90
Acceptance and guarantee services fees	125.55	31.58	93.97	297.56
Settlement and clearing fees	26.89	25.22	1.67	6.62
Consultancy services Fees	0.71	0.62	0.09	14.52
Fund supervision services fees	50.81	–	50.81	–
Fee and commission income	459.73	191.73	268.00	139.78
Bank card services expenses	(70.57)	(88.99)	18.42	(20.70)
Other expenses and commission expenses	(26.64)	(8.10)	(18.54)	228.89
Fee and commission expenses	(97.21)	(97.09)	(0.12)	0.12
Net fee and commission income	362.52	94.64	267.88	283.05



MANAGEMENT DISCUSSION AND ANALYSIS

II. Net trading gains

In 2020, the Bank's net trading gains amounted to RMB145 million, representing a year-on-year increase of RMB28 million or 24.29%.

III. Net gains arising from investment securities

In 2020, the Bank's net gains arising from investment securities amounted to RMB624 million, representing a year-on-year decrease of RMB38 million or 5.80%.

IV. Other operating expense

In 2020, the Bank's other operating expense were RMB5 million.

4.3.5 Analysis on operating expenses

In 2020, the Bank's operating expenses amounted to RMB3,556 million, representing a year-on-year increase of RMB134 million or 3.90%.

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

Item	For the year ended 31 December			Rate of change (%)
	2020	2019	Change	
	<i>(RMB million, except percentages)</i>			
Staff costs	2,165.67	2,122.06	43.61	2.06
Depreciation and amortisation	306.31	307.03	(0.72)	(0.23)
Office expenses	353.31	413.21	(59.90)	(14.50)
Rental and property management expenses	5.78	9.65	(3.87)	(40.10)
Taxes and surcharges	149.09	120.83	28.26	23.39
Depreciation of right-of-use assets	167.37	152.04	15.33	10.08
Interest expense on lease liabilities	33.81	29.14	4.67	16.03
Other general and administrative fees	374.40	268.15	106.25	39.62
Total operating expenses	3,555.74	3,422.11	133.63	3.90



Item	For the year ended 31 December			Rate of change (%)
	2020 <i>(RMB million, except percentages)</i>	2019	Change	
Salaries, bonuses and allowances	1,484.31	1,432.28	52.03	3.63
Social insurance and annuity	264.33	325.94	(61.61)	(18.90)
Housing allowances	98.78	82.04	16.74	20.40
Staff welfares	134.80	136.58	(1.78)	(1.30)
Employee education expenses and labour union expenses	88.34	65.82	22.52	34.21
Supplementary retirement benefits	95.11	79.40	15.71	19.79
Total staff costs	2,165.67	2,122.06	43.61	2.06

The following table sets forth, for the periods indicated, the principal components of our staff costs.

In 2020, the Bank's staff costs were RMB2,166 million, representing a year-on-year increase of RMB44 million or 2.06%.

In 2020, depreciation and amortisation of the Bank amounted to RMB306 million, representing a year-on-year decrease of RMB1 million or 0.23%.

In 2020, the Bank's office expenses amounted to RMB353 million, representing a year-on-year decrease of RMB60 million or 14.50%.

In 2020, the Bank's tax and surcharges amounted to RMB149 million, representing a year-on-year increase of RMB28 million or 23.39%.

In 2020, the Bank's depreciation of right-of-use assets amounted to RMB167 million, representing a year-on-year increase of RMB15 million or 10.08%.



MANAGEMENT DISCUSSION AND ANALYSIS

4.3.6 Impairment losses on assets

In 2020, the Bank's impairment losses amounted to RMB3,232 million, representing a year-on-year increase of RMB59 million or 1.86%.

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

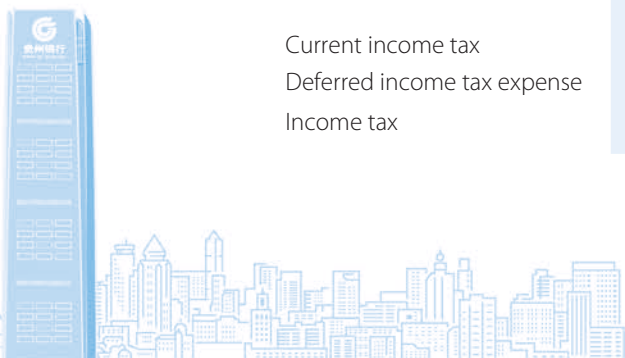
Item	For the year ended 31 December			Rate of change (%)
	2020 (RMB million, except percentages)	2019	Change	
Impairment loss/ (reversal) of assets				
Loans and advances to customers	2,108.03	2,012.15	95.88	4.77
Financial investments	1,041.29	828.06	213.23	25.75
Credit commitments	59.61	136.18	(76.57)	(56.23)
Deposit with banks and other financial institutions	(0.43)	152.21	(152.64)	(100.28)
Financial assets held under resale agreements	–	(8.05)	8.05	(100.00)
Others	23.29	52.22	(28.93)	(55.40)
Total	3,231.79	3,172.77	59.02	1.86

4.3.7 Income tax

In 2020, the Bank's income tax amounted to RMB685 million, representing a year-on-year increase of RMB157 million or 29.73%.

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

Item	For the year ended 31 December			Rate of change (%)
	2020 (RMB million, except percentages)	2019	Change	
Current income tax	1,235.35	817.84	417.51	51.05
Deferred income tax expense	(550.71)	(290.09)	(260.62)	89.84
Income tax	684.64	527.75	156.89	29.73



4.4 ANALYSIS ON MAJOR ITEMS IN THE BALANCE SHEET

4.4.1 Assets

As at 31 December 2020, the Bank's total assets amounted to RMB456.401 million, representing an increase of RMB47.012 million or 11.48% 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 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(RMB million, except for percentages)</i>			
Gross loans and advances to customers	213,922.91	46.87	179,867.72	43.94
Add: Accrued interest	442.96	0.10	398.71	0.10
Less: Allowance for impairment losses	(8,213.26)	(1.80)	(6,916.73)	(1.69)
Net loans and advances to customers	206,152.61	45.17	173,349.70	42.34
Financial investments	192,309.00	42.14	148,034.04	36.16
Cash and deposits with the central bank	48,149.56	10.55	64,150.81	15.67
Deposits with banks and other financial institutions	1,157.31	0.25	6,292.15	1.54
Placements with banks and other financial institutions	50.67	0.01	–	–
Financial assets held under resale agreements	–	–	9,923.58	2.42
Other assets ⁽¹⁾	8,582.05	1.88	7,638.52	1.87
Total assets	456,401.20	100.00	409,388.80	100.00

Note:

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



MANAGEMENT DISCUSSION AND ANALYSIS

I. Loans and Advances to Customers

As at 31 December 2020, the Bank's total loans and advances to customers amounted to RMB213,923 million, representing an increase of RMB34,055 million or 18.93% as compared to the end of last year. The following table sets out, as of the dates indicated, a breakdown of the Bank's loans by business lines.

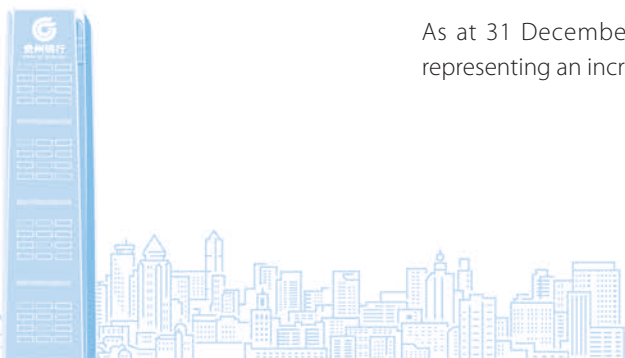
Item	As at 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(RMB million, except for percentages)</i>				
Loans measured at amortised cost				
Corporate loans and advances	163,017.07	76.20	146,645.35	81.53
Personal loans	29,617.94	13.85	25,767.56	14.32
Sub-total	192,635.01	90.05	172,412.91	95.85
Loans and advances to customers measured at fair value through other comprehensive income				
Corporate loans and advances	2,020.95	0.94	1,538.42	0.86
Discounted bills	19,266.95	9.01	5,916.39	3.29
Sub-total	21,287.90	9.95	7,454.81	4.15
Gross loans and advances to customers	213,922.91	100.00	179,867.72	100.00

1. Corporate loans and advances

As at 31 December 2020, the Bank's corporate loans and advances amounted to RMB163,017 million, representing an increase of RMB16,372 million or 11.16% as compared with the end of last year.

2. Personal loans

As at 31 December 2020, the Bank's Personal loans amounted to RMB29,618 million, representing an increase of RMB3,850 million or 14.94% as compared to the end of last year.



II. **Financial investments**

As at 31 December 2020, the Bank's net financial investments amounted to RMB192,309 million, representing an increase of RMB44,275 million or 29.91% as compared to the end of last year.

The following table sets forth, at the dates indicated, the components of our financial investments by our investment intention.

Item	As at 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(RMB million, except for percentages)</i>			
Financial assets at fair value through profit or loss	47,764.67	24.84	12,217.95	8.26
Financial investments at fair value through other comprehensive income	48,220.20	25.07	30,011.93	20.27
Financial investments at amortised cost	96,324.13	50.09	105,804.16	71.47
Net financial investment	192,309.00	100.00	148,034.04	100.00



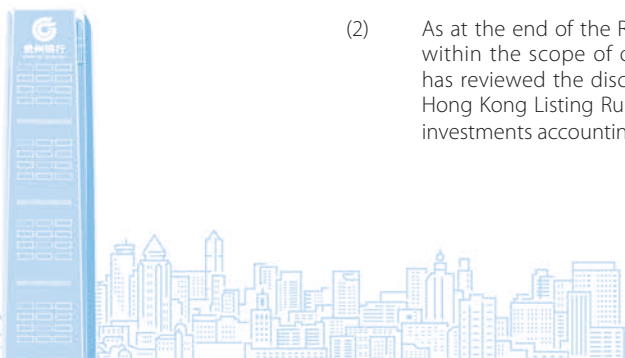
MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth, as of the dates indicated, the distribution of our financial investments.

Item	As at 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(RMB million, except for percentages)</i>				
Bonds				
Debt securities issued by central and local governments	47,969.07	24.94	42,910.19	28.99
Debt securities issued by policy banks	28,289.58	14.71	19,756.33	13.35
Debt securities issued by banks and other financial institutions	8,697.33	4.52	2,613.84	1.77
Debt securities issued by enterprises	25,476.08	13.25	12,008.02	8.11
Sub-total	110,432.06	57.42	77,288.38	52.22
Other financial investments				
Asset-backed securities	798.81	0.42	790.00	0.53
Structured notes issued by securities companies	910.33	0.47	–	–
Wealth management products issued by financial institutions	–	–	1,250.22	0.84
Investment funds managed by mutual fund managers ⁽¹⁾	26,977.32	14.03	7,913.41	5.35
Equity investments	37.75	0.02	37.75	0.03
Investment management products managed by assets management companies and trust plans	53,075.95	27.60	60,203.61	40.67
Private debt financing plans	815.91	0.42	815.91	0.54
Sub-total	82,616.07	42.96	71,010.90	47.96
Accrued interest	2,175.31	1.13	1,736.82	1.17
Allowance for impairment losses	(2,914.44)	(1.51)	(2,002.06)	(1.35)
Net financial investments	192,309.00	100.00	148,034.04	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 within the scope of operation approved by the China Banking Regulatory Commission. The Bank has reviewed the disclosure requirements for material investments as set out in Appendix 16 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 31 December 2020.



4.4.2 Liabilities

As at 31 December 2020, the Bank's total liabilities amounted to RMB420,373 million, representing an increase of RMB44,874 million or 11.95% as compared to the end of last year.

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

Item	As at 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(RMB million, except for percentages)</i>			
Borrowings from the central bank	26,641.75	6.34	2,623.42	0.70
Deposits from customers	289,042.77	68.76	260,266.47	69.31
Deposits from banks and other financial institutions	29,995.72	7.14	16,107.37	4.29
Placements from banks and other financial institutions	2,602.50	0.62	1,001.14	0.27
Financial assets sold under repurchase agreements	12,464.43	2.97	7,966.76	2.12
Debt securities issued	55,836.38	13.28	84,122.73	22.40
Other liabilities ⁽¹⁾	3,789.83	0.89	3,411.67	0.91
Total liabilities	420,373.38	100.00	375,499.56	100.00

Note:

(1) Including other payables, wages payable and taxes payable, etc.

Pledged Assets

As at 31 December 2020, the details of the Bank's pledged assets were set out in Note 23 to the financial statements in this annual report.



MANAGEMENT DISCUSSION AND ANALYSIS

I. Deposits from customers

As at 31 December 2020, the Bank's deposits from customers amounted to RMB289,043 million, representing an increase of RMB28,776 million or 11.06% as compared with the end of last year.

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

Item	As at 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(RMB million, except for percentages)</i>			
Demand deposits				
– Corporate deposits	109,141.23	37.76	104,078.29	39.99
– Retail deposits	31,995.53	11.07	27,395.70	10.53
Sub-total	141,136.76	48.83	131,473.99	50.52
Time deposits				
– Corporate deposits	65,365.24	22.61	50,867.87	19.54
– Retail deposits	69,637.51	24.09	54,222.58	20.83
Sub-total	135,002.75	46.70	105,090.45	40.37
Pledged deposits	10,400.55	3.61	21,737.16	8.36
Inward and outward remittances	107.55	0.04	132.38	0.05
Fiscal deposits	10.91	–	5.34	–
Sub-total	10,519.01	3.65	21,874.88	8.41
Accrued interest	2,384.25	0.82	1,827.15	0.70
Total deposits from customers	289,042.77	100.00	260,266.47	100.00



II. Deposits from banks and other financial institutions

As at 31 December 2020, the Bank's deposits from banks and other financial institutions amounted to RMB29,996 million, representing an increase of RMB13,888 million or 86.22% as compared to the end of last year.

III. Debt securities issued

As at 31 December 2020, the Bank's debt securities issued amounted to RMB55,836 million, representing a decrease of RMB28,286 million or 33.63% as compared to the end of last year.

4.4.3 Equities

As at 31 December 2020, the Bank's total shareholders' equity amounted to RMB36,028 million, representing an increase of RMB2,139 million or 6.31% 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 31 December 2020		As at 31 December 2019	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(RMB million, except for percentages)</i>			
Share Capital	14,588.05	40.49	14,588.05	43.05
Capital reserve	8,840.11	24.54	8,840.11	26.09
Surplus reserve	1,858.13	5.16	1,491.06	4.40
General reserve	4,070.00	11.30	3,360.00	9.91
Fair value reserve	(496.40)	(1.38)	165.80	0.49
Impairment reserve	170.10	0.47	18.87	0.05
Deficit on remeasurement of net defined benefit liability	(17.96)	(0.05)	(18.01)	(0.05)
Retained earnings	7,015.79	19.47	5,443.36	16.06
Total equity	36,027.82	100.00	33,889.24	100.00



MANAGEMENT DISCUSSION AND ANALYSIS

4.5 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 31 December 2020	As at 31 December 2019
	<i>(RMB million)</i>	
Acceptances	14,748.22	25,082.48
Letters of credit	94.13	2.00
Credit card commitments	3,758.23	1,147.96
Letters of guarantee	1,939.90	1,049.44
Total	20,540.48	27,281.88

As at 31 December 2020, details of all commitments and contingent liabilities of the Bank are set out in Note 41 to the financial statements in this annual report.

4.6 ANALYSIS ON LOANS QUALITY

4.6.1 Loan distribution by the five-category classification

Five-category Classification	As at 31 December 2020		As at 31 December 2019	
	Total	Percentage (%)	Total	Percentage (%)
	<i>(RMB million, except for percentages)</i>			
Normal	209,602.92	97.98	176,339.23	98.04
Special mention	1,863.60	0.87	1,399.93	0.78
Substandard	2,237.66	1.04	1,670.13	0.93
Doubtful	163.64	0.08	328.00	0.18
Loss	55.09	0.03	130.43	0.07
Gross loans and advances to customers	213,922.91	100.00	179,867.72	100.00
Non-performing Loans and Non-performing Loans Ratio	2,456.39	1.15	2,128.56	1.18

During the Reporting Period, affected by the pandemic and the downward of the macro economy, the balance of loans classified as special mention and non-performing loan of the Bank decreased relatively as compared to the same period last year. stable. Loans classified as special mention recorded the balance of RMB1,864 million, representing an increase of RMB464 million as compared to the end of the previous year, and accounted for 0.87% of the total loans, representing an increase of 0.09 percent as compared to the end of the previous year. The balance of non-performing loans amounted to RMB2,456 million, representing an increase of 328 million as compared to the end of the previous year. The non-performing loan ratio was 1.15%, representing a decrease of 0.03 percent as compared to the end of the previous year. The five-category loan classification system of the Bank remained stable generally, and the overall risks was controllable.

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

Item	As at 31 December 2020				As at 31 December 2019			
	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>(RMB million, except for percentages)</i>								
Corporate loans and advances								
– Working capital loans	46,658.08	21.81	754.57	1.62	39,328.20	21.87	630.36	1.60
– Fixed assets loans	111,275.24	52.00	1,242.59	1.12	106,178.89	59.03	967.41	0.91
– Others	5,083.75	2.38	78.43	1.54	1,138.26	0.63	283.19	24.88
Personal loans								
– Personal residential mortgage loans	20,231.66	9.46	63.49	0.31	14,048.63	7.81	16.30	0.12
– Personal business loans	7,071.93	3.31	285.18	4.03	10,115.65	5.62	212.08	2.10
– Personal consumption loans	695.30	0.33	17.69	2.54	1,261.06	0.70	19.00	1.51
– Credit cards	1,619.05	0.76	14.44	0.89	342.22	0.19	0.22	0.06
Discounted bills	19,266.95	9.01	–	–	5,916.39	3.29	–	–
Corporate loans and advances	2,020.95	0.94	–	–	1,538.42	0.86	–	–
Total	213,922.91	100.00	2,456.39	1.15	179,867.72	100.00	2,128.56	1.18

During the Reporting Period, the Bank continued to promote the corporate loan business to support the private real economy, and remained stable growth in business scale. As of the end of the Reporting Period, corporate loans accounted for 76.19% of total loans, representing a decrease of 5.34 percent as compared to the end of the previous year, and the non-performing loan ratio decreased by 0.01 percent as compared to the end of the previous year. In terms of personal loans, the Bank steadily carried out the residential mortgage business and actively expanded the credit card business, its assets size hiked steadily. As of the end of the Reporting Period, the personal loans accounted for 13.86% of total loans, representing a decrease of 0.46 percent as compared to the end of the previous year, and the non-performing balance of the personal loans was RMB381 million, representing an increase of RMB133 million as compared to the end of the previous year, the non-performing loan ratio was 1.29%, representing an increase of 0.33 percent as compared to the end of the previous year. Due to the impact of the COVID-19 pandemic, during the Reporting Period, the non-performing loan ratios for personal business loans and the credit card business increased to a certain extent as compared to the end of the previous year, but remained under control overall. The Bank actively expanded its discounted bill business, and the balance increased by RMB13,351 million as compared to the beginning of the year, and accounted for 9.01%, representing an increase of 5.72 percent as compared to the beginning of the year.



MANAGEMENT DISCUSSION AND ANALYSIS

4.6.3 Distribution of corporate loans and non-performing loans by industry

Item	As at 31 December 2020				As at 31 December 2019			
	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>(RMB million, except for percentages)</i>								
Leasing and commercial services	73,623.40	34.40	455.86	0.62	74,664.19	41.53	-	-
Waste resource, environment and public facility management	15,459.92	7.23	69.88	0.45	13,032.02	7.25	-	-
Construction	14,377.22	6.72	310.95	2.16	10,525.65	5.85	407.65	3.87
Education	8,989.54	4.20	1.80	0.02	9,018.12	5.01	-	-
Real estate	10,128.12	4.73	10.14	0.10	7,970.22	4.43	273.02	3.43
Transportation, storage and postal services	5,232.15	2.45	71.30	1.36	5,844.25	3.25	70.62	1.21
Mining	6,441.16	3.01	964.35	14.97	4,703.70	2.62	676.93	14.39
Manufacturing	4,510.97	2.11	11.57	0.26	3,209.48	1.78	44.87	1.40
Health, social security and social welfare	3,958.02	1.85	31.00	0.78	3,258.89	1.81	-	-
Wholesale and retail trade	8,868.21	4.15	86.16	0.97	5,902.16	3.28	141.06	2.39
Production and supply of electric power, gas and water	2,825.35	1.32	-	-	2,684.13	1.49	-	-
Agriculture, forestry, animal husbandry and fishery	2,673.12	1.25	17.94	0.67	1,531.30	0.85	1.55	0.10
Resident services, repair and other services	797.91	0.37	11.44	1.43	645.44	0.36	40.14	6.22
Culture, sports and entertainment	1,041.47	0.49	-	-	563.81	0.31	-	-
Information transmission, software and information technology services	595.61	0.28	3.39	0.57	651.46	0.36	3.40	0.52
Public administration, public security and social organizations	0.80	-	-	-	1.20	-	-	-
Accommodation and catering	1,565.38	0.73	28.11	1.80	1,708.86	0.95	21.72	1.27
Scientific research and technical services	276.76	0.13	1.70	0.61	25.10	0.01	-	-
Finance	1,651.96	0.77	-	-	705.37	0.39	200.00	28.35
Corporate loans and advances	163,017.07	76.19	2,075.59	1.27	146,645.35	81.53	1,880.96	1.28
Personal loans	29,617.94	13.86	380.80	1.29	25,767.56	14.32	247.60	0.96
Discounted bills	19,266.95	9.01	-	-	5,916.39	3.29	-	-
Forfeiting	2,020.95	0.94	-	-	1,538.42	0.86	-	-
Gross loans and advances to customers	213,922.91	100.00	2,456.39	1.15	179,867.72	100.00	2,128.56	1.18



During the Reporting Period, closely based on major national strategic plans, the Bank firmly supported the development of the real economy, assisted in the fight of poverty alleviation, financially helped enterprises affected by the pandemic with work and production resumption, and continued to optimize the credit structure. Based on national macro-control policies and industrial policies, the Bank dynamically adjusted the credit policies in real estate, local governmental financing platforms, industries to be reduced or withdrawn and other areas and accelerated the withdraw of customers with overcapacity, "zombie enterprises" and other customers in high-risk areas. During the Reporting Period, the Bank increased its efforts to dispose of non-performing assets, leading to significant decreases of non-performing loan ratios in certain industries such as real estate, wholesale and retail.

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

Item	As at 31 December 2020				As at 31 December 2019			
	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>(RMB million, except for percentages)</i>								
Unsecured loans	35,692.19	16.68	29.12	0.08	19,624.80	10.91	8.22	0.04
Guaranteed loans	105,878.99	49.50	626.87	0.59	89,218.18	49.60	384.79	0.43
Collateralised loans	38,734.71	18.11	1,586.71	4.10	33,151.27	18.43	1,297.30	3.91
Pledged loans	33,617.02	15.71	213.69	0.64	37,873.47	21.06	438.25	1.16
Total	213,922.91	100.00	2,456.39	1.15	179,867.72	100.00	2,128.56	1.18

During the Reporting period, unsecured loans, guaranteed loans and collateralised and pledged loans increased by 81.87%, 18.67% and 1.87%, respectively, as compared to the beginning of the year. In particular, the large increase in unsecured loans was due to the significant increase in the scale of the discounted bill business as compared to the beginning of the year. Affected by the macroeconomic downturn, the balance of non-performing loans increased as compared to the beginning of the year, and the non-performing loan ratio decreased slightly as compared to the beginning of the year.



MANAGEMENT DISCUSSION AND ANALYSIS

4.6.5 Distribution of loans by overdue period

Category	As at 31 December 2020		As at 31 December 2019	
	Total	Percentage (%)	Total	Percentage (%)
<i>(RMB million, except for percentages)</i>				
Loans not past due	212,142.73	99.16	178,447.94	99.21
Overdue loans				
– Within 3 months	1,380.07	0.65	427.59	0.24
– Over 3 months but within 1 year	176.48	0.08	543.09	0.30
– Over 1 year but within 3 years	164.18	0.08	402.14	0.22
– Over 3 years	59.45	0.03	46.96	0.03
Overdue loans and overdue ratio	<u>1,780.18</u>	<u>0.84</u>	<u>1,419.78</u>	<u>0.79</u>

As at the end of the Reporting Period, the balance of the Bank's overdue loans amounted to RMB1,780 million, representing an increase of RMB360 million as compared to the end of the previous year, and the overdue ratio was 0.84%, representing an increase of 0.05 percentage point as compared to the end of the previous year. In particular, affected by the overdue interest of an individual customer, the overdue amount within 3 months increased by RMB952 million as compared to the beginning of the year. The interest owed by the customer was settled at the beginning of 2021.



4.6.6 Loan concentration

Loans to top ten single borrowers in 2020

The Borrower	Industry	As at 31 December 2020			Five-category classification
		Balance	Percentage of total loans (%)	Percentage of net capital (%)	
<i>(RMB million, except for percentages)</i>					
A	Leasing and commercial services	2,033.00	1.25	5.64	Normal
B	Real estate	2,017.00	1.24	5.60	Normal
C	Water resource environment and public facility management	1,849.05	1.13	5.13	Normal
D	Leasing and commercial services	1,575.20	0.97	4.37	Normal
E	Finance	1,448.00	0.89	4.02	Normal
F	Leasing and commercial services	1,447.55	0.89	4.02	Normal
G	Construction	1,380.00	0.85	3.83	Normal
H	Leasing and commercial services	1,331.00	0.82	3.69	Normal
I	Construction	1,288.39	0.79	3.58	Normal
J	Leasing and commercial services	1,266.00	0.78	3.51	Normal
Total		15,635.19	9.61	43.40	

As at the end of the Reporting Period, the balance of loan to the Bank's largest single borrower amounted to RMB2,033 million, representing 5.64% of the net capital, and the total amount of loans to the ten largest single borrowers was RMB15,635 million, representing 9.61% of the total loans.



MANAGEMENT DISCUSSION AND ANALYSIS

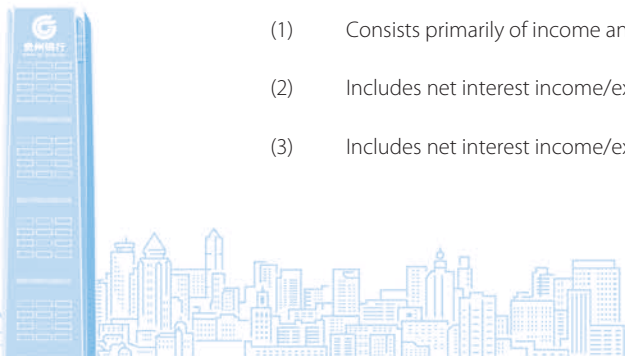
4.7 SEGMENT REPORTING

4.7.1 Summary of operating segments

Item	For the year ended 31 December 2020					For the year ended 31 December 2019				
	Corporate Banking	Retail Banking	Financial Markets	Other ⁽¹⁾	Total	Corporate Banking	Retail Banking	Financial Markets	Others	Total
	<i>(RMB million, except for percentages)</i>									
External net interest income/ (expense) ⁽²⁾	10,511.51	(1,195.60)	805.48	-	10,121.39	10,696.06	(525.13)	(299.97)	-	9,870.96
Inter-segment net interest (expense)/ income ⁽³⁾	(3,423.20)	2,928.72	494.48	-	-	(2,663.09)	1,650.76	1,012.33	-	-
Net interest income	7,088.31	1,733.12	1,299.96	-	10,121.39	8,032.97	1,125.63	712.36	-	9,870.96
Net fee and commission income/(expense)	184.75	(4.32)	182.09	-	362.52	41.73	(18.82)	71.73	-	94.64
Net trading gains	-	-	144.66	-	144.66	-	-	116.39	-	116.39
Net gains arising from investment securities	-	-	623.84	-	623.84	-	-	662.28	-	662.28
Other operating (expense)/income	38.17	0.79	1.09	(44.85)	(4.80)	(69.05)	-	-	30.31	(38.74)
Operating income	7,311.23	1,729.59	2,551.64	(44.85)	11,247.61	8,005.65	1,106.81	1,562.76	30.31	10,705.53
Operating expenses	(2,108.66)	(619.99)	(841.98)	14.89	(3,555.74)	(2,109.15)	(612.22)	(685.70)	(15.04)	(3,422.11)
Impairment losses on assets	(1,890.62)	(573.34)	(764.81)	(3.02)	(3,231.79)	(2,846.26)	(12.56)	(313.95)	-	(3,172.77)
Share of losses of associates	-	-	-	(104.78)	(104.78)	-	-	-	(19.26)	(19.26)
Profit before tax	3,311.95	536.26	644.85	(137.76)	4,355.30	3,050.24	482.03	563.11	(3.99)	4,091.39

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.



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 year ended 31 December 2020		For the year ended 31 December 2019	
	Amount	Percent of Total (%)	Amount	Percent of Total (%)
	<i>(RMB million, except for percentages)</i>			
Corporate Banking	7,311.23	65.00	8,005.65	74.78
Retail Banking	1,729.59	15.38	1,106.81	10.34
Financial Markets	2,251.64	20.02	1,562.76	14.60
Others ⁽¹⁾	(44.85)	(0.40)	30.31	0.28
Total	11,247.61	100.00	10,705.53	100.00

Note:

- (1) This mainly includes income and expenses which are not directly attributable to a business segment.



MANAGEMENT DISCUSSION AND ANALYSIS

4.8 ANALYSIS ON CAPITAL ADEQUACY RATIO AND LEVERAGE RATIO

4.8.1 Capital Adequacy Ratio

As at 31 December 2019 and 31 December 2020, the Bank's core tier-one capital adequacy ratio were 12.30% and 11.63%, respectively, the Bank's tier-one capital adequacy ratio were 12.30% and 11.63%, respectively and the Bank's capital adequacy ratio were 14.45% and 13.67%, respectively.

	As at 31 December 2020	As at 31 December 2019
	<i>(RMB million, except for percentages)</i>	
Core Tier-one Capital		
Share capital	14,588.05	14,588.05
Qualifying portion of capital reserve	8,495.85	9,006.77
Surplus reserve	1,858.13	1,491.06
General reserve	4,070.00	3,360.00
Retained earnings	7,015.79	5,443.36
Core tier-one capital	36,027.82	33,889.24
Core tier-one capital deductions	(243.84)	(172.20)
Net tier-one capital	35,783.98	33,717.04
Tier-two Capital		
Surplus provision for impairment	3,476.43	3,095.65
Instruments issued and share premium	2,793.52	2,792.44
Net Tier-two capital	6,269.95	5,888.09
Total net capital	42,053.93	39,605.13
Total risk-weighted assets	307,713.67	274,014.08
Core tier-one capital adequacy ratio	11.63%	12.30%
Tier-one capital adequacy ratio	11.63%	12.30%
Capital Adequacy Ratio	13.67%	14.45%



4.9 BUSINESS SUMMARY

Making full efforts to promote the business transformation of the company

I. Strongly supporting the real economy and proactively expanding customer base in key industries

During the Reporting Period, the Bank actively fulfilled its social responsibilities and provided credit support to enterprises for pandemic prevention and control and resumption of production and work; concentrating on fundamental energy, high quality tobacco and alcohol, civil and military integration, “Double Thousand Projects” (雙千工程), etc., the Bank has built a working mechanism which supports the ten major industries, and has been strongly supporting the construction of key enterprises and projects in Guizhou province, striving to provide customers with a customized full-process, personalized and comprehensive financial service solutions, constantly providing more high-quality and efficient financial services for the real economy, and continue to increase more credit resources to the real economy, so as to comprehensively improve the ability and level of finance in developing the real economy. As at the end of the Reporting Period, the Bank’s balance of real economy financing amounted to RMB94,295 million, representing an increase of RMB13,811 million or 17.16% from the beginning of the year. The balance of the loans granted to private enterprises amounted to RMB31,067 million, representing an increase of RMB9,074 million or 41.26% from the beginning of the year.

II. Striving to develop green finance and build “Green Bank” brand

During the Reporting Period, the Bank has drew up the Strategic Plan for Green Finance of Bank of Guizhou (2021–2025) (《貴州銀行綠色金融戰略規劃(2021–2025年)》), so as to improve the top-level design for the green finance, improve regimes and systems for green credit and enrich green loan products and services, etc. The Bank innovatively launched the special green credit products and services, such as loans for green building, loans for ecological environment and infrastructure, and green finance service program for traditional energy clean projects, in order to establish a system composed of “general + specific” products and services for the green finance. As at the end of the Reporting Period, the Bank’s balance of the green loans amounted to RMB22,852 million, representing an increase of RMB4,669 million from the beginning of the year, with the green credit accounting for 10.68%. On 30 November 2020, the Bank officially announced its adoption of the “Equator Principles”, thus becoming the sixth domestic “Equator Bank”. By embedding the management standards, management processes and management methods under Equator Principles into the credit management platform, the attention to the environmental and social risks faced by the project financing was enhanced, and the idea of environmental and social risk management was integrated into the key links of the Company’s credit business investigation and post-loan management.

III. Vigorously developing the transaction banking business

In line with its establishment of a transaction banking products system “with supply chain finance and cash management as the core featuring balanced development of multiple products”, the Bank continued to expand the income channel of its intermediate business, and promote the “light capital” transformation through the transaction banking business. During the Reporting Period, the Bank has granted trade financing amounting to RMB8,773 million, representing an increase of 87.00% as compared with the previous year; the balance of the trade financing amounted to RMB7,085 million, representing an increase of RMB2,918 million or 70.03% from the beginning of the year. The market share of trade financing rose to 18.14% from 22.81%. During the Reporting Period, the Bank’s intermediate business income from its transaction banking business increased steadily, which has become an important income growth point of the Bank.



MANAGEMENT DISCUSSION AND ANALYSIS

IV. Continuing to strengthen the customer base of the institutional business

During the Reporting Period, the Bank successively obtained the qualification of cooperative bank for promoting the medical insurance electronic certificates, being one of the first city commercial banks to obtain the qualification of cooperative bank for medical insurance electronic certificates, in addition to 19 stated-owned large commercial banks and national joint-stock commercial banks. At the same time, the Bank worked closely with relevant institutions in Guizhou Province, becoming a cooperative bank for the "Enterprise Account Opening System" of the Administration for Market Regulation of Guizhou Province; and entered into the strategic cooperation agreements with the Big Data Administration of Guizhou Province, becoming a "Pilot Unit for Development and Utilization of Public Data Resources in Guizhou Province". The Bank vigorously promoted the construction works of 11 systems, including the electronization of national treasury centralized payment and medical insurance FES¹ by virtue of making the construction of "e-Government System" an important way for the maintenance of institutional customer base.

Note: The electronic management platform for the whole process of medical insurance

Continuing High Growth of Retail Business

During the Reporting Period, the Bank kept on deepening customer operation, enriching product services and promoting rapid development of the retail business by adhering to the "strategy of developing big retail with extraordinary efforts."

I. Personal deposits exceeding RMB100,000 million, successfully entered the first echelon in the province

As at the end of the Reporting Period, the balance of personal deposits of the Bank was RMB101,633 million, exceeding RMB100,000 million. Personal deposits increased by RMB20,015 million or 24.52% as compared to the beginning of the year, which was 2.27 times the average growth rate of the peers, ranking the first among peers in the province in terms of growth rate for three consecutive years.

Item	Unit	2020	2019	2018
Balance of personal deposits	RMB100 million	1,016.33	816.18	628.37
Growth rate of personal deposits	%	24.52%	29.89%	46.81%
Proportion of personal deposits within the province	%	7.98%	7.10%	5.95%



II. Upgrading the customer management methods and further optimizing its structure

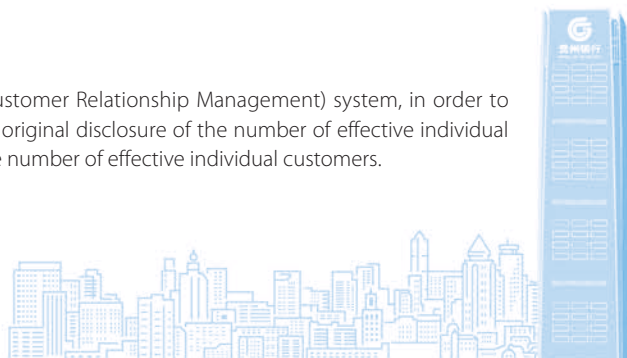
During the Reporting Period, with the support of digitalization and informatization, the Bank vigorously optimized customer marketing management and continued to consolidate its customer base. As at the end of the Reporting Period, the Bank had 1,719,000 effective individual customers. ⁽¹⁾

- (I) Vigorously promoting the digital and intelligent tools to expand customers. The Bank developed the “micropower” assistant for expanding the business, and carried out “chain marketing” to customers and their relatives and friends through Wechat Moments on the Wechat platform. During the Reporting Period, the channel of “micropower” assistant for expanding the business achieved AUM of RMB11,052 million, of which RMB7,302 million were wealth management products and RMB3,750 million were deposit products.
- (II) Implementing full lifecycle management of customers. Leveraging on BI image and machine learning, the Bank automatically identified and selected customer requirements to continuously improve the reach rate of new customers. The Bank established the customer loss alerting model and implemented “one-to-one” targeted marketing to and maintenance of customers, so as to reduce the customer loss.
- (III) Ramping up maintenance of its key customer bases. The Bank regarded the customers with trade union member cards as its key target customer bases. During the Reporting Period, in order to attract the eyes of the mass and improve the quality, the Bank launched the point platform for the customers, and continued to carry out activities such as premium points, points in major festivals and seckill with points in the trade union member cards. As at the end of the Reporting Period, the Bank totally issued 2,312,800 trade union member cards, accounting for 70.26% of ordinary trade union members in the province and ranking the first in the market of Guizhou Province.

III. Continuing to improve the service quality, the regulatory rating for consumers’ rights and interests protection remained Class A for three years

During the Reporting Period, the Bank continued to strengthen the protection of consumers’ rights and interests, and constantly improved the service quality. Two business outlets were rated by the China Banking Association as the “Top 1000 Units of Civilized and Standardized Service in the Banking Industry in 2020”. The total number of the “Top 1000” outlets in the Bank reached four, and the work for building of star-level outlets reached the best level for over the past years. As at the end of the Reporting Period, the Bank built ten baby-care rooms and 117 outdoor workers’ comprehensive service stations, among which the comprehensive service stations in five outlets were awarded the title of “Provincial Demonstration Sites”.

Note 1: Due to the launch of the Bank’s OCRM (Operational Customer Relationship Management) system, in order to more accurately reflect the status of our customers, the original disclosure of the number of effective individual accounts is no longer used and has been changed to the number of effective individual customers.



MANAGEMENT DISCUSSION AND ANALYSIS

Consumer Finance Business Starting to Take Shape

During the Reporting Period, focusing on construction of its systems, products, and mechanisms and enhancement of its capacity for digitized operation and online operation, the Bank vigorously developed the consumer finance business, and actively created an online and featured full-scenario product production line and a “distinctive credit cards” brand. The asset scale, customer scale and profitability of the consumer finance business have seen a significant increase. As at the end of the Reporting Period, the balance of personal consumption loans of the Bank amounted to RMB18,659 million, representing an increase of 23.87% as compared with the beginning of the year. The Bank issued 252,700 credit cards in total, representing an increase of 165.69% as compared with the beginning of the year, with the credit cards overdraft balance of RMB1,619 million, representing an increase of 373.39% as compared with the beginning of the year.

I. Significantly enhancing the online and digitized operation capacity

The Bank strongly enhanced the application of technology, successfully achieved online operation throughout the process of the credit card business. The customers can apply for the Bank’s credit cards by mobile banking, WeChat banking, marketing APP, QR code sharing, H5 and other channels. The system can automatically examine and approve card applications in real time. The Bank constantly enhanced its ability to control big data risk, and achieved the data-driven intelligent examination and approval throughout the process, which can make comprehensive use of intra-bank credit and asset and liability data; the credit information of the PBOC; multi-dimensional third-party credit information, anti-fraud services, local government and livelihood data and others.

II. The production line of the full-scene installment products being put into production

During the Reporting Period, the Bank constantly enriched the product portfolio, and production lines for various scenario installment products were put into production, including the online special and comprehensive consumption, parking space, home decoration, vehicles, home mortgage and general scenario. As at the end of the Reporting Period, the balance of the credit card installment amounted to RMB966 million.

III. Creating the featured product of “distinctive credit cards”

With an aim to create the “distinctive credit cards”, the Bank strived to provide differentiated and specialized services for different customer bases. During the Reporting Period, the Bank successfully launched credit cards for members of Qianyou trade union, and issued a total of 78,700 credit cards, providing exclusive and preferential credit card financial services for the staffs who were the members of trade unions of enterprises and public institutions in the province. The Bank constantly conducted risk data analysis on, and upgraded and iterated risk control strategy for Meituan co-branded credit cards. During the Reporting Period, the Bank newly issued 54,100 Meituan co-branded credit cards.



Continuous Efforts Leading to the Rapid Growth in the Scale of Micro and Small Business

During the Reporting Period, the Bank focused on the requirements for the strategic transformation of its retail, micro and small businesses, achieved bulk customer acquisition and realized product cross-selling through core enterprise supply chains, industry development and mature business circles marketing, improved its comprehensive service level, and deepened its efforts on micro and small business, achieving sound and rapid development. As at the end of the Reporting Period, the Bank had 14,251 inclusive loan accounts from micro and small enterprises with an amount of RMB20,309 million on CBIRC basis, representing an increase of 2,295 and RMB7,667 million, or 19.20% and 60.65%, respectively, as compared with the beginning of the year.

I. Achieving bulk customer acquisition with the model of “chain, circle and cluster”

Firstly, the Bank opened up the entire industrial chain from raw material procurement to terminal sales of a group of core enterprises, and adopted the 1+N model to meet the capital needs of upstream and downstream micro and small enterprises through order financing, receivables and inventory pledges; Secondly, the Bank focused on mature business circles, introduced customized financing solutions according to the scientific classification based on merchant industry attributes and business characteristics, simplified the approval process, and transformed the original retail mode into a “wholesale mode”, which greatly improved the business efficiency and customer satisfaction. Thirdly, the Bank deeply cultivated special industry clusters, developed differentiated marketing programs for private education, rural tourism, pharmaceutical distribution, catering and hotel, tea planting, animal husbandry and other industries, and developed special products to precisely meet the needs of customers in different industries. During the reporting period, a total of 183 customized programs for clusters were implemented, and a total of RMB10.075 billion of loan was granted.

II. Actively assisting in “work and production resumption” and “business and market resumption”

During the Reporting Period, the Bank did its utmost to fight against the pandemic, launched the “Fu Chan Dai (復產貸)” product in time, opened a “green channel” for financial services, responded to the call of the state, and helped enterprises in difficulty to tide over the difficult times by reducing fees and deferring principal repayment. The Bank has issued a total of 7,182 loans for resumption of production, amounting to RMB11.92 billion. The Bank’s weighted average interest rate of 5.55% for inclusive loans to micro and small enterprises, representing a decrease of 74 BP as compared to the beginning of the year, demonstrating the Bank’s social responsibility.



MANAGEMENT DISCUSSION AND ANALYSIS

Steadily Increasing the Profits of the Financial Market Business

During the Reporting Period, the vitality and influence of the Bank's financial market business were improving in the financial market across the country, and it was recognized as "Top 100 for Clearing – Excellent Dealer" by China Central Depository & Clearing Co., Ltd. for three consecutive years and was awarded the "Best Progress Award in Interbank Domestic Currency Market" in 2020 by National Interbank Funding Center (China Foreign Exchange Trade System).

I. The scale of the financial assets increased significantly and the business lines transformed from a single variety to allocation of major assets

During the Reporting Period, the Bank continuously boosted the transactions and enthusiasm in the bond market business. The Bank constantly enriched the investment variety and channel, and increased the allocation of the high quality liquid assets such as publicly offered funds, government bonds and debt securities issued by policy banks which enjoy the advantage of tax exemption, all leading to a gradual reduction in the overall duration of the asset portfolio and the continuous optimization of asset structure. As at the end of the Reporting Period, the net financial assets of the Bank amounted to RMB192,309 million, representing an increase of 29.91% year on year, and its proportion to the Bank's total assets increased to 42.14%.

II. Market trading capabilities continued to improve and the profit-generating model transformed from single structure to diversified operation

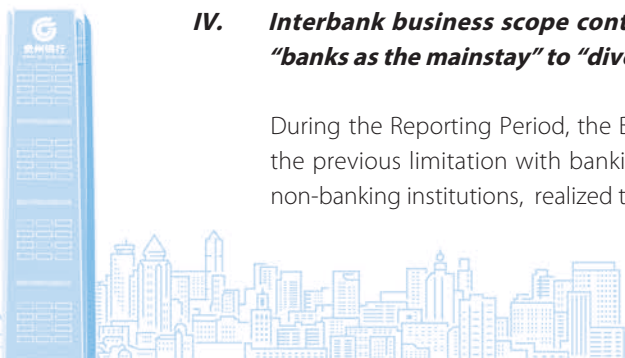
During the Reporting Period, the market fluctuated sharply due to the impact of the pandemic and the return on assets declined. However, the Bank closely monitored the market condition, optimized the assets investment and transaction strategy, improved the assets allocation and seek value from inventory assets transactions, so as to promote the gradual improvement of the profitability of its financial market business. During the Reporting Period, the Bank achieved an operating revenue of RMB2.252 billion in capital business, and its proportion to the Bank's total operating revenue increased to 20.02%, representing an increase of 5.42 percentage points year-on-year; achieved a profit before tax of RMB645 million in capital business, and its proportion to the Bank's total profit before tax of 14.81%, representing an increase of 1.04 percentage points year-on-year, and the financial market business played its full role as a "profit engine", which played a key role in optimizing the Bank's financial revenue structure.

III. Capital income continued to grow and treasury management transformed from "capital adjustment" to "value enhancement"

During the Reporting Period, the Bank continued to enrich its operational tools on liquidity and actively explored and conducted the online and offline cross-market businesses. While improving its liquidity management capabilities, the Bank strived to create new revenue growth points for its capital business, promoting a continuous increase in the return on capital.

IV. Interbank business scope continued to expand and interbank cooperation transformed from "banks as the mainstay" to "diversified institutions"

During the Reporting Period, the Bank actively expanded the coverage of key interbank customers, broke the previous limitation with banking institutions as the mainstay, and strengthened its cooperation with non-banking institutions, realized the diversification of trading institutions.



V. *Achieving breakthroughs in the key business qualifications, and reaching a new level in the bond market business*

In February 2020, the Bank successfully obtained the bond underwriting qualification issued by the China Development Bank (“CDB”) and became one of the 81 members of CDB bond underwriting syndicate; in December 2020, it successfully obtained the qualification of the new treasury bond underwriting syndicate and became one of the 55 members. The breakthroughs in key business qualifications promoted the bond market business of the Bank to a new level, which further expanded its income channel of the intermediate business.

Accelerating the Transformation of Wealth Management Business

During the Reporting Period, the Bank accelerated the transformation of its wealth management business, with both sales volume and balance hitting a record high. The wealth management business became the first mid-income product line over RMB100 million, which continuously highlighted its role in promoting the optimization of the Bank’s revenue structure.

I. *The net value transformation is progressing in an orderly way*

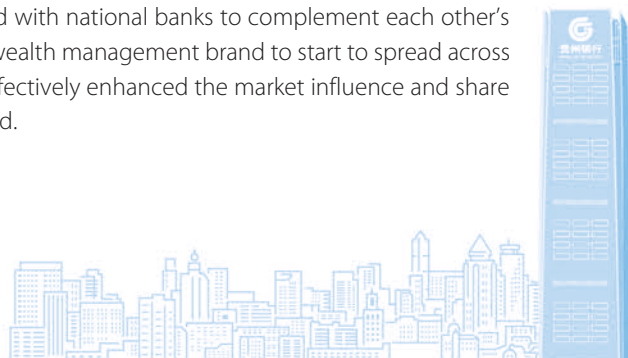
During the Reporting Period, the Bank paid close attention to the construction of “product research and development capabilities, investment and research capabilities, operation and management capabilities and risk control capabilities”, and comprehensively accelerated the net value transformation. As at the end of the Reporting Period, the balance of the wealth management products of the Bank amounted to RMB23,194 million, representing an increase of 55.16% as compared with the beginning of the year, among which, the net value wealth management products was RMB21,479 million, accounting for 92.61%, and the net value level increased by 25.67% as compared with the end of 2019, and the transformation continued to strengthen. According to the Evaluation Ranking of Net Value Bank Wealth Management Comprehensive Capability in the Fourth Quarter of 2020 released by the CSI Jinniu Financial Research Center, the Bank ranked 31st among the domestic city commercial banks; according to the Comprehensive Ranking of the Wealth Management Capabilities in the Fourth Quarter of 2020 under PY Standard, the Bank ranked 35th among the domestic city commercial banks in wealth management.

II. *The net value type product lines were increasingly diversified*

During the Reporting Period, the Bank successfully issued 3 customer-periodical and 5 regular open type net value wealth management products of the “Qian Li Ying (黔利盈) Series”, the raising scale of open type products amounted to RMB52,117 million, accounting for 76.37% of the total raising scale. The Qian Li Ying (黔利盈) open type products have become the Bank’s core products for sound wealth management.

III. *The “Gui Yin Heng Li (貴銀恒利)” wealth management brand has been spread across the country*

During the Reporting Period, the Bank actively cooperated with national banks to complement each other’s advantages, and promoted “Gui Yin Heng Li (貴銀恒利)” wealth management brand to start to spread across the country by means such as commission sales, which effectively enhanced the market influence and share of “Gui Yin Heng Li (貴銀恒利)” wealth management brand.



MANAGEMENT DISCUSSION AND ANALYSIS

Actively Promoting the Integrated Development of Online and Offline Businesses

During the Reporting Period, the Bank focused on “scenarios outward expansion, internal platform construction, deep boost of data flow”, comprehensively improved business efficiency and management level by virtue of financial technology, overcame the adverse impact brought by the COVID-19 pandemic, and provided strong support for the business transformation of the Bank.

I. *Continuously optimizing the platform and improving customer experience*

During the Reporting Period, the Bank integrated and launched mobile banking and direct sales banking APP, realized smart parking, intelligent access control, prepaid recharges, purchase movie tickets, video rights, oil cards, network entertainment and other high-frequency scenarios on the APP, and launched and optimized credit card application, Jie Suan Dai (結算貸), points mall, financial management and other products. The APP won the “Best Mobile Banking Innovation Award” from China Financial Certification Authority. As at the end of the Reporting Period, the number of registered mobile banking users of the Bank amounted to 3,419,700, and the number of newly registered customers amounted to 780,900, representing an increase of 29.60%. The number of monthly active users (MAU) of the mobile banking APP amounted to 401,100, representing an increase of 17%.

II. *Enriching scenarios construction to attract customers*

During the Reporting Period, the Bank constantly enriched the scenarios construction focusing on high-frequency life scenarios including traveling, entertainment, medical care, education and transportation so as to proactively embrace the Industrial Internet and continuously promote business innovation.

– Bank-hospital express (銀醫通):

The Bank provided customized characteristic financial services for medical companies, such as the omni-channel payment in the process of diagnosis/treatment, the payment through self-service payment terminal, the settlement window MIS, the payment through WeChat public account, refund and other payment and settlement functions. As of the end of the Reporting Period, we provided such services to a total of 19 hospitals. Next, our services are expected to extend to private hospitals and pharmacies.

– Bank-government connect (銀政通):

During the Reporting Period, the APP acceptance function for the Intermediate People’s Court and that for pre-sale housing supervision fund of Housing and Urban Construction Bureau of Gui’an New Area were put into operation. The service has covered the courts, the Housing and Urban Construction Bureau, tax bureau and other institutions.



- Smart car parking service (智慧停車):** After binding the license plate number through mobile banking, users can check the parking lot with the Bank nearby and navigate to the parking lot, and leave the parking lot through touchless payment and automatic payment. In this way, “parking without waiting, payment without queuing” is realized and efficient and convenient parking service experience can be truly enjoyed. As of the end of the Reporting Period, 89 car parks had access to that operation of the Bank, including four types of car parks, i.e., that in transportation hubs, communities, business districts and hospitals.
- Individual spending (生活消費):** During the Reporting Period, the “PAYECO (易聯支付)” online payment and the payment function of “Yuan Gong Gou (員工購)” online sales platform for Moutai Jiangxiang Wine and Xijiu e-commerce platform were put into operation; we customized featured services for Heli supermarket chain (合力連鎖超市), helped it to establish its service network of 80 stores in Guizhou Province and provide long-term preferential activities for the Bank’s cardholders.
- Transportation (交通出行):** Taking advantage of the official operation of Guiyang Urban Rail Transit, the Bank successfully launched the function of taking the subway through facial recognition. Users can have access to facial-recognition subway-taking function through the APP for the Rail Transit and bind their cards issued by the Bank of Guizhou, and enjoy automatic fare deduction service through facial recognition when taking the subway or BRT. During the Reporting Period, the total number of users, whose cards were binding with subway services and issued by the Bank, was 306,500.
- Educational ecology (教育生態):** During the Reporting Period, the Bank successfully implemented the upgrading of the education ecosystem, the online and offline payment, online courses and other functions were added, and the ecological construction was basically completed. Next, the Bank will focus on the cooperation with large-scale educational institutions to continuously improve the quality of its business development.



MANAGEMENT DISCUSSION AND ANALYSIS

The Information System of A New Generation Came Into Use

On 16 November 2020, the information system of a new generation was successfully put into operation, which marked the Bank of Guizhou had taken solid strides along the path towards fintech transformation and development and achieved leapfrog development. The system involves basic application, business processing, operation management, data analysis and others, which represents the integration between technologies and business transformation, and also an all-round system-wide thorough innovation from the kernel to the representations. The system supports, empowers and leads the business transformation multi-dimensionally in terms of customer identification, process streamlining, scenarios design and arrangement, smart risk-control, management refinement, business innovation, etc.

I. The technological supporting ability has been significantly enhanced

Firstly, big data platform offers digital support for business expansion, risk management and control, management refinement and monitoring results reporting. Secondly, cloudification has been achieved for all infrastructure. The Bank has established a new system of “four centers in two cities” and pooling management has been achieved for the management of network, computation and storage, to guarantee a quick deployment of applications, and the safety protection capability has been strengthened in all respects. Thirdly, distributed architecture has transformed in an all-round manner. The application systems have been built based on homemade distributed database.

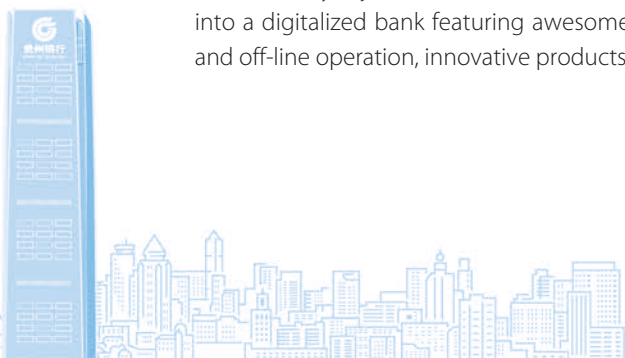
II. The customer service ability has been effectively enhanced

Firstly, unified standard for omni-channel services has been achieved, to deliver equal experience among clients. Secondly, a common standard was adopted for the management of the information of all clients of the Bank, achieved the completeness, accurateness and timeliness of the clients’ information to be provided, and the information of the clients can be 360-viewed. Thirdly, the system will help to promote the creation of new model of intelligent outlets featuring automatic business processing, user-friendly service process and professional financial services.

III. The operation management and risk control ability has been effectively enhanced

Firstly, product innovation has been improved. The system is equipped with rapid development ability which can be configured in a flexible manner. Secondly, the ability in management refinement has been enhanced. The information system of a new generation can satisfy the need of users at various levels. Thirdly, risk management and control has been strengthened. We created two rating systems, i.e., “retail plus non-retail”, built a relatively comprehensive risk model, and achieve automatic grading and credit-granting as well as risk monitoring.

Next, the Bank will adhere to the model of innovation-driven development, propel digital transformation in an all-round way, inject the fintech elements into the whole process and all areas of its business, continue to build itself into a digitalized bank featuring awesome user experience, diversified scenario ecology, synergy between on-line and off-line operation, innovative products, efficient operation and management and intelligent risk control.



4.10 RISK MANAGEMENT

4.10.1 Credit risk management

Credit risk represents the 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, financial investments, bill acceptance, letters of credit, letters of guarantee and other on-balance and off-balance businesses.

In 2020, facing the impact of the COVID-19 pandemic and the complicated internal and external economic environment, the Bank maintained its strategic focus, adhered to the overall “prudent, sound and compliant” risk appetite, continuously improved the credit policy and system, promoted the contiguous adjustment of the credit structure, and solidly carried out system construction. It also reinforced risk alerting and monitoring, accelerated the disposal of non-performing assets and achieved continuous stability in asset quality.

Firstly, the Bank continued to improve the policy and system, and optimized and adjusted credit policy, system and process in accordance with regulatory requirements and internal management needs to further enhance the effectiveness of risk management; secondly, the Bank consistently advanced credit restructuring, further directed credit resources to the real economy, inclusive finance, green finance and other areas, and increased its support for private enterprises and micro, small and medium enterprises; thirdly, the Bank increased the application of the project results from the new capital agreements, improved the internal rating system and strengthened the risk assessment and access management of credit customers to further enhance the quantitative risk management capability; fourthly, the Bank solidly carried out the construction of a new generation of credit system, and optimized and integrated the systems for unified credit and risk mitigation to enhance the effectiveness of risk management; fifthly, the Bank accelerated the disposal of non-performing assets and applied cash settlement, debt repayment with assets, bulk and non-bulk transfers, loan write-offs and other means to accelerate the liquidation of the stock of non-performing assets.

4.10.2 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 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.



MANAGEMENT DISCUSSION AND ANALYSIS

The objectives of the Bank's liquidity risk management includes implementing a "systematic, proactive and normalized" liquidity risk management strategy, focusing on the development strategy of the Bank, continuously meeting the requirements of business development, payment and liquidity regulatory indicators, fully identifying, effectively measuring and continuously monitoring liquidity risks to ensure that it has sufficient capital or can obtain sufficient capital at reasonable cost in a timely manner to meet payment obligations when they fall due, maintain the bottom line of no occurrence of liquidity risk event, and maintain a dynamic balance among safety, liquidity and profitability, whether in a normal business environment or in a challenging situation.

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 and management work in respect of liquidity risk management and is responsible for the implementation of liquidity risk management, the establishment of organization, the implementation 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.

The Bank enhanced its liquidity management by taking the following 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 strategies and policies; secondly, the Bank determined limit of liquidity risks based on business nature, scale, complexity, risk appetite, development of external market and risk tolerance; thirdly, the Bank continuously enhanced early warning monitoring and management of liquidity risks and implemented day-time liquidity management, regularly carried out liquidity risk pressure tests based on the results of which to identify weaknesses in the liquidity risk management of the Bank and made adjustments to the liquidity risk management strategies and the size and structure of high-quality current assets when necessary; fourthly, the Bank dynamically regulated the release of credit assets, continued to optimize the asset structure to realize the stable operation of assets and liabilities. The Bank consolidated the quality of liabilities, utilized active liability instruments in a flexible manner, expanded long-term funding sources and continuously improved the percentage of stable liabilities; fifthly, the Bank improved the contingency plan and emergency plan for liquidity risks, and effectively enhanced the ability to respond to liquidity risk events through regular liquidity risk emergency drills.

In 2020, 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 short-term 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 289.00%; the qualified current assets amounted to RMB77,656 million; the net cash outflow for the next 30 days was RMB26,870 million; the current ratio was 91.94%; the net stable funding ratio was 106.11%; the stable funding available was RMB277,367 million; the stable funding needed was RMB261,385 million. The details are set out in the table below.

Liquidity Coverage Ratio

Unit: RMB100 million, %

No.	Item	Discounted amount
1	Qualified high-quality current assets	776.56
2	Net cash outflow for the next 30 days	268.70
3	Liquidity coverage ratio (%)	289.00%

Net Stable Funding Ratio

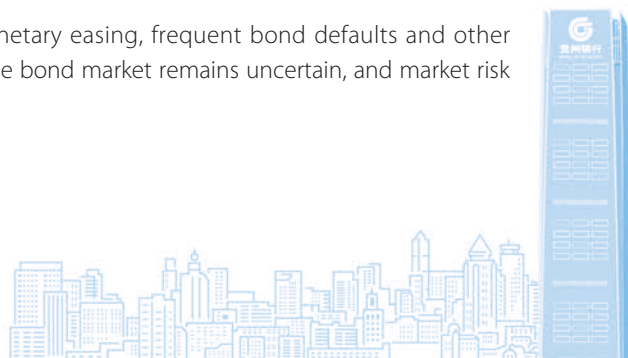
Unit: RMB100 million, %

No.	Item	End of 2020	End of 2019
1	Stable funding available	2,773.67	2,380.47
2	Stable funding needed	2,613.85	2,247.54
3	Net stable funding ratio (%)	106.11	105.91

4.10.3 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 main market risk exposed to the Bank includes interest rate risk. Based on the centralized model in market risk management, the Bank implements the risk allocation of financial market to further strengthen the second line of defense. During the Reporting Period, the Bank incorporated the results of the market risk management under the new capital agreements to its actual businesses, and enhanced the monitoring and early warning tools for financial assets and interbank counterparties with the help of market risk measurement instruments. It enriched and improved stress testing scenarios, applied stress testing results to limit management, continuously strengthened the daily valuation of trading book assets, actively responded to extreme volatility in the interest rate market, and promoted the transformation of financial market business to "value enhancement".

Impacted by the rebound of the pandemic, global monetary easing, frequent bond defaults and other uncertainties, the internal and external environment of the bond market remains uncertain, and market risk control still requires continuous attention.



MANAGEMENT DISCUSSION AND ANALYSIS

4.10.4 Operational risk management

During the Reporting Period, the Bank continued to strengthen the operational risk management by means of optimizing and perfecting the management system, improving the operational risk management instruments, strengthening the management and control of external fraud risk and outsourcing risk and other measures.

Firstly, continuously perfecting the operational risk management system. The Bank organized the amendment and improvement of operational risk management system, further perfected the organizational structure of bank-wide operational risk management, and optimized the management processes.

Secondly, improving the operational risk management instruments. The Bank organized and carried out various special tasks including business process review and loss data collection, perfected the operational risk loss database, key risk indicators system for operational risk and control methods of operational risk, established an anti-fraud application system and put it into operation, and set up an operational mechanism with the risk verification capability in 7×24 hours, which greatly enhanced the Bank's ability to prevent and control the external fraud risk.

Thirdly, strengthening the outsourcing risk management. The Bank organized the amendment to the outsourcing risk management system, established an outsourcing risk rating mechanism, and launched the outsourcing risk investigation, which further improved its outsourcing risk control capability.

During the Reporting Period, the operational risk management system of the Bank ran smoothly and the overall operational risk was controllable.

4.10.5 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 use of information technology in the operation of commercial banking.

During the Reporting Period, the Bank continuously optimized its information technology governance system, strengthened risk control in key areas and important projects, and improved disaster backup systems in three centers in two cities of "Intra-city dual-active and remote disaster backup" (同城雙活·異地災備) to ensure stable operation of information system. The Bank also strengthened the assessment, access control, evaluation and post-evaluation of technology suppliers to further standardize information technology outsourcing and management activities.



4.10.6 Legal and compliance risk management

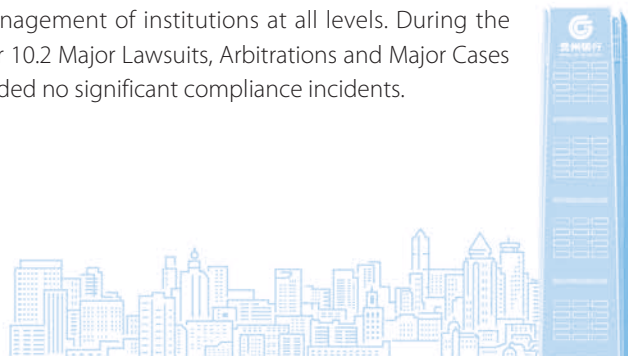
I. **Legal risk management**

During the Reporting Period, the Bank continued to adopt various measures to improve the quality and effectiveness of legal risk management and control, which provided strong legal support and guarantee for its operation and management. During the Reporting Period, the Bank recorded no major legal risk events.

- (I) strictly implementing the legal review system. It conducted legal review on the bank-wide contracts for all types of business and various rules and systems, and carried out legal risk assessment and argumentation on significant operation and management matters, so as to prevent and control the legal risks and ensure the legality of the operation and management activities of the Bank.
- (II) consistently improving the form contract texts. It formulated the form contract texts for frequent business activities and continuously supplemented and amended them based on regulatory requirements and business demands to prevent systematic legal risks.
- (III) effectively executing the litigation cases management. It conducted feasibility and necessity analysis and argumentation and prepared lawsuit plans before litigation based on management requirements and strictly went through approval procedures based on the type and amount of cases to enhance the handling and management ability on litigations and safeguard the legitimate rights of the Bank.
- (IV) enhancing legal and regulatory publicity and training. It established a platform for legal publicity and organized legal training through centralized training, consultancy and guidance to enhance the employees' legal accomplishment.

II. **Compliance risk management**

During the Reporting Period, the Bank earnestly conducted the benchmarking regulatory guidelines and continuously promoted the construction of compliance risk management system. Through deeply promoting the optimization of governance system and improving the system of rules and regulations, it continued to strengthen the supervision and inspection of "three lines of defense", intensified the risk prevention and control in key fields, advanced the compliance culture construction in various forms, and further consolidated the foundation of internal control compliance management. For various problems found during the internal and external inspections, the Bank adhered to the problem-oriented principle and strengthened the rectification and implementation on the basis of strict accountability system, strived to form a management culture of "strict enforcement of orders and prohibitions" of Bank of Guizhou, and promoted the continuous improvement of internal control compliance management of institutions at all levels. During the Reporting Period, except for those disclosed under 10.2 Major Lawsuits, Arbitrations and Major Cases during the Reporting Period below, the Bank recorded no significant compliance incidents.



MANAGEMENT DISCUSSION AND ANALYSIS

4.10.7 Reputational risk management

Reputation risk refers to the risk of negative comments to the banking and insurance institutions by relevant stakeholders, the public and the media as a result of the actions of the banking and insurance 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. The Bank adopts reputational risk management into the corporate governance and the overall risk management system to actively and effectively prevent reputational risks and respond to reputational incidents and minimize the losses and negative effects on the Bank, relevant stakeholders and the public. During the Reporting Period, the Bank further improved the reputational risk management system and formulated detailed reputational risk management policies and key points of annual reputation risk management. The Bank carried out inspections on potential reputation risks and monitored public opinion as well as effective monitoring and researches on and handling of public opinions to ensure the timely response to public opinion events. It also increased positive publicity to create a favorable atmosphere for business operation. During the Reporting Period, the Bank recorded no significant public opinion events.

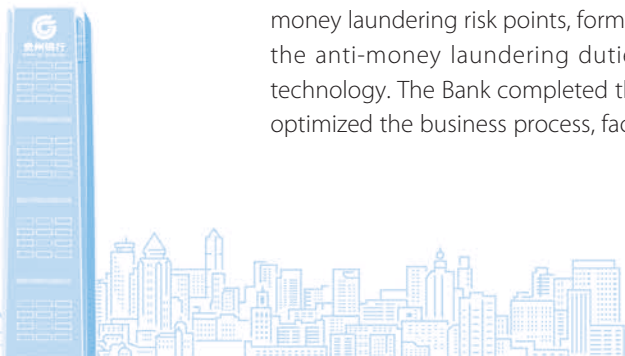
4.10.8 Interest rate risk management of banking book

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 and term structure. During the Reporting Period, the Bank continued to improve and strengthen the interest rate risk management of the banking book. Firstly, the Bank gradually established and improved the interest rate risk governance structure of the banking book, and consolidated the interest rate risk management mechanism of the banking book by improving the management system and process design; secondly, the Bank gradually improved the monitoring feedback mechanism of book interest rate, regularly monitored the repricing gap and duration gap, achieved dynamic gap management and adjustment through asset and liability strategy transmission and financial market transactions, continuously optimized the asset and liability maturity structure to achieve stability management of income and value; thirdly, the Bank gradually improved the interest rate risk limit management system of the banking book, and adopted the “prudent and sound” principle to constrain the fluctuation range of interest rate risk through dynamic simulation and stress testing, so as to ensure the smooth operation of income and value under the circumstance of interest rate fluctuations and enhance the effectiveness of risk prevention.

4.10.9 Money laundering risk management

During the Reporting Period, the Bank continued to improve the anti-money laundering operation mechanism and implemented the measures on money laundering risk management, as a result of which the anti-money laundering assessment was rated at the forefront. The Bank strengthened the money laundering risk management primarily through the following measures:

Firstly, professional evaluation. The Bank engaged professional institutions to comprehensively sort out the money laundering risk points, formulated the practical and effective risk control measures and strengthened the anti-money laundering duties of institutions and positions at all levels; secondly, empowering technology. The Bank completed the iteration and upgrade of its anti-money laundering system, effectively optimized the business process, facilitated the refined management and supported the bank-wide business



transformation; thirdly, consolidating the foundation. The Bank continued to promote the customer information governance work, improved customer identity information, and strengthened customer identification; fourthly, strengthening training. The Bank organized trainings for a total of more than 2,000 individuals, including anti-money laundering special trainings on practical skills, employee admission and system operation; fifthly, strengthening publicity. For the year, the Bank organized and launched anti-money laundering publicity month activities and distributed 150,000 copies of publicity materials to the public and the publicity activities delivered effective results.

4.10.10 Strategic risk management

Strategic risk refers to the risk caused by changes in the external operation 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 comprehensively and effectively identify, assess, monitor and report the strategic risks faced by the Bank to guarantee the prudent formulation and proper implementation of the development strategies of the Bank.

During the Reporting Period, the strategic risk management of the Bank followed the principles of compliance, consistency, perspectiveness, independence and operability and the strategic risks remained stable and under control on the whole and strategic risks were under effective management. Next, the Bank will conduct timely appraisal on strategic risks to comprehensively assess the influence of changes in economy, finance, society, situation, industries and other external operation environment on its strategic risks as well as the reasonableness, compatibility and consistency of strategic plans, and timely adjust the strategic objectives and revise the strategic plans based on the results of the comprehensive evaluation.

4.10.11 Exchange Rate Risk Management

Exchange rate risk refers to the risk that the position and cash flow of foreign currency exposures held by the Bank will be adversely affected by fluctuations in major foreign exchange rates. The Bank's foreign currency assets and liabilities are mainly US dollars, and the rest are Euros and Hong Kong dollars. The Bank's main principle for controlling exchange rate risk is to match assets and liabilities in each currency as much as possible, and conduct daily monitoring of foreign exchange exposure. The Bank implements strict limit management methods, which mainly include trading limits, risk limits, foreign exchange exposure limits and stop-loss limits, so as to control the exchange rate risks within the range that the Bank can afford and ensure that the cumulative foreign exchange exposure position indicators held by the Bank remain within the excellent regulatory rating. In addition, in the credit granting business, the Bank locks up the large foreign currency business and regularly revalues the exchange rate of the collateral. In the case of undervalued guarantees, it takes timely supplementary guarantee measures to avoid losses caused by exchange rate risks.



MANAGEMENT DISCUSSION AND ANALYSIS

4.11 SOCIAL RESPONSIBILITIES

In 2020, the Bank fully shouldered its responsibility as a financial enterprise in the fields of poverty alleviation, pandemic prevention and control, service for real economy, support for micro and small private enterprises, development of green finance and protection of consumer rights, and continued to deepen and expand its social responsibility practices. The Bank is committed to identifying the greatest common divisor among contributing to society, obeying supervision, serving customers, repaying shareholders and achieving the development of staff, so as to obtain the largest concentric circle.

Firstly, fully supporting poverty alleviation. Guizhou Province is one of the main battlefields of poverty alleviation in China. While adhering to high-quality development, the Bank actively fulfilled its social responsibilities, supported the construction of transportation infrastructure in poverty-stricken areas, and underpinned the development of modern agricultural industry by leading poverty alleviation enterprises and other new rural business entities through establishing a special institution and improving service mechanisms, increasing the allocation of credit resources, innovating financial products and carrying out targeted counterpart assistance. It supported to accelerate the development of education, medical care and other livelihood undertakings in poverty-stricken areas, and provided strong financial support for poverty-stricken areas to get rid of poverty and realize income growth and poverty alleviation. As at the end of the Reporting Period, the balance of the Bank's targeted poverty alleviation loan was RMB25.685 billion, covering the previous 66 poverty-stricken counties and regions in Guizhou Province. It cumulatively supported the construction of 78,700 km rural roads, 177 poverty alleviation projects in the agricultural industry, 1,167 rural schools and township medical and health centers which provided favorable financial support for poverty alleviation and income increase of the poor people..

Secondly, sparing no efforts to support pandemic prevention and control. After the outbreak of the pandemic, the Bank donated RMB10 million to Hubei Charity Federation in the first time, set up 10 volunteer teams with a total of 232 individuals to send anti-pandemic materials and supplies to the frontline medical workers in Guizhou Province, and actively participated in the work of watching over checkpoints and gathering pandemic statistics. During the Reporting Period, the Bank coordinated to promote the pandemic prevention and control and the resumption of work and production, conscientiously carried out the work of "Stability on Six Fronts", and fully implemented the task of "Security in Six Areas". It formulated "Ten Measures" to support the resumption of work and production, issued the Notice on Further Implementing the Step-by-step Extension of Principal and Interest Repayment for Loans to Micro, Small and Medium Enterprises Affected by the Pandemic and other documents, allocated special credits with the scale of RMB20 billion, established a green channel for project approval, and actively reduced charges and surrendered part of the profits. Through lowering the loan interest rates and reducing or exempting service charges, etc., the total reduction of charges and surrender of profits amounted to RMB1.206 billion, helping the market entities to pull through.

Thirdly, vigorously serving the real economy. It insisted on returning to origins, and established a working mechanism to support the top ten industries and sectors. Focusing on fundamental energy, high-quality tobacco and alcohol, new materials and the manufacturing of high-end equipment, etc., it vigorously supported the construction of key enterprises and key projects in Guizhou Province, strived to tailor the whole-process, personalized and integrated financial service solutions for customers, and continuously provided more high-quality and efficient financial services for the real economy. In addition, the Bank continued to increase the inclination of credit resources to the real economy, and comprehensively improved the ability and level of its financial support for the development of the real economy. As at the end of the Reporting Period, the financing balance of the Bank for the real economy was RMB94.295 billion, representing an increase of 17.16%.



Fourthly, endeavouring to support micro and small private enterprises. During the Reporting Period, the Bank issued the Opinions on Vigorously Serving the Real Economy and Supporting the Development of Micro, Small and Medium Enterprises and other documents, actively carried out special actions such as "hundred bank presidents joining private enterprises" (百名行長進民企), established a "one-to-one" long-term service mechanism with the supported enterprises for the development and growth of micro and small private enterprises. The loan balance of the Bank for private enterprises was RMB31.067 billion, representing an increase of RMB9.074 billion or 41.26% as compared with the beginning of the year; the loan balance for "inclusive micro and small enterprises" was RMB20.309 billion, representing an increase of RMB7.667 billion or 60.65% as compared with the beginning of the year. The Bank helped the enterprises to resume production and operation and pull through by adjusting their repayment period, granting new loans to them to repay old loans, renewing loans and other ways.

Fifthly, strongly supporting the development of green finance. The Bank has always insisted on the "two bottom lines" of ecosystem and development, regarded the green finance as one of its strategic core businesses, closely prevented and controlled the "two high and one surplus" industries, and promoted the optimization and adjustment of the credit structure. As at the end of the Reporting Period, the balance of the Bank for green loans was RMB22.852 billion, representing an increase of 25.68%, and 166 energy conservation and environmental protection projects were supported. During the Reporting Period, the Bank officially announced the adoption of equatorial bank principles and became the sixth equatorial bank in China, opening a new chapter for the Bank to deeply practice the concept of green development and accelerate the innovative development of green finance.

Sixthly, striving to protect consumer rights. The Bank attached great importance to the protection of consumer rights, always adhered to the concept of building "a bank with heart", and promoted the sub-branches to form their own characteristics in outlet design, customer service, activity organization, product marketing and other aspects. During the Reporting Period, the work for building star-level outlets of the Bank reached the best level over the past years. Two business outlets were rated as "Top 1000 Units of Civilized and Standardized Service in the Banking Industry in 2020", and the total number of "Top 1000" outlets reached four. At the same time, in active response to the call of the Provincial Federation of Trade Unions, the Bank cumulatively built ten baby-care rooms and 117 outdoor workers' comprehensive service stations in 2020. The Bank insisted on the customer-oriented principle and attached great importance to customer experience. During the Reporting Period, the Bank accepted a total of 969 customer complaints, with a satisfaction rate of 98.76%. Moreover, the Bank carried out 2,400 activities for the protection of consumer rights, distributed 180,000 publicity materials with more than 530,000 audiences.

4.12 DEVELOPMENT STRATEGIES AND FUTURE DEVELOPMENT PROSPECTS

The development vision of the Bank is to grasp the pulse of the new era, maintain high-quality development and build a top-notch modern urban commercial bank in China. The development targets of the Bank are "contributing excellence and sharing happiness". To this end, we spare every efforts to achieve steady growth in business scale, unique and characteristic operation and significant enhancement in management, advanced corporate governance system, significant enhancement in our cultural strength, being committed to building itself as a bank recognized by the Party and the government and trusted by the regulatory authorities and its shareholders, with excellent performance, great customer satisfaction, and a bank whose employees have a sense of well-being.



MANAGEMENT DISCUSSION AND ANALYSIS

In future, the Bank will vigorously: (I) improve the equator management system for bank, strengthen the brand of “green bank” and build a leading corporate bank; (II) reinforce three fundamental abilities in investment transactions, asset management and interbank businesses and improve the profit in the financial market; (III) deepen customer operation, diversify product services and develop big retail with extraordinary efforts; (IV) develop characteristic financial services with the Internet big data thinking and enrich the online service channels; (V) make efforts in big data application and platform construction to provide strong support to business capacity; (VI) establish an overall risk management system and better balance the bank-wide revenue, size and quality; (VII) promote the construction of corporate culture and build the core value system of the Bank of Guizhou; and (VIII) proactively expand financing channels, and further enhance its capital strength and optimize its capital structure.

4.13 THE IMPACT OF THE COVID-19

The impact on the risk condition of the Bank

Affected by the pandemic at the beginning of 2020, the downward pressure on the economy continued to mount. The economic growth in the third quarter turned from negative to positive. However, the situation of credit risk prevention and control remains severe due to the delayed nature of risk exposure. During the Reporting Period, the Bank implemented regulatory guidance, introduced a series of anti-pandemic support policies, carried out difficulties mitigation work in accordance with laws and regulations, and did not withdrawn loans, suspended loans or postponed loans; provided credit protection measures; provided temporary deferred repayment of principal and interest for loans to qualified micro, small and medium-sized enterprises, etc., so as to help credit customers, especially micro, small and medium-sized customers to cope with the impact of the pandemic and overcome difficulties together.

The impact on the operation of the Bank

The Bank has established a complete electronic banking channel, further strengthened technological support, and improved the service level of electronic banking business. During the pandemic period, the Bank, on the one hand, ensured the normal operation of the offline branches, on the other hand, provided services to customers by giving full play to the electronic channels. During the Reporting Period, there had no adverse impact on the operation of the Bank resulted from the COVID-19 Pandemic.

The impact on the financial condition of the Bank

In 2020, in the face of the impact of the COVID-19 pandemic, the Bank carried out all work steadily and actively supported the pandemic prevention and control, as well as the resumption of work and production through measures such as cost reductions and concessions. Affected by the above, the growth rate of profit of the Bank has slowed down compared with previous years, and the net interest margin have narrowed. In order to cope with the adverse impact, the Bank has, on the one hand, steadfastly promoted its transformation and continued to broaden its profit channels, resulting in rapid growth in non-interest income and a continuous increase in the proportion; on the other hand, the Bank has continued to strengthen its financial refined management, resulting in a continuous decrease in the cost-to-income ratio.



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

5.1 CHANGES IN SHARE CAPITAL

As at 31 December 2020, total share capital of the Bank was 14,588,046,744, divided into 12,388,046,744 Domestic Shares and 2,200,000,000 H Shares.

Item	As at 31 December 2020		As at 31 December 2019		Changes in numbers of share capital during the Reporting Period (share)
	Numbers of shares (share)	Percentage (%)	Numbers of shares (share)	Percentage (%)	
Domestic Shares	12,388,046,744.00	84.92%	12,388,046,744.00	84.92%	–
H Shares	2,200,000,000.00	15.08%	2,200,000,000.00	15.08%	–
Total number of ordinary shares	<u>14,588,046,744.00</u>	<u>100.00%</u>	<u>14,588,046,744.00</u>	<u>100.00%</u>	<u>–</u>

5.2 INFORMATION ON SHAREHOLDERS

5.2.1 Total numbers of domestic shareholders

As at 31 December 2020, the Bank owned 5,304 domestic shareholders in total, consisting of 11 state-owned shareholders, 60 state-owned legal person shareholders, 123 social legal person shareholders and 5,110 natural person shareholders.



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

5.2.2 Top ten holders of the Domestic Shares

As at 31 December 2020, the shareholdings of top ten Domestic Shareholders of the Bank is detailed as follow:

No.	Name of shareholder	Class of share	Number of Share held (Unit: Share)	Approximate percentage of total issued share capital of the Bank as at the end of the Reporting Period
1	Guizhou Provincial Finance Bureau (貴州省財政廳)	Domestic Shares	1,918,500,000	13.15%
2	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	Domestic Shares	1,750,000,001	12.00%
3	GuiAn New District Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	Domestic Shares	1,050,000,000	7.20%
4	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	718,545,710	4.93%
5	Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	Domestic Shares	426,000,000	2.92%
6	Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	334,000,000	2.29%
7	Guizhou Expressway Group Company Ltd. (貴州高速公路集團有限公司)	Domestic Shares	300,000,000	2.06%
8	Liupanshui Municipal Finance Bureau (六盤水市財政局)	Domestic Shares	284,067,540	1.95%
9	Zunyi Hengtong Industrial Development Co., Ltd. (遵義恒通實業發展有限公司)	Domestic Shares	236,932,194	1.62%
10	Liupanshui Livelihood Industrial Investment Group Company Limited (六盤水市民生產業投資集團有限責任公司)	Domestic Shares	200,000,000	1.37%



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

As at 31 December 2020, to the best knowledge of the Bank, the following persons (other than the Bank's Directors, Supervisors and chief executives) had or were deemed or taken to have 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 and which would be required to be disclosed to the Bank and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, were interested in 5% or more of the nominal value of any class of the Bank's share capital carrying rights to vote in all circumstances at the shareholders' general meetings of any other member companies of the Bank:

Name of shareholder	Class of shares	Long positions/ short positions	Nature of interests	Number of shares (Unit: Share)	Approximate percentage of the relevant class of share capital 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	1,918,500,000	15.49%	13.15%
China Kweichow Moutai Distillery (Group) Co., Ltd. ⁽¹⁾ (中國貴州茅臺酒廠(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%
Gui'an New Area Development and Investment Co., Ltd. ⁽²⁾ (貴安新區開發投資有限公司)	Domestic Shares	Long positions	Beneficial Owner	1,050,000,000	8.48%	7.20%
Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. ⁽³⁾ (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%
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. ⁽³⁾ (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	718,545,710	5.80%	4.93%
			Interest in controlled corporation	34,065,055	0.27%	0.23%



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Name of shareholder	Class of shares	Long positions/ short positions	Nature of interests	Number of shares (Unit: Share)	Approximate percentage of the relevant class of share capital of the Bank	Approximate percentage of the total issued share capital of the Bank
Zunyi Financial Holding Group Co., Ltd. ⁽³⁾ (遵義金控集團有限公司)	Domestic Shares	Long positions	Interest in controlled corporation	752,610,765	6.07%	5.16%
State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi ⁽³⁾ (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	752,610,765	6.07%	5.16%
Guizhou Fanjingshan Investment Holding Group Limited ⁽⁴⁾ (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 ⁽⁴⁾ (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%

Notes:

- (1) China Kweichow Moutai Distillery (Group) Co., Ltd. is wholly 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). In 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) Guizhou Gui'an New Area Management Committee (貴州貴安新區管理委員會) holds 95.50% of interests in Gui'an New Area Development and Investment Co., Ltd. In virtue of the SFO, Guizhou Gui'an New Area Management Committee is deemed to be interested in the shares of the Bank held by Gui'an New Area Development and Investment Co., Ltd.
- (3) Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. is wholly owned by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., 73.50% interests of which is held by Zunyi Financial Holdings Group Co., Ltd. and Zunyi Financial Holdings Group Co., Ltd. is wholly owned by State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi. In virtue of the SFO, Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., Zunyi Financial Holdings Group Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi are all deemed to be interested in the shares of the Bank held by Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. Zunyi Financial Holdings Group Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi are all deemed to be interested in the shares of the Bank held by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
- (4) Tongren State-owned Assets Supervision and Administration Bureau holds 35.06% interests in Guizhou Fanjingshan Investment Holding Group Limited. 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 Limited.



The inconsistency between the sum of the numbers in this table and the total figures is due to rounding.

Save as disclosed above, to the best knowledge of the Bank, 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 31 December 2020 as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

5.2.4 Shareholders holding 5% or more of the shares

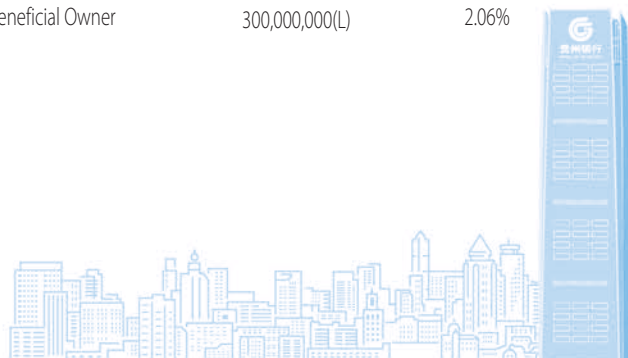
For information on Shareholders holding 5% or more of the share capital of the Bank, please refer to particulars of shareholders as described in 5.2.3 above.

5.2.5 Other substantial shareholders

According to the Interim Measures for the Equity Management of Commercial Banks of CBIRC (《商業銀行股權管理暫行辦法》) (Former CBRC Order 2018 No. 1) reviewed and approved by the former China Banking Regulatory Commission's first chairman's meeting in 2018, 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 business of the commercial bank. The significant impact mentioned above includes but not limited to dispatching directors, supervisors or senior management of a commercial bank.

Other than Guizhou Provincial Financial Bureau, China Kweichow Moutai Distillery (Group) Co., Ltd., GuiAn New District Development and Investment Co., Ltd., and Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. as disclosed in the 5.2.3 headed "Interests and short positions of substantial shareholders in Shares and underlying shares under the Regulations of Hong Kong" under this chapter, the following are substantial domestic shareholder 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	Nature of Interests	Number of Shares and its nature ⁽¹⁾	Approximate percentage of the total issued share capital of the Bank
Shenzhen Expressway Company Limited ⁽¹⁾ (深圳高速公路股份有限公司)	Domestic Shares	Beneficial Owner	426,000,000(L)	2.92%
	H Shares	Interest in controlled corporation	76,207,000(L)	0.52%
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	Beneficial Owner	334,000,000(L)	2.29%
	H Shares	Beneficial Owner	314,030,000(L)	2.15%
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Domestic Shares	Beneficial Owner	300,000,000(L)	2.06%



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Name of Shareholder	Class of Shares	Nature of Interests	Number of Shares and its nature ⁽¹⁾	Approximate percentage of the total issued share capital of the Bank
Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	H Shares	Beneficial Owner	309,382,000(L)	2.12%
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	Beneficial Owner	310,487,000(L)	2.13%
Liupanshui Municipal Finance Bureau (六盤水市財政局)	Domestic Shares	Beneficial Owner	284,067,540(L)	1.95%

(L) represents long positions, and (S) represents short positions.

Note:

- (1) Mei Wah Industrial (Hong Kong) Limited is wholly-owned by Shenzhen Expressway Company Limited (深圳高速公路股份有限公司), which is deemed to hold interests in 76,207,000 shares of the Bank held by Mei Wah Industrial (Hong Kong) Limited according to SFO.



5.2.6 Related party relationships between the substantial shareholders and its controlling shareholders, beneficial controllers and ultimate owner

Company Name	Registry	Registered capital (RMB'000)	Proportion to the shareholdings held by the Bank as at 31 December 2020 (including Domestic Shares and H Shares)	Proportion to the shareholdings held by the Bank as at 31 December 2019 (including Domestic Shares and H Shares)	Economic nature of operation or type	Legal representative or person in charge
Guizhou Provincial Finance Bureau (貴州省財政廳)	Guiyang, Guizhou Province	N/A	13.15%	13.15%	Provincial government department	Yan Wanping (晏婉萍)
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	Guiyang, Guizhou Province	10,000,000	12.00%	12.00%	Limited liability company (wholly state-owned)	Gao Weidong (高衛東)
Gui'an New Area Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	Gui'an New Area in Guizhou Province	20,000,000	7.20%	7.20%	Limited liability company (state-controlled)	Xiang Yun (向昀)
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	4.93%	4.93%	Limited liability company (state-controlled)	Wang Xiaoyong (王曉勇)
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Guiyang, Guizhou Province	698,540	4.44%	4.44%	Limited liability company (wholly state-owned)	Qin Liqi (秦禮琦)
Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	Shenzhen, Guangdong Province	2,180,770	3.44%	3.44%	Joint-stock company	Hu Wei (胡偉)
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province	173,690	2.13%	2.13%	Limited liability company (state-controlled)	Lv Jiyan (呂紀焱)
Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	Renhuai, Zunyi, Guizhou Province	400,000	2.12%	2.12%	Limited liability company (wholly state-owned)	Li Wu (李武)
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Guiyang, Guizhou Province	11,105,372	2.06%	2.06%	Limited liability company (wholly state-owned)	Long Pingjiang (龍平江)
Liupanshui Municipal Finance Bureau (六盤水市財政局)	Liupanshui, Guizhou Province	N/A	1.95%	1.95%	Liupanshui municipal government department	Li Wenxu (李文旭)



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

Guizhou Provincial Finance Bureau holds 1,918,500,000 Domestic Shares of the Bank, accounting for 13.15% of the total 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 business of Guizhou Provincial Finance Bureau is to implement the national and provincial fiscal and taxation policies and laws and regulations, organize the drafting of local regulations and rules on finance, taxation, government procurement, state-owned asset management, asset evaluation, financial accounting and government debt management.

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

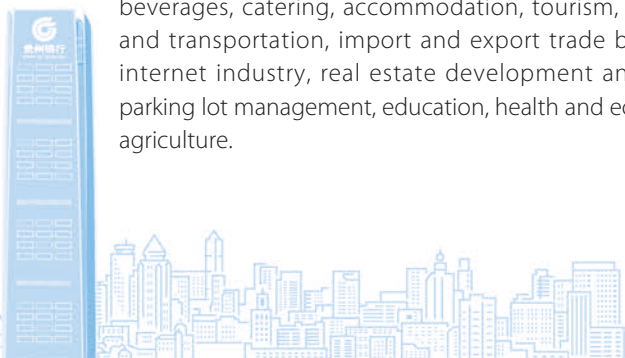
China Kweichow Moutai Distillery (Group) Co., Ltd. holds 1,750,000,001 Domestic Shares of the Bank, representing a percentage of the total share capital of the Bank, being 12.00%. China Kweichow Moutai Distillery (Group) Co., Ltd. is wholly-owned by State-owned Assets Supervision and Administration Commission of People's Government of Guizhou Province, which is its beneficial controller and the ultimate beneficial owner. 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. also included Kweichow Moutai Distillery (Group) Real Estate Investment and Development Co., Ltd.* (貴州茅臺酒廠(集團)置業投資發展有限公司) and Guizhou Railway Investment Co., Ltd.* (貴州鐵路投資有限責任公司).

The main business of China Kweichow Moutai Distillery (Group) Co., Ltd. includes 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. **Gui'an New Area Development and Investment Co., Ltd. (貴安新區開發投資有限公司)**

Gui'an New Area Development and Investment Co., Ltd. holds 1,050,000,000 Domestic Shares of the Bank, representing a percentage of the total share capital of the Bank, being 7.20%. Guizhou GuiAn New Area Management Committee holds 95.50% of equity in Gui'an New Area Development and Investment Co., Ltd. and was an actual controller and the ultimate beneficial owner. 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 Gui'an New Area Development and Investment Co., Ltd. also included Guizhou Gui An Construction Investment Co., Ltd.* (貴州貴安建設投資有限公司) and Guizhou Gui An Real Estate Investment Co., Ltd.* (貴州貴安置業投資有限公司).

The major businesses of Gui'an New Area Development and Investment Co., Ltd. involve infrastructure construction, construction of urban public supporting facilities, integrated urban operation services, primary land development, real estate development, investment and operation and management of financial and similar financial assets, capital operation, asset management and operation, big data industry and investment, high-end equipment manufacturing industry and investment, biotechnology, pharmaceutical industry and investment, cultural tourism industry and investment, big health industry and investment, educational and cultural industry and investment, comprehensive agricultural development and investment, rural environmental infrastructure construction and investment, development and investment of ecological agriculture, industrial investment, operation and management of production and business, general contracting and operation and management of garden landscape engineering construction, storage and logistics, e-commerce, hotel services, housing and site leasing, intermediary services as well as consulting and surveys (accounting, auditing and tax services).



4. 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 718,545,710 Domestic Shares of the Bank, representing a percentage of the total share capital of the Bank, being 4.93%. Zunyi Financial Holdings Group Co., Ltd. holds 73.50% equity of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. and is wholly-owned by State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi. Therefore, State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi was 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. also included Zunyi Financial Holdings Group Co., Ltd. and Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd..

The main businesses of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. are engaging in the operation and management of state-owned assets within the scope of authorization, and exercising the function of investor, management of the state-owned assets within the authorized scope through asset transfer, asset leasing, asset acquisition, asset replacement, equity participation, share controlling, entrusted loans, issuance of corporate bonds, and cultivation of listed companies and other capital operations, managing the state-owned assets income, and investing in urban infrastructure construction projects according to the arrangements of the municipal people's government, key economic construction projects and backbone enterprises, and responsible for supervising the funds construction of various subsidiaries to achieve an integrated services including investment and construction, providing financing information services for the invested enterprises, conducting land development and improvement.

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

Guizhou Water Investment 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 Investment Group Co., Ltd. is a wholly-owned subsidiary of Guizhou Province Water Investment (Group) Co., Ltd. (貴州省水利投資(集團)有限責任公司). Water Resources Department of Guizhou Province (貴州省水利廳) holds 85.20% equity of Guizhou Province Water Investment (Group) Co., Ltd. The actual controller and the ultimate beneficial owner of Guizhou Water Investment Group Co., Ltd is Water Resources Department of Guizhou Province (貴州省水利廳). 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 Group Co., Ltd. also included Guizhou Runhong Construction Engineering Co., Ltd.* (貴州潤宏建築工程有限公司) and Guizhou Water Investment Group Songtao Co., Ltd.* (貴州水投水務集團松桃有限公司).

The main businesses of Guizhou Water Investment Group Co., Ltd. are organizing enterprises to carry out survey and design, construction, maintenance, management and toll collection of expressways and affiliates, organizing transportation services, construction machinery, traffic engineering facilities and materials, vehicle and machinery maintenance, highway construction consulting, demonstration and supervision as well as introducing and developing new technologies.



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

6. **Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)**

Shenzhen Expressway Company Limited holds 426,000,000 Domestic Shares and 76,207,000 H Shares of the Bank, with a total shareholding of 502,207,000 Shares, accounting for 3.44% of the entire share capital of the Bank. Shenzhen Expressway Company Limited is an A Share and H Share listed Company. Xin Tong Chan Development (Shenzhen) Company Limited (新通產實業開發(深圳)有限公司) holds 30.03% equity of Shenzhen Expressway Company Limited. Its actual controller and the ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen based on available information. 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 Company Limited also included Shenzhen Expressway Environmental Company Limited (深圳高速環境有限公司) and Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司).

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

7. **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. Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. was established on 5 July 2005, in which Qianxinan Prefecture State-owned Assets Supervision and Administration Bureau (黔西南州國資局) holds 73.23% equity 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. also included Guizhou Honyee Assets Management Co., Ltd.* (貴州宏義資產管理有限責任公司) 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.

8. **Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)**

Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) holds 309,382,000 H Shares of the Bank, representing 2.12% of the total share capital of the Bank. Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) was established on 2 July 2013. It 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 Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) also include, among others, Guizhou Renhuai Sugar Tobacco & Alcohol Co., Ltd. (貴州省仁懷市糖業煙酒有限責任公司) and Guizhou Renhuai Sauce-flavored Liquor Supply Chain Management Co., Ltd. (貴州省仁懷市醬香酒供應鏈管理有限責任公司).

The principal activities of Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) include investments in municipal infrastructure construction and major contracted construction projects from the government; asset operation, including collection of return on state-owned assets to the extent as authorized by the government, independent or joint development of new projects, promotion and introduction of external investments on behalf of the government and urban housing demolition and relocation; and relevant business activities in the liquor industry, including but not limited to investment, development and construction of projects and relevant referral services, liquor purchase and storage, liquor marketing, consultancy in relation to liquor exhibitions and promotion of liquor for enterprises in the industry.



9. **Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)**

Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) holds 300,000,000 Domestic Shares of the Bank, representing 2.06% of the total share capital of the Bank. Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) was established on 16 October 1993. It is wholly owned by State-owned Assets Supervision and Administration Commission of 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 Expressway Group Co., Ltd. (貴州高速公路集團有限公司) also include, among others, Guizhou Expressway Investment Group Co., Ltd. (貴州高速投資集團有限公司) and Guizhou Qiantong Intelligent Connection Technology and Industry Development Co., Ltd. (貴州黔通智聯科技產業發展有限公司).

The principal activities of Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) include the operation and management of expressways and ancillary facilities covering construction, maintenance, toll collection, service, etc.; the construction, operation and management of business in relation to expressways; expressway passenger and freight transport; leasing and repair and maintenance of materials and equipment and provision of other supplies; technical consultancy, survey and design, supervision, monitoring and testing and other services in relation to expressway construction; and introduction of new materials, technologies and workmanship.

10. **Liupanshui Municipal Finance Bureau (六盤水市財政局)**

Liupanshui Municipal Finance Bureau holds 284,067,540 Domestic Shares of the Bank, accounting for 1.95% of the entire share capital of the Bank. The shares held by Liupanshui Municipal Finance Bureau are state-owned shares, and the ultimate beneficial owner is Liupanshui Municipal Finance Bureau.

Its principal activities include the implementation of national and provincial financial guidelines and policies, laws and regulations and rules in relation to budget, taxation, finance and accounting; and conducting overall analysis and forecast on the economic condition of the city, providing guidance for finance related work of the city and developing regulations and rules in relation to the financial budget, local taxation, finance and accounting and monitoring their enforcement.

5.2.7 Major shareholders' equity pledge

Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., a substantial shareholder of the Bank, holds 718,545,710 Domestic Shares of the Bank, and the shareholder has pledged 200 million equity held by it:

- I. of which 70 million Shares are pledged to Guiyang Branch of China Zheshang Bank Co., Ltd. (浙商銀行股份有限公司貴陽分行) to provide maximum guarantee for China Aviation Guizhou Elevator Co., Ltd. (貴州中航電梯有限責任公司) with a maximum balance of guaranteed debt of RMB150 million;
- II. of which 130 million Shares are pledged to Fuzhou Branch of Xiamen International Bank Co., Ltd. (廈門國際銀行股份有限公司福州分行) to provide pledge guarantee for Zunyi Financial Holdings Group Co., Ltd. (遵義金控集團有限公司) with a balance of guaranteed debt of RMB400 million.

Save as disclosed above, the Bank has no other major shareholders' equity pledge.



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

5.2.8 Nomination of Directors and Supervisors by the shareholders

Nominated by	Directors and Supervisors nominated by the shareholders	Position
Guizhou Provincial Financial Bureau (貴州省財政廳)	Mr. Yang Mingshang ⁽¹⁾	Non-executive Director
Guizhou Provincial Financial Bureau (貴州省財政廳)	Mr. Chen Jingde ⁽²⁾	Non-executive Director
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	Mr. Wang Zhiming ⁽¹⁾	Non-executive Director
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	Mr. Chen Hua ⁽²⁾	Non-executive Director
Gui'an New Area Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	Mr. Chen Yongjun ⁽¹⁾	Non-executive Director
Gui'an New Area Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	Mr. Shi Xianyin ⁽²⁾	Non-executive Director
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)	Mr. Lu Lin ⁽¹⁾	Non-executive Director
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)	Mr. Wang Xiaoyong ⁽²⁾	Non-executive Director
Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	Ms. Gong Taotao	Non-executive Director
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Mr. Zhong Xueliang ⁽²⁾	Non-executive Director
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Ms. Wu Qiangli ⁽¹⁾	Shareholder Supervisor
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Mr. Zhao Yong ⁽²⁾	Non-executive Director
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	Ms. Xu Yu ⁽³⁾	Shareholder Supervisor
Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	Mr. Chen Hongcai ⁽³⁾	Shareholder Supervisor
Liupanshui Municipal Finance Bureau (六盤水市財政局)	Mr. Yang Jian ⁽³⁾	Shareholder Supervisor

Notes:

- (1) Mr. Yang Mingshang resigned as a Director of the Bank on 16 March 2020, Mr. Chen Yongjun resigned as a Director of the Bank on 16 March 2020, which were effective from the same date; Mr. Lu Lin resigned as a Director of the Bank on 24 August 2020, which was effective from the same date; Mr. Wang Zhiming resigned as a proposed non-executive Director of the Bank on 21 September 2020, which was effective from the same date; and Ms. Wu Qiangli resigned as a shareholder Supervisor of the Bank on 17 March 2020, with effect from the date of election and appointment of a new shareholder Supervisor at the 2019 annual general meeting held on 20 May 2020.



- (2) The position qualifications of Mr. Chen Jingde, Mr. Shi Xianyin, Mr. Zhao Yong, Mr. Zhong Xueliang, Mr. Chen Hua and Mr. Wang Xiaoyong are subject to the approval by CBIRC Guizhou Office and they will take office since the date of such approval until the expiry of the term of the second session of the Board of the Bank.
- (3) The term of office of Ms. Xu Yu, Mr. Chen Hongcai and Mr. Yang Jian commenced from date of consideration and approval of their appointments at the 2019 annual general meeting held on 20 May 2020 until the expiry of the term of the second session of the Board of Supervisors of the Bank.

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

In accordance with the requirements under the CBRC Notice on Enhanced Management of Pledge of Equity Interests in Commercial Banks (Yin Jian Fa [2013] No. 43) (中國銀監會關於加強商業銀行股權質押管理的通知(銀監發[2013]43號)), if the number of pledged shares of the Bank has reached or exceeded 20% of the entire issued share capital, the Bank shall report the same to the banking regulatory authority through channels for reporting legal person regulatory information within ten days upon occurrence of the relevant circumstances. For the year ended 31 December 2020, the number of pledged shares of the Bank did not reach or exceed 20% of the entire issued share capital.

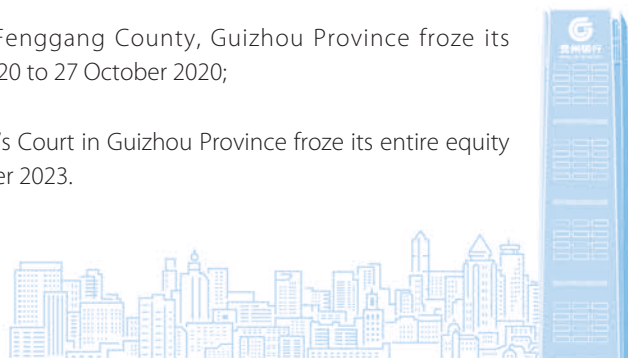
5.2.10 The number of Domestic Shares pledged by substantial domestic shareholders reaching or exceeding 50% of the total shares held by them in the Bank

In accordance with Article 57 of the Articles of Association, if any shareholder of the Bank pledges over 50% (inclusive) of his/her shares in the Bank, in the duration of pledge, he/she shall not exercise voting right over the pledged shares at the shareholders' general meeting, nor shall the Director appointed by him/her exercise voting right at the Board meeting. For the year ended 31 December 2020, the number of Domestic Shares pledged by substantial domestic shareholders did not reach or exceed 50% of the total shares held by them in the Bank

5.2.11 The Bank's pledged shares being frozen, judicially auctioned, restricted from voting or other rights

Zunyi Hengtong Industrial Development Co., Ltd. (遵義恒通實業發展有限公司) holds 236,932,194 shares of the Bank. It pledged all shares to Xiamen Branch of Xiamen International Bank. Due to various disputes involved, the shareholder's equity has been frozen and its voting rights are restricted in accordance with the laws as follows:

- I. On 12 March 2020, Suiyang County People's Court in Guizhou Province froze its 3 million shares, and the Notice of Assistance in Execution stated that the freeze period would expire on 14 March 2021;
- II. On 27 April 2020, Guiyang Intermediate People's Court in Guizhou Province froze its 181,031,376.5 shares for a period from 27 April 2020 to 26 April 2021;
- III. On 28 April 2020, Public Security Bureau of Fenggang County, Guizhou Province froze its 236,932,193.97 shares for a period from 28 April 2020 to 27 October 2020;
- IV. On 8 September 2020, Zunyi Intermediate People's Court in Guizhou Province froze its entire equity for a period from 8 September 2020 to 7 September 2023.



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

As at 31 December 2020, 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 Hong Kong 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
XU An (許安)	Executive Director and President	Domestic Shares	500,000	Beneficial Owner	0.004%	0.003%
XIAO Cifa (肖慈發)	Chairman of the Board of Supervisors	Domestic Shares	500,000	Beneficial Owner	0.004%	0.003%
WANG Changyi (王常懿)	Supervisor	Domestic Shares	280,000	Beneficial Owner	0.002%	0.002%
LI Keyong (李克勇)	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 31 December 2020.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

6.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGERMENTS

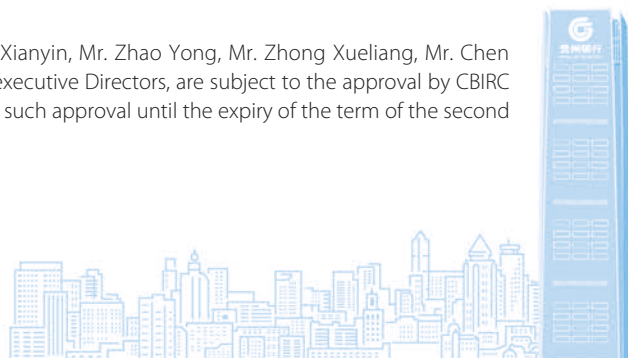
6.1.1 Information of Directors

As of the end of the Reporting Period, the Board of the Bank consists of eight Directors, including two executive Directors, one non-executive Director 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 ⁽¹⁾	Position in the Bank
LI Zhiming (李志明) ⁽²⁾	Male	November 1961	April 2018	Chairman of the Board, executive Director
XU An (許安)	Male	June 1963	August 2018	Executive Director, President of the Bank
GONG Taotao (龔濤濤) ⁽³⁾	Female	February 1973	August 2018	Non-executive Director
TANG Xin (湯欣)	Male	September 1971	August 2018	Independent non-executive Director
WANG Gefan (王革凡)	Male	June 1957	August 2018	Independent non-executive Director
SONG Ke (宋科)	Male	April 1982	August 2018	Independent non-executive Director
LI Shoubing (李守兵)	Male	July 1972	August 2018	Independent non-executive Director
LAW Cheuk Kin Stephen (羅卓堅)	Male	November 1962	November 2018	Independent non-executive Director

Notes:

- (1) Refers to the date on which approval on the appointment as a Director from the CBIRC Guizhou Office was obtained.
- (2) During the Reporting Period, Mr. Li Zhiming served as the Chairman and an executive Director of the Bank. Due to work arrangement by Guizhou provincial government, Mr. Li Zhiming tendered his resignation to the Board on 28 January 2021 and resigned as the Chairman, an executive Director, Chairman of the Strategic Development Committee under the Board of the Bank and an authorised representative (the "Authorised Representative") under the Hong Kong Listing Rules, with effect from 28 January 2021. For details, please refer to the Announcement on Resignation of the Chairman issued by the Bank on 28 January 2021.
- (3) Ms. Gong Taotao was acted as a non-executive Director of the first session of the Board of the Bank from November 2016 to August 2018.
- (4) The position qualifications of Mr. Chen Jingde, Mr. Shi Xianyin, Mr. Zhao Yong, Mr. Zhong Xueliang, Mr. Chen Hua and Mr. Wang Xiaoyong, being the proposed non-executive Directors, are subject to the approval by CBIRC Guizhou Office and they will take office since the date of such approval until the expiry of the term of the second session of the Board of the Bank.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

6.1.2 Information of Supervisors

As at the end of the Reporting Period, the Board of Supervisors of the Bank consists of nine Supervisors, including three employee Supervisors, three shareholder Supervisors and three external Supervisors. The proportion of the employee supervisors and shareholder supervisors at the Board of Supervisors was complied with the regulatory requirements.

The Supervisors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an external supervisor shall not exceed six years pursuant to the relevant PRC laws and regulations. The following table sets forth certain information regarding our Supervisors :

Name	Gender	Date of Birth	Date of appointment ⁽¹⁾	Position in the Bank
XIAO Cifa (肖慈發) ⁽²⁾	Male	June 1961	May 2018	Chairman of the Board of Supervisors, Employee Supervisor
LIU Hanmin (劉漢民)	Male	November 1962	May 2018	External Supervisor
SU Zhi (蘇治)	Male	December 1977	May 2018	External Supervisor
CHEN Houyi (陳厚義) ⁽³⁾	Male	January 1956	April 2017	External Supervisor
YANG Jian (楊堅)	Male	November 1979	May 2020	Shareholder Supervisor
CHENG Hongcai (陳宏才)	Male	June 1966	May 2020	Shareholder Supervisor
XU Yu (徐妤)	Female	February 1984	May 2020	Shareholder Supervisor
WANG Changyi (王常懿)	Male	November 1976	May 2018	Employee Supervisor
LI Keyong (李克勇)	Male	April 1963	May 2018	Employee Supervisor

Notes:

- (1) Refers to the date on which the appointment as a non-employee Supervisor was approved by the general meeting, or the election as an employee Supervisor was approved by the employee meeting.
- (2) During the Reporting Period, Mr. Xiao Cifa served as the Chairman of the Board of Supervisors and employee Supervisor of the Bank. Due to work arrangement by Guizhou provincial government, Mr. Xiao Cifa tendered his resignation to the Board of Supervisors to resign as the Chairman of the Board of Supervisors and employee Supervisor of the Bank on 19 March 2021, with effect from 19 March 2021. For detail, please refer to the Announcement on Resignation of the Chairman issued by the Bank on 19 March 2021.
- (3) Mr. Chen Houyi was served as the external supervisor of the first session of the Board of Supervisors from April 2017 to May 2018.



6.1.3 Information of senior management

The senior management of the Bank comprised a total of seven members, namely Mr. XU An (President of the Bank), Mr. LI Tao, Mr. CHAI Bolin, Mr. HU Liangpin, Ms. WU Fan, Mr. ZHOU Guichang and Mr. WANG Xiangdong.

Name	Sex	Date of Birth	Date of appointment ⁽¹⁾	Position in the Bank
XU An (許安)	Male	June 1963	January 2018	President of the Bank
LI Tao (李濤)	Male	January 1963	September 2018	Vice President of the Bank
CHAI Bolin (柴柏林) ⁽²⁾	Male	November 1961	April 2013	Vice President of the Bank
HU Liangpin (胡良品)	Male	September 1968	January 2018	Vice President of the Bank
WU Fan (吳帆)	Female	August 1968	April 2019	Vice President of the Bank
ZHOU Guichang (周貴昌)	Male	August 1974	April 2019	Secretary to the Board of the Bank
WANG Xiangdong (王向東)	Male	April 1963	December 2014	Chief Officer

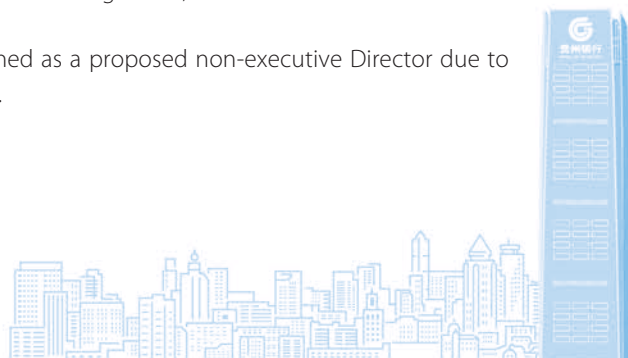
Notes:

- (1) Refer to the date on which the Board approved the relevant resolution of appointment.
- (2) During the Reporting Period, Mr. Chai Bolin served as the vice president of the Bank. Due to work arrangement by Guizhou provincial government, On 22 March 2021, Mr. Chai Bolin tendered his resignation to the Bank to resign as the vice president of the Bank, with effect from the same day.

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

6.2.1 Changes of Directors

- I. On 16 March 2020, Mr. Yang Mingshang resigned as a non-executive Director and member of the Risk and Related Party Transactions Committee of the Bank due to work arrangement, with effect from the same date.
- II. On 16 March 2020, Mr. Chen Yongjun resigned as a non-executive Director and member of Consumer Rights Protection and Social Responsibility Committee of the Bank due to work arrangement, with effect from the same date.
- III. On 24 August 2020, Mr. Lu Lin resigned as a non-executive Director and member of the Nomination and Remuneration Committee of the Bank due to work arrangement, with effect from the same date.
- IV. On 21 September 2020, Mr. Wang Zhiming resigned as a proposed non-executive Director due to work arrangement, with effect from the same date.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

- V. As recommended by the shareholders, Mr. Chen Jingde, Mr. Shi Xianyin, Mr. Zhao Yong and Mr. Zhong Xueliang were nominated as candidates to the second session of the Board of the Bank, and their nominations have been considered and approved at the 2020 first meeting of the second session of the Board of the Bank and the 2019 annual general meeting held on 20 May 2020. As recommended by the shareholders, Mr. Chen Hua and Mr. Wang Xiaoyong were nominated as candidates to the second session of the Board of the Bank, and their nominations have been considered and approved at the 2020 fourth meeting of the second session of the Board of the Bank and the 2021 first extraordinary general meeting held on 19 January 2021. The position qualifications of Mr. Chen Jingde, Mr. Shi Xianyin, Mr. Zhao Yong, Mr. Zhong Xueliang, Mr. Chen Hua and Mr. Wang Xiaoyong are subject to the approval by CBIRC Guizhou Office and they will take office since the date of such approval until the expiry of the term of the second session of the Board of the Bank. If Mr. Chen Jingde, Mr. Shi Xianyin, Mr. Zhao Yong, Mr. Zhong Xueliang, Mr. Chen Hua and Mr. Wang Xiaoyong are appointed, they will not receive any remuneration from the Bank during their terms of office as non-executive Directors of the Bank.
- VI. On 28 January 2021, due to work arrangement by Guizhou provincial government, Mr. Li Zhiming applied for resignation as the Chairman, an executive Director, Chairman of the Strategic Development Committee under the Board of the Bank, with effect from the same date.

6.2.2 Changes of Supervisors

- I. On 17 March 2020, Ms. Wu Qiangli resigned as a shareholder Supervisor of the Bank and member of the Supervision Committee due to work arrangement, with effect from the date of election and appointment of a new shareholder supervisor at the 2019 annual general meeting held on 20 May 2020.
- II. On 20 May 2020, upon consideration and approval at the 2019 annual general meeting of the Bank, Mr. Yang Jian, Mr. Chen Hongcai and Ms. Xu Yu were elected as shareholder Supervisors of the Bank. Mr. Yang Jian, Mr. Chen Hongcai and Ms. Xu Yu will not receive any remuneration from the Bank during their terms of office as shareholder Supervisors of the Bank.
- III. On 19 March 2021, Mr. Xiao Cifa resigned as the Chairman of the Board of Supervisors and employee Supervisor of the Bank due to work arrangement by Guizhou provincial government, with effect from the same day.

6.2.3 Changes of senior management

On 22 March 2021, Mr. Chai Bolin resigned as the vice president of the Bank due to work arrangement by Guizhou provincial government, with effect from the same day.



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

6.3.1 Changes in Information of Directors and Supervisors

- I. Mr. LAW Cheuk Kin Stephen, an independent non-executive Director of the Bank, has been appointed as an independent non-executive director of China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司) (SEHK stock code: 6881) since 29 June 2020 and an independent non-executive director of CSPC Pharmaceutical Group Co., Ltd. (石藥集團有限公司) (SEHK stock code: 1093) since 8 March 2021.
- II. Mr. Song Ke, an independent non-executive Director of the Bank, acted as an independent non-executive director of Zhejiang Yongan Rongtong Holdings Co., Ltd. (浙江永安融通控股股份有限公司) (SEHK stock code: 8211) from December 2017 to September 2020.
- III. Mr. Su Zhi, the supervisor of the Bank, has been appointed as an independent non-executive directors of the Board of Shanghai Haohai Biological Technology Co., Ltd. (上海昊海生物科技股份有限公司) (SEHK stock code: 6826) on 29 June 2020.

6.3.2 Biographical details of Directors

Mr. LI Zhiming (李志明), is the Secretary of the Party Committee of our Bank, Chairman of the Board and executive Director of our Bank during the Reporting Period.

Mr. Li served as a credit clerk in Agricultural Bank of China (中國農業銀行) ("ABC"), Jianli Sub-branch, Huangxue Business Office starting from March 1982; the secretary of the general office in ABC Jianli Sub-branch from July 1986 to October 1986; auditor of audit section in ABC Jingzhou Branch from October 1986 to July 1990; member of information division in ABC Hubei Branch from July 1990 to June 1993; a deputy director clerk at the general office in ABC Hubei Branch from June 1993 to October 1995; vice president in ABC Xianning Branch from October 1995 to January 1999; vice president in ABC Wuhan Wuchang Sub-branch from January 1999 to February 2000; deputy general manager (person in charge) of bank card department in ABC Wuhan Branch from February 2000 to February 2001; president in ABC Wuhan Wuchang Sub-branch from February 2001 to November 2004; secretary of the Party committee and the president in ABC Hubei Enshi Branch from November 2004 to February 2008; general manager of credit card department in ABC Hubei Branch from February 2008 to March 2009; general manager of bank card center in ABC Hubei Branch from March 2009 to May 2010; and general manager of agriculture, countryside and farmers credit department in ABC Hubei Branch from May 2010 to January 2011. He worked in Shenzhen Development Bank Wuhan Branch as the assistant to the president from April 2011 to March 2012. He was also the assistant to the president (from March 2012 to May 2016) and vice president (from May 2016 to December 2017) of Hubei Bank. Mr. Li joined our Bank in December 2017 and was elected as the candidates for the Bank's Secretary of the Party Committee and Chairman of the Board from December 2017 to April 2018. He served as our Bank's Secretary of the Party Committee and Chairman of the Board from April 2018 to 28 January 2021.

Mr. Li graduated from Wuhan University (武漢大學) as a bachelor (correspondence program) in finance in July 1996 and from Hunan Institute of Finance and Economics (湖南財經學院) (now Hunan University (湖南大學)) as a master in finance in December 1999. Mr. Li has the title of senior economist. Mr. Li was elected as a member of the 13th National People's Congress and National People's Congress Financial and Economic Affairs Committee of Guizhou Province in January 2018.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

Mr. XU An (許安), is the Deputy Secretary of the Party Committee of our Bank, executive Director and President of our Bank.

Mr. Xu successively engaged in depositing and accounting work in the PBOC Pingba Sub-branch from December 1980 to July 1983. Mr. Xu studied in Guizhou Radio & TV University from July 1983 to July 1986. He successively served in several positions in Industrial and Commercial Bank of China (中國工商銀行) (“ICBC”) Anshun Central Sub-branch, including auditor from July 1986 to August 1992; deputy director of business department from August 1992 to May 1995; manager of international business department from May 1995 to August 1996; and director of business department and manager of international business department from August 1996 to February 1998; the secretary of the Party committee and the president in ICBC Anshun Sub-branch from February 1998 to April 1999; the secretary of the Party committee and the president in ICBC Anshun Tashan Sub-branch from April 1999 to September 1999; the chief of industrial and commercial credit division in ICBC Anshun Branch from October 1999 to May 2002. He served as the deputy secretary of the Party committee, vice chairman of the board and general manager in Anshun Urban Credit Cooperative (安順市城市信用社) from May 2002 to February 2009, and secretary of the Party committee and chairman of the board in Anshun City Commercial Bank (安順市商業銀行) from February 2009 to September 2012. Mr. Xu was a member of the Party Committee and Vice President of our Bank from September 2012 to December 2017; and has been the Deputy Secretary of the Party Committee, President of our Bank since January 2018, executive Director of our Bank since August 2018.

Mr. Xu studied at and graduated from Guizhou Radio & TV University (貴州廣播電視大學) majoring in finance, from Guizhou College of Finance and Economics (貴州財經學院) (now known as Guizhou University of Finance and Economics (貴州財經大學)) with a bachelor's degree in finance in July 1997 and from the University of International Business and Economics (對外經濟貿易大學) with an Executive Master of Business Administration (EMBA) degree in December 2012.

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

Ms. Gong worked in Shenzhen Expressway Company Limited (深圳高速公路股份有限公司) (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 Company 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 Company Limited since September 2018. She has served concurrently as the secretary to the Board and the joint company secretary of Shenzhen Expressway Company Limited since August 2019. 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.



Mr. TANG Xin (湯欣), is an independent non-executive Director of our Bank.

Mr. Tang conducted post-doctoral research in law major at Peking University (北京大學) Law School from July 1998 to June 2000 and has been teaching in Tsinghua University (清華大學) School of Law since 2000; Mr. Tang was promoted Associate Professor of Tsinghua University School of Law in February 2001 and was promoted Professor of Tsinghua University School of Law in January 2015. Mr. Tang has been a member of the third session of the listing committee of the SSE since August 2012. Mr. Tang has been a member of the Legal Professional Advisory Committee of SZSE (深交所法律專業諮詢委員會) since December 2020, a supervisor of Beijing Rural Commercial Bank Co., Ltd. (北京農村商業銀行股份有限公司) since 2015, an independent non-executive director of China Life Insurance Company Limited (中國人壽保險股份有限公司)(SSE stock code: 601628) since March 2016 and an independent director of Harvest Fund Management Co., Ltd.* (嘉實基金管理有限公司) since October 2017. In September 2014, Mr. Tang served as the head of the committee of independent directors of the China Association for Public Companies (中國上市公司協會). Mr. Tang has been an independent non-executive Director of our Bank since August 2018.

Mr. Tang graduated and obtained his bachelor's, master's and doctor's degree in economic law, civil law and civil law from Renmin University of China (中國人民大學) in June 1992, July 1995 and June 1998, respectively.

Mr. WANG Gefan (王革凡), is an independent non-executive Director of our Bank.

Mr. Wang served as a vice director of International Finance Department of China Development Bank (國家開發銀行) ("CDB") in 1997; successively served as the president of Guizhou Branch of CDB, the director of Project Appraisal Department I and the director of Global Cooperation Department of CDB since 2002; served as the operating director of CDB from 2013 to 2017, during which he concurrently served as the director of International Finance Department. Mr. Wang has been an independent non-executive Director of our Bank since August 2018.

Mr. Wang graduated with a doctor's degree in geology and mineralogy in Science Department in July 1988 from Kyoto University in Japan (日本京都大學).

Mr. SONG Ke (宋科), is an independent non-executive Director of our Bank.

Mr. Song served as the secretary of the communist youth league committee of the School of Finance of Renmin University of China from July 2004 to September 2009; he engaged in post-doctoral research in the School of Statistics of Renmin University of China from July 2012 to July 2015; he has been a deputy head of International Monetary Institute of Renmin University of China since January 2014, responsible for scientific research and administration; he has been a teacher of Department of Money and Finance of the School of Finance of Renmin University of China since September 2015; a deputy secretary of the party committee of the School of Finance of Renmin University of China since April 2019; Mr. Song acted as an independent non-executive director of Zhejiang Yongan Rongtong Holdings Co., Ltd. (浙江永安融通控股股份有限公司) whose shares are listed on the Growth Enterprise Market of the Stock Exchange (SEHK stock code: 8211) from December 2017 to September 2020; Mr. Song has been an external supervisor of Bank of Zhengzhou Co., Ltd. (鄭州銀行股份有限公司)(SEHK stock code: 6196; SZSE stock code: 002936) since May 2017; and an independent non-executive Director of our Bank since August 2018.

Mr. Song graduated as a bachelor of economics majoring in finance from the School of Finance of Renmin University of China in July 2004; and he graduated as the doctor of economics majoring in finance from the School of Finance of Renmin University of China in June 2012.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

Mr. LI Shoubing (李守兵), is an independent non-executive Director of our Bank.

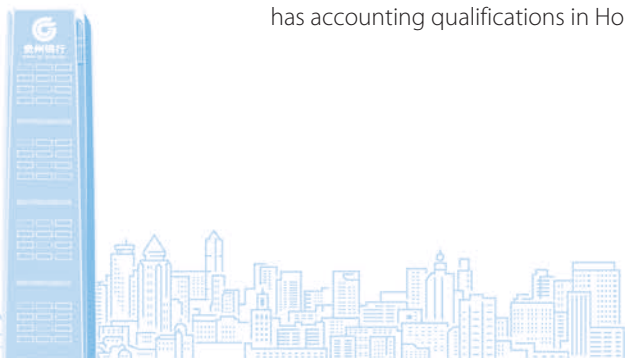
Mr. Li served as accounting supervisor of the financial department of Guizhou New Era Union I/E Co., Ltd. (貴州新聯進出口公司) from July 1994 to March 2001; worked in Guizhou Yaxin Accounting Firm Co., Ltd. (貴州亞信會計師事務所有限公司) from November 2004 to October 2009; has been a partner of Guizhou Zhihe Certified Public Accountant Co., Ltd. (貴州智合會計師事務所有限公司) since August 2009; and was awarded as financial review expert of Guizhou Science and Technology Department (貴州省科學技術廳) in 2016. He sponsored Guizhou Fudesheng Enterprise Management Consulting Co., Ltd. (貴州富德盛企業管理諮詢有限公司) and served as manager in 2017. He has been a director of Guizhou Yanxing Cultural Industry Development Co., Ltd. (貴州雁行文化產業發展股份有限公司) since October 2018. Mr. Li has been an independent non-executive Director of our Bank since August 2018.

Mr. Li graduated from Renmin University of China with a bachelor's degree majoring in accounting in July 1994. Mr. Li has CPA qualification.

Mr. LAW Cheuk Kin Stephen (羅卓堅), is an independent non-executive Director of our Bank.

Mr. Law worked in Wheelock and Company Limited (會德豐有限公司) (SEHK stock code: 0020) and the Wharf (Holdings) Limited (九龍倉集團有限公司) (SEHK stock code: 0004) from 1995 to 2000; and Morningside Group (晨興創投集團) from 2000 to 2006; and TPG Growth Capital (Asia) Limited from July 2006 to September 2012, ending as the managing director. Mr. Law served as the chief financial officer of Guoco Group Limited (國浩集團有限公司) (SEHK stock code: 0053) from October 2012 to June 2013; the finance director of MTR Corporation Ltd. (SEHK stock code: 0066) from July 2013 to July 2016; the adjunct professor of the Hong Kong Polytechnic University from 2015 to 2017; the independent non-executive director of AAG Energy Holdings Limited (亞美能源控股有限公司) (SEHK stock code: 2686) from July 2016 to September 2018; and has been the managing director of ANS Capital Limited since 2017; an independent non-executive director of Stealth BioTherapeutics Inc. (NASDAQ stock symbol: MITO) from June 2018 to July 2019; an independent non-executive director of China Everbright Limited (中國光大控股有限公司) (SEHK stock code: 0165) since May 2018; an independent non-executive director of Somerley Capital Holdings Limited (新百利融資控股有限公司) (SEHK stock code: 8439) since February 2019; an independent director of China Galaxy Securities Co., Ltd. on 29 June 2020 and an independent non-executive director of CSPC Pharmaceutical Group Co., Ltd. (石藥集團有限公司) (SEHK stock code: 1093) on 8 March 2021. Mr. Law has been an independent non-executive Director of our Bank since November 2018.

Mr. Law graduated from University of Birmingham and with a bachelor's degree majoring in science (civil engineering) in April 1984; he graduated from University of Hull and with a MBA degree in July 1996. Mr. Law was a council member of the Hong Kong Institute of Certified Public Accountants (HKICPA) from January 2010 to December 2017. Mr. Law is now a member of the HKICPA and the Institute of Chartered Accountants in England and Wales, a council member of Hong Kong Business Accountants Association Ltd. (HKBAA) and an expert accounting consultant appointed by the Ministry of Finance of the PRC. Mr. Law is also a council member of The Hong Kong Independent Non-Executive Director Association Limited (HKINEDA). Mr. Law has accounting qualifications in Hong Kong and the United Kingdom.



6.3.3 Biographical details of Supervisors

Mr. XIAO Cifa (肖慈發), is a member of the Party Committee of our Bank, the Chairman of the Board of Supervisors and an employee Supervisor of our Bank during the Reporting Period. Mr. Xiao was formerly known as Xiao Chifa (肖池發).

Mr. Xiao worked at the credit section of the PBOC Liupanshui Sub-Branch in Guizhou Province from September 1979 to January 1985 and the credit section of ICBC Liupanshui Sub-Branch in Guizhou Province from January 1985 to July 1986. He served as deputy chief of the credit section of ICBC Liupanshui Sub-Branch from July 1986 to March 1991, director of the business department of ICBC Liupanshui Branch in Guizhou from March 1991 to December 1992, assistant to the president (section level) of ICBC Liupanshui Branch in Guizhou Province from December 1992 to September 1995, vice president of ICBC Liupanshui Branch in Guizhou Province from September 1995 to November 2004, chairman of the Urban Credit Cooperative in Liupanshui City of Guizhou Province (貴州省六盤水市城市信用社) from November 2004 to April 2008, chairman and secretary of the Party committee of the Liupanshui City Commercial Bank (六盤水市商業銀行) in Guizhou Province from April 2008 to September 2012, member of the Party committee and Vice President of our Bank from September 2012 to January 2018 and member of the Party committee from January to May 2018. He has been a member of Party Committee, Chairman of the Board of Supervisors and employee Supervisor of our Bank from May 2018 to 19 March 2021.

Mr. Xiao studied economic management at the Party School of Guizhou Provincial Committee of the CPC from September 1996 to July 1999. He has the title of senior economist.

Mr. LIU Hanmin (劉漢民), is an external Supervisor of our Bank.

Mr. Liu served as lecturer and associate professor of Department of Accounting at the School of International Business of Qingdao University (青島大學國際商學院會計系) and director of the Institute of Modern Corporation (現代公司研究所) from July 1988 to August 2003, responsible for scientific teaching and research; and engaged in post-doctoral research and strategic planning at the Management Science and Engineering Department of Tianjin University (天津大學管理科學工程學科) from July 2001 to June 2003. He has been the professor since October 2003 and the doctoral supervisor of management of Jinan University (暨南大學) since 2009, and acted as visiting scholar at the University of California-Berkeley from March 2007 to September 2008. He has been an external Supervisor of our Bank since May 2018.

Mr. Liu obtained a bachelor's degree in economics from Shandong University (山東大學) in July 1983, a master's degree in economics from Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in July 1988 and a doctor's degree in economics from Nankai University (南開大學) in July 2001.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

Mr. SU Zhi (蘇治), is an external Supervisor of our Bank.

Mr. Su has worked at the Central University of Finance and Economics (中央財經大學) since June 2009, and has been the deputy director of the academic committee of the Institute of International Technology and Economy under the Development Research Center of the State Council (國務院發展研究中心國際技術經濟研究所) since July 2018. He has served as professor and doctoral supervisor of both the School of Finance and the School of Statistics and Mathematics of the Central University of Finance and Economics since October 2016; the head of the Department of Financial Technology of the School of Finance of Central University of Finance and Economics since January 2017. Mr. Su has also worked as executive deputy director of the Central University of Finance and Economics & University of Electronic Science and Technology of China Joint Research Data Center (電子科技大學聯合數據研究中心) since September 2018. Mr. Su has been appointed as an independent non-executive directors of the Board of Shanghai Haohai Biological Technology Co., Ltd. (上海昊海生物科技股份有限公司) (SEHK stock code: 6826) on 29 June 2020. He has been an external Supervisor of our Bank since May 2018.

Mr. Su obtained a bachelor's degree in management in economic information management major from Jilin University (吉林大學) in July 2001 and a doctor's degree in economics majoring in quantitative economics from Jilin University in June 2006. He engaged in the finance research at the post-doctoral study station of the School of Economics and Management of Tsinghua University from March 2007 to June 2009, and was conferred an EMBA degree in business administration from University of Texas in February 2009.

Mr. CHEN Houyi (陳厚義), is an external Supervisor of our Bank.

Mr. Chen served successively as secretary of Party general branch and deputy director of the third department of adult education (managing the Party and government work of the department), head of the organization department of Party committee and deputy secretary of the Party committee of Guizhou University of Industry (貴州工業大學) from February 1995 to March 1998. He served as dean of Guizhou Economic Management Cadre College (貴州省經濟管理幹部學院) from March 1998 to 2001, and successively as dean and president (excellent expert under the management of Guizhou Province, recipient of special government allowances of the State Council, and master supervisor) of Guizhou University of Finance and Economics (貴州財經大學) since 2001, and professor (2nd class) of Guizhou University of Finance and Economics since January 2016. He has been an External Supervisor of our Bank since April 2017.

Mr. Chen graduated from Wuhan University and obtained his bachelor's degree in January 1982 and obtained a doctor's degree majoring in economics in industry economics from Wuhan University of Technology (武漢理工大學) in June 2009.



Mr. YANG Jian (楊堅), is a shareholder Supervisor of our Bank.

Mr. Yang worked as secretary of the Youth League Committee and deputy chief of the academic affairs section and vice principal of Liupanshui Minzu Vocational and Technical School from January 2004 to December 2011. He served as deputy secretary of both of the Communist Youth League Committee and the Leading Party Members' Group of Liupanshui City, Guizhou Province from December 2011 to May 2012. He served as secretary of both of the Communist Youth League Committee and the Leading Party Members' Group of Liupanshui City, Guizhou Province from May 2012 to August 2014. He served as deputy secretary (entitled to county-level cadre benefits) of CPC Committee of Shuicheng County, Liupanshui City, Guizhou Province from August 2014 to July 2015. He served as secretary of the Leading Party Members' Group and principal of the Bureau of Housing and Urban-Rural Development of Liupanshui City, Guizhou Province (六盤水市住房和城鄉建設局) from July 2015 to September 2018. He served as a member and deputy secretary of the Party committee, and vice chairman and general manager of Liupanshui Urban Construction & Investment Co., Ltd. (六盤水市城建設投資有限責任公司) from September 2018 to October 2019. He has been secretary of the Party committee, and chairman of Liupanshui Urban Construction & Investment Co., Ltd. (六盤水市城建設投資有限責任公司) since October 2019. Mr. Yang has been a shareholder Supervisor of our Bank since May 2020.

Mr. Yang graduated from Guizhou Normal University (貴州師範大學) majoring in physics in July 2002, with a bachelor's degree of science in physics.

Mr. Chen Hongcai (陳宏才), is a shareholder Supervisor of our Bank.

Mr. Chen served as an accountant and director accountant in the former Renhuai County Xitou District Finance Office (仁懷縣喜頭區財政所) from April 1987 to February 1991. He served as the accountant and section chief in the enterprise section of the State-owned Assets Management Bureau of Renhuai City (仁懷市國有資產管理局) from March 1991 to October 2002. He served as the section chief in the enterprise section of the Finance Bureau of Renhuai City (仁懷市財政局) from November 2002 to March 2011. He served as the chief financial officer and the manager of the finance department in Renhuai City Zhengxin Guaranty Co., Ltd. (仁懷市政鑫擔保有限公司) from April 2011 to November 2016. He has served as a director and deputy general manager of Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (仁懷市醬香型白酒產業發展投資有限責任公司) since December 2016. Mr. Chen has served concurrently as the chairman of Guizhou Renhuai Sauce-flavored Base Liquor Purchase and Storage Co., Ltd. (貴州省仁懷市醬香酒基酒收儲有限公司) since May 2020. Mr. Chen has concurrently served as the general manager of Guizhou Sauce-flavored Liquor Trading Center Co., Ltd. (貴州醬香酒交易中心有限公司) and the general manager of Guizhou Renhuai Sauce-flavored Liquor Supply Chain Management Co., Ltd. (貴州省仁懷市醬香酒供應鏈管理有限公司) since August 2020. Mr. Chen has been a shareholder Supervisor of our Bank since May 2020.

Mr. Chen graduated from School of Financing Accounting in Guizhou Radio & TV University (貴州廣播電視大學) in July 1998, with a college degree.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

Ms. Xu Yu (徐妤), is a shareholder Supervisor of our Bank.

Ms. Xu worked as the deputy director of the accounting department of Xingyi City Local Taxation Bureau of Guizhou Province from January 2009 to January 2011. She worked as the deputy director of Jian'an Real Estate Management Center in Xingyi City Local Taxation Bureau of Guizhou Province from January 2011 to October 2011. She worked as the deputy director of the integrated department in the Inspection Bureau of Qianxinan Prefecture Local Taxation of Guizhou Province (貴州省黔西南州地方稅務局稽查局) from October 2011 to November 2011. She worked as the section chief of the integrated department in the Inspection Bureau of Qianxinan Prefecture Local Taxation of Guizhou Province from November 2011 to November 2014. She worked as the branch director of the first branch office in the Inspection Bureau of Qianxinan Prefecture Local Taxation of Guizhou Province from November 2014 to December 2015. She worked as the office director of the Qianxinan Prefecture Local Taxation Bureau of Guizhou Province (貴州省黔西南州地方稅務局) from December 2015 to January 2017. She worked as the section chief cadre of Qianxinan Prefecture Financial Bureau of Guizhou Province (貴州省黔西南州財政局) from January 2017 to April 2017. She successively worked as the section chief cadre and the chief of the assessment and supervision section of Qianxinan Prefecture Administrative Bureau of State-owned Property of Guizhou Province (貴州省黔西南州國有資產管理局) from April 2017 to October 2019. She has worked as a director, the deputy general manager of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. since October 2019. She has served concurrently as the Chairman of board of directors of Qianxinan Prefecture Linxia Economy Industry Operation Co., Ltd. since May 2020. Ms. Xu has been a shareholder Supervisor of our Bank since May 2020.

Ms. Xu graduated from the accounting department in School of Business Administration of North China Electric Power University (Beijing) (華北電力大學(北京)工商管理學院) with a master's degree in management in January 2008. Ms. Xu has CPA and Certified Public Valuer qualifications.

Mr. WANG Changyi (王常懿), is an employee Supervisor of our Bank.

Mr. Wang served as section member in Xingren Town, Danzhai County, Guizhou Province from July 2000 to March 2002, office director of the united front work department of the Danzhai County committee in Guizhou Province from March 2002 to July 2003, office clerk of the united front work department of the Qiongnan Prefecture committee in Guizhou Province from July 2003 to March 2005, senior staff member of the office of the united front work department of the Qiongnan Prefecture committee in Guizhou Province from March 2005 to September 2006, cadre of vice section level at the organization division of the organization department of Guizhou Provincial Committee (貴州省委) from September 2006 to November 2006, senior staff member at the organization division of the organization department of Guizhou Provincial Committee from December 2006 to May 2008, principal staff member at the organization division of the organization department of Guizhou Provincial Committee from May 2008 to March 2010, principal staff member at the five cadre organization division of the organization department of Guizhou Provincial Committee from March 2010 to February 2013, deputy director at the political department of Party working committee in Gui'an New Area from February 2013 to December 2013 (during which he was elected as member of the 13th Committee of Guizhou Province Federation of Trade Unions (貴州省總工會第十三屆委員會) in June 2013). He was elected as executive director of Guizhou China Council for the Promotion of Peaceful National Reunification (中國貴州和平統一促進會) in November 2013. He served



as deputy director of the Office of our Bank from December 2013 to June 2015, deputy head (concurrent) of the Organization Department of the Party Committee of our Bank from March 2015 to June 2015, deputy director of the Discipline Inspection Office and deputy head (concurrent) of the Organization Department of the Party Committee of our Bank from June 2015 to February 2016, deputy head of the Organization Department of the Party Committee of our Bank from February 2016 to October 2016, and deputy head of the Organization Department of the Party Committee of our Bank and deputy secretary of party Branch of Gui'an New Area Sub-Branch (presiding work) from October 2016 to March 2018. He has been the head of the Party-mass Work Department and Publicity Department of the Party Committee, director of the Trade Union Office and Office of Party Committee for Organs of our Bank since March 2018. Mr. Li is an employee Supervisor of our Bank since May 2018.

Mr. Wang obtained a bachelor's degree in Chinese minority linguistics and literature from Guizhou Minzu College (貴州民族學院) (currently Guizhou Minzu University) in July 2000.

Mr. LI Keyong (李克勇), is an employee Supervisor of our Bank.

Mr. Li served as cashier of the PBOC in Shuicheng Special Zone, Liupanshui City, Guizhou Province from December 1980 to June 1983, successively as planned credit clerk, clerk of the PBOC in sub-branch of Shuicheng Special Zone, Liupanshui City from June 1986 to May 1990, successively as clerk and deputy director clerk of the PBOC Liupanshui Branch from May 1990 to May 1997, auditor of vice section level of the PBOC Liupanshui Branch from May 1997 to September 1998, chairman and director of the center cooperative of Urban Credit Cooperative in Liupanshui City (六盤水市城市信用社), Guizhou Province from September 1998 to June 2000, deputy director of the office of the preparatory leading group of the single legal person cooperative of Urban Credit Cooperative in Liupanshui City, Guizhou Province from June 2000 to November 2000, member of the Board and deputy general manager (presiding work) of the Urban Credit Cooperative in Liupanshui City, Guizhou Province from November 2000 to March 2005. He was successively the general manager and vice chairman of Urban Credit Cooperative in Liupanshui City, Guizhou Province from March 2004 to April 2008. He served as deputy secretary of the Party committee, vice chairman and president of Liupanshui Commercial Bank in Guizhou Province from April 2008 to October 2012, president of Liupanshui Branch of our Bank from October 2012 to September 2013, secretary of the party committee and president of Liupanshui Branch of our Bank from September 2013 to January 2014, and general manager of the Legal and Compliance Department of our Bank from January 2014 to November 2014. He worked at the Bill Business Department of our Bank from November 2014 to March 2018. He has been an employee Supervisor of our Bank since October 2012.

Mr. Li graduated from Guizhou Radio & TV University with a bachelor's degree in finance in August 1986 and obtained a master's degree in public administration from the Party School of Guizhou Provincial Committee of the CPC in June 2010. He has the title of economist.



DIRECTORS, SUPERVISORS, SENIOR MANagements, EMPLOYEES AND ORGANIZATION

6.3.4 Biography details of senior management

Mr. XU An (許安), see “Directors, Supervisors and Senior Management – Board of Directors” for his biography.

Mr. LI Tao (李濤), is a member of the Party Committee of our Bank and Vice President of our Bank.

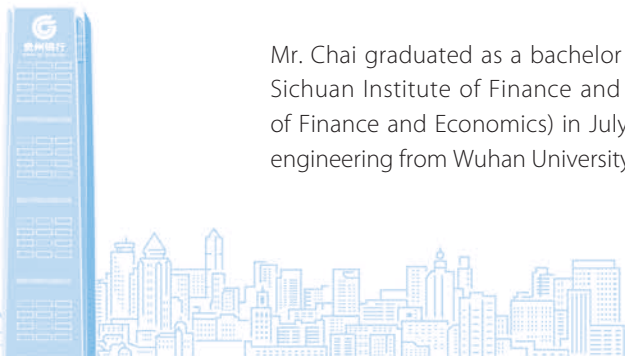
Mr. Li served as section member of the PBOC Zunyi City Sub-branch from March 1980 to November 1981; served as member of the planning section of the PBOC Zunyi Central Sub-branch from November 1981 to September 1983; studied in Guizhou Radio & TV University as a major in finance from September 1983 to August 1986; successively served as a staff and deputy chief of the planning section of the PBOC Zunyi Central Sub-branch from June 1986 to December 1993; took a temporary post as vice president in the president’s office of the PBOC Zunyi County Sub-branch from January 1993 to December 1993; served as deputy chief of the planning section of the PBOC Zunyi Central Sub-branch from December 1993 to July 1995; served as chief of the planning section of the PBOC Zunyi Central Sub-branch from July 1995 to July 1996; served as chairman of Shuguang Urban Credit Cooperative in Zunyi City of Guizhou Province from July 1996 to April 2001; and served as vice president and president of Guizhou Zunyi Commercial Bank Co., Ltd. from April 2001 to September 2012. Mr. Li successively served as a member of the Party Committee of our Bank and the secretary of the Party committee and president of our Zunyi Branch from August 2012 to September 2018; and a member of the Party committee and vice president of our Bank since September 2018.

Mr. Li graduated from the Party School of Guizhou Provincial Committee of the CPC majoring in economic management (correspondence program) in January 2006; and graduated as an EMBA from the Southwestern University of Finance and Economics (西南財經大學) in December 2013.

Mr. CHAI Bolin (柴柏林), is a member of the Party committee and Vice President of our Bank.

Mr. Chai served as a staff and deputy chief of the planning section of the PBOC and ICBC in Anshun from August 1983 to May 1988; vice president of the ICBC Anshun Sub-branch from June 1988 to June 1990; member of the Party committee group and vice president of ICBC Anshun Sub-branch from June 1990 to February 1995; assistant to the president of the ICBC Anshun Central Sub-branch from February 1995 to February 1997; member of the leading party members’ group and vice president of the ICBC Zunyi Central Sub-branch from February 1997 to April 2002; person in charge (deputy division chief level) of Customer (Credit) Division II of China Development Bank Guizhou Branch from April 2002 to September 2002; deputy chief of Customer (Credit) Division II of China Development Bank Guizhou Branch from September 2002 to October 2003; chief of Customer (Credit) Division II of China Development Bank Guizhou Branch from October 2003 to January 2006; chief of the operations management division of China Development Bank Guizhou Branch from January 2006 to January 2008; and chief of Customer (Credit) Division I of China Development Bank Guizhou Branch from January 2008 to April 2013. Mr. Chai has been a member of the Party committee and vice president of our Bank from April 2013 to 22 March 2021.

Mr. Chai graduated as a bachelor of economics majoring in finance from the Department of Finance of Sichuan Institute of Finance and Economics (四川財經學院) (now known as Southwestern University of Finance and Economics) in July 1983; and graduated as a master of engineering majoring in software engineering from Wuhan University in June 2010. Mr. Chai has a title of senior economist.



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

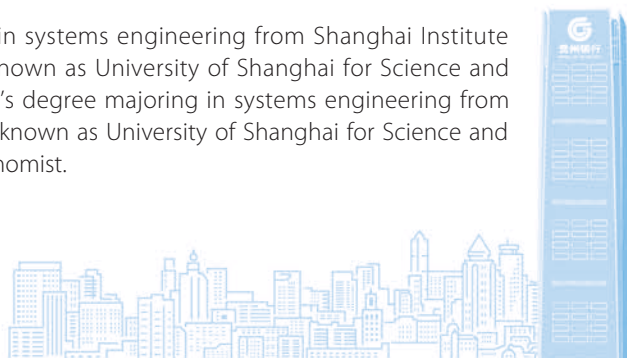
Mr. Hu worked at Yuezhao Credit Cooperative in Shuicheng County of Guizhou Province from May 1987 to May 1988; Mr. Hu served successively as deputy chief (person in charge) and chief of Zhongshan District Rural Credit Cooperative in Liupanshui City of Guizhou Province from October 1995 to August 2001; served as acting chairman and deputy director 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. Prior to joining our Bank in 2017, from August 2015, Mr. Hu worked in Guizhou Rural Credit Union where he successively served in the human resources division and Anshun Office, and worked in Anshun Financial Service Center for Migrant Workers (安順市農民工金融服務中心) where he served successively as deputy director and director as well as secretary of the Party committee. Mr. Hu served as member of the Party Committee of our Bank and Chairman of the Board of Supervisors of our Bank from January 2017 to January 2018; and has been a member of the Party committee and vice president of our Bank since January 2018.

Mr. Hu graduated as a bachelor in law from the Party School of Guizhou Provincial Party Committee 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 CBRC Guizhou Office in April 2010; and the honor of the 10th National “Venture Star” (創業之星) in May 2012.

Ms. WU Fan (吳帆), is a member of the Party committee and Vice President of our Bank.

Ms. Wu worked in China Construction Bank (中國建設銀行)(“CCB”) from July 1992 to March 2013. In particular, she held a post in relation to international settlement and credit in the international business department of CCB Guizhou Branch from July 1992 to December 1995; and served as general manager assistant of the international business department and manager of the credit department of CCB Guizhou Branch from December 1995 to November 1996; deputy general manager of the international business department of CCB Guizhou Branch from November 1996 to May 1998; vice president of Chengbei Sub-branch directly under CCB Guizhou Branch from May 1998 to July 1999; deputy general manager of the international business department and vice president of Guiyang Jinyang Sub-branch of CCB Guizhou Branch from July 1999 to July 2001; deputy general manager of the international business department of CCB Guizhou Branch from July 2001 to February 2006; general manager of the international business department of CCB Guizhou Branch from February 2006 to June 2006; general manager of the corporate business department of CCB Guizhou Branch from June 2006 to July 2012; and served successively as secretary of the Party committee and president of branch of Guiyang Chengbei Sub-branch of CCB Guizhou Branch from July 2012 to February 2013; served as Marketing Director of our Bank from February 2013 to January 2014; and has been an Assistant to the President of our Bank from January 2014 to April 2019. In particular, she served as General Manager of Guiyang Management Department of our Bank from March 2014 to November 2014 and Executive Deputy Secretary of the Party Committee of Guiyang Management Department of our Bank from November 2014 to March 2016. Ms. Wu has been a member of the Party committee and Vice President of our Bank since March 2019 and April 2019, respectively.

Ms. Wu graduated with a bachelor’s degree majoring in systems engineering from Shanghai Institute of Mechanical Engineering (上海機械學院)(currently known as University of Shanghai for Science and Technology (上海理工大學)) in July 1989 and a master’s degree majoring in systems engineering from Shanghai Institute of Mechanical Engineering (currently known as University of Shanghai for Science and Technology) in June 1992. Ms. Wu has a title of senior economist.



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Mr. ZHOU Guichang (周貴昌), is the secretary to the Board of our Bank.

Mr. Zhou served as an accountant 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 October 2000; served as a secretary of the general office of Guizhou Branch of ABC since October 2000 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 a vice director of general office of Guizhou Branch of ABC from August 2006 to September 2007; served as vice president of Liupanshui Branch of ABC from September 2007 to May 2012; served as a vice general manager of business 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 and worked in our Bank from October 2012. He served as the temporary principal of 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 work) and vice director of General Office from March 2014 to March 2018; served as the director of the Office of Party Committee and director of General Office of our Bank from March 2018 to April 2019; Mr. Zhou has been the secretary to the Board of our Bank since April 2019.

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 has a title of intermediate economist.

Mr. WANG Xiangdong (王向東), is a Chief Officer of our Bank.

Mr. Wang served as a trainee in Guilin Army College of Chinese People's Liberation Army (中國人民解放軍桂林陸軍學院)(currently known as Army Special Operations Academy of Chinese People's Liberation Army) (中國人民解放軍陸軍特種作戰學院) from August 1983 to July 1984; served as platoon leader in the 93rd Regiment of the 31st Army Division of the Chinese People's Liberation Army (陸軍三十一師第九十三團) from July 1984 to July 1985; served successively as barracks assistant, company commander and deputy battalion commander in the second communication station of Chengdu Military Region of the Chinese People's Liberation Army from September 1986 to August 1991; served as principal staff member of the administrative department real estate division of the Bank of China (中國銀行) ("BOC") Guizhou Branch from August 1995 to January 2000; served as vice president of the BOC Guiyang Hebin Sub-branch from January 2000 to April 2003; served as vice president of the BOC Guiyang Dongshan Sub-branch from April 2003 to March 2005; served as president of the BOC Guiyang Yunyan Sub-branch from March 2005 to July 2006; served successively as secretary of the Party committee and president of the BOC Zunyi Sub-branch from July 2006 to February 2009; and served successively as general manager of the business department of the BOC Guizhou Branch and director of business development management committee in Guiyang from February 2009 to March 2013. Mr. Wang held a post as Chief Officer in our Bank from March 2013 to October 2013. In particular, he served concurrently as leader of the preparatory group of Guiyang Huaxi Sub-branch from March 2013 to May 2013; secretary of the party branch of Xingyiruijin Sub-branch from June 2013 to December 2013; president of Guiyang Huaxi Sub-branch from May 2013 to January 2014; deputy secretary of the Party committee and executive deputy general manager of Guiyang Management Department of our Bank from December 2013 to August 2014; secretary of the Party branch of Duyun Jianjiang Sub-branch from July 2014 to July 2016; and secretary of CPC Branch, president of Duyun Jianjiang Sub-branch from September 2014 to July 2016; and secretary of the Party committee and president of Qiannan branch of our Bank from July 2016 to May 2019. Mr. Wang has been a Chief Officer of our Bank since December 2014.

Mr. Wang graduated as a bachelor in metallography and heat treatment from Guizhou Institute of Engineering (貴州工學院)(currently known as Guizhou University) (貴州大學) in July 1983.

6.3.5 The Biographical Details of Joint Company Secretaries

Mr. ZHOU Guichang (周貴昌), one of joint company secretaries of the Bank, was appointed in April 2019. See “Directors, Supervisors and Senior Managements – Working Experience of Senior Managements” for his biography.

Mr. LEI Kin Keong (李健強) is one of the joint company secretaries of the Bank. Mr. Lei is currently a non-practicing member of The Hong Kong Institute of Certified Public Accountants and the associate member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (originally known as the Institute of Chartered Secretaries and Administrators). He holds a Bachelor of Art (Honors) in Accountancy from The Hong Kong Polytechnic University and a Postgraduate Diploma in Corporate Compliance from The University of Hong Kong (School of Professional and Continuing Education). He currently serves as the assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited.

6.4 INFORMATION OF EMPLOYEES

6.4.1 Composition of employees

As of the end of the Reporting Period, the Bank had 5,169 employees in total, the composition of whom is set out as follows:

I. By age:

As of the end of the Reporting Period, the Bank had 1,739 employees aged 30 or under, accounting for 33.64% of the total number of employees; 1,865 employees aged between 31 and 40, accounting for 36.08% of the total number of employees; 1,054 employees aged between 41 and 50, accounting for 20.39% of the total number of employees; and 511 employees aged over 50, accounting for 9.89% of the total number of employees.

II. By gender:

As of the end of the Reporting Period, the Bank has a total of 2,451 male employees, accounting for 47.42%, and 2,718 female employees, accounting for 52.58%.

III. By education:

As of the end of the Reporting Period, the Bank had 4,340 employees with a bachelor degree or above, accounting for 83.96% of the total number of employees, and 829 employees with a college degree or below, accounting for 16.04% of the total number of employees.

In addition to the contracted employees, as of the end of the Reporting Period, the Bank has 232 transferred employees.



DIRECTORS, SUPERVISORS, SENIOR MANAGERMENTS, EMPLOYEES AND ORGANIZATION

6.4.2 Employee training

During the Reporting Period, centering on the performance abilities of cadres and employees, the Bank continued to optimize education and training. The first was to determine the course systems by different categories and conduct various types of training in a targeted manner. The Bank organized a total of 50,137 of its employees to participate in various business training. The second was to carry out cadre training at different levels. The Bank differentiated between cadres by their management levels and held corresponding capacity improvement training based on different management levels. The Bank organized 17 cadres to participate in various business training. The third was to enrich the method of education and training. The Bank adopted a method featuring combination of online training and offline training, internal training and external training, and invitation of people with talent and dispatch of employees with potential, and constantly explored “staggered” training and “segmented” training. The Bank organized and carried out induction training for 112 new employees, business etiquette training and on-site supply chain financial business training, and organized online training comprising nearly 50 phases, with nearly 10,000 participants. The fourth was to make good use of the training incentive mechanism, provide outstanding cadres and employees who have received various awards with priority access to training resources, and train them as key objects. The Bank organized and carried out training for 50 sub-branch presidents and outlet managers. Meanwhile, job certification exams were organized and 1,800 people obtained professional qualifications.

6.4.3 Remuneration policy, employee remuneration and welfare

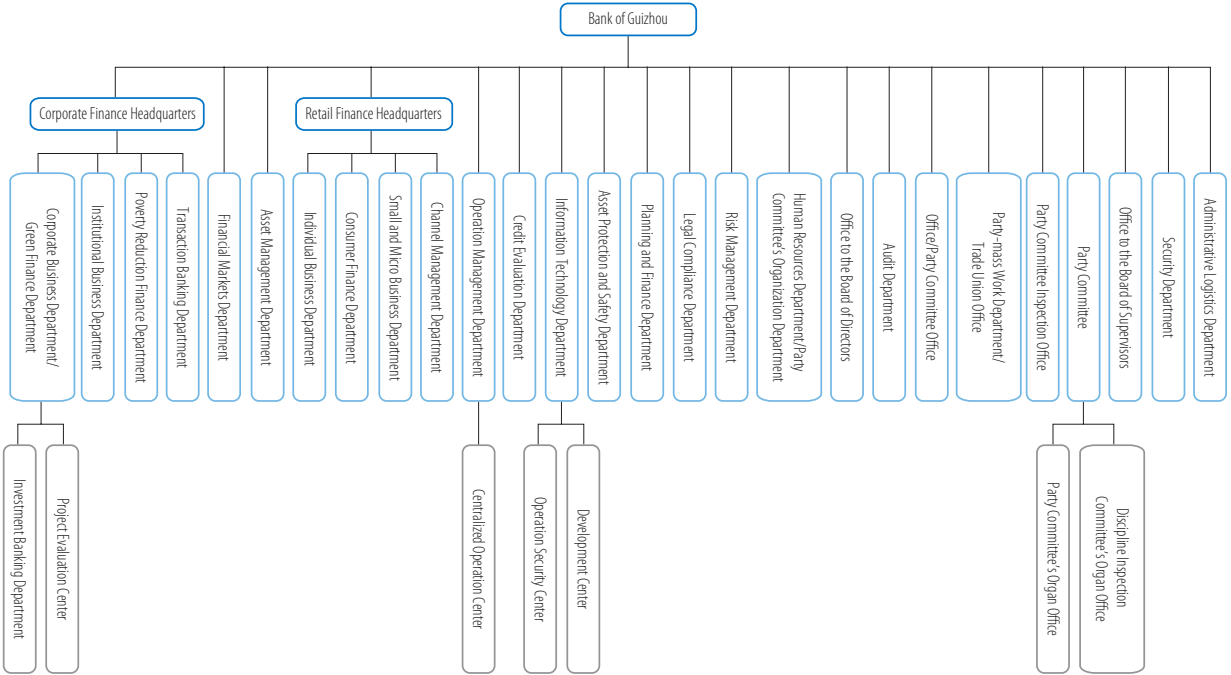
The Bank optimized and revised the remuneration management system for the head office and branches of Bank of Guizhou, clarifying that the remuneration of the Bank’s employees shall be based on the position and at the core of value contribution from the position, and be determined after consideration of both their professional skills and performance and contribution. According to the principle of “adjusting salaries upon change in positions”, the remuneration standards for employees are adjusted according to the changes in employees’ roles or positions. In accordance with the requirements of the Guidelines on the Supervision of Steady Remuneration of Commercial Banks (《商業銀行穩健薪酬監管指引》), the Bank implements deferred payment of performance-based salary for employees in management sequence and risk-related positions, and manages them according to management authority classification. We provide our employees with comprehensive social insurance and benefits.

As of the end of the Reporting Period, the Bank optimized and adjusted the remuneration policy of the whole Bank based on its plan and arrangement for promotion of its strategic human resource planning. Please refer to the section headed “7.13 Remuneration of the Management” under Chapter VII and Notes 8 and 9 to the financial statements, for details of the total amount and composition of employee benefits expenses and remuneration of Directors, Supervisors and senior management of the Bank for 2020.

According to the remuneration policy of the Bank, the Nomination and Remuneration Committee will consider factors such as comparable salaries paid, term, commitment, responsibilities and performance (as the case may be) of the Directors, Supervisors and senior management of the Bank when assessing the remuneration payable to the Directors, Supervisors and relevant employees of the Bank. As of the end of the Reporting Period, there was no significant change in the Bank’s remuneration policies. We do not have any long-term incentive scheme on remuneration.



6.5 ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE REPORT

The Bank has complied with all the applicable code provisions contained in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period.

The Bank has complied with the Hong Kong Listing Rules, the CG Code and the Guidance on Corporate Governance of Commercial Banks (Yin Jian Fa [2013] No. 34) (the “Guidelines”) issued by the China Banking Regulatory Commission on 19 July 2013 to the governance structure and policies of the Bank. The Articles of Association, rules of procedure for the general meeting, the Board and its committees fully reflect the CG Code and the Guidelines. The general meeting, the Board and the Board of Supervisors of the Bank have specific areas of responsibilities, forming a good corporate governance structure. The Bank will continue to closely monitor the business operations to ensure compliance with applicable laws, regulations, codes, guidelines and relevant requirements of the Bank’s internal policies.

The Bank will continuously review the corporate governance and strengthen the management to ensure compliance with the requirements of the CG Code and the Guidelines and meet the expectations of shareholders and potential investors.

7.1 GENERAL MEETINGS HELD

- I. The 2019 annual general meeting, the 2020 First Domestic Shareholders Class Meeting, the 2020 First H Shareholders Class Meeting of Bank of Guizhou Co., Ltd. were held on 20 May 2020 at the Guizhou Hall, First floor, International Conference Center of Guizhou Province (No. 66, Beijing Road, Yunyan District, Guiyang City, Guizhou Province). As at the date of the AGM, the total number of the ordinary Shares entitling the Shareholders of the Bank to vote in respect to the resolutions proposed at the AGM was 12,967,636,097, including 10,767,636,097 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the AGM represented, in aggregate, 11,375,444,387 ordinary Shares of the Bank carrying voting rights, being approximately 87.72% of the total number of the ordinary Shares carrying voting rights of the Bank as at the date of the AGM.
- II. The 2021 first extraordinary general meeting of Bank of Guizhou Co., Ltd. was held on 19 January 2021 at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9, Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province). As at the date of the 2021 First EGM, the total number of the ordinary Shares entitling the Shareholders of the Bank to vote in respect to the resolutions proposed at the 2021 First EGM was 12,967,640,929, including 10,767,640,929 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the 2021 First EGM represented, in aggregate, 11,446,441,377 ordinary Shares of the Bank carrying voting rights, being approximately 88.27% of the total number of the ordinary Shares carrying voting rights of the Bank as at the date of the 2021 First EGM.



The Adjustment of the Authority to the Board on Approving New Equity Investments in Rural Banks Initiated by the Bank, the Appointment of Mr. Chen Hua as a non-executive Director, the Appointment of Mr. Wang Xiaoyong as a non-executive Director and the Amendments to Articles of Association of Bank of Guizhou Co., Ltd. were considered and approved at the 2021 first extraordinary general meeting.

The convening of the above general meetings was in compliance with the requirements of relevant laws and regulations.

7.2 MEETINGS OF THE BOARD AND ITS SPECIAL COMMITTEES HELD

7.2.1 Operation of the Board

The Board meetings are divided into regular meetings and extraordinary meetings, voting at which may be conducted by conference (including video conference and conference call) and correspondence. According to the Rules of Procedure of the Board of Directors of Bank of Guizhou Co., Ltd., for regular meetings and extraordinary meetings of the Board, written notices shall be given to all Directors and Supervisors by hand, fax, e-mail, express mail or other means at least 14 and 5 days in advance, respectively. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly. Since the Listing Date, the Bank has complied with the requirements of the Code Provision A.1.3 of the CG Code to give each Director a notice at least 14 days before the convening of regular meetings of the Board.

There are special committees under the Board, including, among others, the Strategic Development Committee, the Risk and Related Party Transactions Management Committee, the Nomination and Remuneration Committee, the Audit Committee, and the Consumer Rights Protection and Social Responsibility Committee, etc.. The Bank has set up Board Office as the Board's daily working organ. The secretary to the Board may concurrently serve as director of the Board Office. The Board Office shall be responsible for the preparations for and information disclosure of the general meetings, Board meetings and meetings of special committees under the Board, as well as other routine affairs of the Board and special committees thereunder.

7.2.2 Composition of the Board

As of the end of the Reporting Period, the Board of the Bank consisted of eight Directors, including two executive Directors, namely, Mr. LI Zhiming (Chairman) and Mr. XU An; one non-executive Director, namely, Ms. GONG Taotao; and five independent non-executive Directors, namely, Mr. TANG Xin, Mr. WANG Gefan, Mr. SONG Ke, Mr. LI Shoubing and Mr. LAW Cheuk Kin Stephen. On 28 January 2021, due to work arrangement by Guizhou provincial government, Mr. Li Zhiming applied for resignation as the Chairman of the Bank. The Board of the Bank consists of seven Directors, including one executive Director, namely Mr. XU An (temporarily responsible for the work of the Board), one non-executive Director, namely Ms. GONG Taotao, and five independent non-executive Directors, namely Mr. TANG Xin, Mr. WANG Gefan, Mr. SONG Ke, Mr. LI Shoubing and Mr. LAW Cheuk Kin Stephen.

The number of members and composition of the Board comply with the relevant requirements of laws and regulations.



CORPORATE GOVERNANCE REPORT

7.2.3 Changes in Board Members during the Reporting Period

For details, please refer to the section headed “6.2.1 Changes of Director”.

7.2.4 Powers of the Board

The Board is the executive body of the general meeting of the Bank, which is accountable to the general meeting and upholds the principle of maximization of interests of the Bank. According to the Articles of Association, the primary functions of the Board of the Bank include the following: convening general meetings and reporting its performance at the general meetings; implementing resolutions of the general meetings; determining the Bank's business development strategies, business plans and investment plans; formulating annual financial budget plans, final account plans, profit distribution plans and loss recovery plans of the Bank; assessing and evaluating the performance of the Directors' duties and reporting to the general meeting; formulating proposals for the Bank to increase or decrease its registered capital and issuance of corporate bonds or other securities and the listing plan; formulating proposals for the Company's major asset transfer and alienation, repurchase of the Company's shares or merger, division and dissolution; determining the setting, merger and revocation of branches and internal

management bodies of the Company; determining material external guarantees; appointing or dismissing the President and the secretary to the Board; appointing or dismissing vice presidents and other senior management personnel based on the nominations of the President and determining their remunerations, awards or punishments and the method of payment thereof; determining the Company's risk management and internal control policies and formulating the Company's basic management system; formulating any amendments to the Articles of Association; managing the information disclosures of the Company; proposing at a general meeting the engagement, dismissal or discontinuance of an accounting firm that provides audit for the Company; considering and determining working rules of the President, listening to his/her work reports and examining his/her work and works carried out in accordance with the authority granted by the general meeting; and other works within its remit as stipulated by laws and regulations.

The Board of Directors 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.



7.2.5 Directors' Responsibility for Preparation of Financial Statements

The Directors have acknowledged their responsibilities for preparing the financial statements for the year ended 31 December 2020. The Directors are responsible for reviewing and confirming the financial statements for each accounting period to ensure that the financial statements truly and fairly reflect the financial conditions, operating results and cash flows of the Bank. In preparing the financial statements of the Bank for the year ended 31 December 2020, with the assistance of professional financial and accounting personnel, the Directors ensure that the financial statements of the Bank are prepared in accordance with laws and regulations and applicable financial reporting rules.

7.2.6 Meetings and the Attendance of Directors

During the Reporting Period, the Bank convened a total of 15 Board meetings, at which 95 resolutions were considered and approved, including the Annual Work Report of the Board, the Annual Profit Distribution Plan and the Amendments to the Articles of Association, etc. Details of the Board meetings convened during the Reporting Period are set out in the table below:

Session	Date	Form
The 2020 1st extraordinary meeting of the second session of the Board	8 January 2020	Correspondence
The 2020 1st meeting of the second session of the Board	26 March 2020	On-site + video conference
The 2020 2nd extraordinary meeting of the second session of the Board	7 April 2020	Correspondence
The 2020 3rd extraordinary meeting of the second session of the Board	21 April 2020	Correspondence
The 2020 4th extraordinary meeting of the second session of the Board	22 May 2020	Correspondence
The 2020 2nd meeting of the second session of the Board	29 June 2020	On-site + video conference
The 2020 5th extraordinary meeting of the second session of the Board	10 August 2020	On-site + video conference
The 2020 6th extraordinary meeting of the second session of the Board	19 August 2020	Correspondence
The 2020 3rd meeting of the second session of the Board	28 August 2020	On-site + video conference
The 2020 7th extraordinary meeting of the second session of the Board	23 September 2020	Correspondence
The 2020 8th extraordinary meeting of the second session of the Board	14 October 2020	On-site + video conference
The 2020 9th extraordinary meeting of the second session of the Board	27 October 2020	On-site + video conference
The 2020 10th extraordinary meeting of the second session of the Board	18 November 2020	On-site + video conference
The 2020 4th meeting of the second session of the Board	21 December 2020	On-site + video conference
The 2020 11th extraordinary meeting of the second session of the Board	30 December 2020	Correspondence



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The attendance of each Director at the Board meetings during the Reporting Period is as follows:

Member of the Board	Number of Attendances Required at Board Meetings	Number of Attendances in Person at Board Meetings	Number of Attendances by Proxy at Board Meetings	Number of Absences at Board Meetings	Attendance Rate of Board Meetings	Number of Attendances/Attendances Required at Shareholders' General Meetings
LI Zhiming	15	15	0	0	100%	1/1
XU An	15	15	0	0	100%	1/1
GONG Taotao	15	15	0	0	100%	0/1
TANG Xin	15	13	2	0	100%	0/1
WANG Gefan	15	15	0	0	100%	0/1
SONG Ke	15	13	2	0	100%	0/1
LI Shoubing	15	15	0	0	100%	0/1
LAW Cheuk Kin Stephen	15	15	0	0	100%	0/1
YANG Mingshang ⁽¹⁾	1	1	0	0	100%	0/0
CHEN Yongjun ⁽¹⁾	1	0	0	1	0%	0/0
LU Lin ⁽¹⁾	8	8	0	0	100%	0/1

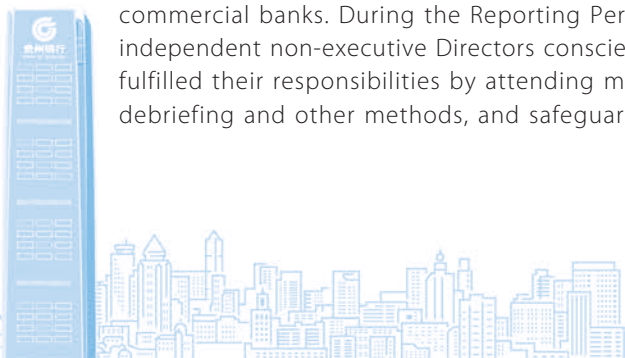
Note: (1) On 16 March 2020, Mr. YANG Mingshang ceased to be a non-executive Director of the Bank due to work arrangement; on 16 March 2020, Mr. CHEN Yongjun ceased to be a non-executive Director of the Bank due to work arrangement. On 24 August 2020, Mr. LU Lin ceased to be a non-executive Director of the Bank due to work arrangement. The resignation of Mr. YANG Mingshang, Mr. LU Lin and Mr. CHEN Yongjun took effect on the same day.

7.2.7 Independent Non-executive Directors

The Board of the Bank has five independent non-executive Directors. The independent non-executive Directors possess qualifications required by the CBIRC, CSRC and the Hong Kong Listing Rules. The term of office of an independent non-executive Director shall be three years, which is the same as that of other Directors. An independent Director may serve consecutive terms for re-election upon the expiry of his/her term, provided that his/her term of office shall not exceed six years on an accumulative basis. An independent non-executive Director shall not serve concurrently in more than two commercial banks. During the Reporting Period, the independent non-executive Directors conscientiously fulfilled their responsibilities by attending meetings, debriefing and other methods, and safeguarded the

interests of the Bank and all shareholders. All independent non-executive Directors made in-depth research on the relevant resolutions and important documents of the Board and the general meetings, and actively expressed opinions thereon. In particular, they expressed opinions on major issues such as business objectives and plans, risk management, profit distribution, and the appointment of senior management, which played a positive role in the scientific decision-making of the Board.

The Bank has received an annual confirmation of independence confirming the independence of each of the independent non-executive Directors, which was



issued by such independent non-executive Directors according to the Rule 3.13 of the Hong Kong Listing Rules. The Bank considers that all independent non-executive Directors of the Bank are not involved in any factors influencing their independence mentioned in Rule 3.13 of the Hong Kong Listing Rules. Therefore, the Bank confirms that all independent non-executive Directors have complied with the requirements of the Hong Kong Listing Rules in respect of the independence thereof.

7.2.8 Special Committees under the Board

As of the end of the Reporting Period, the Board of the Bank has set up five special committees, including the Audit Committee, the Risk and Related Party Transactions Management Committee, the Nomination and Remuneration Committee, the Strategic Development Committee, and the Consumer Rights Protection and Social Responsibility Committee.

I. Audit Committee

As of the end of the Reporting Period, the Audit Committee of the Bank consisted of four Directors, namely, the independent non-executive Director Mr. LI Shoubing (Chairman), the non-executive Director Ms. GONG Taotao, the independent non-executive Director Mr. WANG Gefan, and the independent non-executive Director Mr. LAW Cheuk Kin Stephen. The primary duties of the Audit Committee include:

1. supervising and evaluating the work of the external auditor;
2. guiding the internal audit work;
3. reviewing and expressing opinions on the financial reports of the Bank, and submitting to the Board for consideration;
4. evaluating the effectiveness of the internal control;
5. coordinating the communication of the management, the internal audit department and relevant departments with the external auditor;
6. examining the Bank's risks and compliance, financial and accounting policies, financial condition and financial reporting procedures;
7. exchanging information in respect of the operation and risk exposure of the Bank with senior management and departments on a regular basis, as well as providing advice and recommendation; and
8. other matters stipulated by relevant laws, regulations, regulatory documents and the Articles of Association, and those authorized by the Board.

For details of internal control, internal audit system and work content during the Reporting Period, please refer to Chapter VII "7.16 Risk Management, Internal Control and Internal Audit" in this annual report.



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During the Reporting Period, the Audit Committee convened a total of 3 meetings, at which resolutions were considered and approved, including the Annual Financial Report of Bank of Guizhou for 2019, the Special Audit Report on Management of Business Continuity of Bank of Guizhou for 2019, the Evaluation Report on Internal Control of Bank of Guizhou for 2019, the 2020 Interim Report of Bank of Guizhou, and the Report on Case Prevention and Self-assessment of Bank of Guizhou for 2019.

The attendance of each committee member at the meetings of the Audit Committee held during the Reporting Period is set out in the table below:

Member of the Audit Committee	Number of Attendances Required at the Meetings	Number of Attendances in Person at the Meetings	Number of Attendances by Proxy at the Meetings	Attendance rate
LI Shoubing	3	3	0	100%
GONG Taotao	3	3	0	100%
WANG Gefan	3	3	0	100%
LAW Cheuk Kin Stephen	3	3	0	100%

II. Risk and Related Party Transactions Management Committee

As of the end of the Reporting Period, the Risk and Related Party Transactions Management Committee of the Bank consisted of three Directors, namely, the independent non-executive Director Mr. WANG Gefan (Chairman), the independent non-executive Director Mr. TANG Xin, and the independent non-executive Director Mr. SONG Ke. The primary duties of the Risk and Related Party Transactions Management Committee include:

1. being responsible for supervising and evaluating the risk control of the Bank, and making recommendations to improve the risk management and internal control of the Bank;
2. expressing clear opinions on significant investments, disposal of material assets and material guarantees of the Bank for the consideration of the Board;
3. accepting the filing of general related party transactions, reviewing major related party transactions and significant substantial related party transactions and submit the same to the Board or general meeting for review and approval;
4. identifying the related parties of the Bank and reporting the same to the Board and the Board of Supervisors, and promptly announcing the related parties identified by it to the management;



5. inspecting and supervising the risk and related party transaction management of the Bank, and submitting the Special Annual Report on Risk Management and Related Party Transaction Control of the Bank to the Board on a regular basis;
6. evaluating the risk and related party transaction management system and corporate structure of the Bank, as well as expressing opinions and making suggestions on improvement;
7. exchanging information in respect of the risks and related party transaction of the Bank with senior management and departments on a regular basis, as well as reviewing the Bank's risk tolerance and level proposed by senior management, and reporting the review results to the Board; and
8. other matters stipulated by relevant laws, regulations, regulatory documents and the Articles of Association, and those authorized by the Board.

During the Reporting Period, the Risk and Related Party Transactions Management Committee convened a total of 10 meetings, at which resolutions were considered and approved, including the Report on Related Party Transactions of Bank of Guizhou for 2019, the Liquidity Risk Management Strategies of Bank of Guizhou for 2020, the Report on Liquidity Risk Management of Bank of Guizhou for 2019, the Report on Liquidity Stress Testing of Bank of Guizhou for the Fourth Quarter of 2019, the Report on Anti-Money Laundering of Bank of Guizhou for 2019, the Report on Operational Risk of Bank of Guizhou for 2019, the Report on Comprehensive Risk Management of Bank of Guizhou for 2019 and the Report on Large-scale Risk Exposure Management of Bank of Guizhou for 2019.

The attendance of each committee member at the meetings of the Risk and Related Party Transactions Management Committee held during the Reporting Period is set out in the table below:

Member of the Risk and Related Party Transactions Management Committee	Number of Attendances Required at the Meetings	Number of Attendances in Person at the Meetings	Number of Attendances by Proxy at the Meetings	Attendance rate
WANG Gefan	10	10	0	100%
YANG Mingshang ⁽¹⁾	1	1	0	100%
TANG Xin	10	10	0	100%
SONG Ke	10	10	0	100%

Note:

- (1) On 16 March 2020, Mr. Yang Mingshang ceased to be a non-executive Director of the Bank and member of the Risk and Related Party Transactions Management Committee, with effect from the same date.



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III. Nomination and Remuneration Committee

As of the end of the Reporting Period, the Nomination and Remuneration Committee consisted of three directors, namely, TANG Xin (Chairman), LI Shoubing and SONG Ke, all of whom are independent non-executive Directors. The primary duties of the Nomination and Remuneration Committee include:

1. making recommendations to the Board on the composition and structure of the Board and senior management according to the business operations, asset scale and shareholding structure of the Bank;
2. formulating the standards and procedures for the election of Directors and senior management personnel of the Bank, and conducting preliminary examination on the qualifications and conditions of the candidates for Directors and senior management officers and making recommendations;
3. formulating the assessment criteria for Directors and senior management officers, carrying out assessment and making recommendations;
4. being responsible for the remuneration policy and system of the Bank, and formulating the remuneration plan for each Director and senior management personnel, proposing compensation plan to the Board, supervising the implementation of the plan;
5. communicating with the senior management and departments in respect of the personnel situation of the Bank regularly, making comments and suggestions; and
6. other matters stipulated by relevant laws, regulations, regulatory documents and the Articles of Association, and those authorized by the Board.

During the Reporting Period, the Nomination and Remuneration Committee convened a total of 3 meetings and considered 8 resolutions. The attendance of each member at the meeting is as follows:

Member of the Nomination and Remuneration Committee	Number of Attendances Required at the Meeting	Number of Attendances in Person at the Meeting	Number of Attendances by Proxy at the Meeting	Attendance rate
TANG Xin	3	3	0	100%
LU Lin ⁽¹⁾	2	2	0	100%
LI Shoubing	3	3	0	100%
SONG Ke	3	3	0	100%

Note:

- (1) On 24 August 2020, Mr. LU Lin ceased to be a non-executive Director of the Bank and member of the Nomination and Remuneration Committee, with effect from the same date.



Board Diversity Policy

The Board has adopted a board diversity policy (the “Board Diversity Policy”) in order to enhance the effectiveness of the Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination and Remuneration Committee is responsible for reviewing the diversity of the Board. The Nomination and Remuneration Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination and Remuneration Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

The Directors of the Bank have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting, investment and law. They obtained degrees in various majors including business administration, science, geology and mineralogy, finance, accounting and law. The Board is of the view that the Board of the Bank satisfies the Board Diversity Policy.

Nomination Policy

Factors considered by the Nomination and Remuneration Committee in evaluating candidates for Directors include (but not limited to) the following:

- I. basic requirements prescribed in the Articles of Association on the methods and procedures for nominating a Director;
- II. achievements and experience in banking or related industries;
- III. time to be devoted to the Bank; and
- IV. the Board Diversity Policy.

IV. Strategic Development Committee

As at the end of the Reporting Period, the Strategic Development Committee of the Bank consisted of five Directors, namely, the executive Director Mr. LI Zhiming (Chairman), the executive Director Mr. XU An (Vice Chairman), the independent non-executive Director Mr. WANG Gefan, the independent non-executive Director Mr. TANG Xin and the independent non-executive Director Mr. SONG Ke. The major duties of the Strategic Development Committee include:

1. formulating the business management objectives and medium and long-term development strategies of the Bank, and examining and correcting the implementation of the medium and long-term development strategies;
2. making recommendation on significant investments and financing plans of the Bank;
3. supervising and examining the implementation of annual business plan and investment and financing plan;
4. proposing plans and strategies for major issues related to the development of the Bank;
5. reviewing the capital plan, management plan and management report of capital adequacy ratio formulated by senior management, and evaluation report on the internal capital adequacy, and submitting the same to the Board for consideration;



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6. being responsible for formulating green credit development strategies, approving green credit goals formulated by and green credit report submitted by senior management, as well as monitoring and evaluating the implementation of the green credit development strategies of the Bank; and
7. other matters stipulated by relevant laws, regulations, regulatory documents and the Articles of Association, and those authorized by the Board.

During the Reporting Period, the Strategic Development Committee convened a total of 1 meeting, at which resolutions were considered and approved, including the Special Report on Establishment of Equator Bank by Bank of Guizhou and the Incorporation of Consumer Rights Protection into the Plan of Development Strategies for 2018 to 2022 of Bank of Guizhou.

The attendance of each committee member at the meeting of the Strategic Development Committee held during the Reporting Period is set out in the table below:

Member of the Strategic Development Committee	Number of Attendances Required at the Meeting	Number of Attendances in Person at the Meeting	Number of Attendances by Proxy at the Meeting	Attendance rate
LI Zhiming ⁽¹⁾	1	1	0	100%
XU An	1	1	0	100%
WANG Gefan	1	1	0	100%
TANG Xin	1	0	0	0%
SONG Ke	1	0	0	0%

Note:

- (1) On 28 January 2021, due to work arrangement by Guizhou provincial government, Mr. Li Zhiming applied for resignation as the Chairman, an executive Director, Chairman of the Strategic Development Committee under the Board of the Bank, with effect from the same date.



V. **Consumer Rights Protection and Social Responsibility Committee**

As of the end of the Reporting Period, the Consumer Rights Protection and Social Responsibility Committee consisted of two Directors, namely, the executive Director Mr. XU An (Chairman) and the independent non-executive Director Mr. LI Shoubing.

The primary duties of the Consumer Rights Protection and Social Responsibility Committee include:

1. formulating the social responsibility strategies and policies of the Bank;
2. formulating plans and measures to fulfill social responsibilities and protect consumers' rights and interests;
3. reviewing strategies, policies and goals of consumer rights protection;
4. reviewing credit policies related to environment and sustainable development;
5. approving matters in relation to external donation, as authorized by the Board;
6. reviewing the report on corporate social responsibility and report on consumer rights protection prepared by senior management on a regular basis, as well as supervising, inspecting and evaluating the Bank's performance of social responsibility and consumer rights protection; and
7. other matters stipulated by relevant laws, regulations, regulatory documents and the Articles of Association, and those authorized by the Board.

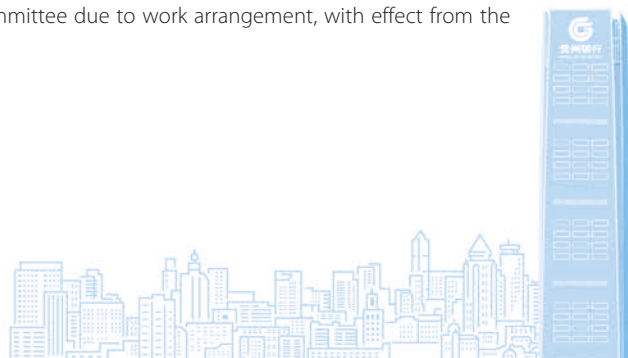
During the Reporting Period, the Consumer Rights Protection and Social Responsibility Committee convened a total of three meetings, at which resolutions were considered and approved, including the Summary of Consumer Rights Protection Work in 2019 and Plan for 2020 of Bank of Guizhou, the Green Finance Development Report of Bank of Guizhou in 2019.

The attendance of each committee member at the meetings of the Consumer Rights Protection and Social Responsibility Committee held during the Reporting Period is set out in the table below:

Member of the Consumer Rights Protection and Social Responsibility Committee	Number of Attendances Required at the Meetings	Number of Attendances in Person at the Meetings	Number of Attendances by Proxy at the Meetings	Attendance rate
XU An	3	3	0	100%
LI Shoubing	3	3	0	100%
CHEN Yongjun ⁽¹⁾	1	0	0	0%

Note:

- (1) On 16 March 2020, Mr. CHEN Yongjun resigned as a non-executive Director and member of Consumer Rights Protection and Social Responsibility Committee due to work arrangement, with effect from the same date.



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7.3 MEETINGS OF THE BOARD OF SUPERVISORS AND ITS SPECIAL COMMITTEES HELD

The Board of Supervisors is the supervisory body of the Bank and is accountable to the Shareholder of the Bank. It supervises the Bank's operating activities and the legal compliance of the Board of the Bank, senior management and its members in performing their duties, and safeguards the legal rights and interests of the Bank, shareholders, employees, creditors and other stakeholders.

7.3.1 Composition of the Board of Supervisors

As of the end of the Reporting Period, the Board of Supervisors of the Bank consisted of nine Supervisors, including three employee Supervisors, namely Mr. XIAO Cifa (Chairman), Mr. WANG Changyi and Mr. LI Keyong, three shareholder Supervisors, namely Mr. YANG Jian, Mr. CHEN Hongcai and Ms. XU Yu and three external Supervisors, namely Mr. LIU Hanmin, Mr. SU Zhi and Mr. CHEN Houyi. On 19 March 2021, due to work arrangement by Guizhou provincial government, Mr. XIAO Cifa resigned as the Chairman of the Board of Supervisors and employee Supervisor of the Bank. The Board of Supervisors of the Bank consisted of eight Supervisors, including two employee Supervisors, namely Mr. WANG Changyi and Mr. LI Keyong, three shareholder Supervisors, namely Mr. YANG Jian (responsible for convening and presiding interim meetings of the Board of Supervisors), Mr. CHEN Hongcai and Ms. XU Yu and three external Supervisors, namely Mr. LIU Hanmin, Mr. SU Zhi and Mr. CHEN Houyi. The composition of the Board of Supervisors is reasonable, which has sufficient professionalism and independence, and enable the Board of Supervisors to exercise its supervisory function effectively.

During the Reporting Period, the Board of Supervisors fulfilled its duties diligently, supervised the legal compliance in respect of the performance of duties by the Board, the senior management and their members in the Bank, as well as the financial activities, risk management and internal control of the Bank, and provided supervisory advice in a timely manner.

7.3.2 Changes of members of the Board of Supervisors during the Reporting Period

For details, Please refer to the section 6.2.2 headed "Changes of Supervisors".

7.3.3 Meetings of the Board of Supervisors and the Attendance of Supervisors

During the Reporting Period, the Board of Supervisors convened a total of five meetings, including two on-site meetings, two on-site + video conferences, and one meeting for voting by correspondence. Nine Supervisors attended all of such meetings and exercised their voting and supervision rights in accordance with the requirements. Such meetings considered a total of 69 resolutions, including the Annual Financial Report of Bank of Guizhou for 2019, the Financial Budget Plan of Bank of Guizhou for 2020 and the Profit Distribution Plan of Bank of Guizhou for 2019, implemented a total of seven special supervisions on the development of the Bank's debt business, financial market business transformation and others, and reviewed a total of 11 reports, including the Report on the Data Governance of Bank of Guizhou in 2019, the Special Audit Report on the Share Dividend of Bank of Guizhou and the Special Inspection Report on the Management of Centralized Procurement.



Meeting of the Board of Supervisors in 2020

Meeting	Date	Form
The 2020 1st meeting of the second session of the Board of Supervisors of Bank of Guizhou	31 March 2020	On-site + video
The 2020 2nd meeting of the second session of the Board of Supervisors of Bank of Guizhou	30 June 2020	On-site + video
The 2020 1st extraordinary meeting of the second session of the Board of Supervisors of Bank of Guizhou	25 August 2020	Correspondence
The 2020 3rd meeting of the second session of the Board of Supervisors of Bank of Guizhou	25 September 2020	On-site meeting
The 2020 4th meeting of the second session of the Board of Supervisors of Bank of Guizhou	24 November 2020	On-site meeting

The Attendance of Supervisors at the Meetings of the Board of Supervisors in 2020

Name of Supervisor	Number of Attendances Required at the Meetings	Number of Attendances in Person at the Meeting	Number of Attendances by Proxy at the Meetings	Attendance rate
XIAO Cifa	5	5	0	100%
LIU Hanmin	5	5	0	100%
SU Zhi	5	5	0	100%
CHEN Houyi	5	5	0	100%
WU Qiangli ⁽¹⁾	1	1	0	100%
YANG Jian ⁽²⁾	4	4	0	100%
CHEN Hongcai ⁽²⁾	4	4	0	100%
XU Yu ⁽²⁾	4	4	0	100%
WANG Changyi	5	5	0	100%
LI Keyong	5	5	0	100%

Notes:

- (1) On 17 March 2020, Ms. WU Qiangli resigned as a shareholder Supervisor of the Bank due to work arrangement, with effect from the date of election and appointment of a new shareholder supervisor at the 2019 annual general meeting held on 20 May 2020.
- (2) On 20 May 2020, upon consideration and approval at the 2019 annual general meeting of the Bank, Mr. YANG Jian, Mr. CHEN Hongcai and Ms. XU Yu were elected as shareholder Supervisors of the Bank.



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7.3.4 Special Committees under the Board of Supervisors

The Board of Supervisors of the Bank has set up two committees, namely the Supervision Committee and the Nomination, Remuneration and Evaluation Committee.

Information on the Special Committees under the Board of Supervisors

Name	Chairman	Members	Meetings held in 2020	Attendance
The Supervision Committee	LIU Hanmin	LI Keyong, CHEN Hongcai ⁽¹⁾ , XU Yu ⁽¹⁾	Two on-site + video conferences One on-site meeting	All members attended
The Nomination, Remuneration and Evaluation Committee	SU Zhi	CHEN Houyi, WANG Changyi, YANG Jian ⁽¹⁾	Two on-site + video conferences One on-site meeting	All members attended

Note:

- (1) On 30 June 2020, upon consideration and approval at the 2020 2nd meeting of the Board of Supervisors of Bank of Guizhou, Mr. CHEN Hongcai and Ms. XU Yu were elected as members of the Supervision Committee under the Board of Supervisors, and Mr. YANG Jian was elected as a member of the Nomination, Remuneration and Evaluation Committee under the Board of Supervisors.

I. The Supervision Committee

The Supervision Committee is mainly responsible for formulating supervision plans and carrying out relevant inspections on major issues of the Bank, supervising the Board in establishing a sound business philosophy and value standards, formulating development strategies consistent with the Bank's condition, and supervising the implementation of resolutions of the general meetings, the Board and Board of Supervisors by the senior management. During the Reporting Period, the Supervision Committee convened 3 meetings at the attendance of all members, at which 19 resolutions and major issues were considered.

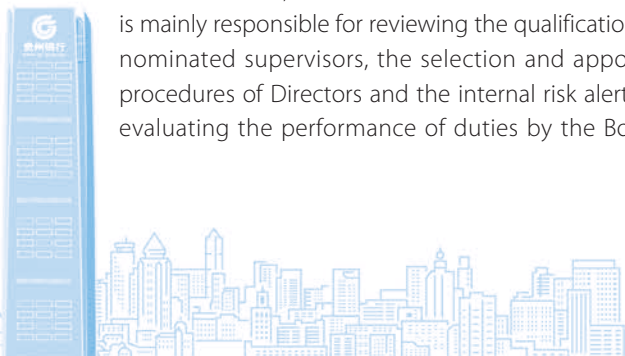
II. The Nomination, Remuneration and Evaluation Committee

The Nomination, Remuneration and Evaluation Committee is mainly responsible for reviewing the qualifications of the nominated supervisors, the selection and appointment procedures of Directors and the internal risk alert system, evaluating the performance of duties by the Board, the

Board of Supervisors and the Senior Management and their members, and reviewing the remuneration payment to the Supervisors. During the Reporting Period, the Nomination, Remuneration and Evaluation Committee convened 3 meetings at the attendance of all members, at which 15 resolutions and major issues were considered.

7.3.5 Attendance of Supervisors at the General Meetings during the Reporting Period

During the Reporting Period, two Supervisors, namely Mr. XIAO Cifa and Mr. LI Keyong, attended the 2019 Annual General Meeting of the Bank and supervised the legal compliance in convening the general meeting, the voting procedures, the validity of voting rights, as well as the attendance of Directors, opinions expressed by them and voting on site. XIAO Cifa, Chairman of the Board of Supervisors, reported its work to the general meeting on behalf of the Board of Supervisors, and notified the "The Board, the Board of Supervisors and the Senior Management" and their members of the performance assessment results.



7.4 TRAINING ATTENDANCE AND INVESTIGATION PARTICIPATED BY DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

During the Reporting Period, the Directors attended or participated in relevant training or investigation according to their performance requirements, covering corporate governance, ESG management, anti-money laundering and anti-terrorist financing policies and regulations, and operation and management of banks. The training or investigation mentioned above will help to improve the performance of Directors, and ensure that Directors have a full grasp of the information required to perform their duties and continue to make contribution to the Board according to the actual condition of the Bank.

During the Reporting Period, the special trainings organized by the Board of Supervisors of the Bank covering the basis of corporate governance and the key and difficult points in respect of the performance of duties by the Board of Supervisors; the main practices of the performance of duties by the Board of Supervisors and the Supervisors; the evaluation and supervision of financial internal control risk management; the comprehensive risk management of triple anti-exercises including anti-money laundering. During the Reporting Period, the Board of Supervisors of the Bank organized the Supervisors to conduct special investigations and visits to a number of branches and shareholders' units, and successively visited 8 branches, Guiyang Management Department and 67 sub-branches to carry out special inspections on strategic implementation and transformation development, service efficiency survey, fee reduction and profit concession research, and discussed with more than 10 relevant departments of the head office. The Board of Supervisors completed 5 reports, including the Special Inspection Report on the Management of Centralized Procurement, the Special Supervision and Inspection Report on the Implementation of Strategic Planning and Transformation Development and the Special Survey Report on Service Efficiency of the Bank.

During the Reporting Period, all Directors, Supervisors and senior management participated in the mainland compliance and anti-money laundering and anti-terrorist financing training held by King & Wood Mallesons, the Hong Kong listed company compliance training organized by Clifford Chance and the environmental, social and governance (ESG) training organized by Ernst & Young (China) Advisory Limited.

7.5 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.

7.6 CHAIRMAN AND PRESIDENT

During the Reporting Period, the roles and functions of the Chairman of the Board and the President of the Bank were held by different individuals. The responsibilities of the Chairman and the President were clearly defined and complied with relevant requirements of the Hong Kong Listing Rules.

During the Reporting Period, Mr. LI Zhiming, as the Chairman to the Board, was responsible for the overall work of Party Committee and the Board. Mr. XU An, as the President, was responsible for the daily operation and management of the Bank. On 28 January 2021, due to the work arrangement, Mr. Li Zhiming resigned as the Chairman, an executive Director, Chairman of the Strategic Development Committee under the Board of the Bank. Mr. Li Zhiming's resignation took effect on the same day. In order to ensure the soundness of the corporate governance and the normal operation of the Bank, the Directors of the Bank unanimously nominated Mr. Xu An, an executive Director and the President of the Bank, to take charge of the work of the Board of the Bank temporarily and perform the responsibilities of an Authorised Representative.



CORPORATE GOVERNANCE REPORT

7.7 MAIN CONTACT PERSON OF JOINT COMPANY SECRETARIES AND PROFESSIONAL TRAINING

Mr. ZHOU Guichang, the secretary to the Board of the Bank, and Mr. LEI Kin Keong, the assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited (an external services provider) and who has relevant qualifications as a company secretary required by Rule 3.28 of the Listing Rules, are the joint company secretaries of the Bank under Hong Kong Listing Rules. Mr. LEI Kin Keong is responsible for assisting Mr. ZHOU Guichang in company secretarial matters. Both Mr. ZHOU Guichang and Mr. LEI Kin Keong are the main contact persons of the Bank.

For the purpose of complying with Rule 3.29 of the Listing Rules, as of the end of the Reporting Period, each of Mr. ZHOU Guichang and Mr. LEI Kin Keong has received no less than 15 hours of the professional training in respect of the Listing Rules and other compliance requirements.

7.8 RELATIONSHIPS AMONG DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There are no relationships between each of the Directors, Supervisors and senior management of the Bank, including financial, business, family relationships.

7.9 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

I. During the Reporting Period, the resolution on amendments to the Articles of Association was considered and approved at the 2019 annual general meeting of the Bank. The amendments to the Articles of Association were mainly based on the change of the Bank's registered capital and in accordance with the Reply of the State Council on Adjustment to the Notice Period of General Meetings and other Matters Applicable to Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) implemented by the State Council on 17 October 2019, suggestions from Hong Kong Securities Clearing Company Limited and the requirements under relevant laws, regulations and other regulatory documents.

II. The resolution on amendments to the Articles of Association was considered and approved on 19 January 2021 at the 2021 first extraordinary general meeting of the Bank. The amendments to the Articles of Association was mainly due to the completion of the change of the Bank's registered address (i.e. domicile) and in accordance with the provisions of relevant policies and the requirement to further improve the corporate governance, the domicile, duties of the secretary of the Board and certain contents related to Party building in the Articles of Association were amended. Amendments to the Articles of Association of the above are subject to the approval of CBIRC Guizhou Office and Administration for Market Regulation of Guizhou Province as of the date of this report.

7.10 INVESTOR RELATIONS

The Bank always attaches great importance to the opinions and suggestions of shareholders, and establishes and maintains effective channels of communication with shareholders through various forms, such as convening general meetings and maintaining an investor hotline, to ensure that all shareholders are treated equally, properly informed and able to participate in and exercise their voting and other rights regarding the major issues of the Bank.

Shareholders and investors may send their enquiries to the Board as follows:

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

Postal code: 550081

Contact number: (86) 0851-86987798

Fax: (86) 0851-86207999

Mailbox: irm@bgzchina.com



7.11 SHAREHOLDERS' RIGHTS

7.11.1 Procedures for Convening Extraordinary General Meetings

- I. According to Article 82 of the Articles of Association, in any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date upon which the circumstance occurs:
 1. the number of Directors is less than the number required by the Company Law or less than two thirds of the minimum number of Directors of the Bank required by the Articles of Association;
 2. the unrecovered losses of the Company amount to one third of the total share capital;
 3. Shareholder(s) severally or jointly holding more than 10% of the Company's total voting shares request(s) in writing to request to convene an extraordinary general meeting;^{note (1)}
 4. the Board deems it necessary to convene the meeting;
 5. the Board of Supervisors proposes to convene the meeting;
 6. above half of the independent Directors propose to convene the meeting (the only two independent Directors unanimously propose to convene the meeting);
 7. above half of the external Supervisors propose to convene the meeting (the only two external Supervisors of the Company unanimously propose to convene the meeting);
 8. the Chairman of the Board proposes to convene the meeting in special circumstances; and
 9. other circumstances as stipulated by laws and regulations, securities regulatory authorities at the place where the Bank's shares are listed or the Articles of Association.
- II. According to Article 101 of the Articles of Association, where the Supervisory Committee or more than half of the independent Directors request the convening of an extraordinary general meeting, the following procedures shall be followed: (1) to sign one or more written documents in the form of counterparts, to convene an extraordinary general meeting, and to specify the subject of the meeting and the matters to be resolved. The Board shall convene an extraordinary general meeting as soon as possible upon receipt of the aforesaid written documents. (2) If the Board of Directors fails to give a notice of convening an extraordinary general meeting within 30 days after receipt of the written documents for convening the extraordinary general meeting, the Supervisory Committee proposing to convene the meeting or more than half of the independent Directors may convene an extraordinary general meeting by themselves after two months from the date of receipt of the said documents by the Board of Directors. The procedures for convening such a meeting shall be the same as those for convening a shareholders' general meeting by the Board.
- III. According to Article 98 of the Articles of Association, shareholders who individually or jointly hold more than 10% of the total number of voting shares of the Company have the right to request or convene an extraordinary general meeting by themselves shall follow the following procedures: (1) may sign one or more written documents in the form of counterparts specifying the subject of the meeting and the matters to be resolved. The Board shall convene an extraordinary general meeting or a class meeting as soon as possible after having received the aforesaid written documents. The number of shares held by the above shareholders shall be calculated as at the date of submission of written documents by the shareholders. (2) If the Board of Directors fails to give a notice of convening an extraordinary general meeting or a class meeting within 30 days after receipt of the written documents, the shareholders who put forward the written documents may convene such a meeting by themselves within four months after the Board of Directors receives the written documents, and the procedures for convening

Note:

- (1) The number of Shares held by the shareholders of the Bank should base on the date when the request of shareholders of the Bank in writing.



CORPORATE GOVERNANCE REPORT

such a meeting shall be as similar as possible to those for convening a shareholders' general meeting by the Board of Directors.

Where shareholders convene and hold a meeting because the Board of Directors fails to do so, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the amount payable by the Company to the Directors who are in default.

- IV. According to Article 100 of the Articles of Association, if shareholders decide to convene an extraordinary general meeting on their own, the Board of Directors and the secretary to the Board of Directors shall perform their duties. The extraordinary general meeting may be chaired by the shareholder who made the request and the procedures for convening the meeting shall be in compliance with the provisions of the Articles of Association and a legal opinion shall be issued by a lawyer.

7.11.2 Procedures for Submitting Proposals at Shareholders' General Meetings

According to Article 106 of the Articles of Association, when the Bank convenes a general meeting, shareholders severally or jointly holding more than 3% of the total voting shares of the Bank shall have the right to submit new proposals in writing to the Company, and the Bank shall place the proposals on the agenda for the said general meeting if the said proposals fall within the functions and powers of the general meeting.

Shareholders severally or jointly holding more than 3% of the total voting shares of the Bank may propose an interim proposal and submit it in writing to the convener 10 days before the general meeting is convened; the convener shall issue a supplementary notice of general meeting within 2 days after receipt of the said proposal, announce the contents of the said interim proposal and submit the said interim proposal to the general meeting for consideration. The contents of the interim proposal shall fall within the scope of the functions and powers of the general meeting, and the proposal shall provide specific topics for discussion and specific matters to be resolved.

Proposals at general meeting shall meet the following conditions: the contents of such proposals shall not be in conflict with provisions of the laws and regulations and the Articles of Association and shall fall within the scope of business of the Company and the functions and powers of the general meeting; the proposals shall provide specific topics for discussion and specific matters to be resolved; and the proposals shall be submitted or delivered to the Board in written form.

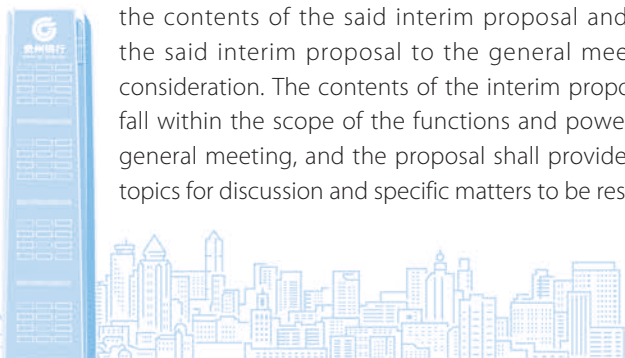
7.12 EXTERNAL AUDITORS AND THEIR REMUNERATION

The Bank engaged KPMG Huazhen LLP and KPMG as its domestic and overseas auditors for 2020, respectively. The Bank agreed to pay RMB3.05 million for the audit of the financial statements for the year ended 31 December 2020. During the Reporting Period, the Bank has not occurred any non-audit service.

The Audit Committee under the Board of Directors is of the view that KPMG Huazhen LLP and KPMG can properly complete the work as required by the Bank, comply with the principles of independence, objectivity and impartiality, the relevant accounting principles and the ethics of accountants, and carefully and conscientiously handle the audit work. During the Reporting Period, the Board has no disagreement with the Audit Committee on the appointment of external auditors.

7.13 REMUNERATION OF THE MANAGEMENT

During the Reporting Period, 11 individuals, namely the Bank's Directors (LI Zhiming and XU An), Supervisors (XIAO Cifa, WANG Changyi and LI Keyong), and senior management (LI Tao, CHAI Bolin, HU Liangpin, WU Fan, Zhou Guichang and WANG Xiangdong), were paid by the Bank, with a total remuneration of RMB9.2663 million. Details of the remuneration of Directors and Supervisors of the Bank are set out in note 9 to the financial statements. None of these individuals received any inducement to join or upon joining the Bank or compensation for loss of office, or waived any emoluments during relevant reporting periods.



For the year ended 31 December 2020, there was/were nil Director or Supervisor of the Bank amongst the five individuals with highest emolument (31 December 2019: nil Director or Supervisor). Other individuals with highest remuneration are set out below:

	Number of employees in 2020	Number of employees in 2019
HKD0 – HKD1,000,000	–	–
HKD1,000,001 – HKD1,500,000	–	–
HKD1,500,001 – HKD2,000,000	5	5
HKD2,000,001 – HKD2,500,000	–	–
Total	5	5

7.14 SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank has adopted the “Model Code”, and complied with Rules 13.67 and 19A.07B of the 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 the Directors, Supervisors and relevant employees of the Bank confirmed that they have complied with the Model Code and they did not have any dealing in the Bank’s securities.

7.15 MANAGEMENT OF INFORMATION DISCLOSURE AND INSIDE INFORMATION

The Bank attached great importance to the management of information disclosure and inside information, and disclosed information in a truthful, accurate, complete and timely manner in strict compliance with the requirements of laws, rules and relevant regulations, and ensured that all shareholders had an equal access to the relevant information of the Bank, thereby ensuring the transparency of the Bank.

In January 2020, in order to comply with regulatory requirements related to the listing of the H shares of the Bank, the Bank amended the Administrative Measures for Information Disclosure, which was considered and approved at the first meeting of the Board (extraordinary) of the Bank in 2020.

The Bank strengthened the management of inside information, worked to ensure the confidentiality of inside information, and maintained the principle of fairness in information disclosure in strict compliance with requirements of the Listing Rules. The Board of the Bank designated the secretary to the Board to be responsible for the Bank’s information disclosure, and the Board office also assisted the secretary to the Board in information disclosure. Meanwhile, the Bank set up an investor relations section on the website to disclose relevant information of the Bank in a timely manner.

During the Reporting Period, the Bank organized internal investigation into trading of shares and derivatives of the Bank by insiders, and found that none of the insiders had taken advantage of inside information in share transactions before any information disclosure of significant price-sensitive nature that may affect the share price of the Company, and the Bank has not received any punishment and administrative measures imposed by regulatory departments due to the possible involvement in insider trading.



CORPORATE GOVERNANCE REPORT

7.16 RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

7.16.1 Risk Management and Internal Control

The Bank attaches great importance to risk management and internal control management, and earnestly implements various regulatory requirements in accordance with the working requirements of “establishing rules, serious implementation and supervision and strict accountability”. Taking the rating as the starting point, the Bank continuously consolidated its internal management foundation and enhanced its risk management and control capabilities through improving system construction, strengthening supervision and inspection. The Board of the Bank has fully reviewed the risk management and internal control systems for the year ended 31 December 2020. Such review is conducted annually. The Board of the Bank is of the view that the risk management and internal control systems of the Bank for the year ending 31 December 2020 were adequate and effective.

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

In accordance with the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation) and its schedules issued by the CBRC, the definition of risks and relevant professional terms issued by the Basel Committee and the practice of domestic and foreign banks, the Bank identifies, measures and controls a series of quantitative and non-quantitative risks that may arise from the interaction between macroeconomic environment, business strategies, product portfolios and customer demands, taking full account of its own actual situation.

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 assert major risks, ensure timely reporting and communication of relevant risks and incidents by the Bank’s risk management departments, relevant departments and branches and sub-branches, and guarantee the efficient and orderly implementation of our risk management work.

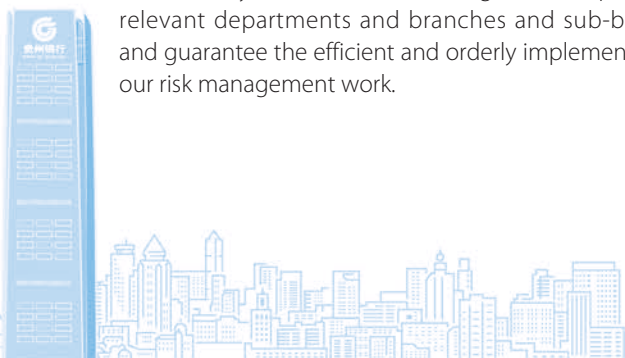
II. Main features of risk management and internal control systems

The overall target of the Bank in risk management is to maintain the balance of risks and business development so that it could effectively mitigate risks and develop its business in a sustainable way. The objectives of internal control of the Bank are to reasonably ensure the legal and regulatory compliance of operations and management and the security of corporate assets, and to ensure the truthfulness and completeness of financial reports and the relevant information; to enhance the efficiency and effectiveness of operations and facilitate the implementation of development strategies. The Bank’s internal control is in line with its business scale, business scope, competition and risk level, and is adjusted in a timely manner in response to changes in such circumstances.

III. Ultimate responsibility of the Board for risk management and internal control system management

The Board of the Bank is ultimately responsible for risk management and internal control system management. The Board is responsible for establishing an adequate and effective risk management system, deciding on the Bank’s risk management and internal control policies, reviewing the internal control evaluation report, 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, and be responsible for material losses caused by the failure of internal control.

The Bank’s risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and the Board is of the view that the risk management and internal control systems established and implemented by the Bank are adequate and effective.



IV. Procedures and internal control measures for handling and disseminating of inside information

In accordance with the Inside Information Disclosure Guidelines and other relevant regulations issued by the Securities and Futures Commission, and in order to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Bank regularly reminds the Directors, Supervisors and its employees to comply with the relevant policies on inside information and the latest notices of the regulatory authorities.

The Bank is aware of its responsibilities under the Securities and Futures Ordinance and the Listing Rules. The overriding principle that the information shall be published as soon as practicable if it is determined to be inside information, and that it shall handle such information with close regard to the applicable laws and regulations.

V. Measures related to Risk Management and Internal Control during the Reporting Period

During the Reporting Period, the Bank adhered to the problem-oriented principle. The Bank sorted out, regulated, reviewed and identified problems and conducted in-depth system post-evaluation according to the regulatory requirements. The Bank reviewed and evaluated the compliance, soundness and effectiveness of the system, timely identified system defects and continuously improved the working process and system mechanism. The Bank paid attention to important areas, key businesses and key links, comprehensively sorted out the internal control assessment points and continuously improved the assessment system. The Bank continued to strengthen authorization management, implemented hierarchical and differentiated authorization and achieved the checks and balances of internal control over authorization. The Bank organized and launched

activities for the compliance management year, carried out special governance on key business areas, developed case publicity on risk warning and training on compliance risks, so as to continuously improve the level of risk control. The Bank formulated annual inspection plans, organized various internal inspections and audit supervision; strengthened the rectification, conducted the immediate inspection and rectification for the problems found in regulatory inspections and rectified the supervision of implementation. The Bank solidly carried out inspections on staff abnormalities and case risks, comprehensively checked potential risks and continuously improved risk prevention and control measures. The Bank amended the management regulations on employee behaviors and the measures for handling the violations against regulations and disciplines, etc, clarified the red line of internal control and compliance management, quantitatively differentiated the consequences of various cases, unified the accountability standards, standardized the accountability process, and strictly promoted the accountability management.

In response to the impact of the pandemic, the Bank followed the regulatory guidance, strictly implemented the policies of “stability on the six fronts” and “security in the six areas”, launched a series of anti-pandemic supporting policies and actively supported the micro, small and medium-sized enterprises affected by the pandemic to resume work and production and relieve their hardships, without blindly withdrawing suspending or postponing the loans. In addition, the Bank strengthened the analysis of the economic situation and the study and judgment of the impact of the pandemic, enhanced daily risk monitoring through timely tracking and handling, increased its efforts on risk investigation, maintained sound temporary management, improved the level of credit risk management in key areas, continued to strengthen the early warning of credit risk, took multiple measures to ensure the overall control of credit risk and weakened the adverse impact of the pandemic.



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7.16.2 Internal Audit

The Bank has established an independent vertical internal audit system. The Board ensures the independence and effectiveness of internal audit and assumes ultimate responsibility for it. The Board has established an Audit Committee to guide and supervise the Bank's internal audit work, and the Board of the Supervisors oversees the internal audit. Tier-one departments at the head office have audit departments which are responsible for the internal audit work of the Bank.

During the Reporting Period, the Bank further improved its audit management system by amending and issuing the "Audit Management Measures on Economic Responsibilities of the Management Personnel of the Bank of Guizhou" (《貴州銀行管理人員經濟責任審計管理辦法》), the "Management Measures for On-site Audits of the Bank of Guizhou" (《貴州銀行現場審計管理辦法》), the "Measures on the Quality Assessment of the Audit Projects of the Bank of Guizhou" (《貴州銀行審計項目質量考評辦法》), the "Audit Management Measures on Protection of Consumers Rights and Interests of the Bank

of Guizhou" (《貴州銀行消費者權益保護審計管理辦法》), the "Management Measures for Audit File of the Bank of Guizhou" (《貴州銀行審計檔案管理辦法》) and other systems and measures. During the Reporting Period, a total of 57 audit projects were carried out, covering credit business, financial accounting, corporate governance, information technology and economic responsibility audit. 64 audit opinions and 6 risk alerts were issued, and the units undergoing audit were urged to complete the rectification of 641 problems. The hidden risks were prevented, and violators were dealt with and feasible recommendations were implemented.

The Bank has reviewed the effectiveness of the Bank's risk management and internal controls systems during the Reporting Period. The Board of Directors believes that during the Reporting Period, the Bank has effectively implemented risk management and internal control and achieved the Bank's objectives, and no significant deficiency are existed.



REPORT OF THE BOARD OF DIRECTORS

8.1 PRINCIPAL BUSINESS AND BUSINESS REVIEW

For principal business and review of the Bank during the Reporting Period, please refer to the section headed Management Discussion and Analysis.

8.2 ANNUAL GENERAL MEETING AND DIVIDEND

8.2.1 Annual General Meeting

The Bank will announce the details of the 2020 annual general meeting in due course, including but not limited to the date for convening the meeting, the list of Shareholders who are entitled to attend and vote at the 2020 annual general meeting and the time up to which no transfer of shares will be effected. The Company will issue a separate announcement regarding the benchmark date for payment of dividends of H Shares and the date of closure of register of members of the Bank.

8.2.2 Dividend

I. Dividend Policy

The Board of Directors is responsible for submitting proposals for dividend payments to the Shareholders' general meeting for approval. The determination of whether to pay a dividend, amount of dividend or dividend payout ratio is based on our results of operations, cash flow, financial condition, capital adequacy ratios, future business prospects of the Bank, statutory and regulatory restrictions which are required to be complied with by the Bank for its dividend payment and other factors that the Board of Directors deems relevant.

The Bank does not currently have a predetermined dividend payout ratio. According to the PRC laws and the Articles of Association, dividends can only be paid from distributable profits as calculated in accordance with generally accepted accounting standards in the PRC or International Financial Reporting Standards, whichever is lower.

Pursuant to Article 269 of the Articles of Association, the Company's profits after payment of income taxes shall be distributed in the following order of priority according to the Financial System for Financial and Insurance Enterprises issued by the Ministry of Finance:

- (I) to make up for the losses of confiscated properties, pay late fees and fines for various taxes, and pay additional interests due to underpayment or late payment of deposit reserves;
- (II) to make up losses of previous years (if the statutory common reserve fund is not sufficient to make up the losses of previous years, profit of the year shall be used to make up the losses before withdrawing the statutory common reserve fund according to sub-paragraph (III) of this article);
- (III) to set aside no less than 10% of the after-tax profit (after deducting the first two items) for statutory common reserve fund until the accumulated amount of statutory common reserve fund has reached more than 50% of the registered capital of the Board;
- (IV) to set aside discretionary common reserve fund;
- (V) to set aside general reserve; and
- (VI) to distribute dividends to Shareholders by shares.

The specific withdrawal ratio of discretionary common reserve fund and general reserve shall be determined by the Shareholders' general meeting according to the annual operating conditions. The Company shall not distribute any profit to Shareholders before making up losses and withdrawing statutory common reserve fund.

Even though financial statements of the Bank show that it has achieved operating profit, the Bank may not have adequate or any profit for distribution of future dividends.



REPORT OF THE BOARD OF DIRECTORS

Pursuant to Article 272 of the Articles of Association, the Bank may distribute dividends in the form of cash or shares. Distributing dividends in the form of shares shall be decided by the Shareholders' general meeting and submitted to the banking regulatory authorities for approval.

Pursuant to Article 273 of the Articles of Association, after the profit distribution plan is adopted at the Shareholders' general meeting, the Board shall finish distributing dividends (or shares) within 2 months after conclusion of the Shareholders' general meeting.

II. Profit and Profit Distribution Plan

As considered and approved at the 2019 annual general meeting of the Bank held on 20 May 2020, based on the share capital of 14,588,046,744 shares as at the end of 2019, the Bank distributed the final dividend for the year ended 31 December 2019 (the "Final Dividend for the Year 2019") to all shareholders at 7% of the share capital, totaling RMB1,021,163,300 (tax inclusive) in cash. The Final Dividend for the Year 2019 has been distributed to holders of both H Shares and Domestic Shares on 17 July 2020.

As audited by the auditor, the Bank achieved a net profit of RMB3,670.66 million in 2020, and the distributable profit at the end of 2020 was RMB7,382.87 million. Taking into consideration the interests of shareholders and the future development of the Bank, according to the relevant laws and regulations and the Bank's Articles of Association, the Board recommends the 2020 profit distribution plan of the Bank as follow: Based on the share capital of 14,588,046,744 shares as at the end of 2020, cash dividends will be distributed at 7% of the share capital. The total cash dividend to be paid will be RMB1,021,163,272 (tax inclusive). The above profit distribution plan is subject to the consideration and approval at the 2020 annual general meeting of the Bank. In light of the above dividend distribution plan, the Bank is expected to pay dividends within two months after the profit distribution plan is approved at the 2020 annual general meeting.

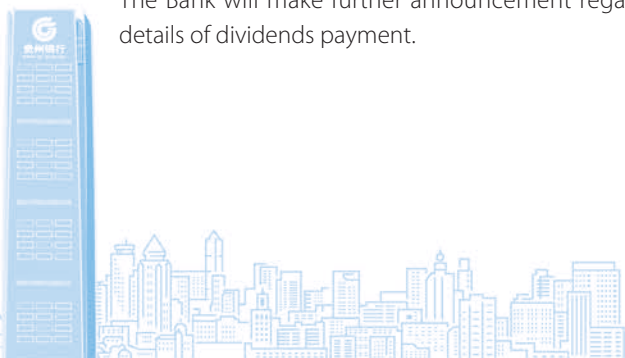
The Bank will make further announcement regarding the details of dividends payment.

III. Withholding Income Tax

Pursuant to the Corporate Income Tax Law of the PRC and its implementing regulations (hereafter referred to as "CIT Law"), the tax rate of the corporate income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of non-individual enterprise, including the H Shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders as defined under the CIT Law. The Bank will distribute the final dividend to non-resident enterprise Shareholders subject to a deduction of 10% corporate income tax withheld and paid by the Bank on their behalf.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Guo Shui Fa [1993] No. 45 Document (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) issued, the Bank shall withhold and pay personal income tax for individual shareholders of H Shares. Individual shareholders of H Shares who are residents of Hong Kong, Macau, and other countries or regions that have entered into tax treaties with PRC at the rate of 10%. The Bank will withhold and pay individual income tax at the rate of 10% for these shareholders.

Individual shareholders of H Shares are residents of countries or regions that have entered into tax treaties with the PRC stipulating a dividend rate of lower than 10%. The Bank will withhold and pay individual income tax at the rate of 10% for these shareholders. If these shareholders request a refund of more than the amount of personal income tax payable under the tax agreement, the Bank may process the application entitled to the relevant tax treaty treatment on their behalves. While the shareholder must promptly provide relevant documents and information in accordance with the Administrative Measures on the Tax Treaties



Treatment of Non-resident Taxpayers (《非居民納稅人享受稅收協定待遇管理辦法》) (Announcement of SAT No. 60 in 2015) and relevant tax treaties. After review and approval by the competent tax authority, the Bank will assist in the refund of excess withholding tax.

Individual shareholders of H Shares are residents of countries or regions that have entered tax treaties with the PRC stipulating a dividend rate higher than 10% but lower than 20%. The Bank will withhold and pay individual income tax at the applicable tax rates stipulated in these tax agreements.

Individual shareholders of H Shares are residents of countries or regions that have entered into a tax treaty with the PRC stipulating a dividend rate of 20% or have not entered into any tax treaty with the PRC, and in other circumstances. The Bank will withhold and pay individual income tax at tax rate of 20% for these shareholders.

The Bank is not responsible for any claims or disputes over the withholding and payment mechanism caused by the failure to determine the shareholder status in a timely or erroneous manner.

IV. ARRANGEMENTS WHEREBY SHAREHOLDERS WAIVE OR AGREE TO WAIVE DIVIDENDS

None of the Shareholders entered into any arrangement to waive or agree to waive any dividend in the Bank.

8.3 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The details of Directors, Supervisors and senior management are set out in the section headed "Directors, Supervisors, Senior Management, Employees and Organization".

8.4 CONFIRMATION ON THE INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors of the Bank were not involved in any business or financial interests of the Bank and did not take any managerial position in the Bank. Therefore, their independence was well guaranteed. The Bank has received annual independence confirmations from all independent non-executive Directors and confirmed their independence.

8.5 COMPETING INTERESTS OF DIRECTORS AND SUPERVISORS IN A BUSINESS WITH THE BANK

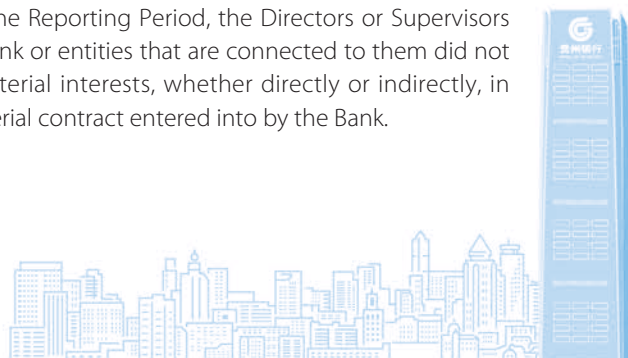
None of the Directors and Supervisors of the Bank has any interest in a business that competes, or is likely to compete, whether directly or indirectly, with the business of the Bank.

8.6 SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

According to Rules 19A.54 and 19A.55 of the Hong Kong Listing Rules, the Bank has entered into a contract with each of the Directors and Supervisors in respect of compliance of relevant laws and regulations, as well as Articles of Association and provisions on arbitration. Save as disclosed above, none of the Directors or Supervisors of the Bank has entered into or is proposed to enter into any service contracts with the Bank in their respective capacities as Directors/Supervisors (other than contracts expiring or terminable by the employers within one year without the payment of compensation (other than statutory compensation)).

8.7 DIRECTORS' AND SUPERVISORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, the Directors or Supervisors of the Bank or entities that are connected to them did not have material interests, whether directly or indirectly, in any material contract entered into by the Bank.



REPORT OF THE BOARD OF DIRECTORS

8.8 MANAGEMENT CONTRACTS

During the Reporting Period, no contract in relation to substantial business of the Bank or administration contract was entered into by the Bank.

8.9 LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As authorized in the general meeting, the Bank has taken out a liability insurance for Directors, Supervisors, and senior management and other relevant responsible persons. Appropriate insurance coverage has been arranged for Directors, Supervisors and senior management of the Bank against potential legal actions and liabilities that arise from performing their duties to reasonably avoid management and legal risks faced by Directors, Supervisors and senior management of the Bank and to procure the full discharge of duties by the Directors, Supervisors and senior management of the Bank.

8.10 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE BANK

From 1 January 2020 to the date of this report, the Bank had not purchased, sold or redeemed any shares of the Bank.

8.11 PRE-EMPTIVE RIGHTS

There is no provision in respect of pre-emptive rights under the Bank's Articles of Association and the PRC laws.

8.12 DONATIONS

During the Reporting Period, the Bank made external donations amounted to RMB19.60 million.

8.13 EQUITY LINKED AGREEMENTS

During the Reporting Period, the Bank did not enter into or renew any equity linked agreements.

8.14 RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Bank conscientiously safeguards employees' interests, it is committed to building it as a happy home where its employees can entrust for life and provides employees with a more competitive salary and a social insurance and benefit system. The Bank adheres to the concept of "a bank serving with heart (用心的銀行)", actively innovates financial products and services, protects interests of customers, and improves customer satisfaction. The Bank regards suppliers as important stakeholders, for which it has established a fair and reasonable procurement management system to maintain the interests of suppliers, and establish good cooperative relations with them.

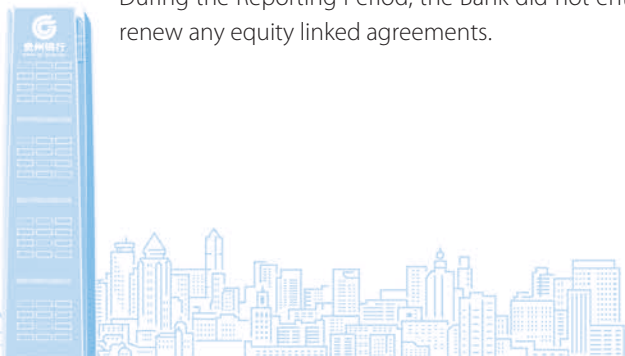
8.15 PUBLIC FLOAT

When the Bank applied for listing of its H Shares on the Hong Kong Stock Exchange, the Bank has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted the Bank, a waiver that the minimum public float requirement under Rule 8.08(1) of the Hong Kong Listing Rules be reduced and the minimum percentage of H Shares from time to time held by the public to be the higher of I. 15.08% of the total issued share capital of the Bank; or II. such percentage of shares of the Bank to be held by the public after the exercise of the Over-allotment Option.

Immediately after the expiration of the Over-allotment Option on 18 January 2020 and as at the Latest Practicable Date, based on the information publicly available to the Bank and to the knowledge of the Directors, the Bank had complied with the minimum public float requirements for its shares issued under the Hong Kong Listing Rules.

8.16 MAJOR DEPOSITORS AND BORROWERS

The Bank is not dependent on a single major depositor/borrower. As of the end of the Reporting Period, the operating income from the top five largest depositors/borrowers of the Bank accounted for is less than 30% of the Bank's total operating income.



8.17 ENVIRONMENTAL AND SOCIAL POLICY

In recent years, the Bank has actively undertaken the social responsibilities under relevant environmental policies. The Bank actively advocates the concept of environmental protection in the course of operation. Specifically, the Bank optimizes online services, practices green office, advocates green public welfare and develops green credit to promote green financial undertakings. On 30 November 2020, the Bank formally announced to adopt the “Equator Principles”, and has become the sixth domestic “Equator Bank”. The Bank has embedded the whole process management for credit extension projects under Equator Principles into the credit management platform of the Bank, achieving separate and independent management of projects and applying the idea of environmental and social risk management to the whole process and all parts of the credit business.

In 2020, the Bank has complied with the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guidelines. For details, please refer to the 2020 Environmental, Social and Governance Report which will be issued by the Bank in accordance with the Hong Kong Listing Rules.

8.18 ACCOUNTING STANDARDS

The financial information set out in this annual report is prepared in accordance with the International Financial Reporting Standards on a consolidated basis. Unless otherwise stated, all data of the Bank are denominated in RMB.



REPORT OF THE BOARD OF SUPERVISORS

9.1 MAJOR WORK

I. Standardization of Consideration and Supervision to Effectively Perform Supervision Functions

Firstly, we standardized the convening of meetings of the Board of Supervisors. We coordinated and supervised the preparation of resolutions prior to the meetings, the review thereof during the meetings and the outcome thereof after the meetings so as to give play to the functions of consideration at and supervision for the meetings and practically achieve the Board of Supervisors' efficiency in supervision. During the Reporting Period, the Board of Supervisors convened five meetings, considered a total of 69 proposals including the Work Report of the Board of Directors, the Work Report of the Board of Supervisors, the Annual Operation Report, the Financial Budget Report, the Financial Statements and Reports and the Liquidity Management Report, conducted a total of seven special supervisions on projects such as the development of liabilities business throughout the Bank, the transformation of the financial market business and the management of related party transactions, and reviewed a total of 11 reports including the Work Report on Reviewing of Data Governance and the Special Audit Report on Dividends Distribution. The convening of and the procedures for the meetings were in compliance with the requirements under laws and regulations, the Articles of Association and the Rules of Procedure for Meetings of the Board of Supervisors. Secondly, we gave full play to the professional functions of the special committees. Two special committees, namely the Nomination, Remuneration and Evaluation Committee and the Supervision Committee, conducted review of and reached a consensus on important resolutions before submitting them to the Board of Supervisors for consideration, in order to ensure the effective performance of the special committees' professional supervision functions. Thirdly, the members of the Board of Supervisors were present at the general meetings and the meetings of the Board of Directors in accordance with laws and supervised the process of the meetings, the content of the resolutions and the voting procedures, so as to ensure the meetings were in compliance with laws and regulations in terms of both form and content.

II. Strengthening of Performance and Supervision to Promote the Improvement of Corporate Governance

Firstly, we conducted strict supervision on selection of Directors, Supervisors and senior management in aspects such as qualification, working experience, comprehensive quality and selection and appointment procedures, and completed supervision on the selection and appointment of a total of five Director and three Supervisor candidates. Secondly, in terms of the performance of duties by Directors, Supervisors and senior management, we relied on performance evaluation and made objective evaluation on the performance of duties by the Directors, Supervisors and senior management of the Bank during 2020 by way of scoring based on written examinations, daily work statistics and debriefings, comprehensive scoring and other methods, with emphasis on four dimensions including time devotion, efficiency of performance, capability of performance and integrity and self-discipline. Thirdly, for the adjustment to the organizational structure and the remuneration and incentive policies, we made effective supervision on the scientificity and rationality of the organizational structure adjustment and optimization plan, the remuneration management measures and the annual performance assessment plan of the head office in 2020. Fourthly, with respect to management of internal control, we focused on supervising the practical functioning of the "three lines of defenses", primarily considered 16 reports on internal audit work, urged the continuous improvement of the audit quality and the implementation of rectification, paid attention to the rectification progress of the regulatory warning issues, adhered to the problem-oriented principle, and constantly improved the internal control deficiencies.



III. Enhancement of Risk Control to Promote the Improvement of Prudent Operation Awareness

Firstly, we played the role of daily risk supervision, conducted more than 20 seminars and exchanges with relevant business departments in the year, to understand and be informed of various risk exposures of the Bank. We issued 18 Risk Warning Letters to business departments, urged relevant departments to make timely rectification and precautions in advance. Secondly, we exercised the function of risk prejudgment, strengthened the research and analysis on the macroeconomic situation, the industry development trend, regulatory priorities and risks. With regarding to the comprehensive risk management policies, the impact of the pandemic situation, the demand for costs reduction and other 20 specific matters, we proposed a prospective risk prejudgment, reminded the management to focus on the judgement of the overall situation, and took targeted measures to strengthen the prevention of relevant risks. Thirdly, we supervised the procurement of major procurement projects for 11 times, and urged the compliance and rationality of the large procurement expenditure. Fourthly, we established the Admonition Mechanism with the external audit organization of the annual report, proposed requirements for the commencing of work by the external audit organization, and listened to its report after the review. We conducted supervision on its performance of duties, and supervised and checked the audit personnel, audit methods, audit results and rectification of the annual audit organizations.

IV. Enhancement of Special Supervision to Promote the Accelerated Advancement of Transformation and Development

Firstly, we carried out special supervision and inspection on the implementation of strategies and transformation and development by way of visiting and inspecting 22 strategic implementation and supporting departments in the head office, management department in Guiyang, 8 branches and 65 managerial sub-branches. We conducted a comprehensive and objective evaluation of the progress of the phased work, summarized the achievements carefully, found the gaps, analyzed the problems, and put forward opinions and suggestions to promote the transformation and development of the Bank through supervision. Secondly, we launched special surveys on the Bank's service efficiency, selected ten businesses with the lowest service efficiency as reflected by the grassroots unit by means of questionnaire survey, on-site discussion and spot check of credit cases. For these ten types of businesses, we analyzed and found out the factors that affect the efficiency of these business processes and measures in terms of aspects from business process to professional competence, process design, hardware design and assessment orientation. As such, we provided improvement measures and suggestions to promote the improvement of service efficiency through supervision. Thirdly, we carried out a special inspection on major procurements of the Bank, and conducted a comprehensive evaluation of the Bank's centralized procurement system construction, organizational structure establishment and procurement organization management. We put forward suggestions on optimization of problems found in the inspection and promoted the optimization of business process through supervision.



REPORT OF THE BOARD OF SUPERVISORS

V. Strengthening Team Building to Improve the Ability of the Board of Supervisors to Perform its Duties

Firstly, we appointed additional 3 Shareholder Supervisors in a timely manner, so as to improve the personnel structure of supervisors and strengthen supervision. Secondly, the Supervisors were organized to participate in trainings on Supervisors' performance of its duties and special training on listing for the year of 2020, so as to continuously improve the Supervisors' ability to observe rules and practice. Thirdly, the Supervisors were organized to visit grass-roots branches, corporate customers and shareholder units, so as to strengthen Supervisors' understanding of grass-roots work, products and services of the Bank and the needs of shareholders, and 5 research reports were completed in total. Fourthly, we established a duties performing information communication system, comprehensively sorted out the contents involving the supervisory duties of the Board of Supervisors in laws, regulations, regulatory guidelines and the main rules and regulations of the Bank, further clarified the key points in the performance of duties of the Board of Supervisors, and the information submission task was decomposed and allocated to various departments according to the supervision requirement and supervision frequency, which not only ensured that the Board of Supervisors had obtained the necessary information for the performance of its supervision function, but also guaranteed the implementation of supervision work in a "general ledger" approach, thus enhancing the quality and efficiency of supervision. Fifthly, we established the Implementation Measures for Internal Risk Warning of Bank of Guizhou (《貴州銀行內部風險提示實施辦法》), where the Office of the Board of Supervisors uniformly dealt with and investigated into various risks and hidden dangers existing in the business transformation and operation and management which were identified by the staff of the

Bank, as well as supervised the handling of such risks and hidden dangers and gave feedback, so as to guarantee smooth channels for reporting of internal risk information of the Bank. Sixthly, we prepared the General Information on the Work of the Board of Supervisors (《監事會工作要情》) and the Special Report on the Supervisory Work of the Board of Supervisors (《監事會監督工作專報》), constantly innovated the methods of publicizing the supervision results, strengthened the publicity of the trend and results of the supervision of the Board of Supervisors, thus creating a good atmosphere for the whole bank to support the supervision of the Board of Supervisors.

9.2 EXPRESSED INDEPENDENT OPINIONS ON RELATED MATTERS

9.2.1 Legal Operation of the Bank

During the Reporting Period, our operation and management have been complied with the laws and regulations including the PRC Company Law and the PRC Commercial Banking Law, regulatory requirements and the Articles of Association. The decision-making procedures of the Board of Directors are standardized, the content is legally valid. Our senior management operates and manages our business in accordance with laws and regulations, the authorization of the Board of Directors, and the Company's rules and regulations. The Board of Supervisors has not found that the Board of Directors, the senior management and its members have violated laws and regulations or damaged the interests of the Bank and shareholders.



9.2.2 Financial Reporting

During the Reporting Period, the financial statements of the Bank for the year 2020 prepared in accordance with PRC Accounting Standards have been audited by KPMG Huazhen LLP, and the financial statements prepared in accordance with IFRS have been audited by KPMG, with standard unqualified auditors' reports being issued. The financial statements of the Bank truly and objectively reflects our financial status and operating results. The Board of Supervisors has not found any false records or material omissions.

9.2.3 Related Party Transactions

During the Reporting Period, our procedures for reviewing, voting, disclosing, and performing of related party transactions were in compliance with laws and regulations. The Board of Supervisors has not found any violation of the principle of fairness nor any damage to the interests of shareholders and the Bank.

9.2.4 Implementation of Resolutions Approved in Shareholders' General Meetings

During the Reporting Period, the Board of Supervisors has no disagreement with the reports and proposals proposed by the Board being considered and approved in the Shareholders' general meetings. The Board of Supervisors supervised the implementation of the resolutions of general meetings and considered that the Board of Directors of the Bank seriously implemented the resolutions of general meetings.

9.2.5 Information Disclosure

During the Reporting Period, the Bank has, in accordance with the principles of openness, fairness and impartiality, disclosed our information to investors and the public in a timely manner. The Board of Supervisors did not find any false disclosures or material omissions.

9.2.6 Performance of Duties of the Board of Directors and Senior Management Concerning Capital Management and Consolidated Financial Statements Management

During the Reporting Period, the Board and senior management of the Bank were proactive in capital management, taking various measures to continuously replenish its capital externally and strictly assessing the use of capital internally, with the relevant regulatory indicators for capital management meeting the regulatory requirements.



MAJOR EVENTS

10.1 USE OF PROCEEDS

As at the end of the Reporting Period, the Bank issued a total of 2.2 billion H Shares, with total proceeds from the global offering amounting to approximately HK\$5,456 million. The proceeds raised by the Bank from the global offering were fully used in accordance with the purposes disclosed in the prospectus, that is, to supplement the Bank's capital, strengthen the capital base, and to support the sustainable, rapid and healthy development of the Bank's businesses.

10.2 MAJOR LAWSUITS, ARBITRATIONS AND MAJOR CASES DURING THE REPORTING PERIOD

As at the end of the Reporting Period, the Bank, as the plaintiff, the arbitration applicant, has eight pending litigation and arbitration cases with the principal balance of the subject matter in dispute at or above RMB10 million, involving a total principal balance of about RMB861.4932 million. The Bank as the defendant and the respondent has one pending litigation or arbitration case with the principal balance of the subject matter in dispute at or above RMB10 million, with the principal balance of about RMB22.15 million. As of the end of the Reporting Period, the Bank does not expect that such litigation and arbitration (individually or jointly) will have a material adverse effect on the Bank's business, financial position and business performance.

Save as disclosed above, as at the disclosure date of this report, the Bank had no material litigation, arbitration and major case.

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

As far as the Bank is aware, during the Reporting Period, the Bank, its 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, none of them were filed by the Securities Regulatory Commission or administrative penalties, banned from the securities market, being deemed improper, or being publicly reprimanded by the stock exchange. The Bank has not been penalized by other regulatory agencies that have a significant impact on the Bank's operations.

10.4 CHANGE OF THE BANK'S REGISTERED CAPITAL

The H Shares of the Bank were issued on The Stock Exchange of Hong Kong Limited on 30 December 2019, a total of 2,200,000,000 H Shares were issued, and the registered capital increased from RMB12,388,046,744 to RMB14,588,046,744. The change of registered capital was considered and approved at the 2019 annual general meeting and the 2020 First H Shareholders Class Meeting held on 20 May 2020 and was approved by Guizhou CBIRC on 7 December 2020. The above change of registered capital is subject to the completion of the industrial and commercial registration by the Bank.



10.5 SIGNIFICANT RELATED PARTY/CONNECTED TRANSACTIONS

I. Related Party Transaction as Defined by the CBIRC

The net amounts of the related party/connected transactions as defined by the CBIRC (excluding deposit margins, deposit receipts, etc.) are as follows:

(I) Credit

No.	Name of related/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	Gui'an New Area Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	6,023.15	Loans, SPV investment, debt investment, wealth management investment	14.32%
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))	1,448.00	Loan	3.44%
3	Liupanshui Urban Construction & Investment Co., Ltd. (六盤水市城市建設投資有限責任公司)	1,394.00	Loans, SPV investment	3.31%
4	Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	929.83	Loans, debt investment	2.21%
5	Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	904.29	Loans, bank acceptance bills	2.15%
6	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)	592.34	Loans, bank acceptance bills, debt investment	1.41%
7	Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	362.37	Loans, debt investment	0.86%
8	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	238.09	Bank acceptance bills, SPV investment, debt investment	0.57%
9	Related natural persons (關聯自然人)	188.19	Loan	0.45%
10	Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	91.28	Loan	0.22%
11	Liupanshui Yunlai Construction Engineering Labor Co., Ltd. (六盤水運來建築工程勞務有限公司)	5.00	Loan	0.01%
12	Panzhou Anyue Maike Trading Co., Ltd. (盤州市安躍邁科商貿有限公司)	0.50	Loan	0.00%



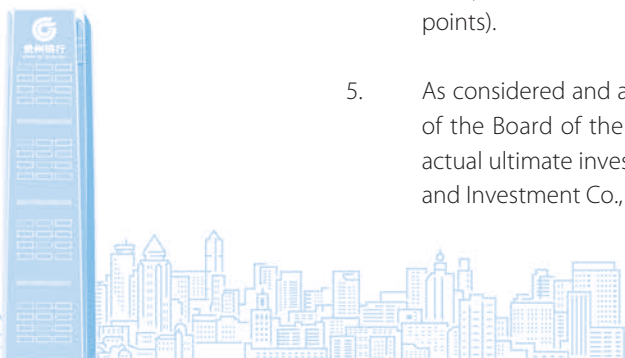
MAJOR EVENTS

(II) No-Credit

No.	Name of customer	Type of business	Amount (RMB million)
1	Guizhou Province Asset Management Co., Ltd. (貴州省資產管理股份有限公司)	Assets transfer – batch transfer of distressed assets	97.09
2	Guizhou Depository & Clearing Co., Ltd. (貴州 登記結算有限責任公司)	Receiving services	1.50
3	Huagui Life Insurance Co., Ltd. (華貴人壽保險 股份有限公司)	Providing services	6.46
4	China Life Insurance Company Limited	Providing services	0.09

During the Reporting Period, there were a total of 9 valid significant related party/connected transactions between the Bank and related parties under the definition by the CBIRC, which were approved by the Bank, and particulars of which are as follows:

- As considered and approved at the 2020 first extraordinary meeting of the second session of the Board of the Bank, the Bank granted Guizhou Province Water Investment (Group) Co., Ltd. an unified credit of RMB3,224.25 million. The pricing policy: defined terms and interest rates by types, conducted in accordance with the administrative measures on relevant business of the Bank, with an overall principle of pricing in a way not more favorable than that under similar transactions with non-related parties.
- As considered and approved at the 2020 first extraordinary meeting of the second session of the Board of the Bank, the Bank invested its financial funds of RMB1 billion (with an actual ultimate investment of RMB510 million) in the corporate bonds publicly issued by Gui'an New Area Development and Investment Co., Ltd.. The pricing policy: the market pricing mechanism.
- As considered and approved at the 2020 second extraordinary meeting of the second session of the Board of the Bank, the Bank granted Gui'an New Area Development and Investment Co., Ltd. a credit of RMB291 million (pledged by Certificates of Deposit in full, falling a low-risk business) with a term of 1 year. The pricing policy: an annual interest rate being fixed at 4.15% (approval of the current LPR).
- As considered and approved at the 2020 second extraordinary meeting of the second session of the Board of the Bank, the Bank granted Gui'an New Area Development and Investment Co., Ltd. an additional refinancing credit of RMB400 million with a term of 1 year. The pricing policy: an annual interest rate being fixed at 7.50% (approval of the current LPR+345 base points).
- As considered and approved at the 2020 fourth extraordinary meeting of the second session of the Board of the Bank, the Bank invested its financial funds of RMB490 million (with an actual ultimate investment of RMB250 million) in the bonds of Gui'an New Area Development and Investment Co., Ltd. The pricing policy: the market pricing mechanism.



6. As considered and approved at the 2020 sixth extraordinary meeting of the second session of the Board of the Bank, the Bank invested its financial funds of RMB240 million (with an actual ultimate investment of RMB240 million) in the bonds of Gui'an New Area Development and Investment Co., Ltd. The pricing policy: not lower than 7.3% (the coupon rate determined by the market inquiry of Gui'an Development and Investment).
7. As considered and approved at the 2020 sixth extraordinary meeting of the second session of the Board of the Bank, the Bank invested its self-owned funds of RMB200 million (with an actual ultimate investment of RMB149 million) in the bonds of Gui'an New Area Development and Investment Co., Ltd. The pricing policy: not lower than 7.3% (the coupon rate determined by Gui'an Development and Investment through market inquiry).
8. As considered and approved at the 2020 fourth meeting of the second session of the Board of the Bank, the Bank conducted batch transfer of distressed assets to Guizhou Province Asset Management Co., Ltd. (貴州省資產管理股份有限公司) with a transaction amount of RMB97 million.
9. As considered and approved at the 2020 eleventh extraordinary meeting of the second session of the Board of the Bank, the Bank granted Guizhou Province Asset Management Co., Ltd. (貴州省資產管理股份有限公司) a credit of RMB2.7 billion with a term of 3 year. The pricing policy: floating rates (not lower than the one-year LPR of the National Inter-bank Funding Centre + 100 base points).

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

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

During the Reporting Period, the Bank did not engage in any related party/connected transaction 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 the "Related Party Relationships and Transactions" in the note to the Financial Report of this report.



MAJOR EVENTS

10.6 SIGNIFICANT CONTRACTS AND PERFORMANCE

10.6.1 Major contracts

During the Reporting Period, the Bank has no relevant major contracts or agreements.

10.6.2 Significant custody, contracting and lease

During the Reporting Period, the significant contracts signed by the Bank did not involve custody, contracting, or leasing of assets of other companies outside the normal business scope of the bank, or custody, contracting, or leasing of assets of the Bank by other companies.

10.7 SIGNIFICANT GUARANTEES AND COMMITMENTS

As of the end of the Reporting Period, the Bank's guarantee balance was RMB1.94 billion, an increase of RMB891 million or 84.94% over the end of last year; the letter of credit balance accepted was RMB2,850 million, and the unaccepted letter of credit balance was RMB94 million.

The guarantee business is our daily business. The above businesses are all financial guarantee services within the scope of business approved by the CBIRC during the Reporting Period.

10.8 ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period, was the Bank a party to any arrangement to enable the Directors and Supervisors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

10.9 SIGNIFICANT ASSET ACQUISITIONS, DISPOSAL AND CORPORATE MERGERS

During the Reporting Period, the Bank has no significant asset acquisitions, disposal and corporate mergers.

10.10 SIGNIFICANT INVESTMENT

As of the end of the Reporting Period, the investment securities and other financial assets of the Bank were all financial markets within the scope of operation approved by the CBIRC. The Bank has inspected the disclosure requirements for material investments as set out in Appendix 16 to the 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 at the end of the Reporting Period.

During the Reporting Period, the Bank had no significant investment.

10.11 APPOINTMENT AND DISMISSAL OF ACCOUNTANT

In 2018, Pan-China Certified Accountants (Chongqing Branch) resigned as the auditors of the Bank, and KPMG Huazhen LLP and KPMG were appointed as the domestic and international auditors of the Bank respectively in 2019.

Save as disclosed above, the Bank did not change its auditors in the last three years.

10.12 LOAN AGREEMENT

During the Reporting Period, the Bank did not violate any loan agreement.



10.13 EQUITY INCENTIVE PLAN AND EMPLOYEE STOCK OWNERSHIP PLAN

As of the end of the Reporting Period, the Bank has not implemented equity incentive plans or employee stock ownership plans.

10.14 SUBSEQUENT EVENTS

- I. During the Reporting Period, Mr. Li Zhiming served as the Chairman and an executive Director of the Bank. Due to work arrangement by Guizhou provincial government, Mr. Li Zhiming tendered his resignation to the Board and resigned as the Chairman, an executive Director, Chairman of the Strategic Development Committee under the Board of the Bank on 28 January 2021, with effect from 28 January 2021. For details, please refer to the Announcement on Resignation of the Chairman issued by the Bank on 28 January 2021.
- II. During the Reporting Period, Mr. Xiao Cifa served as the Chairman of the Board of Supervisors and employee Supervisor of the Bank. Due to work arrangement by Guizhou provincial government, Mr. Xiao Cifa tendered his resignation to the Board of Supervisors to resign as the Chairman of the Board of Supervisors and employee Supervisor of the Bank on 19 March 2021, with effect from 19 March 2021. For detail, please refer to the Announcement on Resignation of the Chairman of the Board of Supervisors issued by the Bank on 19 March 2021.
- III. During the Reporting Period, Mr. Chai Bolin served as the Vice President of the Bank. Due to work arrangement by Guizhou provincial government, Mr. Chai Bolin tendered his resignation to the Bank to resign as the Vice President of the Bank on 22 March 2021, with effect from the same day.
- IV. On 14 April 2021, the Board resolved that Mr. YANG Mingshang (“Mr. Yang”) and Mr. CAI Dong (“Mr. Cai”) be nominated as candidates for executive directors of the Bank. The elections of Mr. Yang and Mr. Cai as executive directors of the Bank are subject to consideration and approval at a general meeting of the Bank, and upon approval, they will be reported to the CBIRC for approval of their qualifications. Mr. Yang and Mr. Cai will perform their duties from the date on which the CBIRC approves their qualifications upon the consideration and approval of their appointment at a general meeting of the Bank, with a term of office same as the term of the second session of the Board of the Bank. For details, please refer to the announcement of Proposed Appointments of Executive Directors and Proposed Election of Employee Supervisor issued by the Bank on 14 April 2021.
- V. On 14 April 2021, the labor union of the Bank proposed to elect Ms. WU Fan (“Ms. Wu”) as an employee representative supervisor of the second session of the Board of Supervisors. The appointment of Ms. Wu is subject to the election through democratic process by the meeting of the employee representatives of the Bank and will be effective from the date when she is elected. For details, please refer to the announcement of Proposed Appointments of Executive Directors and Proposed Election of Employee Supervisor issued by the Bank on 14 April 2021.



INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Bank of Guizhou Co., Ltd.

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

OPINION

We have audited the financial statements of Bank of Guizhou Co., Ltd. (the "Bank") set out on pages 139 to 262, which comprise the statement of financial position as at December 31, 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Bank in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



KEY AUDIT MATTERS (CONTINUED)

Loss allowances of loans and advances to customers and financial investments measured at amortised cost

Refer to Note 17 and Note 18 to the financial statements and the accounting policies in Note 2(7)(iv).

The Key Audit Matter

The Bank uses the expected credit loss ("ECL") model to calculate the loss allowance in accordance with International Financial Reporting Standard 9 Financial Instruments ("IFRS 9").

The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.

In particular, the determination of the loss allowances is heavily dependent on the external macro environment and the Bank's internal credit risk management strategy. The expected credit losses for corporate loans and financial investments are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The expected credit losses for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.

How the matter was addressed in our audit

Our audit procedures to assess loss allowances of loans and advances to customers and financial investments measured at amortised cost included the following:

- understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and financial investments measured at amortised cost, the credit grading process and the measurement of loss allowances;
- with the assistance of our internal specialists, assessing the reliability of the expected credit loss model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments, and evaluating the rationality of the key management judgments involved, including the management's judgment on the impact of the COVID-19 on relevant parameters as at December 31, 2020;



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Loss allowances of loans and advances to customers and financial investments measured at amortised cost (Continued)

Refer to Note 17 and Note 18 to the financial statements and the accounting policies in Note 2(7)(iv).

The Key Audit Matter

Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realization of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of loss allowances as at the end of the reporting period.

We identified the impairment of loans and advances to customers and financial investments measured at amortised cost as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Bank.

How the matter was addressed in our audit

- assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original loan agreements, we compared the total balance of the loan and advances to customers and financial investment list used by management to assess the loss allowances with the general ledger, selecting samples and comparing individual loan and investment information with the underlying agreements and other related documentation to assess the accuracy of compilation of the loan and investment list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources;
- for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Bank's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged the reasons for modifications to estimates and input parameters compared with prior period and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;
- for key parameters used in the expected credit loss model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved our IT specialists to assess the logics and compilation of the overdue information and the operational process of the credit grading of corporate customers for selected samples;



KEY AUDIT MATTERS (CONTINUED)

Loss allowances of loans and advances to customers and financial investments measured at amortised cost (Continued)

Refer to Note 17 and Note 18 to the financial statements and the accounting policies in Note 2(7)(iv).

The Key Audit Matter

How the matter was addressed in our audit

- evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired by selecting risk-based samples. We analysed the portfolio by industry sector to select samples in industries more vulnerable to the current economic situation with reference to other borrowers with potential increased credit risk. We checked loan overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses;
- for selected samples of loans and advances to customers that are credit-impaired, evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realization of collateral, evaluated the forecast cash flows, challenged the viability of the Bank's recovery plans and evaluated other credit enhancements that are integral to the contract terms;
- recalculating the amount of credit loss allowance for 12 month and life time credit losses using the expected credit loss model based on the above parameters and assumptions for a sample of loans and investments where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively; and
- evaluating whether the disclosures on impairment of loans and financial investments measured at amortised cost comply with the disclosure requirements of the prevailing accounting standards.



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Fair value of financial instruments

Refer to Note 39 to the financial statements and the accounting policies in Note 2(7)(v).

The Key Audit Matter

Financial instruments carried at fair value account for a significant part of the Bank's assets. The effect of fair value adjustments of financial instruments may impact either the profit or loss or other comprehensive income.

The valuation of the Bank's financial instruments measured at fair value is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation techniques for which use quoted market prices and observable inputs, respectively. Where one or more significant inputs are unobservable in the valuation techniques, as in the case of level 3 financial instruments, then estimates need to be developed which can involve significant management judgment.

The Bank has developed its own models to value certain level 3 financial instruments, which also involve significant management judgment.

We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the degree of judgment exercised by management in determining the inputs used in the valuation models.

How the matter was addressed in our audit

Our audit procedures to assess the fair value of financial instruments included the following:

- understanding and assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification, front office and back office reconciliations and model approval for financial instruments;
- assessing the level 1 fair values, on a sample basis, by comparing the fair values applied by the Bank with publicly available market data.
- performing, on a sample basis, independent valuations of level 2 and level 3 financial instruments measured at fair value and comparing these valuations with the valuations of the Bank. Our procedures included comparing the valuation models of the Bank with our knowledge of practice, testing inputs to the fair value calculations or, with the assistance of our internal valuation specialists, establishing our own valuation models to perform revaluations; and
- assessing whether the disclosures in the financial statements appropriately reflected the Bank's exposure to financial instrument valuation risk and met the requirements of the prevailing accounting standards.



KEY AUDIT MATTERS (CONTINUED)

Consolidation of structured entities

Refer to Note 33 to the financial statements and the accounting policies in Note 2(24)(f).

The Key Audit Matter

Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.

The Bank may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity through issuing an asset management plan, a trust plan or a wealth management product.

In determining whether a structured entity is required to be consolidated by the Bank, management is required to consider the risks and rewards retained, the power the Bank is able to exercise over the activities of the entity and its ability to influence the Bank's own returns from the entity. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.

We identified the consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and the judgement exercised by management in the qualitative assessment of the terms and nature of each entity.

How the matter was addressed in our audit

Our audit procedures to assess the consolidation of structured entities included the following:

- understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over consolidation of structured entities;
- selecting significant structured entities of each key product type and performing the following procedures for each structured entity selected:
 - inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Bank has with the structured entity and to assess management's judgement over whether the Bank has the ability to exercise power over the structured entity;
 - inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns to assess management's judgement as to the exposure, or rights, to variable returns from the Bank's involvement in such an entity;



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (CONTINUED)

Consolidation of structured entities (Continued)

Refer to Note 33 to the financial statements and the accounting policies in Note 2(24)(f).

The Key Audit Matter

How the matter was addressed in our audit

- evaluating management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Bank's economic interests in the structured entity to assess management's judgement over the Bank's ability to influence its own returns from the structured entity;
- assessing management's judgement over whether the structured entity should be consolidated or not; and
- assessing whether the disclosures in the financial statements in relation to structured entities comply with the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Bank's financial reporting process.

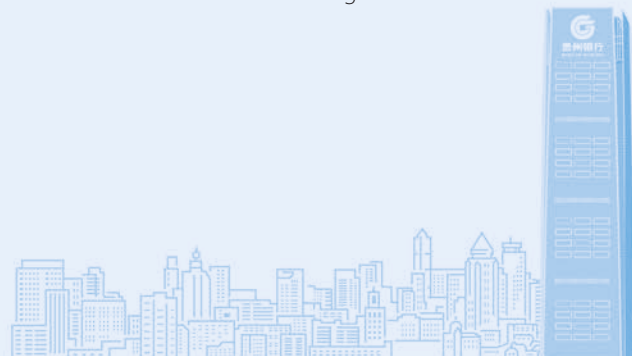
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Pang, Shing Chor Eric.

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

March 30, 2021



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2020	2019
Interest income		19,966,948	18,264,227
Interest expense		(9,845,563)	(8,393,268)
Net interest income	3	10,121,385	9,870,959
Fee and commission income		459,732	191,726
Fee and commission expense		(97,209)	(97,090)
Net fee and commission income	4	362,523	94,636
Net trading gains	5	144,661	116,386
Net gains arising from investment securities	6	623,836	662,280
Other operating expense	7	(4,793)	(38,734)
Operating income		11,247,612	10,705,527
Operating expenses	8	(3,555,743)	(3,422,114)
Impairment losses on assets	11	(3,231,786)	(3,172,769)
Share of losses of associates		(104,780)	(19,258)
Profit before tax		4,355,303	4,091,386
Income tax	12	(684,640)	(527,749)
Net profit for the year		3,670,663	3,563,637
Basic and diluted earnings per share (in RMB)	13	0.25	0.29

The notes on pages 147 to 262 form part of these financial statements.



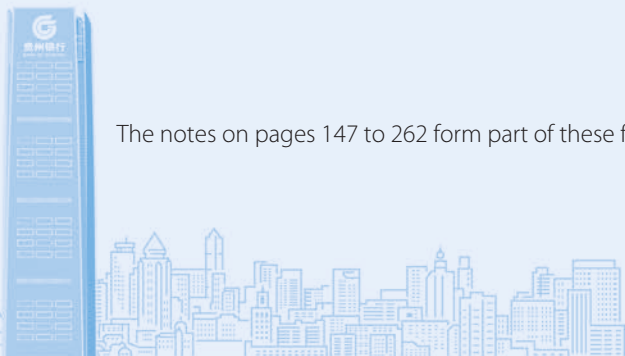
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2020	2019
Net profit for the year		3,670,663	3,563,637
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income:			
net movement in the fair value reserve, net of tax	31(d)	(662,204)	87,637
net movement in the impairment losses, net of tax	31(e)	151,234	13,435
Item that will not be reclassified to profit or loss:			
Remeasurement of net defined benefit liability, net of tax	31(f)	50	(9,550)
Other comprehensive income		(510,920)	91,522
Total comprehensive income		3,159,743	3,655,159

The notes on pages 147 to 262 form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

as at December 31, 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2020	2019
Assets			
Cash and deposits with the central bank	14	48,149,558	64,150,807
Deposits with banks and other financial institutions	15	1,157,313	6,292,147
Placements with banks and other financial institutions		50,674	–
Financial assets held under resale agreements	16	–	9,923,576
Loans and advances to customers	17	206,152,610	173,349,699
Financial investments:	18		
– Financial investments at fair value through profit or loss		47,764,665	12,217,953
– Financial investments at fair value through other comprehensive income		48,220,199	30,011,934
– Financial investments at amortised cost		96,324,130	105,804,159
Interest in associates	19	170,527	75,306
Property and equipment	20	3,887,554	3,493,516
Deferred tax assets	21	3,547,628	2,776,187
Other assets	22	976,341	1,293,516
Total assets		456,401,199	409,388,800
Liabilities and equity			
Liabilities			
Borrowing from the central bank		26,641,751	2,623,420
Deposits from banks and other financial institutions	24	29,995,718	16,107,370
Placements from banks and other financial institutions	25	2,602,498	1,001,137
Financial assets sold under repurchase agreements	26	12,464,434	7,966,758
Deposits from customers	27	289,042,772	260,266,471
Income tax payable		610,270	121,580
Debt securities issued	28	55,836,382	84,122,732
Other liabilities	29	3,179,552	3,290,090
Total liabilities		420,373,377	375,499,558

The notes on pages 147 to 262 form part of these financial statements.



STATEMENT OF FINANCIAL POSITION

as at December 31, 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2020	2019
Liabilities and equity (continued)			
Equity			
Share capital	30	14,588,047	14,588,047
Capital reserve	31(a)	8,840,110	8,840,110
Surplus reserve	31(b)	1,858,127	1,491,061
General reserve	31(c)	4,070,000	3,360,000
Fair value reserve	31(d)	(496,404)	165,800
Impairment reserve	31(e)	170,100	18,866
Deficit on remeasurement of net defined benefit liability	31(f)	(17,960)	(18,010)
Retained earnings	32	7,015,802	5,443,368
		<u>36,027,822</u>	<u>33,889,242</u>
Total equity		<u>36,027,822</u>	<u>33,889,242</u>
Total liabilities and equity		<u>456,401,199</u>	<u>409,388,800</u>

Approved and authorised for issue by the board of directors on March 30, 2021.

XU An

President
Executive Director

ZHOU Guichang

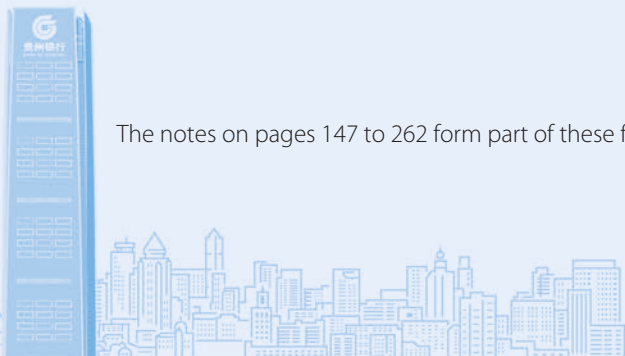
The Person In
Charge of
Accounting Affairs

LI Wangang

General Manager of the
Planning and Finance
Department

(Company stamp)

The notes on pages 147 to 262 form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2020
(Expressed in thousands of Renminbi, unless otherwise stated)

Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	(Deficit)/surplus	Retained earnings	Total
							on remeasurement of net defined benefit liability		
Balance at January 1, 2020	14,588,047	8,840,110	1,491,061	3,360,000	165,800	18,866	(18,010)	5,443,368	33,889,242
Changes in equity for the year:									
Net profit for the year	-	-	-	-	-	-	-	3,670,663	3,670,663
Other comprehensive income	-	-	-	-	(662,204)	151,234	50	-	(510,920)
Total comprehensive income	-	-	-	-	(662,204)	151,234	50	3,670,663	3,159,743
Appropriation of profit									
Appropriation to surplus reserve	31(b)	-	367,066	-	-	-	-	(367,066)	-
Appropriation to general reserve	31(c)	-	-	710,000	-	-	-	(710,000)	-
Appropriation to shareholders	32	-	-	-	-	-	-	(1,021,163)	(1,021,163)
Balance at December 31, 2020	14,588,047	8,840,110	1,858,127	4,070,000	(496,404)	170,100	(17,960)	7,015,802	36,027,822

Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	deficit on	Retained earnings	Total
							remeasurement of net defined benefit liability		
Balance at January 1, 2019	12,388,045	6,264,920	1,134,697	2,610,000	78,163	5,431	(8,460)	2,986,095	25,458,891
Changes in equity for the year:									
Net profit for the year	-	-	-	-	-	-	-	3,563,637	3,563,637
Other comprehensive income	-	-	-	-	87,637	13,435	(9,550)	-	91,522
Total comprehensive income	-	-	-	-	87,637	13,435	(9,550)	3,563,637	3,655,159
Capital contribution by equity shareholders	30/31(a)	2,200,002	2,575,190	-	-	-	-	-	4,775,192
Appropriation of profit									
Appropriation to surplus reserve	31(b)	-	356,364	-	-	-	-	(356,364)	-
Appropriation to general reserve	31(c)	-	-	750,000	-	-	-	(750,000)	-
Balance at December 31, 2019	14,588,047	8,840,110	1,491,061	3,360,000	165,800	18,866	(18,010)	5,443,368	33,889,242

The notes on pages 147 to 262 form part of these financial statements.



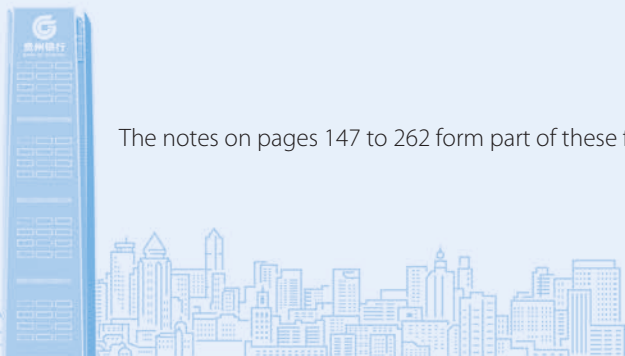
CASH FLOW STATEMENT

for the year ended December 31, 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2020	2019
Cash flows from operating activities			
Profit before tax		4,355,303	4,091,386
<i>Adjustments for:</i>			
Impairment losses on assets		3,231,786	3,172,769
Depreciation and amortization		473,676	459,071
Depreciation of investment properties		1,370	1,370
Unrealized foreign exchange losses/(gains)		35,659	(1,324)
Net losses on disposal of property and equipment, intangible assets and other assets		58,242	69,299
Net trading gains		(180,320)	(115,062)
Net gains arising from investment securities		(623,836)	(662,280)
Share of losses of associates		104,780	19,258
Interest expenses on debt securities issued		2,153,457	3,458,521
Interest expense on lease liabilities		33,808	29,138
Others		(108,262)	(66,212)
		9,535,663	10,455,934
<i>Changes in operating assets</i>			
Net decrease in deposits with the central bank		3,326,868	1,698,571
Net decrease/(increase) in deposits with banks and other financial institutions		756,276	(305,331)
Net increase in placements with banks and other financial institutions		(50,674)	–
Net increase in loans and advances to customers		(34,793,242)	(39,339,800)
Net increase in financial assets held for trading		(17,552,716)	(263,288)
Net decrease in other operating assets		339,955	311,635
		(47,973,533)	(37,898,213)

The notes on pages 147 to 262 form part of these financial statements.



	<i>Note</i>	2020	2019
<i>Changes in operating liabilities</i>			
Net increase/(decrease) in borrowing from the central bank		24,018,331	(197,156)
Net increase in deposits from banks and other financial institutions		13,888,348	6,060,237
Net increase in placements from banks and other financial institutions		1,601,361	1,000,000
Net increase in financial assets sold under repurchase agreements		4,497,676	5,786,000
Net increase in deposits from customers		28,776,301	39,652,554
Net (decrease)/increase in other operating liabilities		(328,785)	904,781
		<u>72,453,232</u>	<u>53,206,416</u>
Net cash flows generated from operating activities before income tax paid		34,015,362	25,764,137
Income tax paid		(746,656)	(1,082,544)
Net cash flows generated from operating activities		<u>33,268,706</u>	<u>24,681,593</u>
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		43,928,200	63,790,278
Proceeds from disposal of property and equipment, intangible assets and other assets		51,663	1,596
Payments on acquisition of investments		(71,618,859)	(74,409,352)
Payments for capital increase in associates		(200,000)	–
Payments on acquisition of property and equipment, intangible assets and other assets		(731,864)	(651,657)
Net cash flows used in investing activities		<u>(28,570,860)</u>	<u>(11,269,135)</u>

The notes on pages 147 to 262 form part of these financial statements.



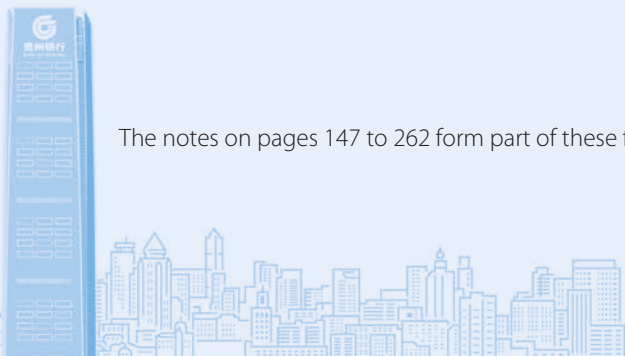
CASH FLOW STATEMENT

for the year ended December 31, 2020

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2020	2019
Cash flows from financing activities			
Proceeds from capital contribution by equity shareholders		–	4,887,126
Proceeds from debt securities issued	35(c)	59,396,111	77,617,229
Repayment of debt securities issued	35(c)	(89,490,000)	(74,890,000)
Interest paid on debt securities issued	35(c)	(345,918)	(345,430)
Capital element of lease liabilities paid		(158,013)	(138,627)
Interest element of lease liabilities paid		(33,808)	(57,442)
Payments for initial public offering costs		(62,874)	(21,510)
Dividends paid		(975,854)	(28)
		<u>(31,670,356)</u>	<u>7,051,318</u>
Net cash flows (used in)/generated from financing activities			
Effect of foreign exchange rate changes on cash and cash equivalents			
		<u>653</u>	<u>109,649</u>
Net (decrease)/increase in cash and cash equivalents	35(a)	(26,971,857)	20,573,425
Cash and cash equivalents as at January 1		<u>55,691,761</u>	<u>35,118,336</u>
Cash and cash equivalents as at December 31	35(b)	<u><u>28,719,904</u></u>	<u><u>55,691,761</u></u>
Interest received		<u><u>19,848,833</u></u>	<u><u>17,821,871</u></u>
Interest paid (excluding interest expense on debt securities issued)		<u><u>(7,692,107)</u></u>	<u><u>(4,334,181)</u></u>

The notes on pages 147 to 262 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BACKGROUND INFORMATION

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 China Banking and Insurance Regulatory Commission (the "CBIRC") authorized 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 December 31, 2020, the Bank has one head office and 8 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 former CBRC.

2 SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (the "IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the disclosure requirement of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Bank are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Bank. Note 2(3) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Bank for the current and prior accounting periods reflected in these financial statements.

The financial statements for the year ended December 31, 2020 comprise the Bank and the Bank's interest in associates.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical basis, except that the financial instruments classified as financial assets at fair value through other comprehensive income (FVOCI) or financial assets at fair value through profit or loss (FVTPL) (see Note 2(7)) are stated at their fair value as explained in the accounting policies.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future years if the revision affects both current and future years.

Judgments made by management in the application of IFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2(24).

The financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand, which is the functional currency of the Bank.

(3) Changes in accounting policies

The Bank has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*
- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

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



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(4) Associates and joint ventures

An associate is an entity in which the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Bank's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Bank's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(14)). Any acquisition-date excess over cost, the Bank's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the statements of profit or loss, whereas the Bank's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the statements of profit or loss and other comprehensive income.

When the Bank's share of losses exceeds its interest in the associate or the joint venture, the Bank's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Bank's interest is the carrying amount of the investment under the equity method together with the Bank's long-term interests that in substance form part of the Bank's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Bank and its associates and joint venture are eliminated to the extent of the Bank's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Bank ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

In the Bank's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses, unless classified as held for sale (or included in a disposal group that is classified as held for sale).



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(5) Translation of foreign currencies

When the Bank receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates at the dates of transactions.

A spot exchange rate is quoted by the People's Bank of China ("PBOC"), the State Administration of Foreign Exchange, or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is determined by a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of each of the reporting period. The resulting exchange differences are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the exchange differences are recognised in profit or loss, except for the exchange differences arising from the translation of non-monetary financial investments which are recognised in fair value reserve.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-restricted balances with central bank, short-term deposits and placements with banks and other financial institutions, financial assets held under resale agreements and highly liquid short-term investments which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

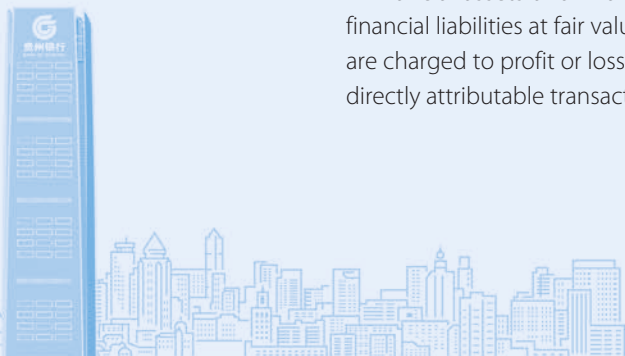
(7) Financial instruments

Financial instruments include cash and deposits with the central bank, financial investments, receivables, payables, loans and advances to customers, debt securities issued and share capital.

(i) **Recognition and initial measurement of financial assets and financial liabilities**

A financial asset or financial liability is recognised in the balance sheet when the Bank becomes a party to the contractual provisions of a financial instrument.

A financial assets and financial liabilities is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(ii) *Classification and subsequent measurement of financial assets*

Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are classified as:

- Financial assets measured at amortised cost, including loans, advances and financial investments measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVOCI), including loans, advances and financial investments measured at FVOCI; and
- Financial assets measured at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(ii) *Classification and subsequent measurement of financial assets (Continued)*

Classification of financial assets (Continued)

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Bank manages its financial assets in order to generate cash flows. That is, the Bank's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Bank determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Bank's key management personnel.

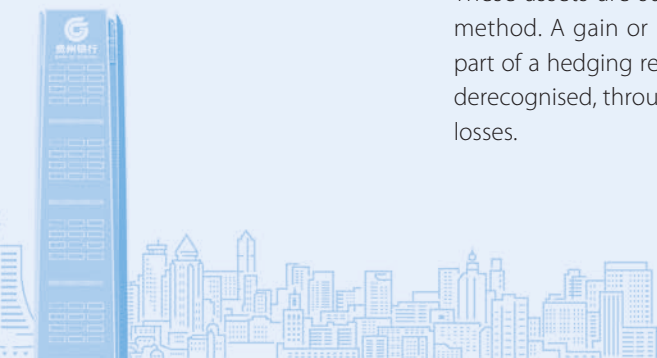
In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Bank also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

– Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

– Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(ii) *Classification and subsequent measurement of financial assets (Continued)*

Subsequent measurement of financial assets

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(iii) *Classification and subsequent measurement of financial liabilities*

Financial liabilities are classified as measured at FVTPL, financial guarantee liabilities or amortised cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

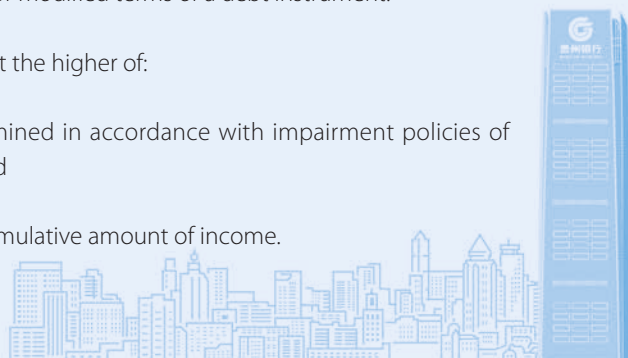
- Financial guarantee liabilities

Financial guarantees are contracts that requires the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee liability is measured at the higher of:

The amount of the loss allowance determined in accordance with impairment policies of financial instruments (see Note 2(17)(i)); and

The amount initially recognised less the cumulative amount of income.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(iii) Classification and subsequent measurement of financial liabilities (Continued)

- Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

(iv) Impairment

The Bank recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI.

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, and equity securities designated at FVOCI, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive).

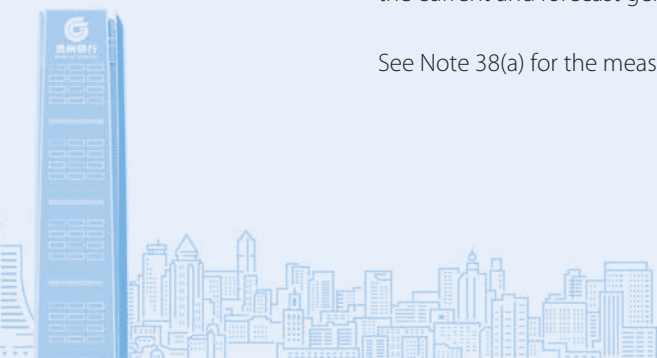
The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Bank is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs on these financial assets are estimated using a provision matrix based on the Bank's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

See Note 38(a) for the measurement of expected credit loss of the Bank.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(iv) *Impairment (Continued)*

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Bank recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Bank determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(v) *Fair value measurement principles*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date.

If there is an active market for a financial asset or financial liability, the quoted price in the active market without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, it is the current asking price. The quoted prices from an active market are prices that are readily and regularly available from an exchange, broker, industry bank or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(v) Fair value measurement principles (Continued)

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of each of the reporting period. Where other pricing models are used, inputs are based on market data at the end of each of the reporting period.

In estimating the fair value of a financial asset and financial liability, the Bank considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Bank obtains market data from the same market where the financial instrument was originated or purchased.

(vi) Derecognition of financial assets and financial liabilities

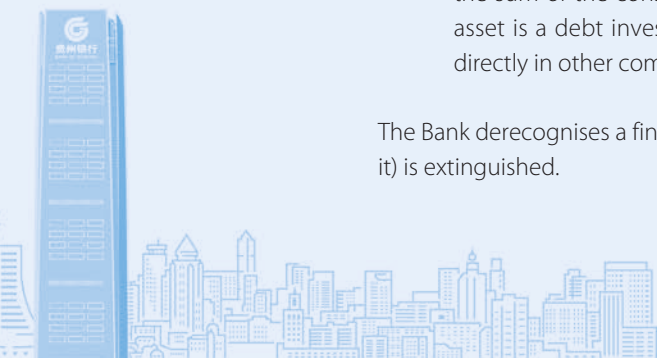
Financial asset is derecognised when one of the following conditions is met:

- the Bank's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Bank transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Bank neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Bank derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (Continued)

(vii) *Offsetting*

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Bank currently has a legally enforceable right to set off the recognised amounts;
- the Bank intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(8) Financial assets held under resale and repurchase agreements

Financial assets purchased under agreements to resell are reported not as purchases of the assets but as receivables and are carried in the statements of financial position at amortised cost.

Financial assets sold subject to a simultaneous agreement to repurchase these assets are retained in the statements of financial position and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortised cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements are recognised respectively as interest income and interest expense over the life of each agreement using the effective interest method.

(9) Property and equipment and construction in progress

Property and equipment are assets held by the Bank for operation and administration purposes with useful lives over one year.

Property and equipment are stated in the statements of financial position at cost less accumulated depreciation and impairment loss (see Note 2(14)). Construction in progress is stated in the statements of financial position at cost less impairment loss (see Note 2(14)).

The cost of a purchased property and equipment comprises the purchase price, related taxes, and any expenditure directly attributable to bringing the asset into working condition for its intended use.

All direct and indirect costs that are related to the construction of property and equipment and incurred before the assets are ready for their intended use are capitalised as the cost of construction in progress. Construction in progress is transferred to property and equipment when the item being constructed is ready for its intended use. No depreciation is provided against construction in progress.

Where the individual component parts of an item of property and equipment have different useful lives or provide benefits to the Bank in different patterns thus necessitating use of different depreciation rates or methods, they are recognised as a separate property and equipment.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(9) Property and equipment and construction in progress (Continued)

The subsequent costs including the cost of replacing part of an item of property and equipment are recognised in the carrying amount of the item if the recognition criteria are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

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	20 years	3%	4.85%
Vehicles	6 years	3%	16.17%
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.

(10) Investment property

Investment property is a property held either for earning rental income or for capital appreciation or for both. 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 (Note 2(14)). Investment property is depreciated using the straight-line method over its estimated useful life after taking into account its estimated residual value.

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



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank, as a lessor or a lessee, assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the lessee has the right to direct the use of the asset. The lessee has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the lessee has the right to direct the use of the asset if either:
 - the lessee has the right to operate the asset; or
 - the lessee designed the asset in a way that predetermines how and for what purpose it will be used.

IFRS 16 is applied to contracts entered into, or changed, on or after January 1, 2019.

At inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Bank has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

For contracts entered into before January 1, 2019, the Bank determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (Continued)

(i) *As a lessee*

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

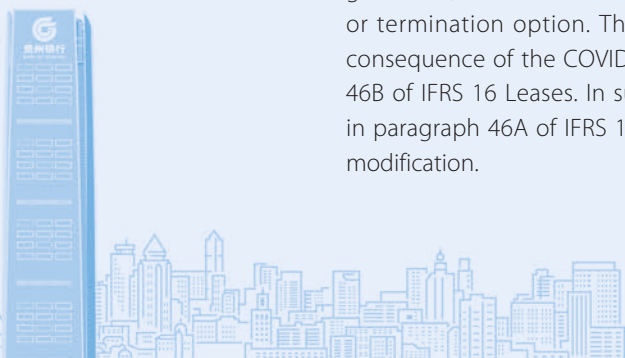
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16 Leases. In such cases, the Bank took advantage of the practical expedient set out in paragraph 46A of IFRS 16 and recognised the change in consideration as if it were not a lease modification.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (Continued)

(i) *As a lessee (Continued)*

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank presents right-of-use assets that do not meet the definition of investment property in 'other assets' and lease liabilities in 'other liabilities' in the statements of financial position.

Short-term leases and leases of low-value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

In the comparative period, as a lessee the Bank classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the right-of-use assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

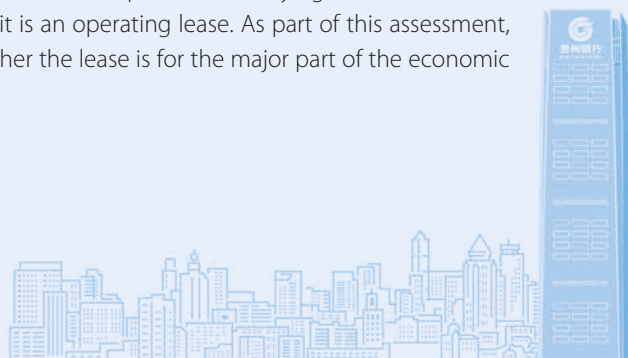
Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Bank's statements of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(ii) *As a lessor*

When the Bank acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (Continued)

(ii) As a lessor (Continued)

When the Bank is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Bank applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Bank applies IFRS 15 to allocate the consideration in the contract.

The Bank recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Bank as a lessor in the comparative period were not different from IFRS 16. However, when the Bank was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

(12) Intangible assets

The intangible assets of the Bank have finite useful lives. The intangible assets are stated at cost less accumulated amortization and impairment loss (see Note 2(14)). The cost of intangible assets less residual value and impairment loss is amortised on the straight-line method over the estimated useful lives.

The respective amortization periods for intangible assets are as follows:

Land use rights	30 – 50 years
Computer software	3 – 20 years

(13) Repossessed assets

Repossessed assets are physical assets or property rights obtained by the Bank from debtors, warrantors or third parties following the enforcement of its creditor's rights. The repossessed assets are initially recognised at fair value, and are subsequently measured at the lower of the carrying value and net recoverable amount. If the recoverable amount is lower than the carrying value of the repossessed assets, the assets are written down to the recoverable amount.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(14) Provision for impairment losses on non-financial assets

The carrying amounts of the following assets are reviewed at the end of each of the reporting period based on the internal and external sources of information to determine whether there is any indication of impairment:

- property and equipment
- construction in progress
- investment property measured using a cost model
- intangible assets
- investment in associates
- right-of-use assets

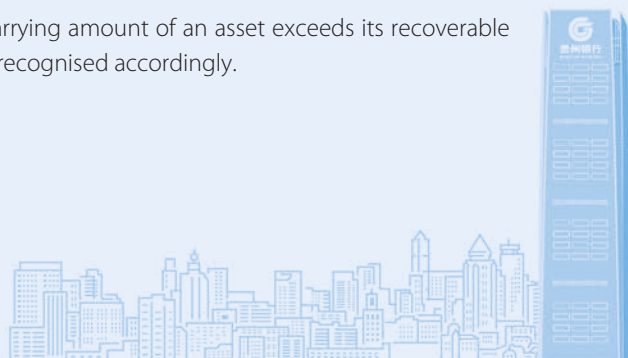
If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated.

A cash-generating unit (“CGU”) is the smallest identifiable bank of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. A CGU is composed of assets directly relating to cash-generation. Identification of a CGU is based on whether major cash inflows generated by the asset groups are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Bank also considers how management monitors the Bank’s operations and how management makes decisions about continuing or disposing of the Bank’s assets.

The recoverable amount of an asset or CGU, or a group of CGUs (hereinafter called “asset”) is the higher of its fair value less costs to sell and its present value of expected future cash flows. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset; if it is not possible to estimate the recoverable amount of the individual asset, the Bank determines the recoverable amount of the asset group to which the assets belongs.

An asset’s fair value less costs to sell is the amount determined by the price of a sale agreement in an arm’s length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using a pre-tax discount rate that reflects expected future cash flows, the useful life and the discount rate specific to the asset.

An impairment loss is recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. A provision for an impairment loss of the asset is recognised accordingly.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(14) Provision for impairment losses on non-financial assets (Continued)

If, in a subsequent period, the amount of impairment loss of the non-financial asset decreases and the decrease can be linked objectively to an event occurring after impairment was recognised, the previously recognised impairment loss is reversed through the profit or loss. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior periods.

(15) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

The defined contribution retirement plans of the Bank include the social pension schemes, annuity plan, housing fund and other social insurances.

Social pension schemes

Pursuant to the relevant laws and regulations in the PRC, the Bank has participated in the social pension schemes for the employees arranged by local government labour and security authorities. The Bank makes contributions to the retirement schemes at the applicable rates based on the amounts stipulated by the government. The contributions are charged to the profit or loss on an accrual basis. When employees retire, the local government labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

Annuity plan

The Bank provides an annuity plan to the eligible employees. The Bank makes annuity contributions in proportion to its employees' total salaries and bonuses, which are charged to profit or loss when the contributions are made.

Housing fund and other social insurances

In addition to the retirement benefits above, the Bank has joined social security contributions schemes for employees pursuant to the relevant laws and regulations of the PRC. These schemes include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Bank makes monthly contributions to the housing fund and other social insurances schemes at the applicable rates based on the amounts stipulated by the relevant government authorities. The contributions are charged to profit or loss on an accrual basis.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(15) Employee benefits (Continued)

(ii) *Supplementary retirement benefits*

Early retirement plan

The Bank provides early retirement benefit payments to employees who voluntarily agreed to retire early for the period from the date of early retirement to the regulated retirement date. The benefit is discounted to determine the present value based on certain assumptions. The calculation is performed by a qualified actuary using the projected unit credit method. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognised in profit or loss when incurred.

Supplementary retirement plan

The Bank provides a supplementary retirement plan to its eligible employees. The Bank's obligations in respect of the supplementary retirement plan are calculated by estimating the present value of the total amount of future benefits that the Bank is committed to pay to the employees after their retirement. The calculation is performed by a qualified actuary using the projected unit credit method. Such obligations were discounted at the interest yield of government bonds with similar duration at the reporting date. The related service cost and net interest from the retirement plan are recognised in profit or loss, and the actuarial gains and losses arising from remeasurements are recognised in other comprehensive income.

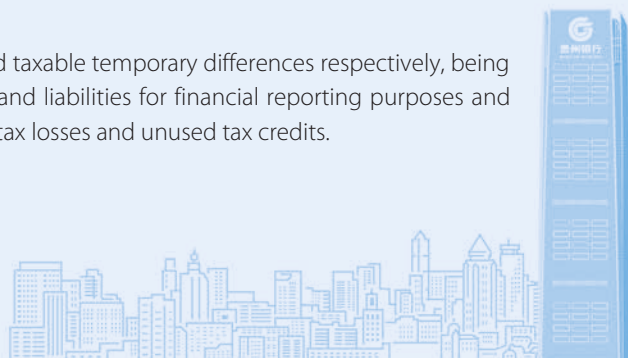
Early retirement plan and supplementary retirement plan thereafter collectively referred to as "supplementary retirement benefits". Except for the above mentioned, the Bank has no significant responsibilities to pay any other retirement benefits to employees.

(16) Income tax

Income tax for the reporting period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the reporting period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(16) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiary to the extent that, in the case of taxable differences, the Bank controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Bank has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(16) Income tax (Continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

(17) Financial guarantees, provisions and contingent liabilities

(i) *Financial guarantees*

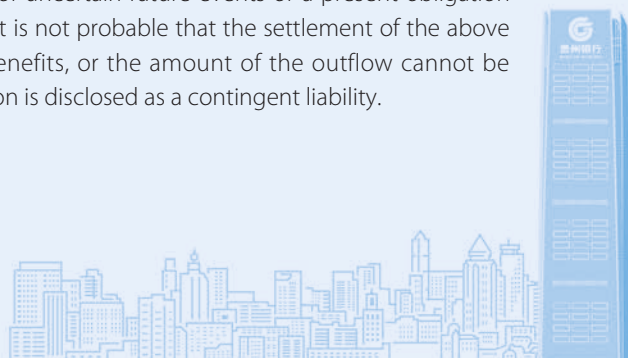
Financial guarantees are contracts that require the issuer (the “guarantor”) to make specified payments to reimburse the beneficiary of the guarantee (“holder”) for a loss that the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. The fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income in other liabilities. The deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

In terms of off-balance sheet credit commitment, the Bank applies expected credit loss model to measure the loss caused by particular debtors incapable of paying due debts, which is present in provisions. See Note 2(7) (iv) for the description of expected credit loss model.

(ii) *Other provisions and contingent liabilities*

A provision is recognised for an obligation related to a contingency if the Bank has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

For a possible obligation resulting from a past transaction or event whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events or a present obligation resulting from a past transaction or event, where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the possible or present obligation is disclosed as a contingent liability.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(18) Fiduciary activities

The Bank acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Bank and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

The Bank enters into entrusted loan agreements with customers, whereby the customers provide funding (“entrusted funds”) to the Bank, and the Bank grants loans to third parties (“entrusted loans”) under instructions of the customers. As the Bank does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, the entrusted loans and funds are recorded as off-balance sheet items at their principal amount. No provision for impairment loss is made for entrusted loans.

(19) Income recognition

Income is recognised when the Bank satisfies the performance obligation in the contract which by transferring the control over relevant goods or services to the customers.

The following is the description of accounting policies regarding income from the Bank’s principal activities.

(i) Interest income

Interest income for financial assets is recognised in profit or loss as it is incurred, based on the time for alienation of right to use capital and effective interest rates. Interest income includes the amortization of any discount or premium or differences between the initial carrying amount of an interest-bearing asset and its amount at maturity calculated using the effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

Interest on the impaired assets is recognised using the rate of interest used to discount future cash flows for the purpose of measuring the related impairment loss.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(19) Income recognition (Continued)

(ii) *Fee and commission income*

The Bank earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income recognised by the Bank reflects the amount of consideration to which the Bank expects to be entitled in exchange for transferring promised services to customers, and income is recognised when its performance obligation in contracts is satisfied.

The Bank recognises income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs;
- The customer controls the service provided by the Bank in the course of performance or;
- The Bank does not provide service with an alternative use to the Bank, and the Bank has an enforceable right to payment for performance completed to date;
- In other cases, the Bank recognises revenue at a point in time at which a customer obtains control of the promised services.

(iii) *Government grants*

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Bank will comply with the conditions attaching to them. Grants that compensate the Bank for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Bank for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iv) *Other income*

Other income is recognised on an accrual basis.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(20) Expenses recognition

(i) Interest expenses

Interest expenses from financial liabilities are accrued on a time proportion basis with reference to the amortised cost and the applicable effective interest rate.

(ii) Other expenses

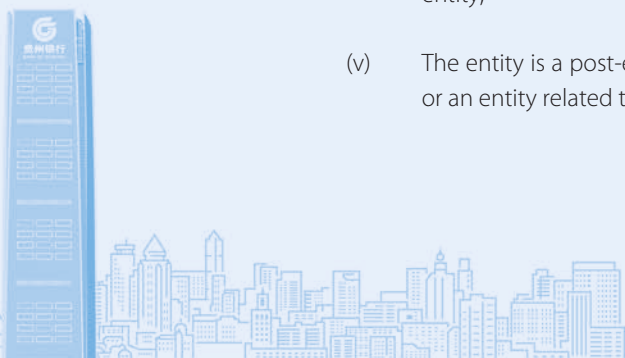
Other expenses are recognised on an accrual basis.

(21) Dividends

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised and declared after the end of each of the reporting period are not recognised as a liability at the end of each of the reporting period but disclosed separately in the notes to the financial statements.

(22) Related parties

- (a) A person, or a close member of that person's family, is related to the Bank if that person:
- (i) has control or joint control over the Bank;
 - (ii) has significant influence over the Bank; or
 - (iii) is a member of the key management personnel of the Bank or the Bank's parent.
- (b) An entity is related to the Bank if any of the following conditions applies:
- (i) The entity and the Bank are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Bank or an entity related to the Bank;



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(22) Related parties (Continued)

- (b) An entity is related to the Bank if any of the following conditions applies: (Continued)
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a Bank of which it is a part, provides key management personnel services to the Bank or to the Bank's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(23) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Bank's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Bank's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(24) Significant accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) *Measurement of expected credit loss*

The measurement of the expected credit loss allowance for the investment in financial assets and debt instruments measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring expected credit losses is further detailed in Note 38(a).



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(24) Significant accounting estimates and judgements (Continued)

(a) *Measurement of expected credit loss (Continued)*

A number of significant judgements are required in applying the accounting requirements for measuring expected credit losses,

such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit losses;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated expected credit losses.

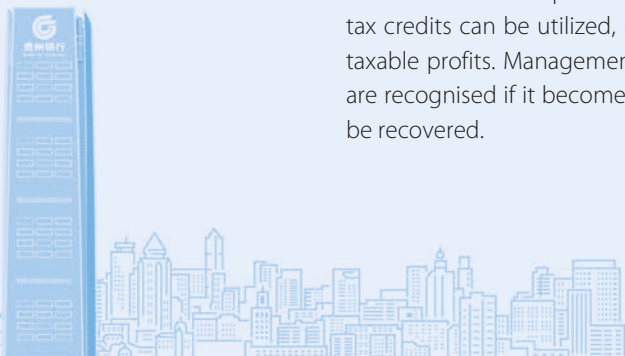
Detailed information about the judgements and estimates made by the Bank in the above areas is set out in Note 38(a) credit risk.

(b) *Fair value of financial instruments*

There are no quoted prices from an active market for a number of financial instruments. The fair values for these financial instruments are established by using valuation techniques. These techniques include using recent arm's length market transactions by referring to the current fair value of similar instruments, discounted cash flow analysis, and option pricing models. Valuation models established by the Bank make maximum use of market input and rely as little as possible on the Bank's specific data. However, it should be noted that some input, such as credit and counterparty risk, and risk correlations require management's estimates. The Bank reviews the above estimations and assumptions periodically and makes adjustment if necessary.

(c) *Income taxes*

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Bank carefully evaluates the tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.



2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(24) Significant accounting estimates and judgements (Continued)

(d) *Impairment of non-financial assets*

Non-financial assets are reviewed regularly to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is provided.

Since the market price of an asset (the asset bank) may not be obtained reliably, the fair value of the asset may not be estimated reliably. In assessing the present value of future cash flows, significant judgements are exercised over the asset's selling price, related operating expenses and discounting rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the selling price and related operating expenses based on reasonable and supportable assumption.

(e) *Depreciation and amortization*

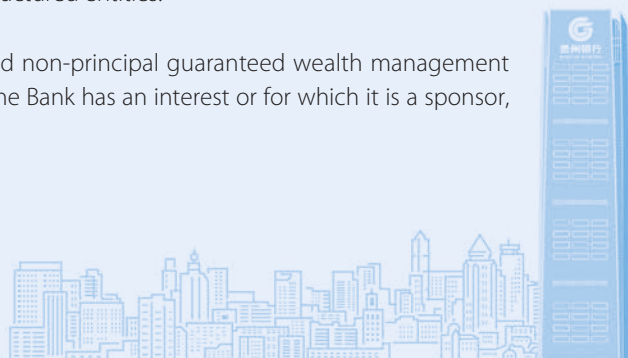
Investment properties, property and equipment, intangible assets and right-use-of assets are depreciated and amortised using the straight-line method over their estimated useful lives after taking into account residual values. The estimated useful lives are regularly reviewed to determine the depreciation and amortization costs charged in each of the reporting period. The estimated useful lives are determined based on historical experiences of similar assets and the estimated technical changes. If there is an indication that there has been a change in the factors used to determine the depreciation or amortization, the amount of depreciation or amortization will be revised.

(f) *Determination of control over investees*

Management applies its judgement to determine whether the control indicators indicate that the Bank controls a non-principal guaranteed wealth management product and an asset management plan.

The Bank acts as manager to a number of non-principal guaranteed wealth management products and asset management plans. Determining whether the Bank controls such a structured entity usually focuses on the assessment of the aggregate economic interests of the Bank in the entity (comprising any carried interests and expected management fees) and the decision-making authority of the entity. For all these structured entities managed by the Bank, the Bank's aggregate economic interest is in each case not significant and the decision makers establish, market and manage them according to restricted parameters as set out in the investment agreements as required by laws and regulations. As a result, the Bank has concluded that it acts as agent as opposed to principal for the investors in all cases, and therefore has not consolidated these structured entities.

For further disclosure in respect of unconsolidated non-principal guaranteed wealth management products and asset management plans in which the Bank has an interest or for which it is a sponsor, see Note 33.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(24) Significant accounting estimates and judgements (Continued)

(g) Defined benefit plan

The Bank, in accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumption to estimate related demographic variables and financial variables, measures the obligations under the defined benefit plan and recognises a defined benefit plan liability by the present value of the defined benefit plan. The Bank attributes obligations under a defined benefit plan to periods of service provided by employees, with a corresponding charge to the profit or loss for the current period or the cost of a relevant asset which include the service cost and interest expense of under a defined benefit plan, changes as a result of remeasurements of the net defined benefit plan liability or asset are recognised in deficit/surplus on remeasurement of net defined benefit liability.

3 NET INTEREST INCOME

	2020	2019
Interest income arising from		
Deposits with the central bank	371,926	431,028
Deposits with banks and other financial institutions	62,911	93,366
Placements with banks and other financial institutions	636	–
Loans and advances to customers		
– Corporate loans and advances	10,172,800	8,705,058
– Personal loans and advances	1,488,234	1,292,613
– Discounted bills	206,053	193,735
Financial assets held under resale agreements	379,169	405,072
Financial investments	7,285,219	7,143,355
Sub-total	19,966,948	18,264,227
Interest expense arising from		
Borrowing from the central bank	(353,741)	(72,319)
Deposits from banks and other financial institutions	(730,996)	(362,878)
Placements from banks and other financial institutions	(77,921)	(8,941)
Financial assets sold under repurchase agreements	(44,379)	(110,996)
Deposits from customers	(6,485,069)	(4,379,613)
Debt securities issued	(2,153,457)	(3,458,521)
Sub-total	(9,845,563)	(8,393,268)
Net interest income	10,121,385	9,870,959

4 NET FEE AND COMMISSION INCOME

(a) Income and expense streams:

	2020	2019
Fee and commission income		
Agency services fees	209,726	100,678
Acceptance and guarantee services fees	125,554	31,584
Bank card services fees	46,044	33,633
Fund supervision services fees	50,814	–
Settlement and clearing fees	26,886	25,212
Consultancy services fees	708	619
	<hr/>	<hr/>
Sub-total	459,732	191,726
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Fee and commission expense		
Bank card services fees	(70,569)	(88,990)
Others	(26,640)	(8,100)
	<hr/>	<hr/>
Sub-total	(97,209)	(97,090)
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Net fee and commission income	362,523	94,636
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(b) Disaggregation of income:

	2020		2019	
	At a point in time	Over time	At a point in time	Over time
Agency services fees	–	209,726	–	100,678
Acceptance and guarantee services fees	–	125,554	–	31,584
Bank card services fees	46,044	–	33,633	–
Fund supervision services fees	–	50,814	–	–
Settlement and clearing fees	26,886	–	25,212	–
Consultancy service fees	–	708	–	619
	<hr/>	<hr/>	<hr/>	<hr/>
Total	72,930	386,802	58,845	132,881
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NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

4 NET FEE AND COMMISSION INCOME (CONTINUED)

(c) Contract balances

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

	2020	2019
Contract liabilities, which are included in 'other liabilities'	38,435	705

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.

5 NET TRADING GAINS

	<i>Note</i>	2020	2019
Net gains from debt securities	(a)	180,320	115,062
Net foreign exchange (losses)/gains	(b)	(35,659)	1,324
Total		144,661	116,386

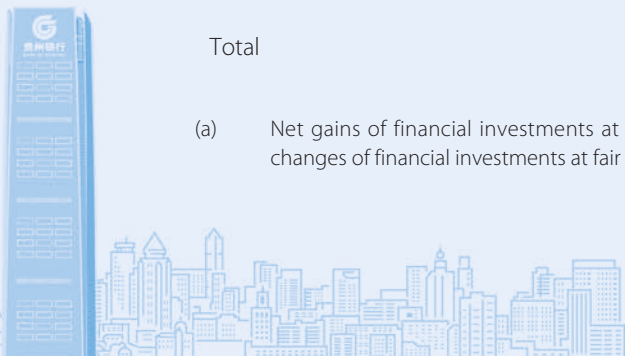
(a) Net gains from debt securities include gains arising from the buying and selling of, and changes in the fair value of debt securities held for trading.

(b) Net foreign exchange gains mainly include gains from translation of foreign currency monetary assets and liabilities into Renminbi.

6 NET GAINS ARISING FROM INVESTMENT SECURITIES

	<i>Note</i>	2020	2019
Net gains of financial investments at fair value through profit or loss	(a)	340,910	548,510
Net gains of financial investments at fair value through other comprehensive income		141,165	113,770
Net gains on disposal of financial investments at amortised cost		141,761	-
Total		623,836	662,280

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



7 OTHER OPERATING EXPENSE

	<i>Note</i>	2020	2019
Government grants	(a)	42,045	19,336
Rental income		4,033	2,625
Penalty income		3,038	1,955
Net losses on disposal of repossessed assets		(7,203)	(69,111)
Net losses on disposal of property and equipment and intangible assets		(51,039)	(188)
Others		4,333	6,649
		<u>4,793</u>	<u>(38,734)</u>
Total		<u>(4,793)</u>	<u>(38,734)</u>

- (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 one-off according to its balances of loan and advances to small and medium-sized enterprises and agricultural enterprises in Guizhou Province.

8 OPERATING EXPENSES

	2020	2019
Staff costs		
– Salaries, bonuses and allowances	1,484,319	1,432,291
– Social insurance and annuity	264,327	325,936
– Staff welfares	134,799	136,579
– Housing allowances	98,778	82,040
– Supplementary retirement benefits	95,106	79,396
– Employee education expenses and labour union expenses	88,338	65,819
	<u>2,165,667</u>	<u>2,122,061</u>
Sub-total	2,165,667	2,122,061
Office expenses	353,313	413,211
Depreciation and amortization	306,306	307,032
Depreciation charge for the right-of-use assets	167,370	152,039
Taxes and surcharges	149,090	120,827
Interest expense on lease liabilities	33,808	29,138
Rental and property management expenses	5,776	9,646
Other general and administrative expenses	374,413	268,160
	<u>3,555,743</u>	<u>3,422,114</u>
Total	<u>3,555,743</u>	<u>3,422,114</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		2020				
	Note	Fees	Salaries	Discretionary bonus	Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	Total emoluments before tax
Executive directors						
Li Zhiming		-	709	-	52	761
Xu An		-	556	-	46	602
Non-executive directors						
Gong Taotao		-	-	-	-	-
Chen Yongjun	(b)	-	-	-	-	-
Yang Mingshang	(b)	-	-	-	-	-
Wang Zhiming	(d)/(f)	-	-	-	-	-
Chen Jingde	(d)	-	-	-	-	-
Shi Xianyin	(d)	-	-	-	-	-
Zhao Yong	(d)	-	-	-	-	-
Zhong Xueliang	(d)	-	-	-	-	-
Lu Lin	(e)	-	-	-	-	-
Independent non-executive directors						
Tang Xin		210	-	-	-	210
Li Shoubing		210	-	-	-	210
Song Ke		210	-	-	-	210
Wang Gefan		210	-	-	-	210
Law Cheuk Kin Stephen		211	-	-	-	211
Supervisors						
Xiao Cifa		-	585	-	46	631
Liu Hanmin		210	-	-	-	210
Su Zhi		210	-	-	-	210
Chen Houyi		210	-	-	-	210
Wang Changyi		-	1,093	-	46	1,139
Li Keyong		-	841	-	46	887
Wu Qiangli	(c)	-	-	-	-	-
Yang Jian	(d)	-	-	-	-	-
Chen Hongcai	(d)	-	-	-	-	-
Xu Yu	(d)	-	-	-	-	-
Total		1,681	3,784	-	236	5,701

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

	Note	2019				Total emoluments before tax
		Fees	Salaries	Discretionary bonus	Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	
Executive directors						
Li Zhiming		–	409	–	92	501
Xu An		–	709	–	79	788
Non-executive directors						
Gong Taotao		–	–	–	–	–
Yang Jianjun	(a)	–	–	–	–	–
Ren Ren	(a)	–	–	–	–	–
Chen Yongjun	(b)	–	–	–	–	–
Yang Mingshang	(b)	–	–	–	–	–
Lu Lin	(e)	–	–	–	–	–
Independent non-executive directors						
Tang Xin		127	–	–	–	127
Li Shoubing		127	–	–	–	127
Song Ke		127	–	–	–	127
Wang Gefan		127	–	–	–	127
Law Cheuk Kin Stephen		122	–	–	–	122
Supervisors						
Xiao Cifa		–	709	–	79	788
Liu Hanmin		127	–	–	–	127
Su Zhi		127	–	–	–	127
Chen Houyi		210	–	–	–	210
Wang Changyi		–	979	–	79	1,058
Li Keyong		–	621	–	79	700
Yang Jinsheng	(a)	–	–	–	–	–
Wu Qiangli	(c)	–	–	–	–	–
Total		1,094	3,427	–	408	4,929



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

There was no amount paid during the year ended December 31, 2020 to the directors in connection with their retirement from employment or compensation for loss of office with the Bank, or inducement to join the Bank (2019: nil). There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the year ended December 31, 2020 (2019: nil).

Notes:

- (a) On March 4, 2019, Yang Jianjun and Ren Ren resigned as non-executive directors; Yang Jinsheng resigned as supervisor.
- (b) On March 16, 2020, Chen Yongjun and Yang Mingshang resigned as non-executive directors.
- (c) On March 17, 2020, Wu Qiangli resigned as supervisor.
- (d) In the general meeting held on May 20, 2020, Wang Zhiming, Chen Jingde, Shi Xianyin, Zhao Yong, Zhong Xueliang were elected as non-executive directors; Yang Jian, Chen Hongcai, Xu Yu were elected as supervisors.
- (e) On August 24, 2020, Lu Lin resigned as non-executive director.
- (f) On September 21, 2020, Wang Zhiming resigned as non-executive director.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

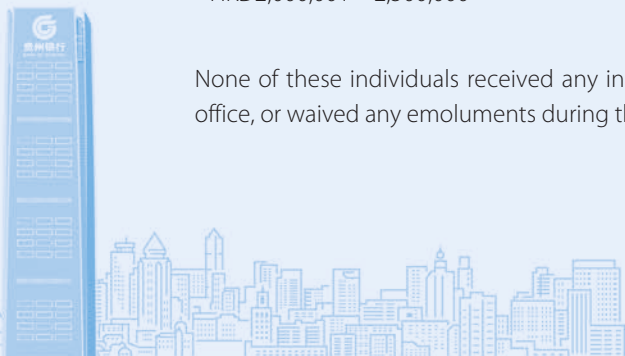
For the year ended December 31, 2020, there was no director or supervisor included in the five individuals with highest emoluments (2019: nil). The emoluments for the other highest paid individuals are shown as follows:

	2020	2019
Salaries and other emoluments	7,657	7,278
Contributions to pension schemes	253	233
Total	<u>7,910</u>	<u>7,511</u>

The number of these individuals whose emoluments are within the following bands is set out below:

	2020	2019
HKD500,000 – 1,000,000	–	–
HKD1,000,001 – 1,500,000	–	–
HKD1,500,001 – 2,000,000	5	5
HKD2,000,001 – 2,500,000	–	–

None of these individuals received any inducement to join or upon joining the Bank or compensation for loss of office, or waived any emoluments during the year ended December 31, 2020 (2019: nil).



11 IMPAIRMENT LOSSES ON ASSETS

	2020	2019
Loans and advances to customers	2,108,034	2,012,147
Financial investments	1,041,288	828,056
Credit commitments	59,609	136,175
Financial assets held under resale agreements	–	(8,047)
Deposits with banks and other financial institutions	(439)	152,214
Others	23,294	52,224
	<u>3,231,786</u>	<u>3,172,769</u>
Total	<u>3,231,786</u>	<u>3,172,769</u>

12 INCOME TAX EXPENSE

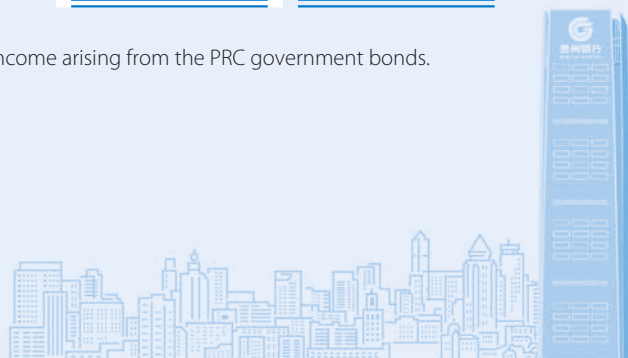
(a) Income tax:

	<i>Note</i>	2020	2019
Current tax		1,235,346	817,837
Deferred tax	21(b)	<u>(550,706)</u>	<u>(290,088)</u>
Total		<u>684,640</u>	<u>527,749</u>

(b) Reconciliations between income tax and accounting profit are as follows:

	<i>Note</i>	2020	2019
Profit before tax		<u>4,355,303</u>	<u>4,091,386</u>
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		1,088,826	1,022,847
Non-deductible expenses		8,749	26,094
Non-taxable income	(i)	<u>(412,935)</u>	<u>(521,192)</u>
Income tax		<u>684,640</u>	<u>527,749</u>

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



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

13 BASIC AND DILUTED EARNINGS PER SHARE

	Note	2020	2019
Net profit for the year		3,670,663	3,563,637
Weighted average number of ordinary shares (in thousands)	(i)	14,588,047	12,400,101
Basic and diluted earnings per share (in RMB)		0.25	0.29

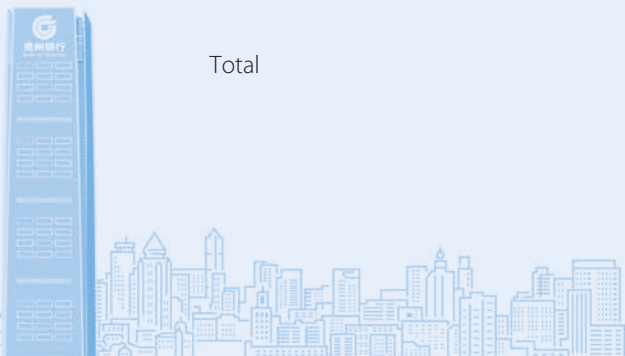
There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the year.

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

	2020	2019
Number of ordinary shares as at January 1	14,588,047	12,388,045
New added weighted average number of ordinary shares	–	12,056
Weighted average number of ordinary shares as at December 31	14,588,047	12,400,101

14 CASH AND DEPOSITS WITH THE CENTRAL BANK

	Note	2020	2019
Cash on hand		665,741	527,850
Deposits with the central bank			
– Statutory deposit reserves	(a)	20,451,915	23,841,935
– Surplus deposit reserves	(b)	26,899,473	39,711,745
– Fiscal deposits		119,969	54,226
Sub-total		47,471,357	63,607,906
Accrued interest		12,460	15,051
Total		48,149,558	64,150,807



14 CASH AND DEPOSITS WITH THE CENTRAL BANK (CONTINUED)

- (a) The Bank places statutory deposit reserves with the PBOC in accordance with relevant regulations. As at December 31, the statutory deposit reserve ratios applicable to the Bank were as follows:

	2020	2019
Reserve ratio for RMB deposits	7.0%	9.5%
Reserve ratio for foreign currency deposits	5.0%	5.0%

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

15 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	2020	2019
Deposits in mainland China		
– Banks	1,242,509	1,502,259
– Other financial institutions	36,976	54,564
Sub-total	1,279,485	1,556,823
Deposits outside mainland China		
– Banks	27,551	4,887,100
Total	1,307,036	6,443,923
Accrued interest	2,623	1,009
Less: Provision for impairment losses	(152,346)	(152,785)
Net carrying amount	1,157,313	6,292,147



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

16 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

	2020	2019
In mainland China		
– Banks	–	9,918,480
Total	–	9,918,480
Accrued interest	–	5,096
Less: Provision for impairment losses	–	–
Total	–	9,923,576

(b) Analysed by type of collateral held

	2020	2019
Debt securities	–	9,918,480
Accrued interest	–	5,096
Less: Provision for impairment losses	–	–
Net carrying amount	–	9,923,576



17 LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

	2020	2019
Loans and advances to customers measured at a mortised cost		
Corporate loans and advances	163,017,067	146,645,349
Personal loans and advances		
– Residential mortgage	20,231,659	14,048,634
– Personal business loans	7,071,925	10,115,646
– Personal consumption loans	695,301	1,261,060
– Credit cards	1,619,054	342,223
Sub-total	29,617,939	25,767,563
Accrued interest	442,970	398,707
Less: provision for loans and advances to customers measured at amortised cost	(8,213,264)	(6,916,728)
Sub-total	184,864,712	165,894,891
Loans and advances to customers measured at fair value through other comprehensive income		
Corporate loans and advances	2,020,953	1,538,422
Discounted bills	19,266,945	5,916,386
Sub-total	21,287,898	7,454,808
Net loans and advances to customers	206,152,610	173,349,699



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector

	2020		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	74,336,680	34.75%	24,850,936
Water resources, environment and public facilities management	15,459,919	7.23%	3,631,959
Construction	14,598,061	6.82%	5,927,827
Real estate	10,128,124	4.73%	6,294,158
Wholesale and retail trade	9,681,044	4.53%	1,841,245
Education	8,989,536	4.20%	519,900
Mining	6,455,106	3.02%	2,407,437
Transportation, storage and postal services	5,361,459	2.51%	2,530,511
Manufacturing	4,584,700	2.14%	810,674
Health and social work	3,958,017	1.85%	945,000
Production and supply of electric power, gas and water	2,882,362	1.35%	332,030
Agriculture, forestry, animal husbandry and fishery	2,673,124	1.25%	140,429
Finance	1,651,965	0.77%	3,965
Accommodation and catering	1,565,378	0.73%	234,035
Culture, sports and entertainment	1,041,474	0.49%	13,000
Others	1,671,071	0.78%	184,098
Sub-total of corporate loans and advances	165,038,020	77.15%	50,667,204
Personal loans and advances	29,617,939	13.85%	21,684,522
Discounted bills	19,266,945	9.00%	—
Gross loans and advances to customers (excluding accrued interest)	213,922,904	100.00%	72,351,726



17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector (Continued)

	2019		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	75,142,675	41.78%	29,459,229
Water resources, environment and public facilities management	13,032,016	7.25%	3,498,085
Construction	10,708,470	5.95%	5,735,601
Education	9,018,121	5.01%	547,990
Real estate	7,970,217	4.43%	5,730,922
Wholesale and retail trade	6,623,282	3.68%	974,640
Transportation, storage and postal services	5,844,251	3.25%	3,260,713
Mining	4,735,748	2.63%	1,809,107
Manufacturing	3,338,550	1.86%	564,600
Health and social work	3,258,891	1.81%	734,070
Production and supply of electric power, gas and water	2,684,131	1.49%	305,000
Agriculture, forestry, animal husbandry and fishery	1,708,863	0.95%	189,690
Accommodation and catering	1,531,296	0.85%	152,047
Resident services, repair and other services	645,439	0.36%	226,450
Culture, sports and entertainment	563,810	0.31%	51,920
Others	1,378,011	0.77%	36,770
Sub-total of corporate loans and advances	148,183,771	82.38%	53,276,834
Personal loans and advances	25,767,563	14.33%	17,747,906
Discounted bills	5,916,386	3.29%	–
Gross loans and advances to customers (excluding accrued interest)	179,867,720	100.00%	71,024,740



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Analysed by type of collateral

	2020	2019
Unsecured loans	35,692,192	19,624,801
Guaranteed loans	105,878,986	89,218,179
Collateralised loans	38,734,708	33,151,268
Pledged loans	33,617,018	37,873,472
	<hr/>	<hr/>
Gross loans and advances to customers	213,922,904	179,867,720
Accrued interest	442,970	398,707
Less: provision for loans and advances to customers measured at amortised cost	(8,213,264)	(6,916,728)
	<hr/>	<hr/>
Net loans and advances to customers	206,152,610	173,349,699
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(d) Overdue loans analysed by overdue period

	2020				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	23,154	15,465	3,010	1,672	43,301
Guaranteed loans	1,083,197	26,774	85,855	23,689	1,219,515
Collateralised loans	181,715	134,244	65,786	34,087	415,832
Pledged loans	92,000	–	9,529	–	101,529
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,380,066	176,483	164,180	59,448	1,780,177
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As a percentage of gross loans and advances to customers	0.65%	0.08%	0.08%	0.03%	0.84%
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17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Overdue loans analysed by overdue period (Continued)

	2019				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	7,871	1,919	3,189	1,094	14,073
Guaranteed loans	25,741	41,513	57,835	19,993	145,082
Collateralised loans	393,979	101,950	262,687	21,491	780,107
Pledged loans	–	397,712	78,429	4,381	480,522
Total	427,591	543,094	402,140	46,959	1,419,784
As a percentage of gross loans and advances to customers	0.24%	0.30%	0.22%	0.03%	0.79%

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

(e) Loans and advances and provision for impairment losses

	2020			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	186,308,391	3,870,232	2,456,383	192,635,006
Accrued interest	442,970	–	–	442,970
Less: provision for impairment losses	(5,427,481)	(1,155,841)	(1,629,942)	(8,213,264)
Carrying amount of loans and advances to customers measured at amortised cost	181,323,880	2,714,391	826,441	184,864,712
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	21,287,898	–	–	21,287,898
Total carrying amount of loans and advances to customers	202,611,778	2,714,391	826,441	206,152,610



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

		2019		
	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
Total loans and advances to customers measured at amortised cost	168,935,340	1,299,227	2,178,345	172,412,912
Accrued interest	398,707	–	–	398,707
Less: provision for impairment losses	(4,993,932)	(458,988)	(1,463,808)	(6,916,728)
Carrying amount of loans and advances to customers measured at amortised cost	164,340,115	840,239	714,537	165,894,891
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	7,454,808	–	–	7,454,808
Total carrying amount of loans and advances to customers	<u>171,794,923</u>	<u>840,239</u>	<u>714,537</u>	<u>173,349,699</u>

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.



17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses

(i) *Movements of provision for impairment losses measured at amortised cost:*

	2020			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	4,993,932	458,988	1,463,808	6,916,728
Transferred:				
– to expected credit losses over the next 12 months	88,925	(86,836)	(2,089)	–
– to lifetime expected credit losses: not credit-impaired loans	(107,600)	108,022	(422)	–
– to lifetime expected credit losses: credit-impaired loans	(47,827)	(5,927)	53,754	–
Charge for the year	500,051	681,594	904,067	2,085,712
Write-offs	–	–	(1,235,826)	(1,235,826)
Recoveries	–	–	554,912	554,912
Others	–	–	(108,262)	(108,262)
As at December 31	<u>5,427,481</u>	<u>1,155,841</u>	<u>1,629,942</u>	<u>8,213,264</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

(i) Movements of provision for impairment losses measured at amortised cost: (Continued)

	2019			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	3,371,865	318,046	952,122	4,642,033
Transferred:				
– to expected credit losses over the next 12 months	1,168	(386)	(782)	–
– to lifetime expected credit losses: not credit-impaired loans	(9,975)	9,975	–	–
– to lifetime expected credit losses: credit-impaired loans	(11,919)	(86,746)	98,665	–
Charge for the year	1,642,793	218,099	148,159	2,009,051
Write-offs	–	–	(92,254)	(92,254)
Transfer out	–	–	(324,366)	(324,366)
Recoveries	–	–	748,476	748,476
Others	–	–	(66,212)	(66,212)
As at December 31	<u>4,993,932</u>	<u>458,988</u>	<u>1,463,808</u>	<u>6,916,728</u>



17 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:*

	2020			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	3,501	–	–	3,501
Charge for the year	22,322	–	–	22,322
As at December 31	25,823	–	–	25,823

	2019			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	405	–	–	405
Charge for the year	3,096	–	–	3,096
As at December 31	3,501	–	–	3,501



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

18 FINANCIAL INVESTMENTS

	Note	2020	2019
Financial investments at fair value through profit or loss	(a)	47,764,665	12,217,953
Financial investments at fair value through other comprehensive income	(b)	48,220,199	30,011,934
Financial investments at amortised cost	(c)	96,324,130	105,804,159
Total		192,308,994	148,034,046

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

	Note	2020	2019
Debt securities issued by the following institutions in mainland China	(i)		
– Government		8,013,167	104,580
– Policy banks		4,305,539	1,711,141
– Banks and other financial institutions		8,367,954	1,136,965
– Corporate		100,702	101,640
Sub-total		20,787,362	3,054,326
Listed		100,702	101,640
Unlisted		20,686,660	2,952,686
Wealth management products issued by financial institutions			
– Unlisted		–	1,250,215
Investment funds managed by public fund manager			
– Unlisted		26,977,303	7,913,412
Total		47,764,665	12,217,953

Note:

- (i) Certain debt securities were pledged for repurchase agreements (Note 23(a)). No other investments were subject to material restrictions in the realization.



18 FINANCIAL INVESTMENTS (CONTINUED)

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

	<i>Note</i>	2020	2019
Debt securities issued by the following institutions in mainland China	(i)		
– Government		7,056,831	3,574,330
– Policy banks		18,855,731	12,416,743
– Banks and other financial institutions		329,374	1,476,882
– Corporate		19,002,785	10,986,530
		<hr/>	<hr/>
Sub-total		45,244,721	28,454,485
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Listed		13,436,681	6,344,034
Unlisted		31,808,040	22,110,451
Asset-backed securities			
– Listed		798,812	790,000
Structured notes issued by securities companies			
– Unlisted		910,334	–
Equity investments	(ii)		
– Unlisted		37,750	37,750
Accrued interest		1,228,582	729,699
		<hr/>	<hr/>
Total		48,220,199	30,011,934
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NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

18 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes:

- (i) Certain debt securities were pledged for repurchase agreements and borrowing from the central bank (Note 23(a)). No other investments were subject to material restrictions in the realization.
- (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) Movements of provision for impairment of financial investments at fair value through other comprehensive income are as follows:

	2020			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	8,170	7,195	–	15,365
Transferred:				
– to expected credit losses over the next 12 months	7,195	(7,195)	–	–
– to lifetime expected credit losses credit-impaired:	(98)	–	98	–
Charge for the year	7,537	–	121,375	128,912
As at December 31	22,804	–	121,473	144,277

	2019			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	5,026	–	–	5,026
Transferred:				
– to lifetime expected credit losses not credit-impaired:	(121)	121	–	–
Charge for the year	3,265	7,074	–	10,339
As at December 31	8,170	7,195	–	15,365

18 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments at amortised cost

	<i>Note</i>	2020	2019
Debt securities issued by the following institutions in mainland China	(i)		
– Government		32,899,074	39,231,278
– Policy banks		5,128,308	5,628,442
– Corporate		6,372,589	919,854
		<u>44,399,971</u>	<u>45,779,574</u>
Sub-total		44,399,971	45,779,574
Listed		4,559,406	500,000
Unlisted		39,840,565	45,279,574
Investment management products managed by trust plans		10,101,980	10,157,024
Investment management products managed by asset management companies		42,973,973	50,046,590
Private debt financing plans		815,913	815,913
		<u>53,891,866</u>	<u>61,019,527</u>
Sub-total		53,891,866	61,019,527
Accrued interest		946,732	1,007,121
Less: Provision for impairment losses	(i)	<u>(2,914,439)</u>	<u>(2,002,063)</u>
Total		<u>96,324,130</u>	<u>105,804,159</u>

Notes:

- (i) Certain debt securities were pledged for repurchase agreements and borrowing from the central bank (Note 23(a)). No other investments were subject to material restrictions in the realization.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

18 FINANCIAL INVESTMENTS (CONTINUED) (CONTINUED)

(c) Financial investments at amortised cost (Continued)

(ii) Movements of provision for impairment of financial investments at amortised cost are as follows:

	2020			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	1,245,698	5,748	750,617	2,002,063
Transferred:				
– to lifetime expected credit losses not credit-impaired:	(56,743)	56,743	–	–
– to lifetime expected credit losses credit-impaired:	(1,848)	(746)	2,594	–
Charge for the year	302,842	518,511	91,023	912,376
As at December 31	1,489,949	580,256	844,234	2,914,439

	2019			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	799,882	–	984,546	1,784,428
Transferred:				
– to lifetime expected credit losses not credit-impaired:	(1,298)	1,298	–	–
Charge for the year	447,114	4,450	366,153	817,717
Transfer out	–	–	(600,082)	(600,082)
As at December 31	1,245,698	5,748	750,617	2,002,063



19 INTEREST IN ASSOCIATES

	Note	2020	2019
Interest in associates	(a)	170,527	75,306

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.

Name	Note	2020	2019	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)	9.19%	20.00%	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%	15.00%	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)	9.33%	20.00%	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)	12.31%	20.00%	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%	20.00%	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)		22.03%	20.00%	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%	15.00%	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%	20.00%	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)	(i)	5.95%	20.00%	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Commercial bank

Note:

- (i) At December 31, 2020, the Bank held 9.19% interest in Guiyang Baiyun Dexin Rural Bank Co., Ltd., 17.87% interest in Qingzhen Xingbang Rural Bank Co., Ltd., 9.33% interest in Zunyi Bozhou Huilong Town Bank Co., Ltd., 12.31% interest in Suiyang Qianbei Town Bank Co., Ltd. and 5.95% interest in Kaili Dongnan Town Bank Co., Ltd.. The Bank was the largest shareholder of Qingzhen Xingbang Rural 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 FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

19 INTEREST IN ASSOCIATES (CONTINUED)

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

	2020	2019
Aggregate carrying amount of individually immaterial associates in the statements of financial position of the Bank	170,527	75,306
Declaration of cash dividends	–	–
Aggregate amounts of the Bank's share of results of those associates		
– Losses from continuing operations	(104,780)	(19,258)
– Other comprehensive income	–	–
– Total comprehensive income	(104,780)	(19,258)



20 PROPERTY AND EQUIPMENT

	Premises	Vehicles	Electronic equipment and others	Construction in process	Total
Cost					
As at January 1, 2019	1,970,942	86,303	556,407	1,665,274	4,278,926
Additions	9,632	585	28,956	420,993	460,166
Disposals	–	(2,089)	(52,464)	(14,368)	(68,921)
Transfer out	(21,669)	–	–	(25,559)	(47,228)
As at December 31, 2019	<u>1,958,905</u>	<u>84,799</u>	<u>532,899</u>	<u>2,046,340</u>	<u>4,622,943</u>
Additions	254,382	7	75,494	290,707	620,590
Disposals	(33,952)	(22,952)	(37,777)	(20,666)	(115,347)
Transfer in/(out)	2,024,794	–	–	(2,024,794)	–
As at December 31, 2020	<u>4,204,129</u>	<u>61,854</u>	<u>570,616</u>	<u>291,587</u>	<u>5,128,186</u>
Accumulated depreciation					
As at January 1, 2019	(532,730)	(66,789)	(386,038)	–	(985,557)
Charge for the year	(94,657)	(6,712)	(89,211)	–	(190,580)
Disposals	–	2,026	38,523	–	40,549
Transfer out	6,161	–	–	–	6,161
As at December 31, 2019	<u>(621,226)</u>	<u>(71,475)</u>	<u>(436,726)</u>	<u>–</u>	<u>(1,129,427)</u>
Charge for the year	(114,992)	(4,302)	(54,057)	–	(173,351)
Disposals	9,472	22,172	30,502	–	62,146
As at December 31, 2020	<u>(726,746)</u>	<u>(53,605)</u>	<u>(460,281)</u>	<u>–</u>	<u>(1,240,632)</u>
Net book value					
As at December 31, 2019	<u>1,337,679</u>	<u>13,324</u>	<u>96,173</u>	<u>2,046,340</u>	<u>3,493,516</u>
As at December 31, 2020	<u>3,477,383</u>	<u>8,249</u>	<u>110,335</u>	<u>291,587</u>	<u>3,887,554</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

20 PROPERTY AND EQUIPMENT (CONTINUED)

At December 31, 2020, the net book value of premises of which title deeds were not yet finalized was RMB212.85 million (December 31, 2019: RMB294.34 million). 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:

	2020	2019
Held in mainland China		
– Medium-term leases (10–50 years)	2,638,489	507,335
– Long-term leases (over 50 years)	838,894	830,344
	<u>3,477,383</u>	<u>1,337,679</u>
Total	<u>3,477,383</u>	<u>1,337,679</u>

21 DEFERRED TAX ASSETS

(a) Analysed by nature

	2020		2019	
	Deductible temporary differences	Deferred income tax assets	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Deferred income tax assets/(liabilities)				
– Allowance for impairment losses	12,795,428	3,198,857	10,842,456	2,710,614
– Accrued staff costs	829,424	207,356	586,052	146,513
– Supplemental retirement benefits	67,132	16,783	46,280	11,570
– Fair value changes of financial assets	474,232	118,558	(396,088)	(99,022)
– Others	24,296	6,074	26,048	6,512
	<u>14,190,512</u>	<u>3,547,628</u>	<u>11,104,748</u>	<u>2,776,187</u>
Net deferred tax assets	<u>14,190,512</u>	<u>3,547,628</u>	<u>11,104,748</u>	<u>2,776,187</u>



21 DEFERRED TAX ASSETS (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, 2019	2,370,327	159,059	30,166	(50,751)	6,510	2,515,311
Recognised in profit or loss	340,287	(12,546)	(18,596)	(19,059)	2	290,088
Recognised in other comprehensive income	–	–	–	(29,212)	–	(29,212)
December 31, 2019	2,710,614	146,513	11,570	(99,022)	6,512	2,776,187
Recognised in profit or loss	488,243	60,843	5,213	(3,155)	(438)	550,706
Recognised in other comprehensive income	–	–	–	220,735	–	220,735
December 31, 2020	<u>3,198,857</u>	<u>207,356</u>	<u>16,783</u>	<u>118,558</u>	<u>6,074</u>	<u>3,547,628</u>

22 OTHER ASSETS

	Note	2020	2019
Right-of-use assets	(a)	469,870	581,824
Deferred expenses		150,126	200,971
Repossessed assets		65,302	165,522
Intangible assets	(b)	161,050	187,505
Investment properties	(c)	17,267	18,637
Interests receivable	(d)	26,400	7,840
Other receivables		86,326	131,217
Total		<u>976,341</u>	<u>1,293,516</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

22 OTHER ASSETS (CONTINUED)

(a) Right-of-use assets

	Property
Cost	
As at January 1, 2019	567,936
Additions	165,927
	<hr/>
As at December 31, 2019	733,863
Additions	55,416
Disposals	(17,789)
	<hr/>
As at December 31, 2020	771,490
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Accumulated depreciation	
As at January 1, 2019	–
Additions	(152,039)
	<hr/>
As at December 31, 2019	(152,039)
Additions	(167,370)
Disposals	17,789
	<hr/>
As at December 31, 2020	(301,620)
	<hr style="border-top: 1px dashed black;"/>
Net book value	
As at December 31, 2019	581,824
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As at December 31, 2020	469,870
	<hr style="border-top: 3px double black;"/>



22 OTHER ASSETS (CONTINUED) (CONTINUED)

(b) Intangible assets

	Computer software	Land use rights	Total
Cost:			
As at January 1, 2019	248,008	112,117	360,125
Additions	10,480	–	10,480
Disposals	(50,518)	–	(50,518)
As at December 31, 2019	207,970	112,117	320,087
Additions	56,727	–	56,727
Disposals	(163,626)	–	(163,626)
As at December 31, 2020	101,071	112,117	213,188
Accumulated amortization:			
As at January 1, 2019	(134,558)	(18,646)	(153,204)
Additions	(25,789)	(2,866)	(28,655)
Disposals	49,277	–	49,277
As at December 31, 2019	(111,070)	(21,512)	(132,582)
Additions	(23,612)	(2,866)	(26,478)
Disposals	106,922	–	106,922
As at December 31, 2020	(27,760)	(24,378)	(52,138)
Book value:			
As at December 31, 2019	96,900	90,605	187,505
As at December 31, 2020	73,311	87,739	161,050



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

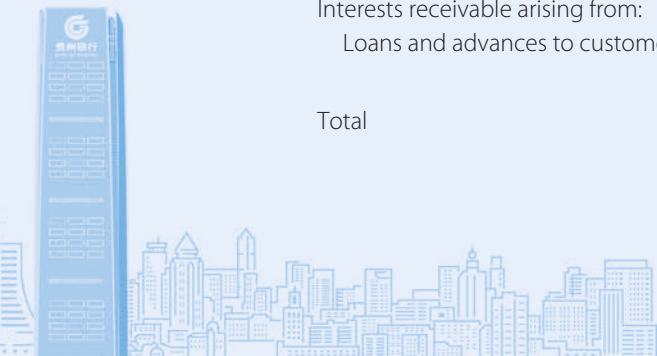
22 OTHER ASSETS (CONTINUED)

(c) Investment properties

	Investment properties
Cost:	
As at January 1, 2019	6,570
Transfer in	21,669
	<hr/>
As at December 31, 2019	28,239
Transfer in	–
	<hr/>
As at December 31, 2020	28,239
	<hr style="border-top: 1px dashed black;"/>
Accumulated depreciation:	
As at January 1, 2019	(2,071)
Additions	(1,370)
Transfer in	(6,161)
	<hr/>
As at December 31, 2019	(9,602)
Additions	(1,370)
Transfer in	–
	<hr/>
As at December 31, 2020	(10,972)
	<hr style="border-top: 1px dashed black;"/>
Book value:	
As at December 31, 2019	18,637
	<hr style="border-top: 3px double black;"/>
As at December 31, 2020	17,267
	<hr style="border-top: 3px double black;"/>

(d) Interests receivable

	2020	2019
Interests receivable arising from:		
Loans and advances to customers	26,400	7,840
	<hr/>	<hr/>
Total	26,400	7,840
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>



22 OTHER ASSETS (CONTINUED) (CONTINUED)

(d) Interests receivable (Continued)

As at December 31, 2020, 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.

23 PLEDGED ASSETS

(a) Assets pledged as collateral

	2020	2019
Borrowing from the central bank:		
– Loans and advances to customers measured at fair value through other comprehensive income	–	172,000
– Financial investments measured at amortised cost	25,702,801	–
– Financial investments measured at fair value through other comprehensive income	250,000	–
For repurchase agreements:		
– Financial investments measured at fair value through profit or loss	3,762,000	515,000
– Financial investments measured at fair value through other comprehensive income	8,700,000	5,981,200
– Financial investments measured at amortised cost	–	1,465,000
	<hr/>	<hr/>
Total	<u>38,414,801</u>	<u>8,133,200</u>

Financial assets pledged by the Bank as collateral for liabilities are mainly debt securities for repurchase agreements and borrowing from the central bank.

(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 December 31, 2020, there was no received pledged assets (December 31, 2019: RMB10,297.00 million).



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

24 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	2020	2019
Deposits in mainland China		
– Banks	22,387,906	8,169,450
– Other financial institutions	7,380,283	7,830,890
Sub-total	29,768,189	16,000,340
Accrued interest	227,529	107,030
Total	29,995,718	16,107,370

25 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

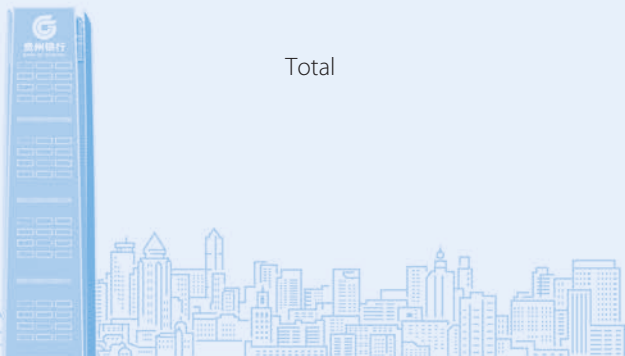
Analysed by type and location of counterparty

	2020	2019
In mainland China		
– Banks	2,600,000	1,000,000
Accrued interest	2,498	1,137
Total	2,602,498	1,001,137

26 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparty

	2020	2019
In mainland China		
– Banks	12,462,000	7,961,200
Sub-total	12,462,000	7,961,200
Accrued interest	2,434	5,558
Total	12,464,434	7,966,758



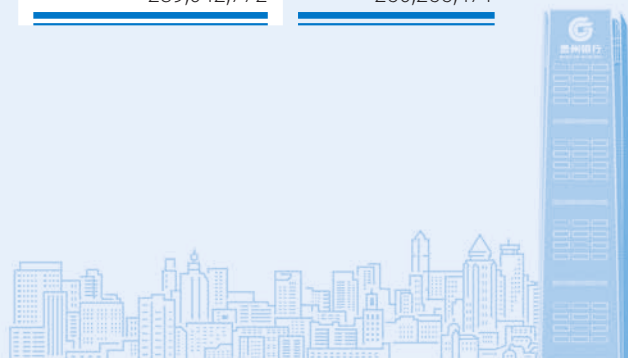
26 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (CONTINUED)

(b) Analysed by type of collateral held

	2020	2019
Debt securities	12,462,000	7,961,200
Sub-total	12,462,000	7,961,200
Accrued interest	2,434	5,558
Total	12,464,434	7,966,758

27 DEPOSITS FROM CUSTOMERS

	2020	2019
Demand deposits		
– Corporate customers	109,141,234	104,078,285
– Individual customers	31,995,530	27,395,695
Sub-total	141,136,764	131,473,980
Time deposits		
– Corporate customers	65,365,242	50,867,873
– Individual customers	69,637,506	54,222,582
Sub-total	135,002,748	105,090,455
Pledged deposits	10,400,555	21,737,166
Fiscal deposits	10,906	5,343
Inward and outward remittances	107,552	132,379
Sub-total	286,658,525	258,439,323
Accrued interest	2,384,247	1,827,148
Total	289,042,772	260,266,471



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

28 DEBT SECURITIES ISSUED

	Note	2020	2019
Interbank deposits issued	(a)	47,971,985	76,260,934
Financial bonds issued	(b)	4,999,051	4,997,577
Tier-two capital bonds issued	(c)	2,793,516	2,792,446
Accrued interest		71,830	71,775
Total		55,836,382	84,122,732

Notes:

(a) Interbank deposits issued

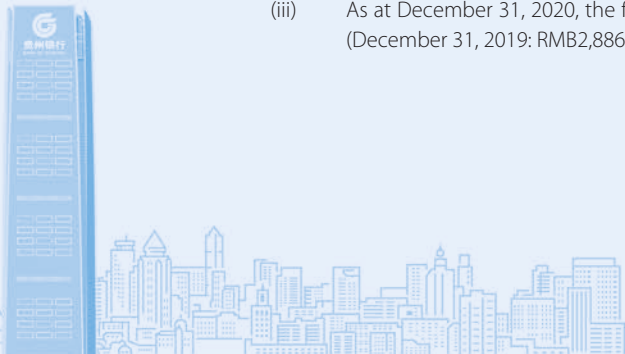
- (i) In 2019, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB80,180.00 million and duration between 1 to 12 months. The effective interest rates ranged from 2.73% to 3.86% per annum.
- (ii) In 2020, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB60,760.00 million and duration between 1 to 12 months. The effective interest rates ranged from 1.90% to 3.60% per annum.
- (iii) As at December 31, 2020, the fair value of outstanding interbank deposits amounted to RMB47,971.53 million (December 31, 2019: RMB79,137.95 million).

(b) Financial bonds issued

- (i) In November 2018, 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 4.03%.
- (ii) In December 2018, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB2,000.00 million. The coupon interest rate per annum is 4.00%.
- (iii) As at December 31, 2020, the fair value of outstanding financial bonds amounted to RMB5,051.17 million (December 31, 2019: RMB5,046.48 million).

(c) Tier-two capital bonds issued

- (i) In June 2018, the Bank issued fixed-rate tier-two capital bonds with total nominal amount of RMB1,800.00 million and a maturity of 10 years. The coupon interest rate per annum is 5.00%.
- (ii) In December 2018, the Bank issued fixed-rate tier-two capital bonds with total nominal amount of RMB1,000.00 million and a maturity of 10 years. The coupon interest rate per annum is 5.50%.
- (iii) As at December 31, 2020, the fair value of outstanding tier-two capital bonds amounted to RMB2,863.80 million (December 31, 2019: RMB2,886.70 million).



29 OTHER LIABILITIES

	<i>Note</i>	2020	2019
Accrued staff cost	(a)	1,410,554	1,219,842
Lease liabilities		464,337	566,933
Provisions	(b)	370,932	311,323
Other tax payable		244,023	201,126
Payment and collection clearance accounts		329,482	619,942
Dividend payable		93,585	48,276
Other payables		266,639	322,648
		<hr/>	<hr/>
Total		<u>3,179,552</u>	<u>3,290,090</u>

(a) Accrued staff cost

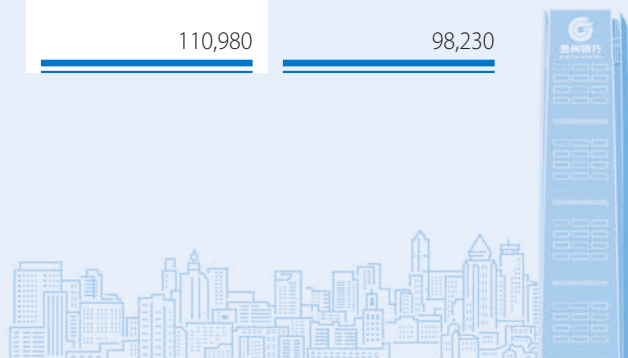
	2020	2019
Salary, bonuses and allowances payable	1,216,579	1,033,782
Social insurance payable	15,412	60,830
Labor union fee, staff and workers' education fee	67,583	27,000
Supplementary retirement benefits payable	110,980	98,230
	<hr/>	<hr/>
Total	<u>1,410,554</u>	<u>1,219,842</u>

Supplementary 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.

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

	2020	2019
Present value of early retirement plan	14,850	13,740
Present value of supplementary retirement benefits	96,130	84,490
	<hr/>	<hr/>
Total	<u>110,980</u>	<u>98,230</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

29 OTHER LIABILITIES (CONTINUED)

(a) Accrued staff cost (Continued)

Supplementary retirement benefits (Continued)

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

	2020	2019
As at January 1	98,230	163,040
Benefits paid during the year	(82,306)	(153,756)
Changes recognised in profit or loss	95,106	79,396
Changes recognised in other comprehensive income	(50)	9,550
	<u>110,980</u>	<u>98,230</u>
As at December 31	<u>110,980</u>	<u>98,230</u>

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

Early retirement plan

	2020	2019
Discount rate	2.50%	3.00%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

Supplementary retirement plan

	2020	2019
Discount rate	3.75%	3.50%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%



29 OTHER LIABILITIES (CONTINUED)

(b) Provisions

	Note	2020	2019
Provision for credit commitments	(i)	370,932	311,323

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

	2020			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	249,873	61,338	112	311,323
Transfer to:				
– Expected credit losses over the next 12 months	5	(4)	(1)	–
– Lifetime expected credit losses not credit-impaired:	(2)	2	–	–
– Lifetime expected credit losses credit-impaired:	(1)	–	1	–
Charge/(release) for the year	116,784	(60,663)	3,488	59,609
As at December 31	366,659	673	3,600	370,932

	2019			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	160,246	9,453	5,449	175,148
Charge/(release) for the year	89,627	51,885	(5,337)	136,175
As at December 31	249,873	61,338	112	311,323



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

30 SHARE CAPITAL

Authorised and issued share capital

	2020	2019
Ordinary shares in Mainland China	12,388,047	12,388,047
Ordinary shares listed in Hong Kong (H-share)	<u>2,200,000</u>	<u>2,200,000</u>
Total	<u><u>14,588,047</u></u>	<u><u>14,588,047</u></u>

In accordance with the Approval from Guizhou Bureau of the former CBRC on the Capital Contribution Plan of Bank of Guizhou Co., Ltd. (《貴州銀監局關於貴州銀行股份有限公司第三次增資擴股方案的批復》) (黔銀監復[2017] 300號), the Bank has received cash injection from the investors amounting to RMB3,173.60 to subscribe 1,511.23 shares in 2019.

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.

31 RESERVES

(a) Capital reserve

	2020	2019
Share premium	<u><u>8,840,110</u></u>	<u><u>8,840,110</u></u>

As stated in Note 30, the Bank issued H shares with a par value of RMB1.00 at an offering price of HKD2.48 per share in 2019. The premium arising from the issuance of new shares amounting to RMB2,575.19 million was recorded in capital reserve.

(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.



31 RESERVES (CONTINUED)

(b) Surplus reserve (Continued)

The Bank appropriated an amount of RMB367.07 million to the statutory surplus reserve for the year ended December 31, 2020 (2019: RMB356.36 million).

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

(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

	2020	2019
As at January 1	165,800	78,163
Changes in fair value recognised in other comprehensive income	(817,832)	164,165
Transfer to profit or loss upon disposal	(65,107)	(47,316)
Less: deferred tax	220,735	(29,212)
	<hr/>	<hr/>
As at December 31	<u>(496,404)</u>	<u>165,800</u>

(e) Impairment reserve

	2020	2019
As at January 1	18,866	5,431
Impairment losses recognised in other comprehensive income	151,234	13,435
	<hr/>	<hr/>
As at December 31	<u>170,100</u>	<u>18,866</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

31 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.

	2020	2019
As at January 1	(18,010)	(8,460)
Changes recognised in other comprehensive income	50	(9,550)
	<hr/>	<hr/>
As at December 31	<u>(17,960)</u>	<u>(18,010)</u>

32 RETAINED EARNINGS

(a) Appropriation of profits

In accordance with the resolution of the Bank's Board of Directors Meeting held on March 30, 2021, the proposed profit appropriations for the year ended December 31, 2020 is listed as follows:

- Appropriation of statutory surplus reserve amounted to RMB367.07 million;
- Appropriation of general reserve amounted to RMB620.00 million; and
- Declaration of cash dividend of RMB0.7 per 10 shares before tax and in an aggregation amount of RMB 1,021.16 million to all existing shareholders.

In accordance with the resolution of the Bank's Annual General Meeting held on May 20, 2020, the proposed profit appropriations for the year ended December 31, 2019 is listed as follows:

- Appropriation of statutory surplus reserve amounted to RMB356.36 million;
- Appropriation of general reserve amounted to RMB710.00 million; and
- Declaration of cash dividend of RMB0.7 per 10 shares before tax and in an aggregation amount of RMB1,021.16 million to all existing shareholders.



33 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 December 31:

	2020		2019	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial investments at fair value through profit or loss	26,977,303	26,977,303	9,163,627	9,163,627
Financial investments at fair value through other comprehensive income	798,812	798,812	790,000	790,000
Financial investments at amortised cost	50,313,848	50,313,848	58,274,551	58,274,551
Total	78,089,963	78,089,963	68,228,178	68,228,178

At December 31, 2020 and 2019, the carrying amounts of the unconsolidated structured entities are equal to the maximum exposures.

(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 December 31, 2019 and 2020, 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 December 31, 2020, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Bank was RMB22,759.76 million (December 31, 2019: RMB14,976.19 million).



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

33 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

(c) Unconsolidated structures entities sponsored by the Bank during the years which the Bank does not have an interest in as at December 31:

For the year ended December 31, 2020, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Bank after January 1, but matured before December 31 amounted to RMB9,412.76 million (2019: RMB9,213.26 million).

34 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 former CBRC. The capital of the Bank is divided into core tier-one capital, other core 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.

The Bank calculates its capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" and other relevant regulations promulgated by the former CBRC.

The former CBRC requires commercial banks to meet the requirements of capital adequacy ratios by the end of 2018 in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)". 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 standardized approach. Operational risk-weighted assets are calculated using basic indicator approach.

The capital adequacy ratios of the Bank illustrated below are computed based on the Bank's statutory financial statements prepared in accordance with PRC GAAP.



34 CAPITAL MANAGEMENT (CONTINUED)

The Bank's capital adequacy ratios calculated in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" and relevant requirements promulgated by the former CBRC are as follows:

	2020	2019
Total core tier-one capital		
– Share capital	14,588,047	14,588,047
– Qualifying portion of capital reserve	8,495,846	9,006,766
– Surplus reserve	1,858,127	1,491,061
– General reserve	4,070,000	3,360,000
– Retained earnings	7,015,802	5,443,368
	<hr/>	<hr/>
Core tier-one capital	36,027,822	33,889,242
Core tier-one capital deductions	(243,837)	(172,206)
	<hr/>	<hr/>
Net core tier-one capital	35,783,985	33,717,036
	<hr/>	<hr/>
Net tier-one capital	35,783,985	33,717,036
	<hr/>	<hr/>
Tier-two capital		
– Instruments issued and share premium	2,793,516	2,792,446
– Surplus provision for loan impairment	3,476,428	3,095,651
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Net tier-two capital	6,269,944	5,888,097
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net capital base	42,053,929	39,605,133
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Total risk weighted assets	307,713,674	274,014,084
Core tier-one capital adequacy ratio	11.63%	12.30%
Tier-one capital adequacy ratio	11.63%	12.30%
Capital adequacy ratio	13.67%	14.45%



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

35 NOTES TO THE CASH FLOW STATEMENTS

(a) Net (decrease)/increase in cash and cash equivalents

	2020	2019
Cash and cash equivalents as at December 31	28,719,904	55,691,761
Less: Cash and cash equivalents as at January 1	<u>(55,691,761)</u>	<u>(35,118,336)</u>
Net (decrease)/increase in cash and cash equivalents	<u><u>(26,971,857)</u></u>	<u><u>20,573,425</u></u>

(b) Cash and cash equivalents

	2020	2019
Cash on hand	665,741	527,850
Deposits with central bank other than restricted deposits	26,899,473	39,711,745
Deposits with banks and other financial institutions	1,154,690	5,533,686
Financial assets held under resale agreements	<u>—</u>	<u>9,918,480</u>
Total	<u><u>28,719,904</u></u>	<u><u>55,691,761</u></u>

(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 cash flow statement as cash flows from financing activities.

	Debt securities issued (Note 28)	
	2020	2019
As at January 1	<u>84,122,732</u>	<u>78,282,412</u>
Changes from financing cash flows:		
Net proceeds from new debt securities issued	59,396,111	77,617,229
Repayment of debt securities issued	(89,490,000)	(74,890,000)
Interest paid on debt securities issued	<u>(345,918)</u>	<u>(345,430)</u>
Total changes from financing cash flows	<u><u>(30,439,807)</u></u>	<u><u>2,381,799</u></u>
Other change		
Interest expenses (Note 3)	<u>2,153,457</u>	<u>3,458,521</u>
Total other change	<u><u>2,153,457</u></u>	<u><u>3,458,521</u></u>
As at December 31	<u><u>55,836,382</u></u>	<u><u>84,122,732</u></u>



36 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Bank

(i) Major shareholders

Major shareholders include shareholders of the Bank with direct or indirect 5% or above shareholding, or with the right to appoint a director in the Bank.

Shareholding in the Bank:

	Note	2020	2019
Guizhou Provincial Financial Bureau (貴州省財政廳)		13.15%	13.15%
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團) 有限責任公司)		12.00%	12.00%
Gui An New District Development and Investment Co., Ltd. (貴安新區開發投 資有限公司)		7.20%	7.20%
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)	(1)	4.93%	4.93%
Guizhou Shuitou Water Group Co., Ltd (貴州水投水務集團有限公司)	(2)	4.44%	4.44%
Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	(3)	2.92%	2.92%
Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	(4)	2.06%	2.06%
Zunyi Mingcheng State-owned Assets Investment Operation Co., Ltd. (遵義市 名城國有資產投資經營有限公司)	(1)	0.23%	0.23%



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

36 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(a) Related parties of the Bank (Continued)

(i) Major shareholders (Continued)

Notes:

- (1) On March 26, 2019, Zunyi Municipal Finance Bureau transferred its entire share in the Bank to Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., which was subsequently approved by Guizhou Bureau of the CBIRC on April 24, 2019. Upon the completion of the share transfer, the shareholding in the Bank of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. is 5.80%. The shareholding ratio was diluted to 4.93% after the Bank issued H shares on December 30, 2019 (see Note 30). The combined share of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. and Zunyi Mingcheng State-owned Assets Investment Operation Co., Ltd. accounts for more than 5%.
- (2) Guizhou Shuitou Water Group Co., Ltd appointed one director to the Bank on May 20, 2020.
- (3) Shenzhen Expressway Company Limited appointed one director to the Bank on November 20, 2016.
- (4) Guizhou Expressway Group Company Limited appointed one director to the Bank on December 21, 2020.

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

(ii) Associates of the Bank

The detailed information of the Bank's associates is set out in Note 19.

(iii) Other 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 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 by the major shareholders of the Bank as set out in Note 36(a) or their controlling shareholders.



36 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

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

(i) Transactions between the Bank and major shareholders:

	2020	2019
Transactions during the year		
Interest income	11,567	41,058
Interest expense	490,554	49,619
Balances at end of the year		
Loans and advances to customers	291,364	501,130
Financial investments	–	99,049
Deposits from customers	2,192,692	1,177,922

(ii) Transactions between the Bank and other related parties:

	2020	2019
Transactions during the year		
Interest income	371,850	164,629
Interest expense	1,868,761	195,931
Balances at end of the year		
Loans and advances to customers	3,477,688	90,688
Financial investments	3,401,249	297,080
Deposits from customers	32,995,216	681,420
Deposits from banks and other financial institutions	8,418,538	7,119,756
Bank acceptances	258,157	23,000

(iii) Other transaction

In 2017, the Bank invested a total of RMB8,990.00 million in a fund managed by a subsidiary of the Bank's major shareholder, Gui An New District Development and Investment Co., Ltd.. As at December 31, 2020, the outstanding balance of this financial investment was RMB8,990.00 million (December 31, 2019: RMB8,990.00 million). This fund's repayment will be arranged through Gui An New District Development and Investment Co., Ltd.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

36 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

	2020	2019
Transactions during the year		
Interest income	10	143
Interest expense	462	70

	2020	2019
Balances at end of the year		
Loans and advances to customers	–	451
Deposits from customers	10,733	5,161

(ii) Key management personnel compensation

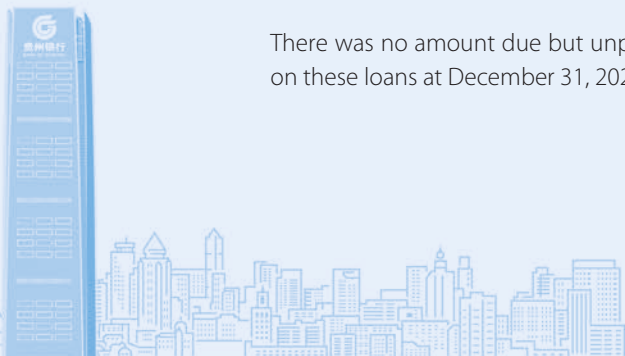
The aggregate compensation of key management personnel is listed as follows:

	2020	2019
Key management personnel compensation during the year	12,714	9,848

(d) Loans and advances to directors, supervisors and officers

	2020	2019
Aggregate amount of relevant loans outstanding at the end of the year	–	451
Maximum aggregate amount of relevant loans outstanding during the year	451	1,618

There was no amount due but unpaid, nor any impairment provision made against the principal or interest on these loans at December 31, 2020 (December 31, 2019: nil).



37 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, consultancy 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.

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.



NOTES TO THE FINANCIAL STATEMENTS

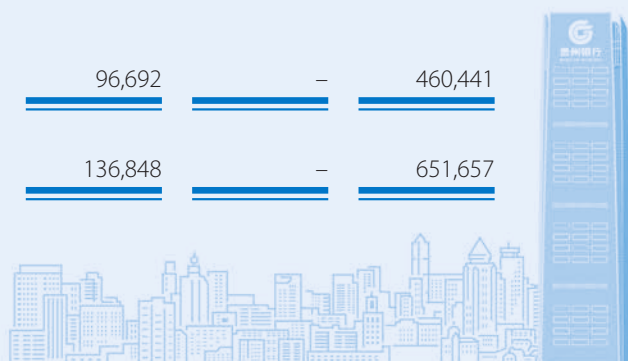
(Expressed in thousands of Renminbi, unless otherwise stated)

37 SEGMENT REPORTING (CONTINUED)

	2020				
	Corporate banking	Retail banking	Financial markets	Others	Total
Operating income					
External net interest income/ (expense)	10,511,511	(1,195,602)	805,476	–	10,121,385
Internal net interest (expense)/income	(3,423,201)	2,928,720	494,481	–	–
Net interest income	7,088,310	1,733,118	1,299,957	–	10,121,385
Net fee and commission income	184,751	(4,316)	182,088	–	362,523
Net trading gains	–	–	144,661	–	144,661
Net gains arising from investment securities	–	–	623,836	–	623,836
Other operating income/ (expense)	38,171	792	1,093	(44,849)	(4,793)
Operating income/(expense)	7,311,232	1,729,594	2,251,635	(44,849)	11,247,612
Operating expenses	(2,108,666)	(619,988)	(841,981)	14,892	(3,555,743)
Impairment losses on assets	(1,890,621)	(573,335)	(764,809)	(3,021)	(3,231,786)
Share of losses of associates	–	–	–	(104,780)	(104,780)
Profit/(loss) before tax	<u>3,311,945</u>	<u>536,271</u>	<u>644,845</u>	<u>(137,758)</u>	<u>4,355,303</u>
Segment assets	241,820,473	48,408,438	162,394,979	229,681	452,853,571
Deferred tax assets	–	–	–	3,547,628	3,547,628
Total assets	<u>241,820,473</u>	<u>48,408,438</u>	<u>162,394,979</u>	<u>3,777,309</u>	<u>456,401,199</u>
Segment liabilities	187,762,016	102,923,170	128,999,497	688,694	420,373,377
Total liabilities	<u>187,762,016</u>	<u>102,923,170</u>	<u>128,999,497</u>	<u>688,694</u>	<u>420,373,377</u>
Other segment information					
– Depreciation and amortization	<u>274,238</u>	<u>84,373</u>	<u>116,435</u>	–	<u>475,046</u>
– Capital expenditure	<u>422,495</u>	<u>129,987</u>	<u>179,382</u>	–	<u>731,864</u>

37 SEGMENT REPORTING (CONTINUED)

	2019				
	Corporate banking	Retail banking	Financial markets	Others	Total
Operating income					
External net interest income/ (expense)	10,696,057	(525,133)	(299,965)	–	9,870,959
Internal net interest (expense)/income	<u>(2,663,087)</u>	<u>1,650,756</u>	<u>1,012,331</u>	<u>–</u>	<u>–</u>
Net interest income	8,032,970	1,125,623	712,366	–	9,870,959
Net fee and commission income/(expense)	41,731	(18,820)	71,725	–	94,636
Net trading gains	–	–	116,386	–	116,386
Net gains arising from investment securities	–	–	662,280	–	662,280
Other operating (expense)/ income	<u>(69,047)</u>	<u>–</u>	<u>–</u>	<u>30,313</u>	<u>(38,734)</u>
Operating income	8,005,654	1,106,803	1,562,757	30,313	10,705,527
Operating expenses	(2,109,147)	(612,222)	(685,698)	(15,047)	(3,422,114)
Impairment losses on assets	(2,846,257)	(12,561)	(313,951)	–	(3,172,769)
Share of losses of associates	<u>–</u>	<u>–</u>	<u>–</u>	<u>(19,258)</u>	<u>(19,258)</u>
Profit/(loss) before tax	<u>3,050,250</u>	<u>482,020</u>	<u>563,108</u>	<u>(3,992)</u>	<u>4,091,386</u>
Segment assets	246,522,236	45,749,543	113,480,456	860,378	406,612,613
Deferred tax assets	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,776,187</u>	<u>2,776,187</u>
Total assets	<u>246,522,236</u>	<u>45,749,543</u>	<u>113,480,456</u>	<u>3,636,565</u>	<u>409,388,800</u>
Segment liabilities	<u>183,694,406</u>	<u>83,462,190</u>	<u>107,231,780</u>	<u>1,111,182</u>	<u>375,499,558</u>
Total liabilities	<u>183,694,406</u>	<u>83,462,190</u>	<u>107,231,780</u>	<u>1,111,182</u>	<u>375,499,558</u>
Other segment information					
– Depreciation and amortization	<u>276,265</u>	<u>87,484</u>	<u>96,692</u>	<u>–</u>	<u>460,441</u>
– Capital expenditure	<u>390,994</u>	<u>123,815</u>	<u>136,848</u>	<u>–</u>	<u>651,657</u>



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 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.

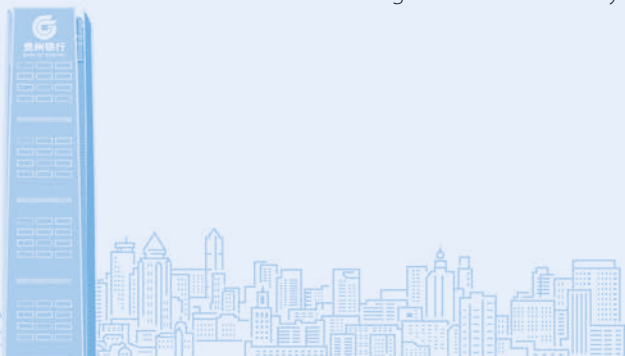
(a) Credit risk

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. It arises primarily from credit and bond investment portfolios and guarantees granted.

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 Personal Business 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 Personal Business 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.

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.



38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Credit business (Continued)

For corporate and institutional businesses, the Bank has established industry-specific limits for credit approval. 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 monitoring, the Bank continually monitors outstanding loans and other credit related businesses. Any adverse events that may significantly affect a borrower's repayment ability are reported immediately and 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 standardized loan recovery procedures.

Stages of risks in financial instrument

The financial assets are categorized 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

Financial assets that are in default and considered credit-impaired.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Significant increase in credit risk

When one or more quantitative, qualitative standards or upper limits are triggered, the Bank assumes that credit risk on financial assets has increased significantly.

If the borrower is listed in the watch list and one or more of the following criteria are met:

- The credit spread increases significantly;
- Significant changes with an adverse effect that have taken place in the borrower's business, financial and economic status;
- Application of a grace period or debt-restructuring;
- Significant changes with an adverse effect in the borrower's business conditions;
- Less value of the collaterals (for the collateral loans and pledged loans only);
- Early indicators of problems of cash flow/liquidity, such as late payment of accounts payable/repayment of loans; or
- The borrower 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 December 31, 2020, 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.



38 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 difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- the disappearance of an active market for a security because of financial difficulties of the issuer; or
- overdue more than 90 days.

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.

Measurement of expected credit losses (“ECL”)

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;



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses ("ECL") (Continued)

- 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.

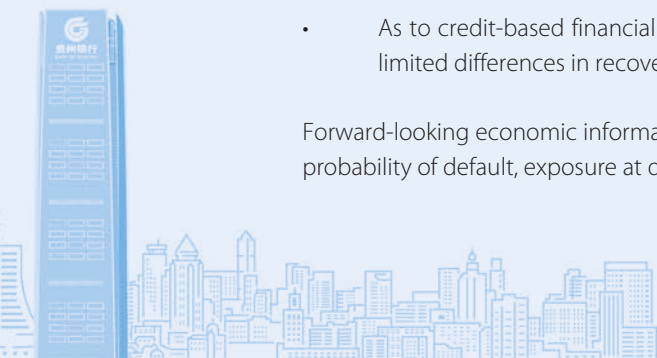
The Bank determines the ECL by estimating the PD, LGD and EAD of individual exposure or asset portfolios in the future months. The Bank multiplies these three parameters and makes adjustments according to the probability of their continuance (i.e. there is no prepayment or default at an earlier period). By adopting this approach, the Bank can calculate the ECL for the future months. 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.

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



38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses (“ECL”) (Continued)

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.

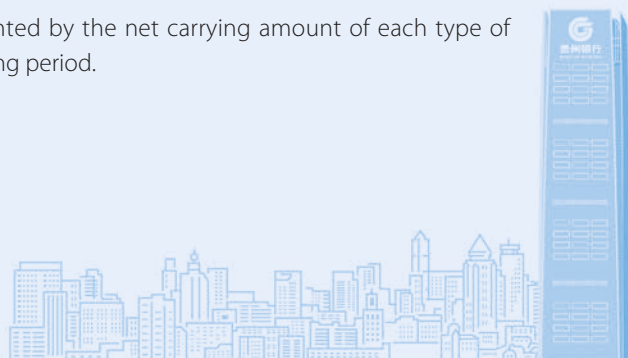
As at December 31, 2020, there has been no significant changes in the estimate techniques and key assumptions of the Bank.

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 gross domestic product (GDP), 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.

(i) *Maximum credit risk exposure*

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets as at the end of each of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses ("ECL") (Continued)

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

	2020			
	Loans and advances to customers	Deposits with banks and other financial institutions	Placements with banks and other financial institutions	Financial investments (*)
Balance of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	1,094,696	–	–	–
– Neither overdue nor credit-impaired	206,501,593	1,154,966	50,000	189,185,622
Sub-total	207,596,289	1,154,966	50,000	189,185,622
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	48,915	–	–	–
– Neither overdue nor credit-impaired	3,821,317	–	–	2,708,653
Sub-total	3,870,232	–	–	2,708,653
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	636,566	–	–	1,130,176
– Credit-impaired but not overdue	1,819,817	152,070	–	23,668
Sub-total	2,456,383	152,070	–	1,153,844
Accrued interests	442,970	2,623	674	2,175,314
Less: Provision for impairment losses	(8,213,264)	(152,346)	–	(2,914,439)
Net value	206,152,610	1,157,313	50,674	192,308,994



38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses ("ECL") (Continued)

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

	2019			
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial assets held under resale agreements	Financial investments(*)
Balance of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	13,748	–	–	–
– Neither overdue nor credit-impaired	<u>176,376,400</u>	<u>6,292,598</u>	<u>9,918,480</u>	<u>147,204,096</u>
Sub-total	<u>176,390,148</u>	<u>6,292,598</u>	<u>9,918,480</u>	<u>147,204,096</u>
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	27,827	–	–	–
– Neither overdue nor credit-impaired	<u>1,271,400</u>	<u>–</u>	<u>–</u>	<u>185,480</u>
Sub-total	<u>1,299,227</u>	<u>–</u>	<u>–</u>	<u>185,480</u>
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	1,378,209	–	–	867,800
– Credit-impaired but not overdue	<u>800,136</u>	<u>151,325</u>	<u>–</u>	<u>41,913</u>
Sub-total	<u>2,178,345</u>	<u>151,325</u>	<u>–</u>	<u>909,713</u>
Accrued interests	398,707	1,009	5,096	1,736,820
Less: Provision for impairment losses	<u>(6,916,728)</u>	<u>(152,785)</u>	<u>–</u>	<u>(2,002,063)</u>
Net value	<u>173,349,699</u>	<u>6,292,147</u>	<u>9,923,576</u>	<u>148,034,046</u>

* Financial investments include financial investments 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 FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses ("ECL") (Continued)

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

As at December 31, 2020, the fair value of collaterals held against loans and advances to customers that are not credit-impaired and assessed for lifetime expected credit losses amounted to RMB468.60 million (December 31, 2019: RMB246.98 million), and the fair value of collaterals held against loans and advances to customers that are credit-impaired and assessed for lifetime expected credit losses amounted to RMB533.00 million (December 31, 2019: RMB580.64 million). The collaterals mainly include land, buildings, machinery and equipment, etc. The fair value of collaterals were estimated by the Bank based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

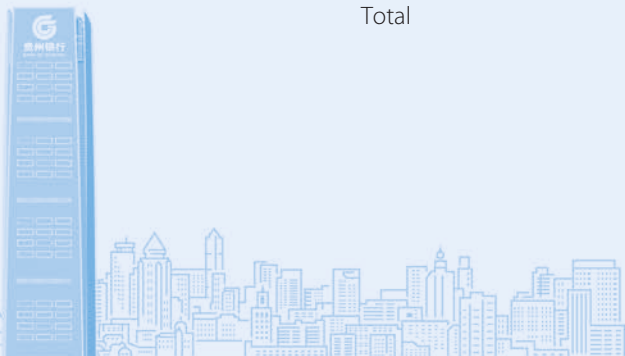
(iii) Rescheduled loans and advances to customers

As at December 31, 2020, the Bank has rescheduled loans and advances to customers amounted to RMB2,036.76 million (December 31, 2019: RMB1,809.90 million).

(iv) 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 December 31 are as follows:

	2020	2019
Neither overdue nor impaired		
<i>Ratings</i>		
– AAA	31,598,731	31,698,133
– AA- to AA+	16,291,352	7,727,471
Sub-total	47,890,083	39,425,604
Unrated	62,541,971	38,652,781
Total	110,432,054	78,078,385



38 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 is 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.

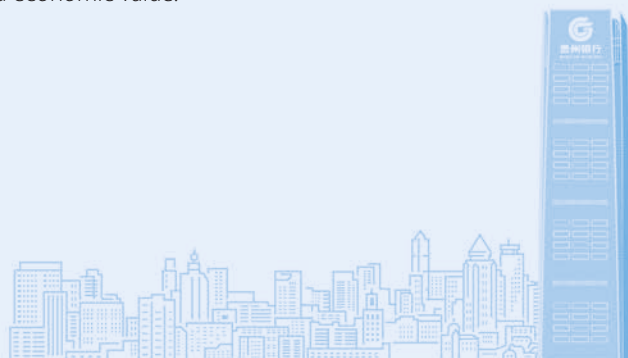
Interest rate risk

The Bank is primarily exposed to interest rate risk arising from repricing risk in its commercial banking business and the risk of financial markets business position.

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. 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 is to reduce the potential negative impact of interest rate changes on net interest income and economic value.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 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 December 31 by the expected next repricing dates or by maturity dates, depending on which is earlier:

	2020					
	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	48,149,558	678,201	47,471,357	-	-	-
Deposits with banks and other financial institutions	1,157,313	2,623	1,154,690	-	-	-
Placements from banks and other financial institutions	50,674	674	-	50,000	-	-
Loans and advances to customers (Note (i))	206,152,610	442,970	62,793,796	97,185,956	7,951,662	37,778,226
Financial investments (Note (iii))	192,308,994	2,213,064	40,726,960	16,912,773	66,223,505	66,232,692
Others	8,582,050	8,582,050	-	-	-	-
Total assets	456,401,199	11,919,582	152,146,803	114,148,729	74,175,167	104,010,918
Liabilities						
Borrowing from the central bank	26,641,751	262,910	3,898,384	22,480,457	-	-
Deposits from banks and other financial institutions	29,995,718	227,529	1,463,189	28,305,000	-	-
Placements from banks and other financial institutions	2,602,498	2,498	-	100,000	2,500,000	-
Financial assets sold under repurchase agreements	12,464,434	2,434	12,462,000	-	-	-
Deposits from customers	289,042,772	2,494,099	174,539,545	40,114,849	71,894,279	-
Debt securities issued	55,836,382	71,830	17,547,988	35,423,048	-	2,793,516
Others	3,789,822	3,789,822	-	-	-	-
Total liabilities	420,373,377	6,851,122	209,911,106	126,423,354	74,394,279	2,793,516
Asset-liability gap	36,027,822	5,068,460	(57,764,303)	(12,274,625)	(219,112)	101,217,402

38 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 December 31 by the expected next repricing dates or by maturity dates, depending on which is earlier: (Continued)

	2019					
	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	64,150,807	542,901	63,607,906	-	-	-
Deposits with banks and other financial institutions	6,292,147	1,009	6,233,527	57,611	-	-
Financial assets held under resale agreements	9,923,576	5,096	9,918,480	-	-	-
Loans and advances to customers <i>(Note (i))</i>	173,349,699	398,707	55,891,707	85,396,617	7,372,445	24,290,223
Financial investments <i>(Note (ii))</i>	148,034,046	1,774,570	8,118,188	17,718,505	67,627,583	52,795,200
Others	7,638,525	7,638,525	-	-	-	-
Total assets	409,388,800	10,360,808	143,769,808	103,172,733	75,000,028	77,085,423
Liabilities						
Borrowing from the central bank	2,623,420	2,059	171,261	2,450,100	-	-
Deposits from banks and other financial institutions	16,107,370	107,030	1,285,340	14,715,000	-	-
Placements from banks and other financial institutions	1,001,137	1,137	-	-	1,000,000	-
Financial assets sold under repurchase agreements	7,966,758	5,558	7,961,200	-	-	-
Deposits from customers	260,266,471	2,337,249	145,858,309	48,775,610	60,195,303	3,100,000
Debt securities issued	84,122,732	71,775	36,985,610	39,275,324	4,997,577	2,792,446
Others	3,411,670	3,411,670	-	-	-	-
Total liabilities	375,499,558	5,936,478	192,261,720	105,216,034	66,192,880	5,892,446
Asset-liability gap	33,889,242	4,424,330	(48,491,912)	(2,043,301)	8,807,148	71,192,977



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 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 December 31 by the expected next repricing dates or by maturity dates, depending on which is earlier: (Continued)

Notes:

- (i) As at December 31, 2020, for loans and advances to customers, the category “Less than three months” includes overdue amounts (net of provision for impairment losses) of RMB361.49 million (December 31, 2019: RMB243.10 million).
- (ii) Financial investments include financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income and financial investments at amortised cost. As at December 31, 2020, for financial investments, the category “Less than three months” includes overdue amounts (net of provision for impairment losses) of RMB182.53 million (December 31, 2019: RMB159.10 million).
- (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.

	2020 (Decrease)/increase	2019 (Decrease)/increase
Changes in net profit		
Up 100 bps parallel shift in yield curves	(433,248)	(337,181)
Down 100 bps parallel shift in yield curves	433,248	337,181
Changes in equity		
Up 100 bps parallel shift in yield curves	(413,601)	(323,975)
Down 100 bps parallel shift in yield curves	413,601	323,975

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 annualized 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;

38 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk (Continued)

- (ii) Interest rate sensitivity analysis (Continued)
 - 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.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

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.

(i) The Bank's currency exposures as at 31 December were as follows:

	2020				Total (RMB equivalent)
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	
Assets					
Cash and deposits with the central bank	48,149,401	157	-	-	48,149,558
Deposits with banks and other financial institutions	1,129,572	3	27,547	191	1,157,313
Placements with banks and other financial institutions	50,674	-	-	-	50,674
Loans and advances to customers	206,019,395	133,215	-	-	206,152,610
Financial investments	192,308,994	-	-	-	192,308,994
Others	8,582,050	-	-	-	8,582,050
Total assets	456,240,086	133,375	27,547	191	456,401,199
Liabilities					
Borrowing from the central bank	(26,641,751)	-	-	-	(26,641,751)
Deposits from banks and other financial institutions	(29,995,718)	-	-	-	(29,995,718)
Placements from banks and other financial institutions	(2,602,498)	-	-	-	(2,602,498)
Financial assets sold under repurchase agreements	(12,464,434)	-	-	-	(12,464,434)
Deposits from customers	(289,038,483)	(4,289)	-	-	(289,042,772)
Debt securities issued	(55,836,382)	-	-	-	(55,836,382)
Others	(3,622,605)	(139,665)	(27,552)	-	(3,789,822)
Total liabilities	(420,201,871)	(143,954)	(27,552)	-	(420,373,377)
Net position	36,038,215	(10,579)	(5)	191	36,027,822
Off-balance sheet credit commitments	20,540,482	-	-	-	20,540,482

38 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

(i) The Bank's currency exposures as at 31 December were as follows: (Continued)

	2019			Total (RMB equivalent)
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	
Assets				
Cash and deposits with the central bank	64,150,626	181	-	64,150,807
Deposits with banks and other financial institutions	1,328,419	77,736	4,885,992	6,292,147
Financial assets held under resale agreements	9,923,576	-	-	9,923,576
Loans and advances to customers	173,349,699	-	-	173,349,699
Financial investments	148,034,046	-	-	148,034,046
Others	7,638,525	-	-	7,638,525
Total assets	404,424,891	77,917	4,885,992	409,388,800
Liabilities				
Borrowing from the central bank	(2,623,420)	-	-	(2,623,420)
Deposits from banks and other financial institutions	(16,107,370)	-	-	(16,107,370)
Placements from banks and other financial institutions	(1,001,137)	-	-	(1,001,137)
Financial assets sold under repurchase agreements	(7,966,758)	-	-	(7,966,758)
Deposits from customers	(260,262,772)	(3,699)	-	(260,266,471)
Debt securities issued	(84,122,732)	-	-	(84,122,732)
Others	(3,411,670)	-	-	(3,411,670)
Total liabilities	(375,495,859)	(3,699)	-	(375,499,558)
Net position	28,929,032	74,218	4,885,992	33,889,242
Off-balance sheet credit commitments	26,767,285	514,595	-	27,281,880



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

(ii) Exchange rate sensitivity analysis

	2020 (Decrease)/increase	2019 (Decrease)/increase
Changes in net profit		
Foreign exchange rate decrease by 100 bps	(172)	(37,210)
Foreign exchange rate increase by 100 bps	172	37,210

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 recognized 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.



38 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 scientific and 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 in a normal operating environment or under a status of pressure, 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 FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 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 December 31:

	2020							Total
	Indefinite <i>Note (i)</i>	Repayable on demand	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	
Assets								
Cash and deposits with the central bank	20,577,283	27,572,275	-	-	-	-	-	48,149,558
Deposits with banks and other financial institutions	-	1,157,313	-	-	-	-	-	1,157,313
Placements with banks and other financial institutions	-	-	-	-	50,674	-	-	50,674
Loans and advances to customers	822,815	1,072,257	7,140,737	5,646,539	49,060,417	44,421,149	97,988,696	206,152,610
Financial investments	359,204	-	8,053,386	32,555,587	17,105,597	67,339,667	66,895,553	192,308,994
Others	7,856,350	2,123	40,623	100,545	366,167	156,247	59,995	8,582,050
Total assets	29,615,652	29,803,968	15,234,746	38,302,671	66,582,855	111,917,063	164,944,244	456,401,199
Liabilities								
Borrowing from the central bank	-	-	208,385	3,779,961	22,653,405	-	-	26,641,751
Deposits from banks and other financial institutions	-	1,373,500	90,339	-	28,531,879	-	-	29,995,718
Placements from banks and other financial institutions	-	-	-	-	100,093	2,502,405	-	2,602,498
Financial assets sold under repurchase agreements	-	-	12,464,434	-	-	-	-	12,464,434
Deposit from customers	-	155,146,282	3,066,556	18,820,805	40,114,850	71,894,279	-	289,042,772
Debt securities issued	-	-	-	17,547,988	35,494,878	-	2,793,516	55,836,382
Others	2,101,460	258,751	886,388	50,713	86,522	291,312	114,676	3,789,822
Total liabilities	2,101,460	156,778,533	16,716,102	40,199,467	126,981,627	74,687,996	2,908,192	420,373,377
Net position	27,514,192	(126,974,565)	(1,481,356)	(1,896,796)	(60,398,772)	37,229,067	162,036,052	36,027,822



38 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

	2019							Total
	Indefinite <i>Note (i)</i>	Repayable on demand	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	
Assets								
Cash and deposits with the central bank	23,905,566	40,245,241	-	-	-	-	-	64,150,807
Deposits with banks and other financial institutions	-	5,533,810	700,564	-	57,773	-	-	6,292,147
Financial assets held under resale agreements	-	-	9,923,576	-	-	-	-	9,923,576
Loans and advances to customers	655,938	16,953	4,324,510	5,995,881	23,972,773	42,499,276	95,884,368	173,349,699
Financial investments	197,257	-	4,805,658	3,215,286	17,866,783	68,797,561	53,151,501	148,034,046
Others	6,516,968	3,856	17,292	30,171	284,816	516,364	269,058	7,638,525
Total assets	31,275,729	45,799,860	19,771,600	9,241,338	42,182,145	111,813,201	149,304,927	409,388,800
Liabilities								
Borrowing from the central bank	-	-	41,960	131,360	2,450,100	-	-	2,623,420
Deposits from banks and other financial institutions	-	280,340	-	1,112,030	14,715,000	-	-	16,107,370
Placements from banks and other financial institutions	-	-	-	1,137	-	1,000,000	-	1,001,137
Financial assets sold under repurchase agreements	-	-	7,966,758	-	-	-	-	7,966,758
Deposit from customers	-	136,680,038	2,726,595	8,788,925	48,775,610	60,195,303	3,100,000	260,266,471
Debt securities issued	-	-	3,042,039	33,943,571	39,347,099	4,997,577	2,792,446	84,122,732
Others	1,902,433	521,367	14,417	349,685	119,544	391,471	112,753	3,411,670
Total liabilities	1,902,433	137,481,745	13,791,769	44,326,708	105,407,353	66,584,351	6,005,199	375,499,558
Net position	29,373,296	(91,681,885)	5,979,831	(35,085,370)	(63,225,208)	45,228,850	143,299,728	33,889,242

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 FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities of the Bank at December 31:

	2020							
	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	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 central bank	26,641,751	27,100,060	-	208,500	3,803,819	23,087,741	-	-
Deposits from banks and other financial institutions	29,995,718	30,674,767	1,373,798	90,475	-	29,210,494	-	-
Placements from banks and other financial institutions	2,602,498	2,772,815	-	-	-	101,107	2,671,708	-
Financial assets sold under repurchase agreements	12,464,434	12,467,395	-	12,467,395	-	-	-	-
Deposits from customers	289,042,772	294,263,275	155,147,642	3,210,526	19,102,241	41,198,816	75,604,050	-
Debt securities issued	55,836,382	57,660,813	-	-	17,620,000	36,131,621	-	3,909,192
Total non-derivative financial liabilities	416,583,555	424,939,125	156,521,440	15,976,896	40,526,060	129,729,779	78,275,758	3,909,192

	2019							
	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	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 central bank	2,623,420	2,685,174	-	42,000	132,059	2,511,115	-	-
Deposits from banks and other financial institutions	16,107,370	16,498,502	280,400	-	1,117,707	15,100,395	-	-
Placements from banks and other financial institutions	1,001,137	1,084,359	-	-	-	-	1,084,359	-
Financial assets sold under repurchase agreements	7,966,758	7,968,157	-	7,968,157	-	-	-	-
Deposits from customers	260,266,471	267,497,604	136,694,575	2,728,298	8,808,825	49,379,027	66,054,390	3,832,489
Debt securities issued	84,122,732	86,737,660	-	3,050,000	34,120,000	40,130,000	5,383,071	4,054,589
Total non-derivative financial liabilities	372,087,888	382,471,456	136,974,975	13,788,455	44,178,591	107,120,537	72,521,820	7,887,078

This analysis of the non-derivative financial liabilities by contractual undiscounted cash flow might diverge from actual results.

38 RISK MANAGEMENT (CONTINUED)

(d) Operational risk

Operational risk refers to the risk of losses associated with internal processes deficiencies, personnel mistakes and information system failures, or impact from other external events.

The Bank has established an operational risk management system consisting of the Board of Directors, the Board of Supervisors, Senior Management, Operational Risk Management Committee, Risk Management Department, Legal Compliance Department, Information Technology Department, Audit Department and other functional departments of the head office, branches and sub-branches.

The Bank has established operational risk management policies, systems and procedures to effectively identify, assess, monitor, control and mitigate the operational risks of the Bank and to minimise any losses associated with operational risk.

The Bank has established the Three Lines of Defence to comprehensively manage operational risk: business establishments of branches and sub-branches and business functions at all levels are the First Line of Defence against operational risk and are directly responsible for operational risk management. The Risk Management Department and Legal Compliance Department are the Second Line of Defence against operational risk and responsible for formulating operational risk management policies, coordinating, supporting and supervising operational risk management. The Audit Department is the Third Line of Defence and is responsible for auditing whether the Bank's operational risk management policies are effective and assessing internal control systems and status of compliance.

The Bank has developed an emergency plan system and a business continuity plan system for various emergencies such as natural disasters, IT system failures, bank run, theft and robbery.

The Bank has established a system of accountability for all types of violations and disciplinary actions and a risk assessment system based on internal audit and compliance review.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

39 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.



39 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 28. The carrying amounts of other financial liabilities approximate their fair value.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

39 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.



39 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

	2020			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
<i>Loans and advances to customers measured at fair value through other comprehensive income</i>				
– corporate loans and advances	–	2,020,953	–	2,020,953
– discounted bills	–	19,266,945	–	19,266,945
<i>Financial investments at fair value through profit or loss</i>				
– debt securities	–	20,787,362	–	20,787,362
– investment funds	–	26,977,303	–	26,977,303
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities	–	46,466,501	–	46,466,501
– asset-backed securities	–	805,614	–	805,614
– structured notes issued by securities companies	–	–	910,334	910,334
– equity investments	–	–	37,750	37,750
Total	–	116,324,678	948,084	117,272,762



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

39 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

	2019			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
<i>Loans and advances to customers measured at fair value through other comprehensive income</i>				
– corporate loans and advances	–	1,538,422	–	1,538,422
– discounted bills	–	5,916,386	–	5,916,386
<i>Financial investments at fair value through profit or loss</i>				
– debt securities	–	3,054,326	–	3,054,326
– investment funds	–	7,913,412	–	7,913,412
– wealth management products	–	–	1,250,215	1,250,215
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities	–	29,168,264	–	29,168,264
– asset-backed securities	–	805,920	–	805,920
– equity investments	–	–	37,750	37,750
Total	–	48,396,730	1,287,965	49,684,695



39 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

The movement during the year ended December 31, 2020 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2020	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements				December 31, 2020	Total gains or losses for the year included in profit or loss for assets held at the end of the year	
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Issues	Sales	Settlements			
Assets												
Financial assets at fair value through profit or loss												
- wealth management products	1,250,215	-	-	3,264	-	-	-	-	(1,253,479)	-	-	
Financial investments at fair value through other comprehensive income												
- structured notes issued by securities companies	-	-	-	12,154	(1,820)	900,000	-	-	-	910,334	12,154	
- equity investments	37,750	-	-	-	-	-	-	-	-	37,750	-	
Total	1,287,965	-	-	15,418	(1,820)	900,000	-	-	(1,253,479)	948,084	12,154	

The movement during the year ended December 31, 2019 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2019	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements				December 31, 2019	Total gains or losses for the year included in profit or loss for assets held at the end of the year	
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Issues	Sales	Settlements			
Assets												
Financial assets at fair value through profit or loss												
- wealth management products	2,671,166	-	-	127,049	-	1,100,000	-	-	(2,648,000)	1,250,215	58,126	
Financial investments at fair value through other comprehensive income												
- equity investments	37,750	-	-	-	-	-	-	-	-	37,750	-	
Total	2,708,916	-	-	127,049	-	1,100,000	-	-	(2,648,000)	1,287,965	58,126	



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

39 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

During the years ended December 31, 2019 and 2020, 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 categorized within Level 3.

Quantitative information of Level 3 fair value measurement is as below:

	Fair value as at December 31, 2020	Valuation techniques	Unobservable inputs
Financial investments at fair value through other comprehensive income			
– structured notes issued by securities companies	910,334	Discounted cash flow	Risk-adjusted discount rate, cash flow
– equity investments	37,750	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial assets at fair value through profit or loss			
– wealth management products	1,250,215	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



39 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

During the years ended December 31, 2020, there were no significant changes in the valuation techniques (2019: nil).

As at December 31, 2019 and 2020, 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.

	2020			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial investments at fair value through other comprehensive income				
– structured notes issued by securities companies	–	–	18	(18)
– equity investments	–	–	–	–
	2019			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial assets at fair value through profit or loss				
– wealth management products	502	(502)	–	–
Financial investments at fair value through other comprehensive income				
– equity investments	–	–	–	–



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

40 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.

	2020	2019
Entrusted loans	<u>55,893,346</u>	<u>62,566,574</u>
Entrusted funds	<u>55,893,346</u>	<u>62,566,574</u>

41 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.

	2020	2019
Credit card commitments	<u>3,758,229</u>	<u>1,147,958</u>
Sub-total	<u>3,758,229</u>	<u>1,147,958</u>
Acceptances	14,748,223	25,082,477
Letters of credit	94,126	2,000
Letters of guarantees	<u>1,939,904</u>	<u>1,049,445</u>
Total	<u>20,540,482</u>	<u>27,281,880</u>

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.

41 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Credit risk-weighted amount

	2020	2019
Credit risk-weighted amounts	9,396,415	6,410,676

The credit risk-weighted amount represents the amount calculated with reference to the guidelines issued by the former CBRC.

(c) Capital commitments

As at December 31, the Bank's authorised capital commitments are as follows:

	2020	2019
Contracted but not paid for	244,587	460,027
Authorised but not contracted for	9,967	28,360
Total	254,554	488,387

(d) Outstanding litigations and disputes

As at December 31, 2020, the Bank was the defendant in certain pending litigations and disputes with an estimated gross amount of RMB48.63 million (December 31, 2019: RMB44.43 million). According to the opinion of the Bank's in-house lawyers and external lawyers, 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 didn't recognise any litigation provision.

42 SUBSEQUENT EVENTS

The Bank has no material events for disclosure subsequent to the end of the reporting period.

43 COMPARATIVE FIGURES

For financial statements disclosure purpose, the Bank made reclassification adjustments to some comparative figures.



NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

44 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2020

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 year ended December 31, 2020 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 IFRS 3, Business Combinations "Reference to the conceptual framework"	January 1, 2022
Amendments to IAS 16, Property, Plant and Equipment "Property, plant and equipment: proceeds before intended Use"	January 1, 2022
Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets "Onerous contracts – cost of fulfilling a contract"	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
IFRS 17 "Insurance contracts"	January 1, 2023
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 is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of RMB, 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

	2020	Average for 2020
Liquidity coverage ratio (RMB and foreign currency)	289.00%	246.83%
	2019	Average for 2019
Liquidity coverage ratio (RMB and foreign currency)	320.18%	270.32%

Pursuant to the Administrative Measures for Liquidity Risk Management of Commercial Banks (Provisional), the liquidity coverage ratio of commercial banks shall reach 100% by the end of 2018.

Leverage Ratio

	2020	2019
Leverage Ratio	7.33%	6.61%

Pursuant to the Leverage Ratio Management of Commercial Banks issued by the former CBRC and was effective since April 1, 2015, a minimum leverage ratio 4% is required for commercial banks.

The above liquidity coverage ratio and leverage ratio are calculated in accordance with the formula promulgated by the former CBRC and based on the financial information prepared in accordance with PRC GAAP.



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of RMB, unless otherwise stated)

2 CURRENCY CONCENTRATIONS

	2020			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	134,134	27,552	191	161,877
Spot liabilities	(138,896)	(5)	–	(138,901)
Net position	(4,762)	27,547	191	22,976

	2019			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	77,348	4,887,099	–	4,964,447
Spot liabilities	(18)	(1,107)	–	(1,125)
Net position	77,330	4,885,992	–	4,963,322

The Bank has no structural position at December 31.

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.



3 INTERNATIONAL CLAIMS (CONTINUED)

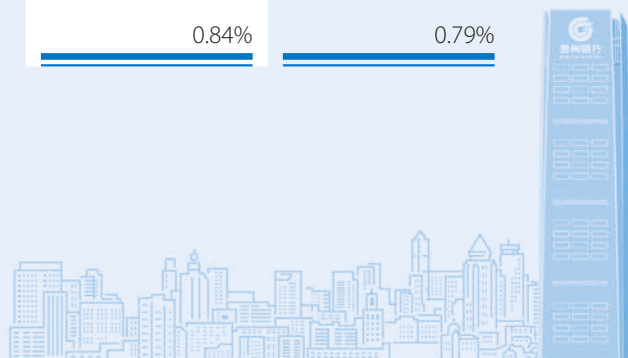
A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account all risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose Head Office is located in another country.

	2020			Total
	Banks and other financial institutions	Public sector entities	Others	
All regions outside Mainland China	27,552	–	–	27,552

	2019			Total
	Banks and other financial institutions	Public sector entities	Others	
All regions outside Mainland China	4,887,126	–	–	4,887,126

4 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES

	2020	2019
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– Within three months (inclusive)	1,380,066	427,591
– Overdue more than three months to one year (inclusive)	176,483	543,094
– Overdue more than one year	223,628	449,099
Total	1,780,177	1,419,784
As a percentage of gross loans and advances		
– Within three months (inclusive)	0.65%	0.24%
– Overdue more than three months to one year (inclusive)	0.08%	0.30%
– Overdue more than one year	0.11%	0.25%
Total	0.84%	0.79%



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
1	Guiyang	Bank of Guizhou Co., Ltd.	No. 9 Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province	550009
2	Guiyang	Gui'an University Town sub-branch of Bank of Guizhou Co., Ltd.	Block A4, Shuangchuang Park of University Town, Guizhou Light Industry Technical College, Huaxi University Town, Gui'an New Area, Guizhou Province	550025
3	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	550003
4	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	550014
5	Guiyang	Guiyang Baoli Yunshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Dongka, No. 299 Zongbao Road, Guiyang Integrated Free Trade Zone, Guiyang, Guizhou Province	550003
6	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	550002
7	Guiyang	Guiyang Beijing Road sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Beijing Road, Yunyan District, Guiyang, Guizhou Province	550001
8	Guiyang	Guiyang Beijing West Road Community sub-branch of Bank of Guizhou Co., Ltd.	No. 44, 45, 46, 47, 48, 1/F, phase one, Construction Project of Guoxi Center with frontage of Jinyang South Road in Karst Park, Guanshanhu District	550009
9	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	550081
10	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	550007
11	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	550001
12	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	550002
13	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	550003



No.	Region	Name of institution	Address of institution	Postal code
14	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	550002
15	Guiyang	Guiyang Huaguoyuan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1005A & 1005B, phase one, Huaguoyuan Project, Zhongshan South Road, Guiyang, Guizhou Province	550002
16	Guiyang	Guiyang Huaxi Avenue sub-branch of Bank of Guizhou Co., Ltd.	No. 3078, Qingxi Road, Huaxi District, Guiyang, Guizhou Province	550025
17	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	550025
18	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	550009
19	Guiyang	Guiyang Jinlong International sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-5, Block 1, Jinlong International Garden, Jinyang New District, Guiyang, Guizhou Province	550081
20	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	550008
21	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	550002
22	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	550014
23	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	550002
24	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	551400
25	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	550003



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
26	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	550001
27	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	550081
28	Guiyang	Guiyang Shibei Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Shibei Road, Yunyan District, Guiyang, Guizhou Province	550003
29	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	550002
30	Guiyang	Guiyang Shuanglong Air Harbor sub-branch of Bank of Guizhou Co., Ltd.	Commercial units with street frontage in A section, phase one, Taisheng International Air Harbor Wealth Plaza, No. 9 Airport Road, Shuanglong Air Harbor Economic Zone, Guiyang, Guizhou Province	550005
31	Guiyang	Guiyang Weiqing Road Community sub-branch of Bank of Guizhou Co., Ltd.	No. 16 & 17 1/F, Block A, No. 172 Weiqing Road, Yunyan District, Guiyang, Guizhou Province	550001
32	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	550001
33	Guiyang	Guiyang Wudang sub-branch of Bank of Guizhou Co., Ltd.	No. 11/F and 2/F, Commodity Building Block 22, No. 22 Xintian Avenue, Wudang District, Guiyang, Guizhou Province	550018
34	Guiyang	Guiyang West Road sub-branch of Bank of Guizhou Co., Ltd.	No. 41 Ruijin Middle Road, Yunyan District, Guiyang, Guizhou Province	550001
35	Guiyang	Guiyang Xifeng sub-branch of Bank of Guizhou Co., Ltd.	No. 1–11/F, Block 1, Kunlun Building, Hucheng Avenue, Yongjing Town, Xifeng County, Guiyang, Guizhou Province	551100
36	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	550003
37	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	550009



No.	Region	Name of institution	Address of institution	Postal code
38	Guiyang	Guiyang Xiaoshizi sub-branch of Bank of Guizhou Co., Ltd.	Yinzuo Commercial Building, No. 40 Zhongshan East Road, Yunyan District, Guiyang, Guizhou Province	550001
39	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	550018
40	Guiyang	Guiyang Yanwu Street sub-branch of Bank of Guizhou Co., Ltd.	No. 35 Yanwu Street, Yunyan District, Guiyang, Guizhou Province	550001
41	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	550003
42	Guiyang	Guiyang Youyi sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1-7 Youyi Road, Yunyan District, Guiyang, Guizhou Province	550001
43	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	550014
44	Guiyang	Guiyang Yunyan sub-branch of Bank of Guizhou Co., Ltd.	No. 77 Ruijin Middle Road, Guiyang, Guizhou Province	550001
45	Guiyang	Guiyang Exhibition Center sub-branch of Bank of Guizhou Co., Ltd.	No. 65 Zunyi Road, Nanming District, Guiyang, Guizhou Province	550002
46	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	500002
47	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	500001
48	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	550003
49	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	550081



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
50	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	550009
51	Guiyang	Guiyang Zhucheng Plaza sub-branch of Bank of Guizhou Co., Ltd.	Shengzi Building, No. 2 Zunyi Road, Guiyang, Guizhou Province	550002
52	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 AB, Chengshi Fangzhou, No. 25 Zunyi Road, Nanming District, Guiyang, Guizhou Province	550002
53	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	550001
54	Guiyang	Kaiyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, No. 395 Kaizhou Avenue, Kaiyang County, Guiyang, Guizhou Province	550300
55	Guiyang	Xiuwen sub-branch of Bank of Guizhou Co., Ltd.	1/F, Unit 1, Block 1, Chaoyang Road, Xiuwen County, Guiyang, Guizhou Province	550200
56	Anshun	Anshun sub-branch of Bank of Guizhou Co., Ltd.	1-5/F, Block B, Yinxiang Anshun Wealth Center, Huangguoshu Street, Xixiu District, Anshun, Guizhou Province	561000
57	Anshun	Anshun Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Tashan East Road, Xixiu District, Anshun, Guizhou Province	561000
58	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	561000
59	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	561000
60	Anshun	Anshun Gufu Street sub-branch of Bank of Guizhou Co., Ltd.	Shops 14&15, Block 5, Tushu Road, Anshun, Guizhou Province	561000
61	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	561000



No.	Region	Name of institution	Address of institution	Postal code
62	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	561000
63	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	561000
64	Anshun	Anshun Nanhua sub-branch of Bank of Guizhou Co., Ltd.	Block A, Shun'an Shiji New Town, Nanhua Road, Anshun, Guizhou Province	561000
65	Anshun	Anshun Qianzhong sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-8, 1-9, 1-10, Cuilu Jincheng, Anshun, Guizhou Province	561000
66	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	561000
67	Anshun	Anshun Tuobao Mountain sub-branch of Bank of Guizhou Co., Ltd.	Xixiu District Government Financial Center, Tuobao Mountain, Huangguoshu Street, Xixiu District, Anshun	561000
68	Anshun	Anshun Wumiao sub-branch of Bank of Guizhou Co., Ltd.	Shops 0-2, Guozhao Community, Ruofei North Road, Anshun, Guizhou Province	561000
69	Anshun	Anshun Xixiu sub-branch of Bank of Guizhou Co., Ltd.	Office Building No. 1, No. 64 Zhonghua South Road, Anshun, Guizhou Province	561000
70	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	561000
71	Anshun	Guanling County sub-branch of Bank of Guizhou Co., Ltd.	Block U, Yincheng Xinyuan, Guansuo Town, Guanling County, Guizhou Province	561300
72	Anshun	Huangguoshu New City sub-branch of Bank of Guizhou Co., Ltd.	No. 11/F, Suofei'er Hotel, Huangguoshu New City, Guanling County, Guizhou Province	561200
73	Anshun	Anshun Xihang Road sub-branch of Bank of Guizhou Co., Ltd.	No. 136, Xihang Road, Economic and Technological Development Zone, Anshun, Guizhou Province	561000



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
74	Anshun	Pingba sub-branch of Bank of Guizhou Co., Ltd.	Zhongshan Building, Zhongshan Road, Pingba District, Anshun, Guizhou Province	561100
75	Anshun	Puding County sub-branch of Bank of Guizhou Co., Ltd.	No. 116, Guangming Road, Chengguan Town, Puding County, Anshun, Guizhou Province	562100
76	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	561200
77	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	560800
78	Bijie	Bijie branch of Bank of Guizhou Co., Ltd.	Block A, Jinyuanda Time Square, Baili Dujuan Road, Qixingguang District, Bijie, Guizhou Province	551700
79	Bijie	Baili Dujuan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Building No. 23, Pengcheng Community, Pudi Township, Dafang County, Bijie, Guizhou Province	551600
80	Bijie	Bijie Dujuan sub-branch of Bank of Guizhou Co., Ltd.	No. 2, 1/F, Block A, Shangcheng International, Biyang Avenue, Qixingguang District, Bijie, Guizhou Province	551700
81	Bijie	Bijie Hongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Hongshan Wealth International, No. 5 Hongshan Road, Qixingguang District, Bijie, Guizhou Province	551700
82	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	551700
83	Bijie	Bijie Tianhe sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 9, Tianhe Farmer's Market, Tianhe Road, Qixingguang District, Bijie, Guizhou Province	551700
84	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	551600
85	Bijie	Hezhang sub-branch of Bank of Guizhou Co., Ltd.	Longquan Road, Chengguan Town, Hezhang County, Bijie, Guizhou Province	553200



No.	Region	Name of institution	Address of institution	Postal code
86	Bijie	Jinsha sub-branch of Bank of Guizhou Co., Ltd.	No. 157 Zhonghua Road, Chengguan Town, Jinsha County, Bijie, Guizhou Province	551800
87	Bijie	Nayong sub-branch of Bank of Guizhou Co., Ltd.	1/F Yonghuafu, Jingsi Road, Yongxi Town, Nayong County, Bijie, Guizhou Province	553300
88	Bijie	Qianxi sub-branch of Bank of Guizhou Co., Ltd.	Fulin International, Wenhua Road, Qianxi County, Bijie, Guizhou Province	551500
89	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	553100
90	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	553100
91	Bijie	Zhijin sub-branch of Bank of Guizhou Co., Ltd.	Zijin Huafu, No. 2 Jinan Road, Chengguan Town, Zhijin County, Bijie, Guizhou Province	552100
92	Liupanshui	Liupanshui branch of Bank of Guizhou Co., Ltd.	Baolong International Building, No. 36 Zhongshan West Road, Liupanshui, Guizhou Province	553000
93	Liupanshui	Liupanshui Dexinyuan sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 10, 1/F, Building No. 10, Shuikuang Dexinyuan Community, Dewu New sub-district, Zhongshan District, Liupanshui, Guizhou Province	553000
94	Liupanshui	Liupanshui Gangcheng sub-branch of Bank of Guizhou Co., Ltd.	No. 452279, Shuigang Baxi Middle Road, Liupanshui, Guizhou Province	553000
95	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	553000
96	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	553000
97	Liupanshui	Liupanshui Hongqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Outlets International Plaza, Hongqiao New District, Liupanshui	553000



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
98	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	553000
99	Liupanshui	Liupanshui Jintai sub-branch of Bank of Guizhou Co., Ltd.	Jintai Building, No. 73, Zhongshan Middle Road, Liupanshui	553000
100	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	553000
101	Liupanshui	Liupanshui Liangdu sub-branch of Bank of Guizhou Co., Ltd.	No. 37, Zhongshan West Road, Liupanshui, Guizhou Province	553000
102	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	553000
103	Liupanshui	Liupanshui Yinxing sub-branch of Bank of Guizhou Co., Ltd.	Room 103 affiliated to No. 25, Zhongshan Middle Road, Liupanshui, Guizhou Province	553000
104	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	553000
105	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	553000
106	Liupanshui	Liuzhi Jiankang sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Block E, Jiankang Road, Pingzhai Town, Liuzhite District	553400
107	Liupanshui	Liuzhite District sub-branch of Bank of Guizhou Co., Ltd.	A-08 & A-09, 1/F Gongkuang Building, No. 22 Renmin Road, Pingzhai Town, Liuzhite District, Liupanshui, Guizhou Province	553400
108	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	553500
109	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	553500



No.	Region	Name of institution	Address of institution	Postal code
110	Liupanshui	Panzhou Panjiang sub-branch of Bank of Guizhou Co., Ltd.	No. 5 Panjiang North Road, Hanlin Street, Panzhou City, Guizhou Province	553500
111	Liupanshui	Panzhou Shuangfeng sub-branch of Bank of Guizhou Co., Ltd.	No. 57 Yanhe South Road, Shuangfeng Town, Panzhou City, Liupanshui, Guizhou Province	553500
112	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	553500
113	Liupanshui	Shuicheng County sub-branch of Bank of Guizhou Co., Ltd.	No. 126 Jinshan Road, Shuangshui Development Area, Shuicheng County, Liupanshui, Guizhou Province	553000
114	Qiandongnan	Qiandongnan branch of Bank of Guizhou Co., Ltd.	1/F-3/F, Fengqiu Xintiandi, Yingbin Avenue, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	556000
115	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	557499
116	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	557500
117	Qiandongnan	Huangping sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Feiyun Road, Xinzhou Town, Huangping County, Guizhou Province	556100
118	Qiandongnan	Jianhe sub-branch of Bank of Guizhou Co., Ltd.	No. 3 Yang'ashadong Avenue, Gedong Town, Jianhe County, Guizhou Province	556499
119	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	556700
120	Qiandongnan	Kaili Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 11, Beijing East Road, Kaili City, Guizhou Province	556000
121	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	556000



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
122	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	556000
123	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	556000
124	Qiandongnan	Leishan sub-branch of Bank of Guizhou Co., Ltd.	No. 115 Leigongshan Avenue, Danjiang Town, Leishan County, Guizhou Province	557199
125	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	557300
126	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	557699
127	Qiandongnan	Sanshui 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	556599
128	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	556299
129	Qiandongnan	Taijiang sub-branch of Bank of Guizhou Co., Ltd.	No. 8 Miaojiang East Avenue, Taigong Town, Taijiang County, Guizhou Province	556300
130	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	556699
131	Qiandongnan	Zhenyuan sub-branch of Bank of Guizhou Co., Ltd.	Former Hardware Factory's Dormitory, Lianhe Street, Wuyang Town, Zhenyuan County, Guizhou Province	557700
132	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	557801
133	Qiandongnan	Rongjiang sub-branch of Bank of Guizhou Co., Ltd.	Huilong Commercial Square, No. 9-1 Dongbingjiang Avenue, Rongjiang County, Guizhou Province	557299

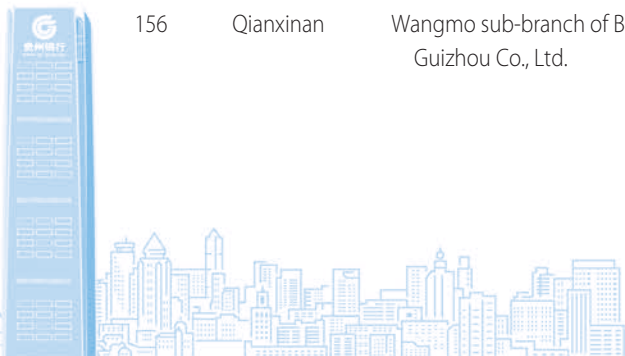


No.	Region	Name of institution	Address of institution	Postal code
134	Qiannan	Qiannan branch of Bank of Guizhou Co., Ltd.	1-5/F, Block 1, Guanlan Shengdingcheng Office Building, No. 25, Xishan Avenue, Duyun, Qiannan Prefecture, Guizhou Province	558000
135	Qiannan	Changshun sub-branch of Bank of Guizhou Co., Ltd.	Units 2, 3 & 4, 1/F, Block 2, Xinhe Building, Chengnan Avenue, Chengnan New District, Changshun County, Qiannan Prefecture, Guizhou Province	550700
136	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	558000
137	Qiannan	Duyun Jianjiang sub-branch of Bank of Guizhou Co., Ltd.	Shops B4-B7, 1/F, Block B, Gangwan Lidu, Longshan Avenue, Duyun, Qiannan Prefecture, Guizhou Province	558000
138	Qiannan	Duyun Economic Development Area sub-branch of Bank of Guizhou Co., Ltd.	Units 2-10, 11 & 12, 1/F, Block B, Yundu Guoji, Duyun Economic Development Area, Qiannan Prefecture, Guizhou Province	558000
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	558000
140	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	558200
141	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	550500
142	Qiannan	Guiding sub-branch of Bank of Guizhou Co., Ltd.	No. 71 Hongqi Road, Guiding County, Qiannan Prefecture, Guizhou Province	551300
143	Qiannan	Huishui sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-4, 1/F, Block 8, Bouyei Water Village • Huanle Island, Lianjian North Road, Lianjiang Community, Huishui County, Qiannan Prefecture, Guizhou Province	550600
144	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	558400
145	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	551200



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
146	Qiannan	Luodian sub-branch of Bank of Guizhou Co., Ltd.	Shops, 1/F & 2/F, Fashion Shopping Center, Zone B, Guizhou Luodian Mingqiang Real Estate Development Co., Ltd., Hebin Road, Luodian County, Qiannan Prefecture, Guizhou Province	550100
147	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	558300
148	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	558100
149	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	550400
150	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	550400
151	Qianxinan	Qianxinan branch of Bank of Guizhou Co., Ltd.	1/F–2/F, Aocheng Community, Ruijin Avenue, Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province	562400
152	Qianxinan	Anlong sub-branch of Bank of Guizhou Co., Ltd.	Kaifa Avenue, Xicheng District, Xinan Town, Anlong County, Guizhou Province (Unit 108, Stone Factory Group, Xihe Village)	552400
153	Qianxinan	Ceheng sub-branch of Bank of Guizhou Co., Ltd.	Former SAT Bureau Office Building, Crossroad of Qianjin Road, Ceheng County, Qianxinan Prefecture, Guizhou Province	552200
154	Qianxinan	Puan sub-branch of Bank of Guizhou Co., Ltd.	Units 1–4, 1/F, Block 2, Jinqiao Baihui, Nanhu Street Office, Puan County, Qianxinan Prefecture, Guizhou Province	561500
155	Qianxinan	Qinglong sub-branch of Bank of Guizhou Co., Ltd.	Civil Affairs Bureau's Office Building, Lainan Road, Liancheng Town, Qinglong County, Qianxinan Prefecture, Guizhou Province	561400
156	Qianxinan	Wangmo sub-branch of Bank of Guizhou Co., Ltd.	Units 6–9, 1/F, Guanshanyue Hotel, south side of Wangmu Square, Wangmo County, Qianxinan Prefecture, Guizhou Province	552300



No.	Region	Name of institution	Address of institution	Postal code
157	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	562300
158	Qianxinan	Xingyi Mujia sub-branch of Bank of Guizhou Co., Ltd.	Shops 108-113, Block A1, Mujia Goods Wholesales Logistics Town, Xingyi, Qianxinan Prefecture, Guizhou Province	562400
159	Qianxinan	Xingyi Ruijin sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Panjiang Road, Xingyi, Qianxinan Prefecture, Guizhou Province	562400
160	Qianxinan	Zhenfeng sub-branch of Bank of Guizhou Co., Ltd.	Yongfeng Avenue, Mingu Town, Zhenfeng County, Guizhou Province	562200
161	Tongren	Tongren branch of Bank of Guizhou Co., Ltd.	Ancillary Building, Jinjiang Hotel, No. 8 Jinjiang South Road, Tongren, Guizhou Province	554300
162	Tongren	Dejiang sub-branch of Bank of Guizhou Co., Ltd.	No. 4 Wujiang North Road, Qinglong Street, Dejiang County, Tongren, Guizhou Province	565200
163	Tongren	Jiangkou sub-branch of Bank of Guizhou Co., Ltd.	Foguang Road, Shuangjiang Street Office, Jiangkou County, Tongren, Guizhou Province	554400
164	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	555100
165	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	565100
166	Tongren	Songtao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block 1, Zone C, Bingjiang Garden, Qixing Avenue, Liaogao Street Office, Songtao Miao Autonomous County, Tongren, Guizhou Province	554100
167	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	554300

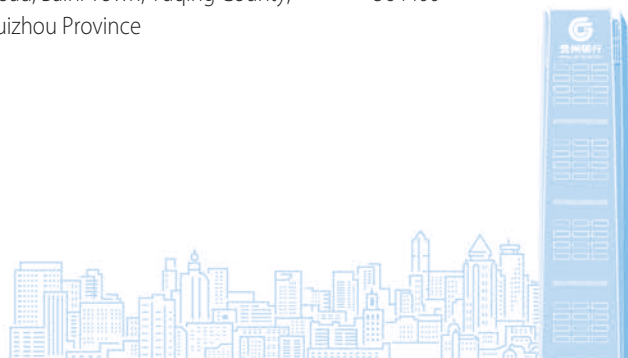


APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
168	Tongren	Tongren Dashizi sub-branch of Bank of Guizhou Co., Ltd.	Unit 101-3, Fulin Building, Jiefang Road, Bijiang District, Tongren, Guizhou Province	554300
169	Tongren	Tongren Train Station sub-branch of Bank of Guizhou Co., Ltd.	7#, Planned Zone D, Railway Station Square, Bijiang District, Tongren, Guizhou Province	554300
170	Tongren	Tongren Wanshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block 1, Shuangchuang Industry Zone, Wanshan District, Tongren, Guizhou Province	554300
171	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)	565300
172	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)	555200
173	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	554000
174	Zunyi	Zunyi branch of Bank of Guizhou Co., Ltd.	Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province	563000
175	Zunyi	Zunyi branch Business Department of Bank of Guizhou Co., Ltd.	Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province	563000
176	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	564700
177	Zunyi	Chishui City sub-branch of Bank of Guizhou Co., Ltd.	Shop 8, Jinwei Jiezu, Xiangyang Road, Chishui, Zunyi, Guizhou Province	564700
178	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	563500
179	Zunyi	Fenggang sub-branch of Bank of Guizhou Co., Ltd.	Xinggangwan Community, Longquan Town, Fenggang County, Zunyi, Guizhou Province	564200

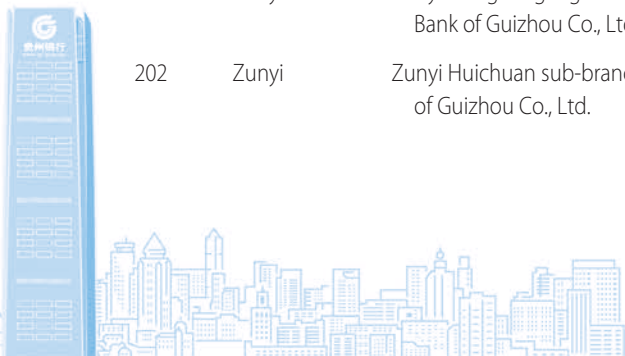


No.	Region	Name of institution	Address of institution	Postal code
180	Zunyi	Renhuai Guojiu Road sub-branch of Bank of Guizhou Co., Ltd.	No. 6-7 Guojiu Middle Road, Renhuai, Zunyi, Guizhou Province	564500
181	Zunyi	Renhuai Maotai sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Hebin Road, Maotai Town, Renhuai, Zunyi, Guizhou Province	564500
182	Zunyi	Renhuai City sub-branch of Bank of Guizhou Co., Ltd.	Commercial & Administrative Complex, Jiudu Xijing Town Garden, east side of Guojiu Avenue, Jiudu New District, Renhuai, Zunyi, Guizhou Province	564500
183	Zunyi	Renhuai City Zhongshu sub-branch of Bank of Guizhou Co., Ltd.	Units 5-8, Block 1, west side of Guojiu South Road, Zhongshu Town Street Office, Renhuai, Zunyi, Guizhou Province	564500
184	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	563300
185	Zunyi	Tongzi County Loushan sub-branch of Bank of Guizhou Co., Ltd.	Shops 40, 41 & 42, Central Commercial Town, Shiji Xincheng, South Section of Dongqing Road, Tongzi County, Zunyi, Guizhou Province	563200
186	Zunyi	Tongzi County sub-branch of Bank of Guizhou Co., Ltd.	Block 4, Zone 11, Wenbi Road, Loushanguan Town, Tongzi County, Zunyi, Guizhou Province	563200
187	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	564300
188	Zunyi	Xishui County Fuxi Road sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guifu Haoyuan, Fuxi Road, Xishui County, Zunyi, Guizhou Province	564600
189	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	564600
190	Zunyi	Yuqing sub-branch of Bank of Guizhou Co., Ltd.	Xinglong Road, Baini Town, Yuqing County, Zunyi, Guizhou Province	564400



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
191	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	563400
192	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	563000
193	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	563100
194	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	563000
195	Zunyi	Zunyi Donggongsi sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Huichuan Avenue, Zunyi, Guizhou Province (Huichuan District Governmental Office)	563000
196	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	563000
197	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	563100
198	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	563000
199	Zunyi	Zunyi Hangtian sub-branch of Bank of Guizhou Co., Ltd.	No. 36 Beijing Road, Honghuagang District, Zunyi, Guizhou Province	563000
200	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, Xinpu New District, Zunyi, Guizhou Province	563000
201	Zunyi	Zunyi Honghuagang sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Haier Avenue, Honghuagang District, Zunyi, Guizhou Province	563000
202	Zunyi	Zunyi Huichuan sub-branch of Bank of Guizhou Co., Ltd.	Haoxin Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province	563000



No.	Region	Name of institution	Address of institution	Postal code
203	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	563000
204	Zunyi	Zunyi Lanjiabao sub-branch of Bank of Guizhou Co., Ltd.	Shops 8–9, Block 18, Lanjiabao Community, Honghuagang District, Zunyi, Guizhou Province	563000
205	Zunyi	Zunyi Majiawan sub-branch of Bank of Guizhou Co., Ltd.	No. 262 Tianchi Avenue, Longkeng Street, Bozhou District, Zunyi, Guizhou Province	563100
206	Zunyi	Zunyi Nanbai sub-branch of Bank of Guizhou Co., Ltd.	Shop 2, Block 8, Zone B, Yangguang Garden, Bozhou District, Zunyi, Guizhou Province	563100
207	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	563000
208	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	563000
209	Zunyi	Zunyi Nanzhou Road sub-branch of Bank of Guizhou Co., Ltd.	No. 270 Nanzhou Road, Honghuagang District, Zunyi, Guizhou Province	563000
210	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	563000
211	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	563000
212	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	563000
213	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	563000
214	Zunyi	Zunyi Xima Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, Block B, Meilunhuaxiang, Xima Road, Zunyi, Guizhou Province	563000



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
215	Zunyi	Zunyi Xiazi sub-branch of Bank of Guizhou Co., Ltd.	South side of 1/F, Block 5#, R&D Zone, Xinpu Economic Development Area, Xiazi Town, Honghuagang District, Zunyi, Guizhou Province	563000
216	Zunyi	Zunyi Hong Kong Road sub-branch of Bank of Guizhou Co., Ltd.	Baoli Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province	563000
217	Zunyi	Zunyi Xinhua sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54–56 Xinhua Road, Honghuagang District, Zunyi, Guizhou Province	563000
218	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	563000
219	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	563000
220	Zunyi	Zunyi Zhongnan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 84–88 Zhonghua South Road, Honghuagang District, Zunyi, Guizhou Province	563000
221	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	564100
222	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	564100
223	Zunyi	Zunyi Xinpu sub-branch of Bank of Guizhou Co., Ltd.	No. 1–2, Building 1, Linda Yangguang New Town, Xinpu New District, Bozhou Avenue, Xinpu New City, Zunyi, Guizhou Province	563100



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