



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

Stock Code:6199

2021 ANNUAL REPORT

SERVING WITH
HEART

BANK OF GUIZHOU



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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 extraordinary general meeting held on 19 January 2021, and has been approved by the CBIRC Guizhou Office and came into effect on 21 June 2021
“Board”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Director(s)”	the director(s) of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank
“CBIRC”	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)
“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
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“commercial banks”	all the banking financial institutions in the PRC other than policy banks, including the large commercial banks, the joint-stock commercial banks, city commercial banks, foreign banks and other banking financial institutions
“Domestic Shares”	ordinary shares issued by the Bank in the PRC, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in Renminbi
“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

Definitions (Continued)

“HK\$” or “HKD” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Date”	30 December 2019, the date on which dealings in the H Shares of the Bank first commenced on the Hong Kong Stock Exchange
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC” or “Central Bank”	the People’s Bank of China (中國人民銀行)
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Yuan”	Renminbi-yuan, the lawful currency unit of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“CBIRC Guizhou Office”	China Banking and Insurance Regulatory Commission Guizhou Office (中國銀行保險監督管理委員會貴州監管局)
“One, Two, Three, Four”	the overall working idea of “One, Two, Three, Four” put forward by Guizhou government. “One” refers to the high-quality development which is taken as the guiding principle. “Two” refers to the two bottom lines which we must hold firmly, namely, development and ecology. “Three” refers to the three strategic actions we should implement extensively, namely, rural revitalization, big data and big ecology. “Four” refers to new industrialization, new urbanization, agricultural modernization and tourism industrialization which we should promote vigorously
“Four News”	exploring new path, launching new start point, seizing new opportunities and making new achievements
“Four-zations”	New industrialization, new urbanization, agricultural modernization and tourism industrialization
“Reporting Period”	the period for the year ended 31 December 2021
“Reporting Date”	the date on which 2021 annual report of our Bank approved by the Board of Directors, being 30 March 2022

Chairman's Statement



Standing at the new historical starting point, Bank of Guizhou will seize the major opportunity under the Xin Guo Fa Document No. 2, always adhere to the value concept of “bank with heart” and strive to write a new chapter of high-quality development

YANG MINGSHANG
*Secretary of the Party
Committee and Chairman*



Chairman's Statement (Continued)

The year 2021 is a milestone during the development course of Guizhou. In this year, General Secretary Xi Jinping visited Guizhou and drew a grand blueprint for the development of Guizhou under the 14th Five-Year Plan, giving Guizhou a new goal and new positioning of "creating a new path, opening a new pattern, seizing new opportunities and making new achievements". During this year, the Bank of Guizhou has been grateful for the Party's concern, made concerted efforts, deeply studied and implemented the important speech of General Secretary Xi Jinping during his inspection in Guizhou, insisted on the leadership of high-quality Party building, and made resounding steps on the road of high-quality development. As at the end of the Reporting Period, the total assets of the Bank exceeded RMB500 billion, which amounted to RMB503.88 billion, representing an increase of 10.40%, ranking among medium-sized commercial banks; total loans and advances to customers amounted to RMB250.487 billion, representing an increase of 17.09%; deposits from customers amounted to RMB305.521 billion, representing an increase of 5.70%. Operating revenue during the year amounted to RMB11.737 billion, representing an increase of 4.35%, and net profit amounted to RMB3.706 billion, representing an increase of 0.95%; average return on total assets (ROA) reached 0.77% and average return on equity (ROE) reached 9.88%. The non-performing loan ratio was 1.15% and the allowance coverage ratio was 426.41%.

The results of the past year could not be achieved without the strong leadership of the provincial Party Committee and the provincial government, the careful guidance of the supervisory department, the unfailing support of our customers, the strong support of all shareholders, and the unity and hard work of all staff of the Bank of Guizhou. I would like to take this opportunity to express my heartfelt thanks to all of you!

Sharpening makes a mighty sword, and cold makes a blooming wintersweet. Ten years ago, the State Council issued "Opinions on Further Promoting the Fast and Well Economic and Social Development of Guizhou" (Guo Fa [2012] No.2), which confirmed the establishment of Bank of Guizhou; during the ten years since the establishment of the Bank, under the support of the Guo Fa Document No. 2 issued by the State Council, the Bank of Guizhou has grown and developed rapidly; ten years later, the State Council also issued "Opinions on Supporting Guizhou in Breaking a New Path in the Development of the Western Regions in the New Era" (Guo Fa [2022] No.2), giving Guizhou the strategic positioning of "Four Regions and One Highland" and laying a solid foundation for Guizhou to enter a new "Golden Decade".

A new starting point gives new mission, a new opportunity breeds new development and a new journey calls for new action. Standing at the new historical starting point, the Bank of Guizhou will seize the major opportunity under the Xin Guo Fa Document No. 2, always adhere to the value concept of "bank with heart" and strive to write a new chapter of high-quality development.

We will adhere to the main task and make every effort to deepen the transformation and development.

Transformation is an inevitable choice to achieve high-quality development for the Bank of Guizhou. We will implement the new development concept completely, accurately and comprehensively, actively seize the policy opportunities of Xin Guo Fa Document No. 2, and fully promote business transformation, operation quality improvement and customer base expansion. Focusing on the development requirements of extending, complementing and strengthening the chain of Guizhou's industry, the Bank will apply the thinking of supply chain finance to promote traditional and emerging industries to become stronger and bigger, further consolidate the foundation of corporate customer base and enhance the competitive advantage of corporate business. We will focus on expanding true demand in the whole province and put efforts on the asset side, accelerate the deployment of a large retail pattern covering urban and rural areas, and comprehensively improve the quality and efficiency of retail business operations. We will also focus on making stronger transactions, better products, more channels and larger markets, and enhance the comprehensive efficiency of businesses such as financial markets, asset management and investment banking.

Chairman's Statement (Continued)

We will enter the main battlefield and do our best to promote rural revitalization. We will cultivate the untapped rural markets, which is a "must to do action" instead of a "choose to do action" for the Bank of Guizhou during the critical period of transformation. We will adhere to the development of inclusive finance, and continue to improve the coverage and access of financial services. We will strictly implement the requirements of the "Four Assurances (四個不摘)", continue to do a better job of "one to one" partnership assistance, and strongly support the construction of high-standard farmland water conservancy in rural areas of the province, and put great efforts to facilitate, consolidate and expand the connection of the results of poverty alleviation and rural revitalization. We will press ahead the construction of service outlets to benefit farmers and agriculture, proactively push forward the issuance of third-generation social security cards, continuously enrich the "online + offline" marketing channels, accelerate the improvement of financial services in rural areas, and further consolidate and strengthen the foundation of rural customer base.

We will act as the main force and serve local development with all our strength. We will follow the direction guided by General Secretary Xi Jinping, actively implement the "One, Two, Three, Four" work idea of the province, take initiative to plan and promote our work in the overall situation of reform and development of the province, 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. We will focus on "Four-zations" around the "Four News" and do our best to promote industrial breakthrough, urban quality improvement, agricultural development and tourism enhancement. We will continue to deepen the innovation and development of green finance and implement the "Green Finance Strategic Plan of the Bank of Guizhou (2021-2025)" and the "Vision, Goals and Actions for "Carbon Peak" and "Carbon Neutrality" of the Bank of Guizhou" to promote the transformation of the province's lucid waters and lush mountains into "happy real estate" and "green cash machine". We will adhere to the development of science and technology finance, actively research and design personalized financial products and differentiated credit and pledge guarantee models in line with the digital economy industry, and do utmost to promote the deep integration of big data and the real economy in our province.

We are going to play a strong note of the coming future and drive digital transformation with all our strength. Digital transformation is both a strategy itself and also the path to achieve it. We will seize the opportunity of the era of the new round of technological revolution and industrial evolution, earnestly implement the "Guidance on Digital Transformation of the Banking and Insurance Industry" of the CBIRC, strive to build a bank-wide digital layout, and steadfastly follow the path of digital transformation. We will speed up the development and implementation of digital transformation programs to comprehensively enhance digital operation capability, digital marketing capability, digital management capability, digital support capability and digital control capability, to make convenient and available financial services and to continuously improve customer experience and satisfaction.

Chairman's Statement (Continued)

We will stick to the main position and build a solid compliance bottom line. Stable and compliant operation is the “infallible method” for the development and prosperity of banks. We will adhere to the business philosophy of “stability and compliance”, strictly implement the regulatory regulations and requirements, continue to improve the scientific organizational structure, working mechanism, management system, business processes, and strive to build a long-term mechanism of “regulation on conducts, prohibition against misconducts and penalty for non-compliance”. We will resolutely implement the resolutions from central Party Committee and provincial Party Committee and the central and provincial governments on the prevention and dissolving of major risks to prevent both “black swans” and “gray rhinos”. We have a full set of preliminary plans and alternative schemes in place. We will constantly strengthen the risk management in the post-epidemic era, resolutely guard the bottom line of risk, strictly implement the responsibility of safe operation, coordinate the work of epidemic prevention and control and financial services, so as to further demonstrate our commitment by practical actions.

We will firm up the backbone and strengthen the Party building. The clearer you know, the more earnest you act; the more earnest you act, the clearer you know. We will adhere to the leadership of political building, deeply understand the decisive significance of the “Two Establishments (兩個確立)”, further strengthen the “Four Consciousnesses (四個意識)”, enhance the “Four Self-confidences (四個自信)”, and achieve the “Two Maintenances (兩個維護)”. We will earnestly implement the general requirements of Party building in the new era and the Party's organizational line in the new era; insist on leading high-quality development with high-quality Party building, so as to strengthen Party building in all-round way. We will make efforts to cultivate a high-quality, professional and composite cadre to provide strong organizational guarantee and talent support for the high-quality development of the Bank of Guizhou. We will tighten the political responsibility in a strict and practical manner, unswervingly promote the construction of a clean and honest Party and government and anti-corruption work, preserve the spirit of self-revolution, and create a clear and clean political ecology for the high-quality development of the Bank of Guizhou.

The road is under our feet, the dream is ahead, and what we will achieve is depend on our efforts. On the road of high-quality development, our journey is still continuing. Let us forge ahead shoulder to shoulder, hand in hand and heart to heart for a shared and bright future.



Secretary of the Party Committee and Chairman



President's Statement



We will always adhere to our principal mission, focus on the big picture, operate with the ideas of overall situation, seize the major opportunities of the Xin Guo Fa Document No. 2, and achieve high-quality development of Bank of Guizhou in the process of fully serving the high-quality development of the province

XU AN

*Deputy Secretary of the
Party Committee and President*

President's Statement (Continued)

In 2021, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for A New Era, in the face of the complex and severe economic situation at home and abroad and the tough and heavy development tasks, the Bank has entered a new stage of high-quality development and successfully stepped into the ranks of medium-sized commercial banks by focusing on the "One, Two, Three, Four" work ideas of the province, adhering to the overall high-quality development strategy, insisting on the "Four News" to serve "Four-zations", overcoming difficulties and making concerted efforts.

Over the past year, we have further enhanced our comprehensive strength with great efforts in seeking progress while maintaining stability.

Total assets amounted to RMB503.88 billion, representing an increase of 10.40%; total advances and loans to customers amounted to RMB250.487 billion, representing an increase of 17.09%; the balance of deposits amounted to RMB305.521 billion, representing an increase of 5.70%. Operating revenue amounted to RMB11.737 billion, representing an increase of 4.35%; net profit amounted to RMB3.706 billion, representing an increase of 0.95 percentage points; net income was RMB428 million, representing an increase of 18.03%. Non-performing loan ratio was 1.15%, with stable asset quality; provision coverage ratio amounted to 426.41%, representing an increase of 92.05 percentage points compared with the beginning of the year with solid risk offsetting ability. The Bank has solidly promoted comprehensive risk management and met all major regulatory standards in five aspects, including liquidity risk, credit risk, market risk, capital adequacy and profitability.

Over the past year, we have devoted concerted efforts with all resources to serve the local community more effectively.

The Bank provided RMB48.384 billion of loans to the "Four-zations" projects, and fully completed the high-quality development assessment tasks assigned by the provincial Party Committee and the provincial government. The Bank solidly promoted the effective connection between consolidating and expanding the results of poverty alleviation and rural revitalization, and 16 indicators in 5 categories of rural revitalization work were awarded full marks in the 2021 assessment of the provincial SASAC system. The loans to the real economy amounted to RMB51.731 billion, the balance of real economy financing amounted to RMB143.823 billion, representing an increase of 52.52%; the balance of loans to private enterprises amounted to RMB37.98 billion, representing an increase of 22.25%; the balance of loans of the caliber of "inclusive small and micro enterprises" amounted to RMB27.886 billion, representing an increase of 39.98%, benefiting 18,000 small and micro enterprises. The second tranche of green financial bonds of RMB5 billion was issued and the balance of green loans amounted to RMB34.971 billion, representing an increase of 53.03%.

Over the past year, we insisted on accelerating the transformation and have formed greater momentum for further development.

The Bank has formulated the "One, Two, Three, Four" Working Ideas of the Bank of Guizhou to draw a blueprint for development, and the concept of high-quality development has been deeply rooted in people's hearts. We have established and improved a new operation management system, continuously optimized the organizational structure and system processes, and effectively improved the level of business intensification, synergy and efficient operation. The Bank has strengthened the foundation of large corporate business, achieved stable growth



President's Statement (Continued)

in profit of corporate business; promoted the quality and rapid development of large retail business, maintain the first place in terms of the growth rate of personal deposits in the province; promoted the orders and revenue of financial markets, achieving revenue of RMB2.579 billion; accelerated the development of transaction banking business, achieving revenue of RMB843 million; and promoted the steady development of wealth management business, achieving net income of RMB118 million. The Bank carried out ("San Sao Wu Zhua") (三掃五抓) and ("San Sao Liu Zhua") (三掃六抓), and achieved dual improvement in the total number and quality of customers. The Bank also vigorously promoted the extension of channels to towns and rural areas. During the year, 1,650 outlets benefiting to farmers and agriculture service were signed and 832 were opened to operation. We recorded time point deposit balance of RMB4.225 billion, issued 348,100 cards, initially established a "base" in the rural market and further enhanced our brand influence in the vast rural areas.

Over the past year, we consolidated basic management by sticking to foundation enhancement and work planning. We did a solid job in internal control compliance and case prevention management, steadily promoted rating work, and maintained stable regulatory rating, central bank rating, comprehensive evaluation of PBOC, anti-money laundering rating and case prevention assessment grade, and achieved smooth operation throughout the year. The Bank continuously optimized the new generation information system, further improved credit business processes and system functions, accelerated the pace of digital transformation, continued to enrich digital financial service scenarios, continued to improve technology-enabled business and won a series of awards including the "2021 financial industry scenario outstanding contribution award for financial construction" of PBOC's "Financial Computerizing". We strictly managed large expenditures, and continuously strengthened the analysis and management of input and output efficiency, resulting in new achievements in cost reduction and efficiency. We promoted the construction of a large security pattern, obtain the 1st place in the security assessment of banking financial institutions in the province in the preliminary evaluation of the 7th round of security assessment, and are expected to be the first in the province in security assessment for a total of 3 rounds in 6 consecutive years.

The year 2022 is the beginning of the implementation of the Xin Guo Fa Document No. 2, and the opening year for Bank of Guizhou to enter the ranks of medium-sized commercial banks and face the market with a new image. We will always adhere to our principal mission, focus on the big picture, operate with the ideas of overall situation, take the initiative to plan and promote the work in the context of the province's economic and social development, effectively promote the Bank's business transformation, operational quality and customer base expansion, seize the major opportunities of the Xin Guo Fa Document No. 2, achieve high-quality development of Bank of Guizhou in the process of fully serving the high-quality development of the province, and reward shareholders and society with excellent results to welcome the successful opening of the 20th National Party Congress and the 13th Provincial Party Congress!

Deputy Secretary of the Party Committee and President

1. Basic Information

LEGAL CHINESE NAME:

貴州銀行股份有限公司

ENGLISH NAME:

BANK OF GUIZHOU CO., LTD.

LEGAL REPRESENTATIVE:

Mr. Yang Mingshang

AUTHORISED REPRESENTATIVES FOR THE HONG KONG STOCK EXCHANGE:

Mr. YANG Mingshang, Mr. ZHOU Guichang

BOARD SECRETARY:

Mr. ZHOU Guichang

JOINT COMPANY SECRETARIES:

Mr. ZHOU Guichang, Dr. NGAI Wai Fung

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1. Basic Information (Continued)

ADDRESS FOR INSPECTION OF THIS REPORT:

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

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 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.

As at the end of the Reporting Period, the Bank had total assets of RMB503.88 billion, total deposits from customers of RMB305.521 billion, total loans and advances to customers amounted to RMB250.487 billion, non-performing loan ratio of 1.15%, provision coverage rate of 426.41%. In 2021, the Bank had profit before tax of RMB4.19 billion, net profit of RMB3.706 billion. As at the end of the Reporting Period, there were 229 licensed institutions of the Bank, with 5,255 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 Bank of Guizhou always adheres to the service 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, and assets 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 continues to maintain a good level. Bank of Guizhou continues to optimize its internal management, various systems and mechanisms have been continuously improved, the building of the talent team has been continuously strengthened, and the Bank has operated efficiently and orderly. Bank of Guizhou ranked 271st in the world in the list of "2021 Top 1000 Global Banks" released by the British Magazine "the Banker", and ranked 45th in the "2021 China Top 100 Bank List" released by the China Banking Association.

3. Major Awards Achieved in 2021

<p>The Fourth “Tiema” Small and Medium-sized Banks Evaluation-Famous Branded Small and Medium-sized Bank (第四屆“鐵馬”中小銀行評選知名品牌中小銀行) Modern Bankers (《當代金融家》雜誌社)</p>	<p>Top 500 Chinese Service Enterprises (中國服務業企業500強) China Financial Certification Authority (中國金融認證中心)</p>	<p>2021 Top 100 Clearing Companies (2021年度結算100強) China Central Depository & Clearing Co., Ltd. (中央國債登記結算有限責任公司)</p>
<p>China Banking Top 100 (中國銀行業100強) China Banking Association (中國銀行業協會)</p>	<p>Innovation Award of Digital Finance Scenario (數字金融場景創新獎) China Financial Certification Authority (中國金融認證中心)</p>	<p>Innovation Award of Inter-bank Standard Currency Market (銀行間本幣市場創新獎) National Interbank Funding Center (全國銀行間同業拆借中心)</p>
<p>DCMM Level 3 (Totally Secure) (DCMM3級(穩健級)) China Information Industry Federation</p>	<p>Outstanding Transformation and Development Bank PY Standard, Financial and Investment</p>	<p>The Best Digital Transformation Project (Data Analysis) for 2021 in China The Asian Banker</p>
<p>The Best Banking Infrastructure Implementation Technology Award for 2021 in China The Asian Banker</p>	<p>2021 Outstanding Contribution Award for Financial Construction in Financial Scenarios (2021年金融業場景金融建設突出貢獻獎) Financial Computerising Press (《金融電子化》雜誌社)</p>	<p>Outstanding Contribution Award for Donations made to COVID-19 Prevention and Control (新冠肺炎疫情防控捐贈突出貢獻獎) Hubei Charity Federation (湖北省慈善總會)</p>
<p>Green Finance Star of Guizhou Province (貴州省綠色金融之星) Guizhou Jienengjianpai Seminar</p>	<p>Caring Enterprise for Good Deeds, Guizhou (善行貴州•愛心企業) Department of Civil Affairs of Guizhou Province (貴州省民政廳), People’s Government of Guiyang (貴陽市人民政府)</p>	<p>Guizhou Provincial Integrity Demonstration Enterprise (貴州省誠信示範企業) Guizhou Provincial Development and Reform Commission (貴州省發展和改革委員會)</p>

3. Major Awards Achieved in 2021 (Continued)

Provincial Leading Enterprise in Service Industry
(省級服務業龍頭企業)

Guizhou local financial supervision and administration
(省地方金融監管局)

The Province's Advanced Collective in Poverty Alleviation

Guizhou Provincial Committee of the Communist Party of China and People's Government of Guizhou Province

National Civilized Woman Post-Danzhai County Branch of Bank of Guizhou Co., Ltd.

All-China Women's Federation

National May Day Labor Medal – Chen Guihua

All-China Federation of Trade Unions

2021 Top 50 Service Enterprises in Guizhou (2021貴州服務業企業50強), 2021 Top 100 Enterprises in Guizhou (2021貴州企業100強)

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)

The 20th National Civilized Youth-Bijie branch Business Department of Bank of Guizhou Co., Ltd.

Central Committee of the Chinese Communist Youth League

Guizhou Province Poverty Alleviation and Pioneering Individual-Cai Jia

Guizhou Provincial Committee of the Communist Party of China and People's Government of Guizhou Province

Female Pace Setter with Great Contribution (National Level) (全國巾幗建功標兵) – Fu Qian

All-China Women's Federation

2021 Guizhou "Top 100 Brands"(2021貴州"100強品牌")

Office of the Organizing Committee of Guizhou Brand Global Promotion (貴州品牌全球傳播行動組委辦公室), the Organizing Committee of Guizhou "Top 100 Brands" Exhibition and Promotion (貴州"100強品牌"展示推介活動組委會), Guizhou Council for the Brand Development (貴州省品牌建設促進會)

National "March 8th" Red Flag Collective in 2020-Dongguan sub-branch of Bank of Guizhou Co., Ltd.

All-China Women's Federation

National Outstanding Communist Youth League Organizer-Gao Jie

Central Committee of the Chinese Communist Youth League

National Financial May Day Labor Medal-Yu Rongzheng

National Committee of China Finance Union

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	2021	For the year ended 31 December				
		2020	Year-on-Year	2019	2018	2017
			Rate of change (%)			
Operation results indicators						
Net interest income	9,514.49	10,121.39	(6.00)	9,870.96	8,326.29	8,710.81
Net fee and commission income	427.87	362.52	18.03	94.64	21.30	(9.67)
Operating income	11,737.16	11,247.61	4.35	10,705.53	8,769.61	8,625.38
Operating expenses	(3,729.77)	(3,555.74)	4.89	(3,422.11)	(3,039.83)	(2,919.53)
Impairment losses on assets	(3,900.17)	(3,231.79)	20.68	(3,172.77)	(2,392.28)	(3,058.52)
Total profit	4,190.46	4,355.30	(3.78)	4,091.39	3,303.04	2,641.84
Net profit	3,705.71	3,670.66	0.95	3,563.64	2,876.57	2,254.95
Net assets per share (RMB)	2.67	2.47	8.10	2.32	2.06	1.87
Basic earnings per share (RMB)	0.25	0.25	–	0.29	0.24	0.23
			Change (%)			
Profitability indicators						
Return on average total assets ⁽¹⁾	0.77%	0.85%	(0.08%)	0.95%	0.92%	0.88%
Return on average equity ⁽²⁾	9.88%	10.50%	(0.62%)	12.01%	12.36%	12.07%
Net interest spread ⁽³⁾	2.37%	2.44%	(0.07%)	2.75%	2.66%	3.31%
Net interest margin ⁽⁴⁾	2.29%	2.55%	(0.26%)	2.82%	2.82%	3.45%
Net fee and commission income to operating income	3.65%	3.22%	0.43%	0.88%	0.24%	(0.11%)
Cost-to-income ratio ⁽⁵⁾	31.09%	30.29%	0.80%	30.84%	33.91%	33.05%

Summary of Accounting Data and Financial Indicators (Continued)

Item	2021	For the year ended 31 December				
		2020	Year-on-Year	2019	2018	2017
			Rate of change (%)			
Scale indicators						
Total assets	503,880.17	456,401.20	10.40	409,388.80	341,202.88	286,368.40
Including: Gross loans and advances to customers	250,486.58	213,922.91	17.09	179,867.72	140,140.53	88,132.34
Net loans and advances to customers ⁽⁶⁾	238,834.74	206,152.61	15.85	173,349.70	135,831.85	85,409.49
Total liabilities	464,892.34	420,373.38	10.59	375,499.56	315,743.99	265,270.99
Including: Deposits from customers ⁽⁷⁾	305,521.02	289,042.77	5.70	260,266.47	220,083.74	202,270.51
Share capital	14,588.05	14,588.05	–	14,588.05	12,388.05	11,263.05
Total equity	38,987.83	36,027.82	8.22	33,889.24	25,458.89	21,097.41
			Change (%)			
Asset Quality Indicators						
Non-performing loan ratio ⁽⁸⁾	1.15%	1.15%	–	1.18%	1.36%	1.60%
Allowance coverage ratio ⁽⁹⁾	426.41%	334.36%	92.05%	324.95%	243.72%	192.77%
Allowance to gross loans ⁽¹⁰⁾	4.90%	3.84%	1.06%	3.85%	3.31%	3.09%
			Change (%)			
Capital adequacy ratio indicators ⁽¹¹⁾						
Core tier-one capital adequacy ratio	11.79%	11.63%	0.16%	12.30%	10.62%	10.93%
Tier 1 capital adequacy ratio	11.79%	11.63%	0.16%	12.30%	10.62%	10.93%
Capital adequacy ratio	13.78%	13.67%	0.11%	14.45%	12.83%	11.62%
Total equity to total assets	7.74%	7.89%	(0.15%)	8.28%	7.46%	7.37%
			Change (%)			
Other Indicators						
Liquidity coverage ratio	334.63%	289.00%	45.63%	320.18%	180.08%	143.01%
Liquidity ratio	112.85%	91.94%	20.91%	96.29%	65.31%	60.33%
Loan-to-deposit ratio	82.94%	74.63%	8.31%	69.60%	63.68%	43.57%

Summary of Accounting Data and Financial Indicators (Continued)

Note:

- (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 economy maintains a stable growth trend. In 2021, amid the complicated domestic and international situation and various risks and challenges, the whole country worked hard together to overcome difficulties. China maintained its global leading position in economic development and achieved all major expected targets of economic and social development, yielding initial results of the 14th Five-Year Plan. According to the preliminary calculations of the National Bureau of Statistics, the GDP in 2021 was RMB114.4 trillion, an increase of 8.1% over the previous year, with an average growth of 5.1% over two years. During the Reporting Period, the economic development of Guizhou Province, the main region in which the Bank operates, was developed with steady progress. According to the Guizhou Provincial Bureau of Statistics, the GDP of Guizhou Province in 2021 was RMB1.96 trillion, representing an increase of 8.1% over the previous year and an average growth of 6.3% over two years, and the economic growth continued to be among the leading ones in China.
- II. Macroeconomic policy provides effective support. In 2021, China continued to implement continuing, stable and sustainable macroeconomic policies and positive and favourable fiscal policies. It further promoted tax reduction policies based on laws and regulations, enhanced transfer payments to effectively hedge the economic downward pressure. During the Reporting Period, with flexible, moderate and precisely oriented monetary policies, the state reduced the reserve requirement ratio twice and lowered the refinancing rate for loans supporting agriculture and small businesses by 0.25 percentage points to maintain reasonable and adequate liquidity and release long-term funds, and to guide the cutting down of social comprehensive financing cost, which created stable and suitable monetary and financial environment for the prevention and control of pandemic and carrying out key tasks including the “Six Stability” and “Six Security”.
- III. The industry competition continues to deepen. On the one hand, the recurring outbreak of epidemic imposed material impact on the domestic economy, resulting in impediments to the operation and development of enterprises and increasing default risk and liquidity risk, which caused tougher challenges for business development and management in the banking industry. At the same time, local urban commercial banks, which are responsible for regional capital financing, were facing the pressure of larger narrowing interest rate spreads and capital replenishment in the context of the financial industry’s policy of continuously increasing fee reductions and concessions and supporting the real economy. On the other hand, the digital transformation of the banking industry accelerated as the rapid and continuous development of financial technology, and application of mobile Internet, big data, artificial intelligence and other new technologies. Given the opening up of the financial sector both inside and outside was deepening, the rising competition in the banking industry, and the operating performance of banking institutions continued to diverge, banks that fail to grasp the innovation of digital transformation would fall further behind advanced banks in terms of competitive strengths.

4.2 ANALYSIS OF OVERALL OPERATION PERFORMANCE

In 2021, the Bank focused on the “One, Two, Three, Four” working idea, insisted on the overall high-quality development strategy, served the “Four-Zations” (四化) around “Four-News” (四新) and steadily carried out various businesses. The Bank’s overall business performance represented a stable growth trend. As at the end of the Reporting Period, the Bank had total assets of RMB503.88 billion, representing an increase of 10.40% over the end of previous

Management Discussion and Analysis (Continued)

year; total loans and advances to customers of RMB250.487 billion, representing an increase of 17.09% over the end of previous year; total deposits from customers of RMB305.521 billion, representing an increase of 5.70% over the end of previous year. For the year of 2021, the Bank had operating income of RMB11.737 billion, representing an increase of 4.35% as compared to the previous year; net profit of RMB3.706 billion, representing an increase of 0.95% as compared to the previous year.

4.3 ANALYSIS OF PROFIT STATEMENTS

In 2021, the Bank achieved a profit before tax of RMB4,190 million. It recorded a net profit of RMB3,706 million, representing an increase of 0.95% as compared with the corresponding period of the previous year.

	2021	2020	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			<i>(%)</i>
Interest income	21,158.42	19,966.95	1,191.47	5.97
Interest expense	(11,643.93)	(9,845.56)	(1,798.37)	18.27
Net interest income	9,514.49	10,121.39	(606.90)	(6.00)
Fee and commission income	551.47	459.73	91.74	19.96
Fee and commission expense	(123.60)	(97.21)	(26.39)	27.15
Net fee and commission income	427.87	362.52	65.35	18.03
Net profit or loss on transactions	800.44	144.66	655.78	453.33
Net profit or loss on investment securities	925.59	623.84	301.75	48.37
Other operating income/(expense)	68.77	(4.80)	73.57	(1,532.71)
Operating income	11,737.16	11,247.61	489.55	4.35
Operating expenses	(3,729.77)	(3,555.74)	(174.03)	4.89
Impairment losses on assets	(3,900.17)	(3,231.79)	(668.38)	20.68
Share of income/(losses) of associates	83.24	(104.78)	188.02	(179.44)
Profit before tax	4,190.46	4,355.30	(164.84)	(3.78)
less: income tax	(484.75)	(684.64)	199.89	(29.20)
Net profit	3,705.71	3,670.66	35.05	0.95

Management Discussion and Analysis (Continued)

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

In 2021, the Bank's net interest income amounted to RMB9,514 million, accounting for 81.06% 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.

	Average balance	2021 Interest income/expense	Average yield/cost ⁽¹⁾ (%)	Average balance	2020 Interest income/expense	Average yield/cost ⁽¹⁾ (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>						
Assets						
Total loans and advances to customers	234,771.89	13,696.61	5.83	198,813.13	11,867.08	5.97
Financial investments ⁽²⁾	137,883.97	6,704.19	4.86	142,519.68	7,285.22	5.11
Deposits with the central bank	22,331.54	340.41	1.52	29,048.67	371.93	1.28
Deposits with banks and other financial institutions	1,242.64	11.34	0.91	4,437.69	62.91	1.42
Placements with banks and other financial institutions	14.25	0.59	4.14	17.18	0.64	3.73
Financial assets held under resale agreements	19,095.35	405.28	2.12	21,500.49	379.17	1.76
Total interest-earning assets	415,339.64	21,158.42	5.10	396,336.84	19,966.95	5.04
Liabilities						
Deposits from customers	301,543.78	7,774.83	2.58	274,306.95	6,485.06	2.36
Deposits from banks and other financial institutions	23,202.49	814.33	3.51	20,334.45	731.00	3.59
Placements from banks and other financial institutions	3,064.72	105.35	3.44	2,140.50	77.92	3.64
Borrowings from the central bank	29,588.27	850.89	2.88	12,212.96	353.74	2.90
Financial assets sold under repurchase agreements	9,939.59	205.75	2.07	2,877.00	44.38	1.54
Debt securities issued	59,917.99	1,892.78	3.16	66,588.70	2,153.46	3.23
Total interest-bearing liabilities	427,256.84	11,643.93	2.73	378,460.56	9,845.56	2.60
Net interest income		9,514.49			10,121.39	
Net interest spread ⁽³⁾		2.37%			2.44%	
Net interest margin ⁽⁴⁾		2.29%			2.55%	

Management Discussion and Analysis (Continued)

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.

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

Item	2021 compared to 2020		
	Net increase/(decrease) as a result of the following change of		
	Scale ⁽¹⁾	Interest rate ⁽²⁾	Net increase/(decrease) ⁽³⁾
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>		
Interest-earning assets			
Total loans and advances to customers	2,097.84	(268.31)	1,829.53
Financial investments	(225.40)	(355.63)	(581.03)
Deposits with the central bank	(102.39)	70.87	(31.52)
Deposits with banks and other financial institutions	(29.16)	(22.41)	(51.57)
Placements with banks and other financial institutions	(0.12)	0.07	(0.05)
Financial assets held under resale agreements	(51.05)	77.16	26.11
Changes in interest income	1,689.72	(498.25)	1,191.47
Interest-bearing liabilities			
Deposits from customers	702.26	587.51	1,289.77
Deposits and placements from banks and other financial institutions	100.66	(17.33)	83.33
Placements from banks and other financial institutions	31.77	(4.34)	27.43
Borrowings from central bank	499.67	(2.52)	497.15
Financial assets sold under repurchase agreements	146.20	15.17	161.37
Debts securities issued	(210.72)	(49.96)	(260.68)
Changes in interest expenses	1,269.83	528.54	1,798.37
Changes in net interest income	419.89	(1,026.79)	(606.90)

Management Discussion and Analysis (Continued)

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 previous 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 2021, the Bank realized interest income of RMB21,158 million, representing a year-on-year increase of RMB1,191 million or 5.97%.

I. Interest Income from loans and advances to customers

In 2021, the Bank's interest income from loans to customers was RMB13,697 million, representing a year-on-year increase of RMB1,830 million or 15.42%.

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

	2021			2020		
	Average balance	Interest income	Average yield %	Average balance	Interest income	Average yield
<i>(Expressed in millions of RMB, unless otherwise stated)</i>						
Corporate loans and advances	191,759.95	11,780.14	6.14	163,210.56	10,172.80	6.23
Personal loans	32,177.71	1,663.39	5.17	26,989.87	1,488.23	5.51
Discounted bills	10,834.23	253.08	2.34	8,612.70	206.05	2.39
Total loans and advances to customers	234,771.89	13,696.61	5.83	198,813.13	11,867.08	5.97

II. Interest Income from Financial Investments

In 2021, the Bank's interest income from financial investments was RMB6,704 million, representing a year-on-year decrease of RMB581 million or 7.98%.

III. Interest Income from Deposits with the Central Bank

In 2021, the Bank's interest income from deposits with the central bank amounted to RMB340 million, representing a year-on-year decrease of RMB32 million or 8.47%.

Management Discussion and Analysis (Continued)

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

In 2021, the Bank's interest income from deposits with banks and other financial institutions was RMB11 million, representing a year-on-year decrease of RMB52 million.

V. Interest Income from Financial Assets Held under Resale Agreements

In 2021, the Bank's interest income from financial assets held under resale agreements was RMB405 million, representing a year-on-year increase of RMB26 million or 6.89%.

4.3.3 Analysis on interest expenses

In 2021, the Bank's interest expense amounted to RMB11,644 million, representing a year-on-year increase of RMB1,798 million or 18.27%.

I. Interest Expense on Deposits from Customers

In 2021, the Bank's interest expense on deposits from customers amounted to RMB7,775 million, representing a year-on-year increase of RMB1,290 million or 19.89%.

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

In 2021, the Bank's interest expense on deposits from banks and other financial institutions amounted to RMB814 million, representing a year-on-year increase of RMB83 million or 11.40%.

III. Interest Expense on Financial Assets Sold under Repurchase Agreements

In 2021, the Bank's interest expense on financial assets sold under repurchase agreements was RMB206 million, representing a year-on-year increase of RMB161 million or 363.61%.

IV. Interest Expense on Debt Securities Issued

In 2021, the Bank's interest expense on debt securities issued was RMB1,893 million, representing a year-on-year decrease of RMB261 million or 12.11%.

V. Interest Expense on Borrowings from Central Bank

In 2021, the Bank's interest expense on borrowings from central bank amounted to RMB851 million, representing a year-on-year increase of RMB497 million or 140.54%.

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

In 2021, the interest expenses on placements from banks and other financial institutions was RMB105 million, representing a year-on-year increase of RMB27 million or 35.20%.

Management Discussion and Analysis (Continued)

4.3.4 Analysis on non-interest income

I. Net fee and commission income

In 2021, the Bank's net fee and commission income amounted to RMB428 million, representing a year-on-year increase of RMB65 million or 18.03%.

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

	2021	2020	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
				%
Acceptance and guarantee services fees	208.13	125.55	82.58	65.77
Agency services fees	181.00	209.73	(28.73)	(13.70)
Bank card services fees	57.12	46.04	11.08	24.07
Fund supervision services fees	55.85	50.81	5.04	—
Settlement and clearing fees	48.06	26.89	21.17	78.73
Consultancy services Fees	1.31	0.71	0.60	84.51
Fee and commission income	551.47	459.73	91.74	19.96
Bank card services expenses	(67.29)	(70.57)	3.28	(4.63)
Other fees and commission expenses	(56.31)	(26.64)	(29.67)	(111.37)
Fee and commission expenses	(123.60)	(97.21)	(26.39)	27.15
Net fee and commission income	427.87	362.52	65.35	18.03

II. Net trading gains

In 2021, the Bank's net trading gains amounted to RMB800 million, representing a year-on-year increase of RMB656 million or 453.33%.

III. Net gains arising from investment securities

In 2021, the Bank's net gains arising from investment securities amounted to RMB926 million, representing a year-on-year increase of RMB302 million or 48.37%.

Management Discussion and Analysis (Continued)

IV. Other operating income/(expenses)

In 2021, the Bank's other operating income was RMB69 million, representing a year-over-year increase of RMB74 million.

4.3.5 Analysis on operating expenses

In 2021, the Bank's operating expenses amounted to RMB3,730 million, representing a year-on-year increase of RMB174 million or 4.89%.

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

	2021	2020	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
				%
Staff costs	2,269.82	2,165.67	104.15	4.81
Depreciation and amortisation	450.42	306.31	144.11	47.05
Office expenses	416.82	353.31	63.51	17.98
Rental and property management expenses	34.00	14.65	19.35	132.08
Taxes and surcharges	80.62	149.09	(68.47)	(45.93)
Depreciation of right-of-use assets	161.99	167.37	(5.38)	(3.21)
Interest expense on lease liabilities	34.32	33.81	0.51	1.51
Other general and administrative fees	281.78	365.53	(83.75)	(22.91)
Total operating expenses	3,729.77	3,555.74	174.03	4.89

In 2021, the Bank's staff costs were RMB2,270 million, representing a year-on-year increase of RMB104 million or 4.81%.

In 2021, depreciation and amortisation of the Bank amounted to RMB450 million, representing a year-on-year increase of RMB144 million or 47.05%.

In 2021, the Bank's office expenses amounted to RMB417 million, representing a year-on-year increase of RMB64 million or 17.98%.

In 2021, the Bank's tax and surcharges amounted to RMB81 million, representing a year-on-year decrease of RMB68 million or 45.93%.

In 2021, the Bank's depreciation of right-of-use assets amounted to RMB162 million, representing a year-on-year decrease of RMB5 million or 3.21%.

Management Discussion and Analysis (Continued)

4.3.6 Impairment losses on assets

In 2021, the Bank's asset impairment loss amounted to RMB3,900 million, representing a year-on-year increase of RMB668 million or 20.68%.

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.

	2021	2020	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
				%
Loans and advances to customers	4,007.33	2,108.03	1,899.30	90.10
Financial investments	59.60	1,041.29	(981.69)	(94.28)
Credit commitments	(221.14)	59.61	(280.75)	(470.98)
Deposit with banks and other financial institutions	1.60	(0.43)	2.03	(472.09)
Others	52.78	23.29	29.49	126.62
Total	3,900.17	3,231.79	668.38	20.68

4.3.7 Income tax

In 2021, the Bank's income tax amounted to RMB485 million, representing a year-on-year decrease of RMB200 million or 29.20%.

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.

	2021	2020	Change	Rate of change
Item	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
				(%)
Current income tax	1,263.50	1,235.35	28.15	2.28
Deferred income tax expense	(778.75)	(550.71)	(228.04)	41.41
Income tax	484.75	684.64	(199.89)	(29.20)

Management Discussion and Analysis (Continued)

4.4 ANALYSIS ON MAJOR ITEMS IN THE BALANCE SHEET

4.4.1 Assets

As at 31 December 2021, the Bank's total assets amounted to RMB503,880 million, representing an increase of RMB47,479 million or 10.40% 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.

	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Gross loans and advances to customers	250,486.58	49.71	213,922.91	46.87
Add: Accrued interest	630.45	0.13	442.96	0.10
Less: Allowance for impairment losses	(12,282.29)	(2.44)	(8,213.26)	(1.80)
Net loans and advances to customers	238,834.74	47.40	206,152.61	45.17
Financial investments	189,011.90	37.51	192,309.00	42.14
Cash and deposits with the central bank	35,681.95	7.08	48,149.56	10.55
Deposits with banks and other financial institutions	3,517.08	0.70	1,157.31	0.25
Placements with banks and other financial institutions	–	–	50.67	0.01
Financial assets held under resale agreements	27,556.99	5.47	–	–
Other assets ⁽¹⁾	9,277.51	1.84	8,582.05	1.88
Total assets	503,880.17	100.00	456,401.20	100.00

Note:

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

Management Discussion and Analysis (Continued)

I. Loans and Advances to Customers

As at 31 December 2021, the Bank's total loans and advances to customers amounted to RMB250,487 million, representing an increase of RMB36,564 million or 17.09% 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.

	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans and advances to customers measured at amortised cost				
Corporate loans and advances	213,009.34	85.04	163,017.07	76.20
Personal loans	33,912.76	13.54	29,617.94	13.85
Sub-total	246,922.10	98.58	192,635.01	90.05
Loans and advances to customers measured at fair value through other comprehensive income				
Discounted bills	3,109.37	1.24	19,266.95	9.01
Forfeiting	455.11	0.18	2,020.95	0.94
Sub-total	3,564.48	1.42	21,287.90	9.95
Total loans and advances to customers	250,486.58	100.00	213,922.91	100.00

1. Corporate loans and advances

As at 31 December 2021, the Bank's corporate loans and advances measured at amortised cost amounted to RMB213,009 million, representing an increase of RMB49,992 million or 30.67% as compared with the end of last year.

2. Personal loans and advances

As at 31 December 2021, the Bank's Personal loans amounted to RMB33,913 million, representing an increase of RMB4,295 million or 14.50% as compared to the end of last year.

Management Discussion and Analysis (Continued)

(2) Investment securities and other financial assets

As at 31 December 2021, the Bank's investment securities and other financial assets amounted to RMB189,012 million, representing a decrease of RMB3,297 million or 1.71% as compared to the end of last year.

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

	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Financial investments				
Financial assets at fair value through profit or loss	55,336.49	29.28	47,764.67	24.84
Financial investments at fair value through other comprehensive income	55,661.20	29.45	48,220.20	25.07
Financial investments at amortised cost	78,014.21	41.27	96,324.13	50.09
Net financial investment	189,011.90	100.00	192,309.00	100.00

Management Discussion and Analysis (Continued)

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

Distribution of Financial investments	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Bonds				
Debt securities issued by central and local governments	62,082.66	32.84	47,969.07	24.94
Debt securities issued by policy banks	33,315.97	17.63	28,289.58	14.71
Debt securities issued by banks and other financial institutions	7,825.56	4.14	8,697.33	4.52
Debt securities issued by enterprises	25,507.78	13.50	25,476.08	13.25
Sub-total	128,731.97	68.11	110,432.06	57.42
Other financial investments				
Asset-backed securities	571.20	0.30	798.81	0.42
Structured notes issued by securities companies	197.78	0.10	910.33	0.47
Investment funds managed by mutual fund managers ⁽¹⁾	31,520.24	16.68	26,977.32	14.03
Equity investments	37.75	0.02	37.75	0.02
Investment management products managed by assets management companies and trust plans	27,216.74	14.40	53,075.95	27.60
Private debt financing plans	414.00	0.22	815.91	0.42
Sub-total	59,957.71	31.72	82,616.07	42.96
Accrued interest	2,091.13	1.11	2,175.31	1.13
Allowance for impairment losses on assets	(1,768.91)	(0.94)	(2,914.44)	(1.51)
Net financial investments	189,011.90	100.00	192,309.00	100.00

Management Discussion and Analysis (Continued)

Notes:

- (1) Mainly include monetary funds and bond funds.
- (2) As at the end of the Reporting Period, the financial investment of the Bank were all financial markets business within the scope of operation approved by the 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 2021.
- (3) For details of pledged assets, please refer to Note 23 "Pledged Assets" to the financial statements.

4.4.2 Liabilities

As at 31 December 2021, the Bank's total liabilities amounted to RMB464,892 million, representing an increase of RMB44,519 million or 10.59% 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.

	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Borrowings from the central bank	32,219.50	6.93	26,641.75	6.34
Deposits from customers	305,521.02	65.72	289,042.77	68.76
Deposits from banks and other financial institutions	23,920.24	5.15	29,995.72	7.14
Placements from banks and other financial institutions	3,368.31	0.72	2,602.50	0.62
Financial assets sold under repurchase agreements	23,198.25	4.99	12,464.43	2.97
Debt securities issued	72,394.28	15.57	55,836.38	13.28
Other liabilities ⁽¹⁾	4,270.74	0.92	3,789.83	0.89
Total liabilities	464,892.34	100.00	420,373.38	100.00

Note:

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

Management Discussion and Analysis (Continued)

I. Deposits from customers

Deposits from customers are the main source of funds for the Bank. As at 31 December 2021, the Bank's deposits from customers amounted to RMB305,521 million, representing an increase of RMB16,478 million or 5.70% 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.

	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Demand deposits				
– Corporate deposits	92,150.74	30.16	109,141.23	37.76
– Retail deposits	35,382.74	11.58	31,995.53	11.07
Sub-total	127,533.48	41.74	141,136.76	48.83
Time deposits				
– Corporate deposits	78,731.32	25.77	65,365.24	22.61
– Retail deposits	86,330.37	28.26	69,637.51	24.09
Sub-total	165,061.69	54.03	135,002.75	46.70
Pledged deposits	9,340.08	3.06	10,400.55	3.61
Inward and outward remittances	41.08	0.01	107.55	0.04
Fiscal deposits	45.07	0.01	10.91	–
Sub-total	9,426.23	3.08	10,519.01	3.65
Accrued interest	3,499.62	1.15	2,384.25	0.82
Total deposits from customers	305,521.02	100.00	289,042.77	100.00

Management Discussion and Analysis (Continued)

II. Deposits from banks and other financial institutions

As at 31 December 2021, the Bank's deposits from banks and other financial institutions amounted to RMB23,920 million, representing a decrease of RMB6,075 million or 20.25% as compared to the end of last year.

III. Debt securities issued

As at 31 December 2021, the Bank's debt securities issued amounted to RMB72,394 million, representing an increase of RMB16,558 million or 29.65% as compared to the end of last year.

4.4.3 Shareholders' Equity

As at 31 December 2021, the Bank's total shareholders' equity amounted to RMB38,988 million, representing an increase of RMB2,960 million or 8.22% as compared to the end of last year.

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

	As at 31 December 2021		As at 31 December 2020	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Share Capital	14,588.05	37.42	14,588.05	40.49
Capital reserve	8,670.09	22.24	8,840.11	24.54
Surplus reserve	2,228.70	5.72	1,858.13	5.16
General reserve	4,690.00	12.03	4,070.00	11.30
Fair value reserve	(152.24)	(0.39)	(496.40)	(1.38)
Impairment reserve	280.06	0.72	170.10	0.47
Deficit on remeasurement of net defined benefit liability	(26.60)	(0.07)	(17.96)	(0.05)
Retained earnings	8,709.77	22.33	7,015.79	19.47
Total equity	38,987.83	100.00	36,027.82	100.00

Management Discussion and Analysis (Continued)

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.

	As at 31 December 2021	As at 31 December 2020
<i>(Expressed in millions of RMB, unless otherwise stated)</i>		
Acceptances	13,555.39	14,748.22
Letters of credit	1,633.63	2,943.55
Credit card commitments	9,057.50	3,758.23
Letters of guarantee	904.70	1,939.90
Total	25,151.22	23,389.90

As at 31 December 2021, the details of the Bank's commitments and contingent liabilities were 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 2021		As at 31 December 2020	
	Total	Percentage (%)	Total	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Normal	242,660.37	96.88	209,602.92	97.98
Special mention	4,945.84	1.97	1,863.60	0.87
Substandard	2,144.92	0.86	2,237.66	1.04
Doubtful	455.69	0.18	163.64	0.08
Loss	279.76	0.11	55.09	0.03
Gross loans and advances to customers	250,486.58	100.00	213,922.91	100.00
Non-performing loans and non-performing loans ratio	2,880.37	1.15	2,456.39	1.15

During the Reporting Period, affected by the downward of the macro economy and the pandemic, the balance of loans classified as non-performing loan and special mention of the Bank increased as compared to the

Management Discussion and Analysis (Continued)

beginning of the year. The balance of non-performing loans amounted to RMB2,880 million, representing an increase of RMB424 million as compared to the beginning of the year. The non-performing Loans ratio was 1.15%, which was equal to that in the beginning of the year. Loans classified as special mention recorded the balance of RMB4,946 million, representing an increase of 3,082 million as compared to the beginning of the year and accounted for 1.97% of the total loans, representing an increase of 1.1 percent points as compared to the beginning of the year, which was mainly due to the Bank's forward-looking loan classification based on prudent principles in response to the uncertainty of the macroeconomic environment.

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

Item	As at 31 December 2021				As at 31 December 2020			
	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>							
Corporate loans and advances								
Working capital loans	59,765.40	23.86	779.97	1.31	46,658.08	21.81	754.57	1.62
Fixed assets loans	144,436.88	57.66	1,666.47	1.15	111,275.24	52.00	1,242.59	1.12
Others	8,807.07	3.52	-	-	5,083.75	2.38	78.43	1.54
Sub-total	213,009.35	85.04	2,446.44	1.15	163,017.07	76.19	2,075.59	1.27
Personal loans								
Personal residential mortgage loans	20,008.52	7.99	51.78	0.26	20,231.66	9.46	63.49	0.31
Personal business loans	8,022.34	3.20	313.78	3.91	7,071.93	3.31	285.18	4.03
Personal consumption loans	440.52	0.18	21.57	4.89	695.30	0.33	17.69	2.54
Credit cards	5,441.38	2.17	46.81	0.86	1,619.05	0.76	14.44	0.89
Sub-total	33,912.76	13.54	433.93	1.28	29,617.94	13.86	380.80	1.29
Discounted bills	3,109.36	1.24	-	-	19,266.95	9.01	-	-
Forfeiting	455.11	0.18	-	-	2,020.95	0.94	-	-
Total	250,486.58	100.00	2,880.37	1.15	213,922.91	100.00	2,456.39	1.15

During the Reporting Period, the Bank increased its support for the real economy and inclusive finance, helped the development of small and micro enterprises and actively expanded its retail personal business, achieving steady growth in business scale. As at the end of the Reporting Period, the balance of corporate loans amounted to RMB213,009 million, up RMB49,992 million from the beginning of the year, representing an increase of 8.85 percentage points and a non-performing loan ratio of 1.15%, down 0.12 percentage points from the beginning of the year. The balance of personal loans amounted to RMB33,913 million, up RMB4,295 million from the beginning of the year, representing a decrease of 0.32 percentage points and a non-performing loan ratio of 1.28%, down 0.01 percentage points from the beginning of the year.

Management Discussion and Analysis (Continued)

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

Industry	As at 31 December 2021				As at 31 December 2020			
	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>							
Leasing and commercial services	105,539.41	42.14	782.70	0.74	73,623.40	34.44	455.86	0.62
Wholesale and retail trade	18,801.45	7.51	48.93	0.26	8,868.21	4.15	86.16	0.97
Water resources, environment and public facilities management	16,969.44	6.77	69.87	0.41	15,459.92	7.23	69.88	0.45
Construction	14,814.38	5.91	138.41	0.93	14,377.22	6.72	310.95	2.16
Mining	8,967.27	3.58	923.94	10.30	6,441.16	3.01	964.35	14.97
Real estate	8,903.12	3.55	73.79	0.83	10,128.12	4.73	10.14	0.10
Education	8,875.43	3.54	1.29	0.01	8,989.54	4.20	1.80	0.02
Transportation, storage and postal services	5,545.63	2.21	5.99	0.11	5,232.15	2.45	71.30	1.36
Agriculture, forestry, animal husbandry and fishery	5,501.94	2.20	329.63	5.99	2,673.12	1.25	17.94	0.67
Manufacturing	5,362.16	2.14	13.46	0.25	4,510.97	2.11	11.57	0.26
Health and social work	3,774.10	1.51	30.00	0.79	3,958.02	1.85	31.00	0.78
Production and supply of electric power, gas and water	3,100.50	1.24	–	–	2,825.35	1.32	–	–
Finance	1,927.48	0.77	–	–	1,651.96	0.77	–	–
Accommodation and catering industry	1,817.53	0.73	18.80	1.03	1,565.38	0.73	28.11	1.80
Information transmission, software and information technology services	1,447.21	0.58	–	–	595.61	0.28	3.39	0.57
Resident services, repair and other services	810.59	0.32	7.93	0.98	797.91	0.37	11.44	1.43
Scientific research and technical services	463.69	0.19	1.70	0.37	276.76	0.13	1.70	0.61
Culture, sports and entertainment	388.02	0.15	–	–	1,041.47	0.49	–	–
Public administration, public security and social organizations	–	–	–	–	0.80	–	–	–
Corporate loans and advances	213,009.35	85.04	2,446.44	1.15	163,017.07	76.19	2,075.59	1.27
Personal loans	33,912.76	13.54	433.93	1.28	29,617.94	13.86	380.80	1.29
Discounted bills	3,109.36	1.24	–	–	19,266.95	9.01	–	–
Forfeiting	455.11	0.18	–	–	2,020.95	0.94	–	–
Total	250,486.58	100.00	2,880.37	1.15	213,922.91	100.00	2,456.39	1.15

Management Discussion and Analysis (Continued)

The Bank has fully implemented the national macro-control and industry policy, consolidated the achievements of poverty alleviation and facilitated rural revitalization, and unwaveringly supported the development of the real economy combined with the characteristics of local economic development. During the Reporting Period, loans to leasing and commercial services, wholesale and retail trade increased significantly, accounting for 7.7 and 3.36 percentage points higher than the beginning of the year respectively; the scale of loans to the real estate industry decreased, accounting for a decrease of 1.18 percentage points compared to the beginning of the year; and the non-performing loan ratio of the mining industry decreased by 4.67 percentage points from the beginning of the year.

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

Item	As at 31 December 2021				As at 31 December 2020			
	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)	Loan amount	Percentage (%)	Amount of non-performing loans	Non-performing loan ratio (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Unsecured loans	33,561.89	13.39	59.52	0.18	35,692.19	16.68	29.12	0.08
Guaranteed loans	131,969.42	52.69	1,064.88	0.81	105,878.99	49.50	626.87	0.59
Collateralised loans	44,076.50	17.60	1,638.57	3.72	38,734.71	18.11	1,586.71	4.10
Pledged loans	40,878.77	16.32	117.40	0.29	33,617.02	15.71	213.69	0.64
Total	250,486.58	100.00	2,880.37	1.15	213,922.91	100.00	2,456.39	1.15

During the Reporting Period, the Bank's unsecured loans balance decreased by RMB2.13 billion or 3.29 percentage points compared with the beginning of the year. The scale of guaranteed, collateralised and pledged loan businesses all recorded increase compared with the beginning of the year, and the non-performing ratio remained stable in general.

Management Discussion and Analysis (Continued)

4.6.5 Distribution of loans by overdue period

Category	As at 31 December 2021		As at 31 December 2020	
	Total	Percentage (%)	Total	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans not past due	248,672.42	99.28	212,142.73	99.16
Overdue loans				
Within 3 months	440.24	0.18	1,380.07	0.65
Over 3 months but within 1 year	1,108.05	0.44	176.48	0.08
Over 1 year but within 3 years	233.96	0.09	164.18	0.08
Over 3 years	31.91	0.01	59.45	0.03
Overdue loans and overdue ratio	1,814.16	0.72	1,780.18	0.84
Total loans	250,486.58	100.00	213,922.91	100.00

As of the end of the Reporting Period, the Bank's overdue loan balance was RMB1,814 million, representing an increase of RMB34 million over the end of the previous year, with an overdue rate of 0.72%, representing a decrease of 0.12 percentage points over the end of the previous year. During the Reporting Period, the Bank continue to strengthen its management of loans approaching due dates and the overdue loan balance remained stable.

Management Discussion and Analysis (Continued)

4.6.6 Loan concentration

Industry	Balance	Percentage of total loans calculated by		Five-category classification
		amortised cost (%)	Percentage of net capital (%)	
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
B-Mining	3,446.25	1.62	7.70	Normal
L-Leasing and commercial services	3,220.29	1.51	7.20	Normal
L-Leasing and commercial services	2,966.00	1.39	6.63	Normal
F-Wholesale and retail trade	2,095.00	0.98	4.68	Normal
L-Leasing and commercial services	2,033.00	0.95	4.54	Normal
K-Real estate	1,980.24	0.93	4.43	Normal
J-Finance	1,925.00	0.9	4.30	Normal
N-Water resource, environment and public facility management	1,830.45	0.86	4.09	Normal
E-Construction	1,594.90	0.75	3.57	Normal
L-Leasing and commercial services	1,578.00	0.74	3.53	Normal
Total	22,669.13	10.63	50.67	

As at the end of the Reporting Period, the balance of loan to the Bank's largest single borrower amounted to RMB3,446 million, representing 7.70% of the net capital, and the total amount of loans to the ten largest single borrowers was RMB22,669 million, representing 10.63% of the total loans calculated by amortised cost.

Management Discussion and Analysis (Continued)

4.7 SEGMENT REPORTING

4.7.1 Summary of operating segments

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

Items	As at 31 December 2021				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
External net interest income/(expense) ⁽²⁾	10,211.42	(1,743.12)	1,046.19	–	9,514.49
Inter-segment net interest (expense)/income ⁽³⁾	(4,092.45)	4,441.28	(348.83)	–	–
Net interest income	6,118.98	2,698.16	697.36	–	9,514.49
Net fee and commission income	258.43	14.04	155.41	–	427.87
Net trading gains	–	–	800.44	–	800.44
Net gains arising from investment securities	–	–	925.59	–	925.59
Other operating income/ (expense)	34.28	0.01	0.01	34.47	68.77
Operating income	6,411.68	2,712.21	2,578.80	34.47	11,737.16
Operating expenses	(2,048.70)	(929.63)	(748.96)	(2.49)	(3,729.77)
Impairment losses on assets	(2,151.29)	(996.12)	(749.59)	(3.17)	(3,900.17)
Share of income of associates	–	–	–	83.24	83.24
Profit before tax	2,211.70	786.46	1,080.25	112.05	4,190.46

Management Discussion and Analysis (Continued)

Items	As at 31 December 2020				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
<i>(Expressed in millions of RMB, unless otherwise stated)</i>					
External net interest income/(expense) ⁽²⁾	10,511.51	(1,195.60)	805.48	–	10,121.39
Inter-segment net interest (expense)/income ⁽³⁾	(3,423.20)	2,928.72	494.48	–	–
Net interest income	7,088.31	1,733.12	1,299.96	–	10,121.39
Net fee and commission income/(expense)	184.75	(4.32)	182.09	–	362.52
Net trading gains	–	–	144.66	–	144.66
Net gains arising from investment securities	–	–	623.84	–	623.84
Other operating income/ (expense)	38.17	0.79	1.09	(44.85)	(4.80)
Operating income	7,311.23	1,729.59	2,251.64	(44.85)	11,247.61
Operating expenses	(2,108.66)	(619.99)	(841.98)	14.89	(3,555.74)
Impairment losses on assets	(1,890.62)	(573.34)	(764.81)	(3.02)	(3,231.79)
Share of losses of associates	–	–	–	(104.78)	(104.78)
Profit before tax	3,311.95	536.26	644.85	(137.76)	4,355.30

Notes:

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

Management Discussion and Analysis (Continued)

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

Items	As at 31 December 2021		As at 31 December 2020	
	Amount	Percent of Total	Amount	Percent of Total
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Corporate Banking	6,411.68	54.63	7,311.23	65.00
Retail Banking	2,712.21	23.11	1,729.59	15.38
Financial Markets	2,578.80	21.97	2,251.64	20.02
Others ⁽¹⁾	34.47	0.29	(44.85)	(0.40)
Total	11,737.16	100.00	11,247.61	100.00

(1) Primarily including income and expenses that cannot be directly attributed to a segment.

Management Discussion and Analysis (Continued)

4.8 CAPITAL ADEQUACY RATIO

As at 31 December 2020 and 31 December 2021, the Bank's core tier-one capital adequacy ratio were 11.63% and 11.79%, respectively, the Bank's tier-one capital adequacy ratio were 11.63% and 11.79%, respectively, and the Bank's capital adequacy ratio were 13.67% and 13.78%, respectively.

	2021/12/31	2020/12/31
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>	
Total core tier-one capital		
Share capital	14,588.05	14,588.05
Qualifying portion of capital reserve	8,771.31	8,495.85
Surplus reserve	2,228.70	1,858.13
General reserve	4,690.00	4,070.00
Retained earnings	8,709.77	7,015.79
Core tier-one capital	38,987.83	36,027.82
Core tier-one capital deductions	(718.98)	(243.84)
Net core tier-one capital	38,268.85	35,783.98
Tier-two capital		
Surplus provision for loan impairment	3,671.16	3,476.43
Instruments issued and share premium	2,794.22	2,793.52
Net tier-two capital	6,465.38	6,269.95
Total net capital	44,734.23	42,053.93
Total risk-weighted assets	324,577.68	307,713.67
Core tier-one capital adequacy ratio	11.79%	11.63%
Tier-one capital adequacy ratio	11.79%	11.63%
Capital adequacy ratio	13.78%	13.67%

Management Discussion and Analysis (Continued)

4.9 BUSINESS SUMMARY

During the Reporting Period, the Bank closely focused on the overall situation of high-quality development, and “fully advancing transformation of corporate businesses, developing big retail with extraordinary efforts, and consolidate foundation of financial market business, which contributed to sound and compliant development of various businesses.

4.9.1 Business of the Company

During the Reporting Period, the Bank focused on the “Four News” and “Four-zations”, earnestly accelerated the pace of transformation and development, and promoted high-quality development.

I. Supporting local economic development

During the Reporting Period, the Bank focused on the key areas and projects of the “Four-zations”, set special credit scales, launched innovative products such as “Corporate Account Overdraft”, “Intellectual Property Pledge”, “New Urbanization Development Loans” and “Urban Renovation and Transformation Loans”, and continued to increase credit supports for the high-quality development of Guizhou Province. For 2021, loans invested in the “Four-zations” projects totaled RMB48,384 million, including RMB11,173 million for new industrialization, RMB30,262 million for new urbanization, RMB2,870 million for agricultural modernization, and RMB4,079 million for tourism industrialization.

II. Continuously improve the quality and efficiency of serving the real economy

During the Reporting Period, focusing on the advantageous industry such as fundamental energy, high-quality tobacco and alcohol, new materials and the manufacturing of high-end equipment, the Bank 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 RMB143,823 million, representing an increase of RMB49,527 million or 52.52% from the beginning of the year. The loan balance of the Bank for private enterprises was RMB37,980 million, representing an increase of RMB6,913 million or 22.25% as compared with the beginning of the year.

Management Discussion and Analysis (Continued)

III. Deeply practicing the concept of green development

During the Reporting Period, at the Eco Gui Yang Global Forum in 2021, the Bank first released the Strategic Plan for Green Finance and the “Carbon Peak and Carbon Neutrality” action plan, and proposed the strategic vision integrating all three principles of “Green Bank”, “Equator Bank” and “Carbon Neutrality Bank”. The Bank of Guizhou successfully issued Green Financial Bonds of RMB5,000 million, which was highly recognized by the market. As of the end of the Reporting Period, the balance of the Bank’s corporate green loans was RMB34,971 million, representing an increase of RMB12,119 million or 53.03% over the beginning of the year; corporate green loans accounted for 13.96%, representing an increase of 3.28 percentage points over the beginning of the year.

IV. Steadily carrying forwarding our investment banking business

During the Reporting Period, the Bank promoted the steady development of its investment banking business and continuously optimized its asset structure to help the transformation and upgrading of the green industry and real economy. The Bank made comprehensive use of various investment banking products including debt financing instruments, debt financing plans, asset securitization and structured financing to achieve various asset placements. As at the end of the Reporting Period, the balance of investment standardized assets of investment banking business amounted to RMB26,084 million, accounting for 48.56% of investment banking assets, representing an increase of 15.61 percentage points as compared with the beginning of the year, further improving asset liquidity and safety. At the same time, the Bank actively broadened its funding channels and fully utilized capital market instruments to inhale low-cost funds, which were specifically used to support the development of green industries.

V. Vigorously developing the transaction banking business

During the Reporting Period, based on the industrial chain and relying transaction banking products, the Bank vigorously supported the construction of the “Four-zations” and the development of physical enterprises. During the Reporting Period, the Bank has granted trade financing amounting to RMB11,262 million, representing an increase of 28.37% as compared with the corresponding period of the previous year, which provided financial support to more than 440 enterprises, of which 95% were micro, small, and medium enterprises; the balance of the trade financing amounted to RMB9,408 million, representing an increase of RMB2,323 million or 32.79% from the beginning of the year. The proportion of trade finance balance in the loan balance of the whole Bank increased from 3.31% to 3.76%. During the Reporting Period, the Bank’s transaction banking business realized intermediary business income of RMB235 million, representing an increase of 77.76% over the previous year, and has become one of the important sources of non-interest revenue of the Bank.

Management Discussion and Analysis (Continued)

VI. *Continuing to develop institutional business*

During the Reporting Period, the Bank became a member of “2021-2023 central treasury cash management commercial bank term deposits syndicate”, enriching its business qualifications; won over zero-balance accounts and actively made overall arrangement about the financial payment chains through obtaining the treasury centralized payment agency qualification level by level; participated in “Wang Tong Ban (網通辦) for all enterprises in the province” system, expanding bulk customer acquisition channels. As at the end of the reporting period, the average daily balance of deposits of the whole Bank was RMB77,205 million, representing an increase of RMB10,008 million or 14.89% as compared with the beginning of the year. The number of institutional accounts reached 18,491, representing an increase of 2,942 or 18.92%, compared with the beginning of the year.

4.9.2 *Micro and small business*

During the Reporting Period, the Bank focused on small and micro customers, enriching its product system, and aimed to enhance its comprehensive service capability, effectively expanding the coverage of inclusive financial services and improving its ability to serve the real economy, with good development of all businesses. As at the end of the reporting period, the Bank had 18,357 inclusive loan accounts from micro and small enterprises with an amount of RMB27,886 million on CBIRC basis, representing an increase of 4,186 accounts and RMB7,965 million, or 29.54% and 39.98%, respectively, as compared with the beginning of the year.

Continue to improve service quality and efficiency. The Bank identified target customers through the linkage of upstream and downstream, and provided a series of comprehensive services such as financing service + POS settlement + salary payment + deposit management for micro and small customers focusing on the financing needs of customers, improved the match between supply and demand of financial resources, enhanced service quality, efficiency and customers’ experience and stickiness to our comprehensive financial services.

Continue to build scenario-based finance and ecological finance. The Bank launched “Tax Easy Loan (稅易貸)” and “Tobacco Business Loan (煙商貸)” based on tax data and tobacco business data and launched “Settlement Loan (結算貸)” based on sales and capital settlement data. Through data value exploration and integration application of platform scenarios, the Bank customized “One-Code Loan (一碼貸)” to promote “marketing goods out of the Guizhou province (黔貨出山)”. The Bank also launched the innovative “Qing Hui Loan (青惠貸)” and “Intangible Cultural Heritage Revitalization Loan (非遺振興貸)” to actively support youth entrepreneurship and the development of intangible cultural heritage.

Management Discussion and Analysis (Continued)

4.9.3 Personal business

During the Reporting Period, the Bank continued to promote the transformation and upgrading of its retail business, increasing marketing efforts, enriching the product system and deepening customer management on both the asset and liability sides, promoting the steady development of the business scale and steadily increasing the market share.

Personal liability business

- I. The scale of personal deposits and market share have steadily increased.** As at the end of the Reporting Period, the balance of personal deposits of the Bank was RMB121,713 million, representing an increase of RMB20,080 million or 19.76% as compared to the beginning of the year. The growth rate ranked first in the province for three consecutive years, the scale of personal deposits rose by one place in the provincial interbank market to 5th and the market share increased by 0.6 percentage points compared with the beginning of the year; personal deposits accounted for 39.84% of the deposits in the Bank, an increase of 4.68 percentage points over the beginning of the year, and the proportion of personal deposits continued to grow.
- II. The scale of individual customers continued to grow and the structure was further optimized.** As at the end of the Reporting Period, through marketing activities such as customer stratification and grouping, non-retail customers (non-retail customers under the Bank's assets management) increased by 15.53% from the beginning of the year, and VIP customers (three-star and above customers) increased by 19.86% from the beginning of the year, accounting for 8.03% of non-retail customers, achieving a double increase in the scale of customers and the number of VIP customers, and further optimizing the customer structure.
- III. The digital transformation of personal business marketing has begun.** The marketing management systems such as BI data analysis system, customer relationship management system, WeChat marketing assistant system, personal performance payment system and customer point feedback were launched, and the digital marketing management framework of personal business was initially established.

Management Discussion and Analysis (Continued)

Personal asset business

- I. **The initial formation of brand image.** Credit cards were fully electronic, paperless and automated online from purchasing to approval and then to issuance. Different card products were targeted to different customer groups. The brand image of “free basic service fee, the first overdraft interest rate marketization and interest on deposits” was gradually formed.
- II. **The increasing product systems.** The Bank launched the “Qianyou Credit Cards (黔優信用卡)” and “Talent Credit Cards (人才信用卡)”, and issued the “One Code for Guizhou Theme Credit Cards (一碼貴州主題信用卡)” in cloud collaboration with Guizhou E-commerce. As a result, card products have become increasingly abundant, and the issuance of self-operated credit cards has risen significantly. New online versions of special comprehensive consumption installment products were put into production, the balance of assets increased rapidly, and the system of financial products for full-scenario consumer became increasingly abundant.
- III. **The exploration and progress of data risk control.** The Bank established the data-driven risk control ability of credit card and online consumer credit business, established an entire-process risk management system of approval before loans, operation during the term of loans and management after loans, and data-driven scientific decision-making from scratch, and realized online, streamlined and digitalized credit cards business during the entire-process.

4.9.4 Financial Market Business

During the Reporting Period, the Bank invested in financial assets in accordance with the idea of balancing safety, liquidity and efficiency, increased the allocation of highly liquid assets, continuously optimized risk management strategies, strengthened risk control capabilities, actively studied market trends to enhance trading capabilities and expanded underwriting and distribution channels. As our involvement and influence of the financial market business in the national financial market increasingly enhanced, the Bank was recognized as “Top 100 for Clearing–Excellent Dealer” by China Central Depository & Clearing Co., Ltd. for four consecutive years, and was awarded 2021 “Market Innovation Award” in interbank local currency market by National Interbank Funding Center in 2021.

- I. **The asset scale grew steadily with more optimizing asset structure.** During the Reporting Period, liquidity and efficiency, our scale of the financial assets grew steadily, while our operating revenue of proprietary investment and proprietary net profit increased significantly. The Bank further increased the allocation of the high quality liquid assets such as publicly offered funds, government bonds and debt securities issued by policy finance which enjoy the advantage of tax exemption, optimizing the asset structure better. As at the end of the Reporting Period, the net financial investments of the Bank amounted to RMB189.012 billion.

Management Discussion and Analysis (Continued)

- II. Investment income continued to grow and the income structure became more diversified.** During the Reporting Period, the Bank proactively expanded investment channels to enrich the investment variety, and strengthened market research and prediction to seize opportunities, which achieved continuous growth in financial investment income, more diversified income structure and a significant growth in non-interest income.
- III. The scope of cooperation continued to broaden and the management level continued to improve.** During the Reporting Period, the Bank proactively expanded the interbank “circle of friends” to diversify types of interbank customers, strengthened the management for interbank customers, and further improve the management system of interbank customers in aspects of rating, access and credit so as to enhance the management level of interbank customers. The Bank successfully applied CFETS, the participating qualification of institutions in respect of interbank deposit-taking business, which expedited marketization process of interbank deposit-taking business and effectively expanded our cooperation channels with interbank customers; the number of credit cooperation in financial institutions and its amount both increased significantly as compared with that of the last year.
- IV. Bond underwriting were carried out orderly and the underwriting capability improved continuously.** During the Reporting Period, the Bank orderly implemented the underwriting and distribution of treasure bonds and financial bonds issued by the China Development Bank and bonds issued by local government of Guizhou province. The scale of bond underwriting continued to increase, the distribution channels were further broadened, the activity in the national financial market continued to increase, and the structure of intermediate business income was optimized.
- V. Steady development of wealth management business through compliance and sound operation of management.** During the Reporting Period, the Bank adhered to the business philosophy of “transparent operation, compliance operation, strict risk control and steady development” for wealth management business and steadily promoted the development of wealth management business. As of the end of the Reporting Period, had the balance of the wealth management products of the Bank amounted to RMB25.056 billion and cumulative sales for the year amounted to RMB70.894 billion. The net value ratio of wealth management products was 100%, completing the regulatory requirement of net value transformation of wealth management products ahead of schedule. The Bank was awarded “Outstanding Transformation and Development Bank” in the “Golden Honor Award” jointly organized by PY Standard and Financial and Investment. According to the joint announcement by Xinhua and CSI Jinniu, all the Bank’s cyclical financial products were awarded 5-star rating in fixed income products.

Management Discussion and Analysis (Continued)

4.9.6 Channel construction work

During the Reporting Period, the Bank focused on the strategy of “building channels, expanding scenarios and cultivating data flow”, enriching the payment functions of scenarios such as healthcare, education, e-commerce, daily consumption and transportation, and launching the payment product functions of integrated service points for rural inclusive finance. The Bank was awarded the “Scenario Financial Innovation Award” by China Financial Certification Authority.

- I. **The payment level reached a new high.** By the end of the Reporting Period, the Bank’s electronic financial transactions accounted for 98.84%, with a total of 312 million transactions, up 56.78% as compared with last year. The Bank focused on service, enriching scenario construction and products, improving customer experience and its customer acquisition ability; the Bank also focused on security, strengthening risk prevention and control and operation and maintenance, ensuring efficient system operation and accident-free operation throughout the year.
- II. **Initial market influence of the “Bank-Hospital Express” (銀醫通).** The Bank continued to optimize and improve the payment and settlement functions of medical institutions and provide a full range of financial services for medical institutions. A total of 45 hospitals (22 hospitals above level 2 and 23 community and private hospitals) have been connected online. The cumulative number of transactions was 4,140,500, with a transaction amount of RMB1,577 million.
- III. **Breakthroughs in “Silver School Treasure (銀校寶)” scenario.** The Bank continued to quickly upgrade its products, and empowered educational institutions to develop intelligently in an all-round way. In the province, it has obtained the supervision qualification of school training fund in 44 districts and counties, and expanded 563 signing institutions of Silver School Treasure. The number of transactions in the system was 518,000 with a transaction amount of RMB124 million, and the time-point deposits of the served education customer groups reached RMB1,268 million.
- IV. **New progress in e-commerce scenario.** In response to and serving the requirements of the “Four-Zations”, the Bank helped “marketing goods out of the Guizhou province (黔貨出山)” activity, provided a comprehensive service solution of “One Code in Guizhou (一碼貴州)”, and cooperated in payment settlement, channel flow, small and micro credit, credit cards and other aspects. It has signed 730 secondary merchants for transaction fund management, with a transaction volume of 70,000 transactions and a transaction amount of RMB45 million.
- V. **Mobile banking became the main channel.** The Bank launched a “simplified version” of mobile banking to meet the needs of the elderly customers, and those in rural and other areas. The Bank continued to enrich mobile banking scenarios, offering a number of new services such as UnionPay QR code payment, medical insurance electronic voucher, WeChat moving account notification, online modification of personal information, and face swipe in the entry of subway station. As of the end of the Reporting Period, mobile banking has 4,440,600 users, an increase of 29.85%, and 561,500 MAU, an increase of 40%.

Management Discussion and Analysis (Continued)

4.9.7 Constructing information system

During the Reporting Period, the Bank strengthened the operation and maintenance guarantee of system production, solidly optimized the functions of the new-generation information systems, actively promoted product innovation, and strongly supported the development of the Bank's business.

- I. **Fully exploit the value of data and accelerate technology empowerment.** The Bank rapidly developed supply chain products such as "Drug Purchase Loan (藥採貸)", which supported the effective development of the Bank's supply chain financing business; developed "One-Code Loan" and "Farmer E-loan (農戶E貸)" products to fill the gaps in the Bank's credit products for agriculture and promote the development of "marketing goods out of the Guizhou province (黔貨出山)" activity. The Bank has also developed credit products such as "Tax Easy Loan" and "Tobacco Business Loan" to enrich the Bank's product system and promote the development of the Bank's small and micro business. The bank launched seven installment products for credit card and developed "Payroll E Loan (薪E貸)", which helped the Bank's retail transformation and development. It completed the construction of the education fund supervision platform of "Silver School Treasure" and promoted the operation of the open banking system to continuously enrich the financial service scenarios of Bank of Guizhou. The Bank also successfully put into operation the market risk system and the intelligent collection system, which further strengthened the cornerstone of the Bank's risk prevention and control technology support. Our "Drug Purchase Loan (藥採貸)" project stood out from hundreds of financial institutions and won the "2021 financial industry outstanding contribution award for scenario financial construction" of PBOC's "Financial Computerizing" magazine.
- II. **Continuous optimization of the system to enhance customer experience.** After the new generation of information system was put into operation, the Bank continuously optimized the system process and achieved better results. The consuming time of counter business was further reduced and the credit business process and system functions were further improved. After the optimization of opening corporate account, the average time to open an account has been shortened to 1/3 of the original time; the core system has been featured with the new functions of "one-time signing" and "one-click payment", which made more use of the data and saved time and actions for customers. The Bank made investments in the functions such as fast contracting and optimization of queuing in the lobby and business image collection, further reducing face-to-face time for transaction with customers and further improving customer experience. The Bank has newly implemented counter anti-fraud strategies, face recognition and other technical means to enhance risk prevention and control capabilities. The credit platform has been optimized for "online real estate mortgage registration" and other needs, improving the efficiency of business processing and enhancing customer experience. We have seen the advanced nature of the new-generation information system during daily operation, which supports the business development of the whole Bank.

Management Discussion and Analysis (Continued)

- III. Strengthen the application of new technologies and continuously enhance the basic support capability.** The Bank independently designed and implemented Gray Release and circuit breaker degradation algorithms, upgraded the microservice platform to minimize the risk of version changes. The Bank's financial cloud platform has been in smooth operation, and the cloud computing project (IaaS and PaaS) was awarded the Best Banking Infrastructure Implementation Technology Award for 2021 in China by the Asian Banker; the intelligent wealth management recommendation and customer churn prediction model of machine learning platform was awarded the Best Digital Transformation Project (Data Analysis) for 2021 in China by the Asian Banker; the topic of modeling scenario application practice was commended by the PBOC's "Financial Computerizing" magazine and won the collective honor of "Jinke E Academy – FinTech Master Competition Excellence Award (金科學堂-金融科技達人大賽優秀獎)".

4.10 RISK MANAGEMENT

4.10.1 Credit risk management

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

In 2021, in the face of the increasingly complex internal and external economic environment in the post-epidemic era, the Bank maintained strategic stability, adhered to the risk bottom line, implemented the risk preference of "sound and compliant", continued to improve the credit policy and system, optimized the credit structure, consolidated the basic management of credit, and actively used digital risk control technology to facilitate business development and product innovation.

Management Discussion and Analysis (Continued)

The Bank resolutely implements the regulations of the Party Central Committee, the State Council and regulatory agencies, provides relief programs for customers affected by the pandemic, increases support for private enterprises and small and micro enterprises, and directs credit resources to the real economy, inclusive finance and green finance. At the same time, the Bank actively responds to changes in the credit environment, improves risk monitoring and early warning management system, strengthens risk early warning monitoring and management, vigorously carries out risk identification, focuses on key customers and key areas, and implements precise measures for risk resolution. The Bank has formulated a plan for the disposal and risk resolution of non-performing assets, fully utilized the disposal methods including write-off, cash settlement, bulk and non-bulk transfer to accelerate the clearance of non-performing assets, and the quality of assets has remained stable.

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.

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 promotion of systems and policies in relation to liquidity risk management; the Board of Supervisors is responsible for overseeing and assessing the performance of duties by the Board and the senior management in respect of liquidity risk management; the Planning and Finance Department of the head office is responsible for providing leadership for risk management and implementing specific work in relation to liquidity risk management and various departments under the head office and branches and sub-branches of the Banks provide assistance for liquidity risk management pursuant to their respective duties.

In 2021, the Bank continued to implement the “steady, compliant, prudent” liquidity risk management appetite. Centered on the development strategy of the Bank and on the basis of meeting the requirements of business development, payment and liquidity regulatory indicators, the Bank fully identified, effectively measured and continuously monitored liquidity risks to ensure safe operation and promote the orderly development of various businesses.

Management Discussion and Analysis (Continued)

The Bank has established a relatively complete liquidity risk management system. During the Reporting Period, the Bank had no liquidity risk event occurred and the liquidity indicators continued to meet the regulatory requirements. Meanwhile, the Bank ensured that liquidity risks were generally manageable through a series of control and management measures. Firstly, the Bank effectively identified, measured, monitored, controlled and reported liquidity risks through cash flow assessment and analysis, and established scientific and sound liquidity risk management systems. Secondly, the Bank determined limit of liquidity risks based on business nature, scale, complexity, risk appetite, development of external market and risk tolerance. Thirdly, the Bank enhanced the application of results from the liquidity risk pressure tests, based on the results of which it identified weaknesses in the liquidity risk management of the Bank and made adjustments to the liquidity risk management strategies. Fourthly, the Bank implemented centralised fund management, and fund position was managed by designated persons who were especially responsible for this, to maintain reasonable and sufficient intraday liquidity and meet customers' payment and settlement needs. Fifthly, the Bank continued to optimize the asset and liability structure, utilized active liability instruments in a flexible manner, continuously expanded long-term funding sources and effectively improved the percentage of stable liabilities. Sixthly, 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 2021, our liquidity pressure tests involved significant loss of corporate and retail deposits, the material drop of liquidity of current assets, the decrease of availability of corporate and retail financing, the past due status of balance sheet and off-balance sheet asset business and other aspects. Based on the analysis of the test results, the Bank had relatively sufficient high-quality current assets and better liquidity pressure tolerance and the shortest period of survival was over 30 days.

As at the end of the Reporting Period, the Bank's liquidity coverage ratio was 334.63%; the qualified current assets amounted to RMB63,352 million; the net cash outflow for the next 30 days was RMB18,932 million; the current ratio was 112.85%. the net stable funding ratio was set out in the table below:

Net Stable Funding Ratio

Unit: RMB100 million, %

No.	Item	December 2021	September 2021
1	Stable funding available	2,949.49	2,817.33
2	Stable funding needed	2,628.05	2,591.35
3	Net stable funding ratio (%)	112.23	108.72

Management Discussion and Analysis (Continued)

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. Our market risk management consists of the identification, measurement, monitoring and control of market risk. The Bank primarily employ gap analysis, duration analysis, stress test and scenario analysis in measuring and monitoring market risk.

The main market risk exposed to the Bank includes interest rate risk. Adhering to the principle of "penetrating" management, the Bank has seized the opportunity to implement risk allocation of financial market and achieved continuous results of centralized market risk management, further enhancing the second line of defense. During the Reporting Period, the Bank's consulting results of the market risk management under the new capital agreements were transformed and applied at an accelerated pace. With the help of market risk measurement tools and external monitoring and early warning system, the management tools of asset valuation, risk measurement, market monitoring and risk early warning were improved gradually, and the functions of pre-investment portfolio forecast, in-investment limit management and post-investment profit and loss attribution were steadily enriched. In the face of bond defaults, the Bank actively responded to interest rate market fluctuations and ensured that market exposures were within acceptable limits, thus promoting transformation of financial market business to "value enhancement".

Impacted by recurring pandemic, monetary policy adjustments and frequent credit bond defaults and other uncertainties, the internal and external environment of the bond market remains uncertain, and market risk control still requires continuous attention.

4.10.4 Operational risk management

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

While the Board of Directors is ultimately responsible for our operational risk management, the senior management leads our day-to-day operational risk management. The Bank has established "three lines of defense" against operational risk. The first line of defense is formed by various business departments of our head office, branches and sub-branches. The second line of defense includes our Risk Management Department, Legal and Compliance Department and other risk management-related departments. The third line of defense is our Audit Department, which is responsible for conducting independent valuation of our operational risk management system and monitoring the implementation and effectiveness of our operational risk management policies.

Management Discussion and Analysis (Continued)

In 2021, the Bank clarified the operational risk management policy, improved the operational risk management structure, continuously strengthened the application of operational risk management tools, enhanced the construction of the internal control system, conducted in-depth supervision and inspection, actively addressed operational risks in all lines, and further promoted the Bank's operational risk management capability and effectiveness.

During the Reporting Period, the Bank did not have any material operational risk events as stipulated in the Supervisory Guidelines on Operational Risk of Banking Financial Institutions (《銀行業金融機構操作風險監管指引》) and the Operational Risk Management Measures of the Bank of Guizhou (《貴州銀行操作風險管理辦法》) 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 application of information technology by the Bank. The Bank makes efforts to identify and monitor information technology risks by establishing an effective mechanism to operate our business.

The Bank has established an information technology risk control self-assessment mechanism, which requires each of our departments to identify, register and evaluate the risks relating to information technology and take proper mitigation measures. At the same time, the Bank conducts regular training for our employees to enhance our awareness on information security and improve the implementation of our information technology risk management.

During the Reporting Period, the Bank continued to optimize the IT governance system, strengthen risk control in key areas and important projects, continuously improved the "three centers in two cities" operation and disaster backup system of "intra-city dual-active and remote disaster backup" (同城雙活·異地災備), completed the cloud platform development and testing environment, and summarized and strictly implemented the five principles of operation and maintenance, namely, "must know, double operation, night change, minimum authorization and standardization" for stable operation of information systems. On the other hand, the Bank further deepens the construction of network security monitoring and defense system, timely blocking all kinds of network security attacks, while strengthening the assessment and evaluation, access control, evaluation and post-evaluation of science and technology suppliers to further standardize information technology outsourcing management activities.

Management Discussion and Analysis (Continued)

4.10.6 Legal and compliance risk management

I. Legal risk management

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

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 to prevent and resolve legal risks. Firstly, the Bank strictly implemented the legal review system by carrying out routine legal review and consultation in an orderly manner to provide timely, professional and efficient legal guarantee for its new product development, new business implementation, major projects and the establishment of rules and regulations, and evaluating, demonstrating and controlling legal risks. Secondly, the Bank improved text in legal format by comprehensive review and revision of the text in business contracts in combination with the Civil Code of the People's Republic of China and related supporting judicial interpretations and regulatory provisions, so as to ensure operations' compliance with laws and regulations. Thirdly, the Bank strengthened the pre-litigation analysis and demonstration for cases, conducted strict review and approval by levels, and actively handled the litigation and arbitration cases and non-litigation risk events in an active and proper manner, so as to effectively prevent legal risks and reputational risks. Fourthly, the Bank established a platform for legal publicity and strengthened the publicity of and training in laws and regulations by way of centralized training, online education, risk reminders, consultation and guidance, etc., so as to continuously improve employees' legal quality and awareness of operating in accordance with laws and regulations.

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

Management Discussion and Analysis (Continued)

II. Compliance risk management

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

The Bank attaches great importance to compliance risk management, adheres to the management requirements of "prudence, soundness and compliance", implements closed-loop management of business operations, pays great attention to major risk areas in the process of operation and governance and issues of compliance operation and standardized operating, timely plugs management loopholes and resolves risk exposures, and continuously strengthens the foundation of internal control and compliance management.

During the Reporting Period, the Bank continuously improved its corporate governance, continued to improve its compliance management system, strengthened the "three lines of defense" supervision and inspection, continuously improved its internal accountability system and correction and accountability mechanism. The Bank took the opportunity to implement the "Year of Internal Control and Compliance Management" of the CBIRC and focus on the province's "14th Five-Year Plan" and "One, Two, Three, Four" work ideas and adheres to the requirements of the "Four-zations" services. From improving corporate governance, optimizing organizational structure, clarifying responsibility boundaries, standardizing management processes, improving system construction and strict supervision and inspection, the Bank comprehensively improved the internal control and compliance management system, further consolidated the "three lines of defense" control mechanism, and comprehensively enhanced the level of internal control and compliance management.

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

Management Discussion and Analysis (Continued)

4.10.7 Reputational risk management

Reputation risk refers to the risk of negative comments to the banking institutions by relevant stakeholders, the public and the media as a result of the actions of the banking institutions, the behavior of their practitioners or external events, which may damage their brand value, adversely affect their normal operation, or even affect market stability and social stability. The Board of the Bank assumes ultimate responsibility for reputational risk management and the Bank's office handles public relations and publicity and major or emergency reputational events.

The Bank adheres to the concept of prevention-oriented reputation risk management, incorporates reputation risk management into the comprehensive risk management system, penetrates reputation risk management awareness into all aspects of operation and management, proactively and effectively prevents reputation risks and responds to reputation events, minimizes losses and reduces negative impacts. During the Reporting Period, the Bank revised and issued the "Reputation Risk Management Measures of the Bank of Guizhou", putting forward specific requirements for "whole-process management" and "normalization" of reputation risk control; strictly implemented the 24-hour public opinion monitoring system, followed the development of public opinion in a timely manner, strengthened the analysis and handling of public opinion according to the actual changes in public opinion hotspots, and adjusted the reputation risk prevention and control measures in a timely manner; conducted regular reputation risk surveys, comprehensively and systematically sorted out risk points in each business line, and clarified the key points and measures for reputation risk control; established and improved various emergency planning systems and organized drills to enhance the Bank's reputation risk emergency response capabilities; increased positive publicity, actively carried out corporate image building, and continuously improved brand influence; and earnestly carried out training on reputation risk management to continuously improve employees' ability to identify, prevent and handle reputation risks.

During the Reporting Period, the overall reputation risk of the Bank was stable and no major reputation risk events occurred.

Management Discussion and Analysis (Continued)

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, mainly including gap risk, basis risk and optionality risk. The Bank mainly uses tools such as repricing gap and duration gap, NII, EVE, stress testing and indicator limit management to identify, measure, monitor, report, control and mitigate interest rate risk of banking book.

The Bank continuously strengthens the management of interest rate risk of banking book based on factors such as the risk preference of interest rate of banking book, risk profile, macroeconomic and market changes. Firstly, the Bank continuously improves the governance system of interest rate risk of banking book, clarifies the responsibilities of each department under the organizational structure, and regularly evaluates and improves the risk management process of interest rate risk of banking book to ensure the effectiveness, reliability and compliance of the management process. Secondly, the Bank continues to carry out regular work on the identification and measurement of interest rate risk of banking book and monitoring feedback, regularly monitor the repricing gap and duration gap, continuously optimize the business scale, maturity structure and interest rate structure of assets and liabilities, ensure that the exposure to interest rate risk of banking book develops in the desired direction, and realize the active management of interest rate risk of banking book. Thirdly, the Bank regularly implements scenario analysis and stress tests to manage the limits of interest rate risk of banking book, control the fluctuation range of interest rate risk, avoid losses in the Bank's economic value and overall earnings due to adverse changes in interest rate risk, and maintain a balance between risk and earnings while meeting regulatory requirements and controlling risk.

Management Discussion and Analysis (Continued)

4.10.9 Money laundering risk management

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

During the Reporting Period, the Bank continued to improve the anti-money laundering management system, implemented money laundering risk management measures, optimized the anti-money laundering system, actively carried out publicity and training, strengthened the team building, actively reported case clues and help combat money laundering crimes, so its anti-money laundering management level is constantly increasing. Firstly, improve the system, clarify work responsibilities, add and revise internal control system of anti-money laundering in a timely manner; secondly, improve technology empowerment to further strengthen the Bank's anti-money laundering data base; thirdly, organize and conduct training to continuously improve the level of anti-money laundering work of the Bank's staff and build a firm line of defense against money laundering risks; fourthly, actively carry out anti-money laundering publicity and innovate publicity methods to enhance the public's awareness of money laundering risk prevention and self-protection ability; and fifthly, strengthen risk control measures, properly implement the suspicious transaction monitoring mechanism and actively provide case clues to law enforcement departments.

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

Management Discussion and Analysis (Continued)

4.10.10 *Strategic risk management*

Strategic risk refers to the risk caused by changes in the external environment or improper operation policies during the formulation and implementation of strategies, which may have negative effects on the current or future capital, reputation or market position of the Bank as a whole. The strategic risk management is an integral part of the Bank's corporate governance and comprehensive risk management system, which aims to timely, comprehensively and effectively identify, assess, monitor and report the strategic risks faced by the Bank to guarantee the high-quality development of the Bank.

During the Reporting Period, under overall principle of the Bank's strategic risk management of "clear responsibility, rapid identification, comprehensive assessment and proactive response", the Bank continued to strengthen its strategic risk governance structure, improve its strategic risk management mechanism and procedures, and steadily enhance its strategic risk management capabilities. The overall strategic risk level of the whole Bank was stable and controllable, and strategic risks were effectively managed.

4.10.11 *Exchange Rate Risk Management*

Exchange rate risk refers to the risk that the level of 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 Transaction Banking Department is responsible for the daily monitoring and management of exchange rate risk. The Bank controls and hedges exchange rate risk mainly by means of asset-liability matching, limits and real-time termination.

During the Reporting Period, the Bank implemented a prudent exchange rate risk management strategy, closely monitored exchange rate trends, maintained overall stability in exchange rate exposures, and continued to maintain its foreign exchange exposure position within the range of controllable risk.

Management Discussion and Analysis (Continued)

4.11 LIABILITY QUALITY ANALYSIS

The Bank attaches great importance to liability quality management and has formulated the “Management Measures on Liability Quality of the Bank of Guizhou” (《貴州銀行負債質量管理辦法》) in accordance with the “Liability Quality Management Measures for Commercial Banks” (《商業銀行負債質量管理辦法》) issued by the CBIRC (CBIRC Office Fa [2021] No. 35). The Bank has established a liability quality management system that matches the scale of liabilities and complexity of operation of the entire Bank in accordance with its strategic objectives and the development status of its liability business. The Board assumes the ultimate responsibility for liability quality management while the specific management works falls on the senior management.

The Bank strengthened the quality management of liabilities in terms of structure, cost, stability and authenticity of liabilities. Firstly, insisting on the management of the balance of quantity and price of deposit business, promoting the steady growth of deposit scale and consolidating the foundation of liabilities. Secondly, strengthening the role of active liability regulation to maintain reasonable and sufficient liquidity level for the whole Bank and stabilize the cost of liabilities for the whole Bank. Thirdly, insisting on the combination of liability quality management and liquidity management, and making dynamic adjustments to the total amount, structure and pricing strategies of liability business by improving the proactiveness and foresight of management and pre-judging the changes of external policies and the competitive situation of the same industry.

In 2021, the Bank’s businesses developed steadily, the quality of liabilities remained safe and sound, and all indicators were maintained in a reasonable range. At the end of 2021, the Bank had net stable funding ratio of 112.23%, representing an increase of 6.12% compared to the beginning of the year; the liquidity coverage ratio of 334.63%, representing an increase of 45.63% compared to the beginning of the year, which were all in line with the requirements of the CBIRC. In 2021, the Bank’s net interest spread was 2.29% in 2021, a decrease of 26 basis points compared to 2020, and the average interest-bearing liabilities cost ratio was 2.73%, an increase of 13 basis points compared to 2020.

Management Discussion and Analysis (Continued)

4.12 CONSUMER RIGHTS PROTECTION

The Bank attaches great importance to consumer rights protection and carries out works on top of customer needs. Being dedicated to customer needs and being conscientious to each customer, the Bank effectively safeguards the legitimate rights and interests of customers.

- I. **Major works.** Firstly, we have continuously improved the organizational structure, adjusted and established the ESG Management Committee, and set up a leading group for consumer rights protection with the President of the Bank as the head. Secondly, we have continued to improve our institutional system and working mechanism, and revised and issued the “Administrative Measures for Financial Marketing of the Bank of Guizhou”, “Administrative Measures for Personal Financial Information Protection of the Bank of Guizhou” and “Administrative Measures for Consumer Rights Protection of the Bank of Guizhou” and other administrative measures to effectively protect the legitimate rights and interests of consumers. Thirdly, the Bank has actively practiced its social responsibility by organizing 1,180 activities such as the “3•15” Consumer Rights Protection Education and Publicity Week, the “Month for Financial Knowledge” and “Promoting of Financial Knowledge to Households”, and distributing 175,900 copies of publicity materials to targeted consumers over 1,274,400. It released 30 original educational messages with 597,000 clicks, and sent “3•15” educational SMS to more than 570,000 customers. Fourthly, the Bank has improved customer experience diligently and upgraded service standards constantly, implemented a long-term mechanism for service supervision, carried out customer satisfaction research, and actively promote the work of “striving for the best”. During the Reporting Period, the Bank has 10 new star-level branches of the Bank of Guizhou and 2 new national top 1,000 demonstration units.
- II. **Complaint management.** The Bank continued to improve the mediation mechanism for consumer complaints and disputes, providing protection for effective resolution of financial consumption disputes and safeguarding the legitimate rights and interests of both parties in financial consumption. During the Reporting Period, the Bank received a total of 1,217 customer complaints, with a 100% completion rate.

The largest proportion of the received complaints was about bank card business, totaling 697 cases and accounting for 57.27% of the total number of complaints during the year. It was followed by 162 cases of complaints about loan-related business, accounting for 13.31%. For the reasons of complaints, there were a total of 766 complaints caused by the service attitude and service quality, accounting for 62.94%; and a total of 326 complaints caused by the management system, business rules and procedures, accounting for 26.79%.

Complaints by category	Bank card services	Lending business	Settlement	Savings business	Other
			and clearing business		
Number (cases)	697	162	144	49	165

Management Discussion and Analysis (Continued)

Complaints by region	Guiyang	Zunyi	Liupanshui	Qiandongnan	Qianxinan	Qiannan	Tongren	Bijie	Anshun	Head office
Number (cases)	228	297	77	52	57	56	60	62	80	248

- III. Complaint handling measures.** Firstly, the Bank optimized and revised the “Administrative Measures for Consumer Rights Protection of the Bank of Guizhou”, “Administrative Measures for Customer Complaint of the Bank of Guizhou Management Measures” and other administrative measures to clarify the principles of complaint handling, processing procedures, processing time limits and follow-up management measures, to clarify and standardize the responsibilities of each department, the handling of various types of complaints received by each channel. It also built a strong, focused and comprehensive consumer rights protection assessment mechanism through a variety of assessment means to promote the overall improvement of service quality and consumer rights protection in Guizhou province. Secondly, the Bank set up work order communication mechanism for complaints to realize the electronic processing of the whole process of complaint events from record acceptance, referral processing, return visit registration and filing access, so as to carry out complaint management work in a process-oriented, standardized and systematic manner to ensure that customer complaints can be dealt with quickly and interactively, and to promote the refinement and standardized management of complaint processing work. Thirdly, the Bank concentrated the acceptance of various complaints and suggestions from financial consumers and quickly linked up with all relevant business departments and branches to handle such complaints and suggestions, performed and strengthened its service supervision role. It also closely followed the public opinion of financial consumers from business outlets, customer service hotlines, media networks and other channels to strictly control service quality. Fourthly, the Bank hold regular service analysis meetings to inform, summarize and study on service pain points and difficult issues, strengthen the education and training work of financial institutions to protect the legitimate rights and interests of consumers, and enhance the service awareness and service level of all employees of the Bank. At the same time, the reasonable opinions and suggestions of consumers were promptly fed back to the product management and business management departments to cooperate with the business departments to improve and optimize the shortcomings in the product functions and service processes of financial institutions and improve the service experience.

In 2021, the Bank’s satisfaction rate of complaint handling was 99.01%, an increase of 0.25 percentage points compared to the previous year.

Management Discussion and Analysis (Continued)

4.13 SOCIAL RESPONSIBILITIES

I. Fully promoting rural revitalization. The Bank actively fulfills its social responsibility and provides strong financial support to Guizhou Province for promoting the rural revitalization strategy and realizing farmers' income enrichment by establishing specialized agencies, improving service mechanisms, innovating financial products and increasing credit investment. During the Reporting Period, the Bank invested a total of RMB7.853 billion in rural revitalization loans, providing financial assistance for the promotion of rural revitalization in Guizhou Province. At the same time, the Bank vigorously developed the business of benefiting farmers and agriculture, continuously accelerated the construction of benefits to farmers and agriculture service outlets, promoted the third-generation social security card issuance business, provided villagers with comprehensive services such as small withdrawals, remittances, balance inquiries and social security and medical insurance, and helped rural residents enjoy convenient and safe financial services. As of the end of the Reporting Period, the Bank had opened 832 rural service outlets and strived to turn them into trustworthy and satisfactory "rural neighborhood stations" for rural residents.

II. Sincerely serving micro and small private enterprises. The Bank closely focuses on the requirements of high-quality development, actively builds new channels, extends new ideas and expands new markets, implements the "online + offline" linkage development strategy, innovates and develops products such as "Qing Hui Loan" and "Intangible Cultural Heritage Revitalization Loan", continuously improves the competitiveness of products such as "Online Settlement Loan", "Tax Easy Loan", "Tobacco Business Loan", etc., and makes every effort to provide diversified products and services to its customers. The Bank has been focusing on "circles, chains and clusters" to obtain customers in bulk, precisely matching the needs of enterprises, actively implementing the policies of supporting small and medium-sized enterprises, tax reduction and credit loans, and continuously increasing credit resources to the real economy, so as to comprehensively improve the ability and level of financial support for the development of the real economy. As of the end of the Reporting Period, the Bank's loan balance for micro and small enterprises was RMB35.33 billion, an increase of RMB6.453 billion or 22.35% over the previous year.

III. Relentless efforts in building Green Bank. The Bank actively responds to the national strategy of "Carbon Peak" and "Carbon Neutrality", insists on green finance as the strategic development direction and is firmly committed to the goal of "building a green bank". During the Reporting Period, the Bank has successively released 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)》) and Vision, Goals and Actions of Bank of Guizhou on "Carbon Peak" and "Carbon Neutrality" (《貴州銀行“碳達峰碳中和”願景、目標及行動》), striving to become a leading green bank with a sound and advanced system, abundant products, controlled risks and excellent analysis. As at the end of the Reporting Period, the Bank supported 237 energy-saving and environmental protection projects, The green loans of the Bank were granted to the six fields of the Green Industry Guidance Catalogue, which strongly promoted the development of green projects in Guizhou province in the fields of photovoltaic new energy, rail transportation, high-standard farmland and circular economy. During the Reporting Period, the Bank's investment and financing activities reduced carbon emissions by a total of 3,816,200 tonnes.

Management Discussion and Analysis (Continued)

IV. Actively contributing to improve social welfare. The Bank actively fulfills its social responsibilities and strives to be a “warm” bank. During the Reporting Period, the Bank issued an initiative with the theme of “Beautiful China – Youth Action” and actively organised thematic tree planting activities; organised the “Riding the Wind and Waves with Dreams” volunteer activities for the fifth consecutive year to help with the college entrance examinations, carried out activities of sending examinees with love, and set up service stations to provide convenient services for examinees and their parents. The Bank also organised the second series of “Youths in Bank of Guizhou, Voluntary Blood Donation to Save Lives” activities to guide the staff of the Bank to care for society and life, and dedicate love to more patients. The Bank has organized various financial knowledge popularization and publicity activities, benefiting millions of people and striving to safeguard the financial security of customers; carried out the theme of “I do practical things for the public”, focusing on such key issues as helping students, respecting the elderly and environmental protection to vigorously address issues of public expectations and concerns. The Bank is actively contributing to improve social welfare, demonstrating its commitment and love. During the Reporting Period, the Bank was awarded the title of “Charity in Guizhou • Charitable Enterprise (善行貴州•愛心企業)”.

V. Earnestly improving customer experience. The Bank attaches great importance to the protection of consumer rights and always adheres to the concept of building “a bank with heart” to improve customer experience. The Bank is always committed to delicacy and effectively protects the legitimate rights of customers from the perspective of their needs. Being open minded and with win-win attitude, the Bank always serves with care, love and wisdom to meet the financial service needs of all customers. It focuses on the customer experience, maintains flexible front desk reception and offers personalized and scenario-based services. During the Reporting Period, the Bank continued to improve service quality, upgrade service standards, implement a long-term mechanism for service supervision, strive to improve customer service experience, and actively push forward the work of “striving to be the prime bank”. During the Reporting Period, the Bank of Guizhou built 10 new star-level outlets and 2 National Top 1000 Model Units.

Management Discussion and Analysis (Continued)

4.14 DEVELOPMENT STRATEGIES AND FUTURE DEVELOPMENT PROSPECTS

The development targets of the Bank is “maintain high-quality development and build a top-notch regional commercial bank in China”. The Bank is committed to becoming a regional commercial bank with recognition from the Party and the government and trust from the regulatory authorities and its shareholders, offering satisfactory services to customers and creating happiness to employees.

In future, the Bank will thoroughly implement the Opinions of the State Council on Supporting Guizhou to Break New Paths in Western Development in the New Era (Guo Fa [2022] No. 2) (國務院關於支持貴州在新時代西部大開發上闖新路的意見) and the working idea of “One, Two, Three, Four” put forward by Guizhou government. The Bank will vigorously promote the transformation and development : (I) devote to serving special industry, advantaged industry and quality customer groups, focusing on key projects across the province; (II) continue to improve the management system for banks adopting equator principles, vigorously develop green finance, strengthen the brand of green bank, and build a leading corporate bank; (III) accelerate the expansion to rural markets, deepen customer operation management, diversify product services, enhance the linkage and coordination and speed up the development of big retail business; (IV) continuously reinforce fundamental abilities in bond transactions, asset management and inter-bank businesses investment and consolidate the foundation of financial market business; (V) develop characteristic financial services with the mind of big data, optimize the online service networks, improve the “online + offline” service channels and improve the availability of service; (VI) establish and improve an overall risk management system, continuously improve the governance structure and optimize the management process and better coordinate the bank-wide revenue, size and quality; (VII) proactively expand financing channels, optimize its capital structure step by step, strengthen capital management control and capital revenue transmission and continuously enhance its capital management capacity; (VIII) promote the construction of corporate culture, build corporate culture with the Bank’s characteristics, accelerate the establishment of a corporate culture system with a sense of belonging, recognition and impressing, so as to build the soft power for the Bank’s quality development.

Changes in Share Capital and Information on Shareholders

5.1 CHANGES IN SHARE CAPITAL

As at 31 December 2021, 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		Changes in shares during the Reporting Period (share)	As at 31 December 2021	
	Number of shares (share)	Percentage (%)		Number of shares (share)	Percentage (%)
Domestic Shares	12,388,046,744	84.92%	0	12,388,046,744	84.92%
H Shares	2,200,000,000	15.08%	0	2,200,000,000	15.08%
Total number of ordinary shares	14,588,046,744	100.00%	0	14,588,046,744	100.00%

5.2 INFORMATION ON SHAREHOLDERS

5.2.1 Total number of domestic shareholders

As at 31 December 2021, the Bank had 5,299 domestic shareholders in total, consisting of 10 state-owned shareholders, 60 state-owned legal person shareholders, 121 social legal person shareholders and 5,108 natural person shareholders.

Changes in Share Capital and Information on Shareholders (Continued)

5.2.2 Top ten holders of the Domestic Shares

As at 31 December 2021, the shareholdings of top ten Domestic Shareholders of the Bank are detailed as follow:

No.	Name of shareholder	Class of share	Number of shares held (Unit: Share)	Approximate percentage of total issued share capital of the Bank as at the end of the Reporting Period (%)
1	Guizhou Provincial Finance Bureau (貴州省財政廳)	Domestic Shares	2,518,500,000	17.26
2	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	Domestic Shares	1,750,000,001	12.00
3	Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投資經營管理有限責任公司)	Domestic Shares	955,477,904	6.55
4	Guian New District Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	Domestic Shares	450,000,000	3.08
5	Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	Domestic Shares	426,000,000	2.92
6	Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	334,000,000	2.29
7	Guizhou Expressway Group Co., 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	Liupanshui Minsheng Industrial Investment Group Co., Ltd. (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
10	Guizhou Renhuai Maotai Town Hutu Liquor (Group) Co., Ltd. (貴州省仁懷市茅台鎮糊塗酒業(集團)有限公司)	Domestic Shares	188,633,460	1.29

Changes in Share Capital and Information on Shareholders (Continued)

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 2021, 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 more than 5% voting rights 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 issued of the Bank (%)	Approximate percentage of the total issued share capital of the Bank (%)
Guizhou Provincial Finance Bureau (貴州省財政廳)	Domestic Shares	Long positions	Beneficial Owner	2,518,500,000	20.33	17.26
China Kweichow Moutai Distillery (Group) Co., Ltd. ⁽¹⁾ (中國貴州茅台酒廠(集團)有限責任公司)	Domestic Shares	Long positions	Beneficial Owner	1,750,000,001	14.13	12.00
State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽¹⁾ (貴州省人民政府國有資產監督管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	1,750,000,001	14.13	12.00
Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. ⁽²⁾ (遵義市名城國有資產投資經營有限公司)	Domestic Shares	Long positions	Beneficial Owner	34,065,055	0.27	0.23
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. ⁽²⁾ (遵義市國有資產投融資經營管理有限責任公司)	Domestic Shares	Long positions	Beneficial Owner	955,477,904	7.71	6.55
Zunyi State-owned Capital Operation Co., Ltd. ⁽²⁾ (遵義市國有資本運營有限公司)	Domestic Shares	Long positions	Interest in controlled corporation	34,065,055	0.27	0.23
Zunyi State-owned Capital Operation Co., Ltd. ⁽²⁾ (遵義市國有資本運營有限公司)	Domestic Shares	Long positions	Interest in controlled corporation	989,542,959	7.98	6.78
State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi Municipality ⁽²⁾ (遵義市人民政府國有資產監督管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	989,542,959	7.98	6.78
Guizhou Water Investment Water Affairs Group Co., Ltd. ⁽³⁾ (貴州水投水務集團有限公司)	H Shares	Long positions	Beneficial Owner	314,030,000	14.27	2.15
Guizhou Water Conservancy Investment Group Co., Ltd. ⁽³⁾ (貴州省水利投資(集團)有限責任公司)	H Shares	Long positions	Interest in controlled corporation	314,030,000	14.27	2.15

Changes in Share Capital and Information on Shareholders (Continued)

Name of shareholder	Class of shares	Long positions/short positions	Nature of interests	Number of Shares (Unit: Share)	Approximate percentage of the relevant class of share capital issued of the Bank (%)	Approximate percentage of the total issued share capital of the Bank (%)
State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽³⁾ (貴州省人民政府國有資產監督管理委員會)	H Shares	Long positions	Interest in controlled corporation	314,030,000	14.27	2.15
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. ⁽⁴⁾ (黔西南州宏升資本運營有限責任公司)	H Shares	Long positions	Beneficial Owner	310,487,000	14.11	2.13
State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture ⁽⁴⁾ (黔西南州人民政府國有資產監督管理委員會)	H Shares	Long positions	Interest in controlled corporation	310,487,000	14.11	2.13
Renhuai Sauce-flavored Liquor (Group) Co., Ltd. ⁽⁵⁾ (仁懷醬酒(集團)有限責任公司)	H Shares	Long positions	Beneficial Owner	309,382,000	14.06	2.12
The People's Government of Renhuai Municipality ⁽⁵⁾ (仁懷市人民政府)	H Shares	Long positions	Interest in controlled corporation	309,382,000	14.06	2.12
Guizhou Fanjingshan Investment Holding Group Co., Ltd. ⁽⁶⁾ (貴州省梵淨山投資控股集團有限公司)	H Shares	Long positions	Beneficial Owner	142,000,000	6.45	0.97
Tongren State-owned Assets Supervision and Administration Bureau ⁽⁶⁾ (銅仁市國有資產監督管理局)	H Shares	Long positions	Interest in controlled corporation	142,000,000	6.45	0.97
Changsheng Fund Management Co. Ltd.-Changsheng Fund Zunyi No.1 Single Asset Management Plan ⁽⁷⁾ (長盛基金遠義1號單一資產管理計劃)	H Shares	Long positions	Investment Manager	140,000,000	6.36	0.96

Notes:

- (1) China Kweichow Moutai Distillery (Group) Co., Ltd. is 90% owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province (貴州省人民政府國有資產監督管理委員會). 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) 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 State-owned Capital Operation Co., Ltd. Zunyi State-owned Capital Operation Co., Ltd. is 98% owned by the State-owned Assets Supervision and Administration Commission of Zunyi Municipality. In virtue of the SFO, Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., Zunyi State-owned Capital Operation Co., Ltd. and the State-owned Assets Supervision and Administration Commission of Zunyi Municipality 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. Both Zunyi State-owned Capital Operation Co., Ltd. and the State-owned Assets Supervision and Administration Commission of Zunyi Municipality are deemed to be interested in the shares of the Bank held by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
- (3) Guizhou Water Investment Water Affairs Group Co., Ltd. is 87.47% owned by Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) 91.31% interests of which is held by State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province. In virtue of the SFO, both Guizhou Water Conservancy Investment Group Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province are deemed to be interested in the shares of the Bank held by Guizhou Water Investment Water Affairs Group Co., Ltd.

Changes in Share Capital and Information on Shareholders (Continued)

- (4) Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. is 73.23% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture. In virtue of the SFO, State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture is deemed to be interested in the shares of the Bank held by Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd.
- (5) Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (formally known as 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) is 93.65% owned by the People's Government of Renhuai Municipality. In virtue of the SFO, the People's Government of Renhuai Municipality is deemed to be interested in the shares of the Bank held by Renhuai Sauce-flavored Liquor (Group) Co., Ltd.
- (6) Tongren State-owned Assets Supervision and Administration Bureau holds 67.77% interests in Guizhou Fanjingshan Investment Holding Group Co., Ltd.. In virtue of the SFO, Tongren State-owned Assets Supervision and Administration Bureau is deemed to be interested in the shares of the Bank held by Guizhou Fanjingshan Investment Holding Group Co., Ltd.
- (7) Changsheng Fund Management Co. Ltd is the investment manager of the asset management plan products of Changsheng Fund Zunyi No.1 Single Asset Management Plan.

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 2021 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 (《商業銀行股權管理暫行辦法》) (formerly the CBIRC Order 2018 No. 1) reviewed and approved by the former China Banking and Insurance 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 operation and management of the commercial bank. The significant impact mentioned above includes but not limited to dispatching directors, supervisors or senior management to a commercial bank.

Changes in Share Capital and Information on Shareholders (Continued)

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

Name of Shareholder	Class of Shares	Long positions/ Short positions	Nature of Interests	Number of shares (Unit: Share)	Approximate percentage of the total issued share capital of the Bank
Shenzhen Expressway Corporation Limited ⁽¹⁾ (深圳高速公路集團股份有限公司)	Domestic Shares	Long positions	Beneficial Owner	426,000,000	2.92%
	H Shares	Long positions	Interest in controlled corporation	76,207,000	0.52%
Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	Long positions	Beneficial Owner	334,000,000	2.29%
	H Shares	Long positions	Beneficial Owner	314,030,000	2.15%
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Domestic Shares	Long positions	Beneficial Owner	300,000,000	2.06%
Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司)	H Shares	Long positions	Beneficial Owner	309,382,000	2.12%
Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Domestic Shares	Long positions	Beneficial Owner	104,065,055	0.71%

Note:

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

Changes in Share Capital and Information on Shareholders (Continued)

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

Company Name	Registry	Registered capital (RMB'000)	Percentage of shares held in the Bank as at 31 December 2021 (including Domestic Shares and H Shares)	Percentage of shares held in the Bank as at 31 December 2020 (including Domestic Shares and H Shares)	Economic nature or type	Legal representative or person in charge
Guizhou Provincial Finance Bureau (貴州省財政廳)	Guiyang, Guizhou Province	N/A	17.26%	13.15%	Provincial government department	SHI Huaqing (石化清)
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	Guiyang, Guizhou Province	10,000,000	12.00%	12.00%	Limited liability company (state-controlled)	DING Xiongjun (丁雄軍)
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	Zunyi, Guizhou Province	8,163,400	6.78%	5.16%	Limited liability company (state-controlled)	WANG Xiaoyong (王曉勇)
Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Guiyang, Guizhou Province	1,207,606	4.44%	4.44%	Limited liability company (state-controlled)	WANG Wencheng (王文成)
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	Shenzhen, Guangdong Province	2,180,770	3.44%	3.44%	Joint-stock company	HU Wei (胡偉)
Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司)	Renhuai, Zunyi, Guizhou Province	1,000,000	2.12%	2.12%	Limited liability company (state-controlled)	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 (state-controlled)	LONG Pingjiang (龍平江)
Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Renhuai, Zunyi, Guizhou Province	1,130,000	0.71%	0.71%	Limited liability company (wholly state-owned)	TANG Xiaosong (唐小松)

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

Guizhou Provincial Finance Bureau holds 2,518,500,000 Domestic Shares of the Bank, accounting for approximately 17.26% of the total issued share capital of the Bank. The shares held by Guizhou Provincial Finance Bureau are state-owned shares, and the ultimate owner is Guizhou Provincial Finance Bureau.

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

Changes in Share Capital and Information on Shareholders (Continued)

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

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

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

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

Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank and its related party, Zunyi Mingcheng State-owned Assets Investment and Operation Co., Ltd. (遵義市名城國有資產投資經營有限公司) holds 34,065,055 Domestic Shares of the Bank, representing approximately 6.78% of the total share capital of the Bank in total. Zunyi State-owned Capital Operation Co., Ltd. holds 73.50% equity of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. and is 98% owned by State-owned Assets Supervision and Administration Commission of Zunyi Municipality. Therefore, State-owned Assets Supervision and Administration Commission of Zunyi Municipality is an actual controller and the ultimate beneficial owner of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. also included, among others, Zunyi State-owned Capital Operation 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 operation and management of state-owned assets and capital within the scope of authorization, foreign investment, leasing, joint venture, cooperation, share-controlling, shareholding, acquisition, merger, reorganization, and asset disposal, industrial investment, equity investment, land development and consolidation relying on the advantages of assets, resources and capital, and corporate financing services. Projects involving licensed operation shall be operated only after obtaining permission from relevant departments.

Changes in Share Capital and Information on Shareholders (Continued)

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

Guizhou Water Investment Water Affairs Group Co., Ltd. holds 334,000,000 Domestic Shares and 314,030,000 H Shares of the Bank, with a total shareholding of 648,030,000 Shares, accounting for approximately 4.44% of the entire share capital of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) holds 87.47% equity of Guizhou Water Investment Water Affairs Group Co., Ltd.. State-owned Assets Supervision and Administration Commission of Guizhou Province holds 91.31% equity of Guizhou Water Conservancy Investment Group Co., Ltd. Therefore, the actual controller and the ultimate beneficial owner of Guizhou Water Investment Water Affairs Group Co., Ltd is State-owned Assets Supervision and Administration Commission of Guizhou Province. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Investment Water Affairs Group Co., Ltd. also included, among others, Guizhou Water Investment Water Affairs Technology Co., Ltd. (貴州水投水務科技有限公司) and Guizhou Water Investment Water Affairs 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 Water Affairs Group Co., Ltd. are investment, financing, construction and operation management of water source projects, water supply integration projects in towns and industrial parks, production and sales of drinking water in-depth development, sales, installation and maintenance of water supply and supporting equipment, development and application of new technologies, new materials and new processes for water supply projects, and construction, installation, commissioning, economic and technical cooperation, technical consultation, survey design and training of water supply investment and development projects.

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

Shenzhen Expressway Corporation Limited holds 426,000,000 Domestic Shares of the Bank and its related party, Mei Wah Industrial (Hong Kong) Limited holds 76,207,000 H Shares of the Bank, with 502,207,000 Shares in aggregate, accounting for approximately 3.44% of the entire share capital of the Bank. Shenzhen Expressway Corporation Limited is an A Share and H Share listed Company. Xintongchan Development (Shenzhen) Company Limited (新通產實業開發(深圳)有限公司) holds 30.03% equity of Shenzhen Expressway Corporation Limited. The actual controller and ultimate beneficial owner of Shenzhen Expressway Corporation Limited is the 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 Corporation Limited also included, among others, Shenzhen Expressway Environment Company Limited (深圳高速環境有限公司) and Shenzhen Outer Ring Expressway Investment Company Limited (深圳市外環高速公路投資有限公司).

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

Changes in Share Capital and Information on Shareholders (Continued)

6. *Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司)*

Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (formerly known as Guizhou Renhuai Sauce-flavored Liquor Industrial Development and 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 approximately 2.12% of the total share capital of the Bank. Renhuai Sauce-flavored Liquor (Group) Co., Ltd. is owned as to 93.65% 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 and 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 included, 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公司).

The main businesses of Renhuai Sauce-flavored Liquor (Group) Co., Ltd. are related economic activities in the liquor industry such as liquor production, sales, purchase and storage, consulting, promotion, certification, and trading platform, research and development, and sales of poverty alleviation products (honey and tea) and other businesses approved for development. Projects involving licensed operation shall be operated only after obtaining permission from relevant departments.

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

Guizhou Expressway Group Co., Ltd. holds 300,000,000 Domestic Shares of the Bank, representing approximately 2.06% of the total share capital of the Bank. Guizhou Expressway Group Co., Ltd. is 75.27% 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. also included, 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 of Science and Technology Industrial Development Co., Ltd. (貴州黔通智聯科技產業發展有限公司).

The principal businesses of Guizhou Expressway Group Co., Ltd. include the operation and management of expressways and ancillary facilities construction, maintenance, toll collection and service; the construction, operation and management of business in relation to expressways; expressway passenger and freight transport; leasing, repair and maintenance of materials and equipment and provision of other supplies; technical consultancy, survey and design, supervision, monitoring, testing and other services in relation to expressway construction; and introduction of new materials, technologies and workmanship.

Changes in Share Capital and Information on Shareholders (Continued)

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

Renhuai City State-owned Assets Investment and Management Co., Ltd. holds 104,065,055 Domestic Shares of the Bank, representing approximately 0.71% of the total share capital of the Bank. Renhuai City State-owned Assets Investment and Management Co., Ltd. is wholly owned by Renhuai People's Government which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Renhuai City State-owned Assets Investment and Management Co., Ltd. also included, among others, Renhuai Agricultural Financing Guarantee Co., Ltd. (仁懷市農業融資擔保有限責任公司) and Guizhou Renhuai Huizhi Human Resources Development Co., Ltd. (貴州省仁懷市匯智人力資源開發有限責任公司).

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

5.2.7 Pledge of equity by major shareholders

- I. Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., a shareholder of the Bank, holds 955,477,904 Domestic Shares of the Bank, and has pledged 446,932,193 Shares held by it:
 - (I) of which 130 million Shares have been 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 State-owned Capital Operation Co., Ltd. with an amount of guaranteed debt of RMB400 million;
 - (II) of which 80 million Shares have been 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 RMB132 million;
 - (III) of which 236,932,193 Shares have been pledged to Xiamen Branch of Xiamen International Bank (廈門國際銀行廈門分行) to provide pledge guarantee for the loans applied by it to Xiamen International Bank with an amount of guaranteed debt of RMB650 million.

Changes in Share Capital and Information on Shareholders (Continued)

- II. Renhuai City State-owned Assets Investment and Management Co., Ltd., a shareholder of the Bank, holds 104,065,055 Domestic Shares of the Bank, and has pledged 100 million Shares to Guiyang Branch of China Zhesang Bank Co., Ltd. (浙商銀行股份有限公司貴陽分行) to provide maximum guarantee for Renhuai City Water Investment and Development Co., Ltd. (仁懷市水務投資開發有限責任公司) with an amount of guaranteed debt of RMB200 million.

Save as disclosed above, the Bank has no other pledge on Shares made by major shareholders.

5.2.8 Nomination of Directors and Supervisors by the shareholders

Nominated by	Name of nominee	Position
Guizhou Provincial Finance Bureau (貴州省財政廳)	CHEN Jingde	Non-executive Director
Guizhou Provincial Finance Bureau (貴州省財政廳)	CHEN Hanqing	Non-executive Director
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	CHEN Hua	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)	WANG Xiaoyong	Non-executive Director
Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	WANG Wencheng	Non-executive Director
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	GONG Taotao	Non-executive Director
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	ZHAO Yong	Non-executive Director
Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	CHENG Yunlong	Shareholder Supervisor

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

Nil.

Changes in Share Capital and Information on Shareholders (Continued)

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

Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司), a shareholder of the Bank, holds 104,065,055 Domestic Shares of the Bank, representing approximately 0.71% of the total issued share capital of the Bank. The shareholder has pledged 100 million shares of the Bank held by it to Guiyang Branch of China Zheshang Bank Co., Ltd. (浙商銀行股份有限公司貴陽分行) in January 2020 to provide maximum pledge guarantee for Renhuai City Water Investment and Development Co., Ltd. (仁懷市水務投資開發有限責任公司) with an amount of guaranteed debt of RMB200 million and equity pledge ratio being 96.09%. On 16 June 2021, the 2020 annual general meeting of the Bank was convened, at which the proposal for the election of the third session of the Board of Supervisors of the Bank was considered and approved. Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) dispatched Supervisors to the Bank and was thus became a substantial shareholder of the Bank as defined under the Interim Measures for the Equity Management of Commercial Banks.

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

Anshun City State-owned Assets Management Co., Ltd. (安順市國有資產管理有限公司) holds 165,647,484 Domestic Shares of the Bank, representing approximately 1.14% of the total issued shares of the Bank. The shareholder has pledged 145.6 million shares of the Bank held by it to Xiamen Branch of Xiamen International Bank (廈門國際銀行廈門分行) in August 2018 to provide guarantee for the loan of RMB300 million granted to Anshun Huangpu Logistics Park Development and Investment Co., Ltd. (安順黃鋪物流園區開發投資有限公司) by the bank. In December 2020, the 145.6 million shares which had been pledged was judicially frozen by Zhengzhou Intermediate People's Court, Henan Province (河南省鄭州市中級人民法院). On 31 August 2021, the Guiyang Intermediate People's Court, Guizhou Province (貴州省貴陽市中級人民法院) imposed a subordinated freeze on the 145.6 million pledged shares.

Changes in Share Capital and Information on Shareholders (Continued)

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

As at 31 December 2021, 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 shares	Approximate percentage of the total share capital of the Bank
XU An (許安)	Executive Director and President	Domestic Shares	500,000		Beneficial Owner	0.004%	0.003%
WU Fan (吳帆)	Chairman of the Board of Supervisors	Domestic Shares	500,000		Beneficial Owner	0.004%	0.003%
JIAO Zhengjun (焦正俊)	Employee Supervisor	Domestic Shares	500,000		Beneficial Owner	0.004%	0.003%
ZHANG Hui (張惠)	Employee Supervisor	Domestic Shares	500,000		Beneficial Owner	0.004%	0.003%

Save as disclosed above, none of the Directors, Supervisors and chief executive 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 2021.

Directors, Supervisors, Senior Management, Employees and Organizations

6.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

6.1.1 Directors

As of the end of the Reporting Period, the Board of the Bank consists of seventeen Directors (of which the qualification of three Directors is subject to approval), including three executive Directors, seven non-executive Directors, and seven 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
YANG Mingshang (楊明尚)	Male	November 1965	July 2021	Chairman of the Board, executive Director
XU An (許安)	Male	June 1963	August 2018	Executive Director, President
CAI Dong (蔡東)	Male	September 1966	August 2021	Executive Director
CHEN Jingde (陳景德)	Male	December 1969	August 2021	Non-executive Director
CHEN Hanqing (陳含青)	Male	February 1984	August 2021	Non-executive Director
CHEN Hua (陳華)	Male	November 1972	August 2021	Non-executive Director
WANG Xiaoyong (王曉勇)	Male	May 1968	August 2021	Non-executive Director
GONG Taotao (龔濤濤)	Female	February 1973	November 2016	Non-executive Director
WANG Wencheng (王文成)	Male	October 1977	August 2021	Non-executive Director
ZHAO Yong (趙勇)	Male	May 1969	August 2021	Non-executive Director
WANG Gefan (王革凡) ⁽²⁾	Male	June 1957	August 2018	Independent non-executive Director
TANG Xin (湯欣) ⁽²⁾	Male	September 1971	August 2018	Independent non-executive Director
SONG Ke (宋科) ⁽²⁾	Male	April 1982	August 2018	Independent non-executive Director
JIA Xiangsen (賈祥森) ⁽³⁾	Male	April 1955	—	Independent non-executive Director
LEE Hoey Simon (李浩然) ⁽³⁾	Male	March 1977	—	Independent non-executive Director
JIANG Shangjun (姜尚君) ⁽³⁾	Male	July 1954	—	Independent non-executive Director
LAW Cheuk Kin Stephen (羅卓墜) ⁽⁴⁾	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) Mr. WANG Gefan, Mr. TANG Xin, Mr. SONG Ke acted as independent non-executive Directors of the second session of the Board of the Bank from August 2018 to June 2021.
- (3) The qualification of Mr. JIA Xiangsen, Mr. LEE Hoey Simon and Mr. JIANG Shangjun as an independent non-executive Director of the Bank is subject to approval.
- (4) Mr. LAW Cheuk Kin Stephen applied for resignation as an independent non-executive Director of the Bank on 29 November 2021 due to work arrangements. The resignation of Mr. LAW Cheuk Kin Stephen will take effect on the date when the appointments of Mr. JIA Xiangsen and Mr. LEE Hoey Simon are approved by CBIRC Guizhou Office.

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

6.1.2 Supervisors

As of the end of the Reporting Period, the Board of Supervisors of the Bank consists of seven Supervisors, including three employee Supervisors, one shareholder Supervisor and three external Supervisors. The proportion of the employee Supervisors and external Supervisors at the Board of Supervisors is 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
WU Fan (吳帆)	Female	August 1968	June 2021	Chairman of the Board of Supervisors, Employee Supervisor
CHENG Yunlong (程雲龍)	Male	October 1976	June 2021	Shareholder Supervisor
SU Zhi (蘇治) ⁽²⁾	Male	December 1977	June 2021	External Supervisor
CHEN Houyi (陳厚義) ⁽³⁾	Male	January 1956	June 2021	External Supervisor
YIN Xinquan (尹新全)	Male	August 1957	June 2021	External Supervisor
ZHANG Hui (張惠)	Female	October 1973	June 2021	Employee Supervisor
JIAO Zhengjun (焦正俊)	Male	September 1973	June 2021	Employee Supervisor

Notes:

- (1) Refers to the date on which the third session of the Board of Supervisors was established.
- (2) Mr. SU Zhi served as the external Supervisor of the second session of the Board of Supervisors of the Bank from May 2018 to June 2021.
- (3) Mr. CHEN Houyi served as the external Supervisor of the first session of the Board of Supervisors of the Bank from April 2017 to May 2018 and the external Supervisor of the second session of the Board of Supervisor of the Bank from May 2018 to June 2021.

6.1.3 Senior management

The senior management of the Bank comprises a total of five members, namely Mr. XU An (President of the Bank), Mr. HU Liangpin, Mr. AN Peng, Mr. QIN Wei, and Mr. ZHOU Guichang. Details are as follows:

Name	Gender	Date of birth	Date of appointment ⁽¹⁾	Position in the Bank
XU An (許安)	Male	June 1963	January 2018	President of the Bank
HU Liangpin (胡良品)	Male	September 1968	January 2018	Vice President of the Bank
AN Peng(安鵬)	Male	October 1976	September 2021	Vice President of the Bank
QIN Wei(覃偉)	Male	March 1976	December 2021	Vice President of the Bank
ZHOU Guichang (周貴昌)	Male	August 1974	April 2019	Secretary to the Board of the Bank

Note:

- (1) Refer to the date on which the Board approved the relevant resolution of appointment.

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

6.2 CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD**6.2.1 Changes of Directors**

- I. On 28 January 2021, due to work arrangement by the Guizhou provincial government, Mr. LI Zhiming applied for resignation as the Chairman and executive Director of the Bank, with effect from the same date.
- II. On 16 June 2021, due to the election of the third session of the Board, Mr. SHI Xianyin and Mr. ZHONG Xueliang ceased to serve as proposed non-executive Directors of the Bank from the same date, and Mr. LI Shoubing ceased to serve as an independent non-executive Director of the Bank from the same date.
- III. Due to the election of the third session of the Board, the resolutions on the appointments of Mr. YANG Mingshang and Mr. CAI Dong as executive Directors of the third session of the Board of the Bank, Mr. CHEN Jingde, Mr. CHEN Hanqing, Mr. CHEN Hua, Mr. WANG Xiaoyong, Mr. WANG Wencheng and Mr. ZHAO Yong as non-executive Directors of the third session of the Board of the Bank and Mr. JIANG Shangjun as an independent non-executive Director of the third session of the Board of the Bank were considered and approved at the 2021 fourth extraordinary meeting of the second session of the Board of the Bank and the 2020 annual general meeting.

On 28 July 2021, the Bank received the "Approval of the Qualification of YANG Mingshang of Bank of Guizhou Co., Ltd. by the CBIRC Guizhou Office" (Gui Yin Bao Jian Fu [2021] No. 183) (《貴州銀保監局關於貴州銀行股份有限公司楊明尚任職資格的批覆》(貴銀保監覆[2021]183號)), the CBIRC Guizhou Office had approved the qualification of Mr. YANG Mingshang as the Chairman and the executive Director of the Bank. On 10 August 2021, the Bank received the "Approval of the Qualification of the Seven Directors including CAI Dong of Bank of Guizhou Co., Ltd. by the CBIRC Guizhou Office" (Gui Yin Bao Jian Fu [2021] No. 197) (《貴州銀保監局關於貴州銀行股份有限公司蔡東等7名董事任職資格的批覆》(貴銀保監覆[2021]197號)), and the CBIRC Guizhou Office has approved, the qualification of Mr. CAI Dong as the executive Director of the Bank, and the qualifications of Mr. CHEN Jingde, Mr. CHEN Hanqing, Mr. CHEN Hua, Mr. WANG Xiaoyong, Mr. WANG Wencheng and Mr. ZHAO Yong as non-executive Directors of the Bank. The term of office of the above mentioned Directors is the same as the term of the third session of the Board.

- IV. On 29 November 2021, Mr. LAW Cheuk Kin Stephen resigned as an independent non-executive Director of the Bank due to work arrangements, with effect upon the approval of the appointments of Mr. JIA Xiangsen and Mr. LEE Hoey Simon by CBIRC Guizhou Office.

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

6.2.2 Changes of Supervisors

- I. On 19 March 2021, Mr. XIAO Cifa resigned as the Chairman of the Board of Supervisors and an employee Supervisor of the Bank due to work arrangement by the Guizhou provincial government, with effect from the same date.
- II. On 12 May 2021, upon election at the meeting of the employee representatives of the Bank, Ms. WU Fan, Ms. ZHANG Hui and Mr. JIAO Zhengjun were elected as employee Supervisors of the third session of the Board of Supervisors of the Bank, with a term of office being the same as that of the third session of the Board of Supervisors.
- III. On 16 June 2021, the Bank completed the election of members of a new session of the Board of Supervisors, and Mr. MA Peng, Mr. CHENG Yunlong and Ms. XU Yu were elected as shareholder Supervisors of the third session of the Board of Supervisors of the Bank and Mr. SU Zhi, Mr. CHEN Houyi and Mr. YIN Xinquan were elected as external Supervisors of the third session of the Board of Supervisors of the Bank, together with Ms. WU Fan, Ms. ZHANG Hui, Mr. JIAO Zhengjun, forming the third session of the Board of Supervisors, with a term of office being the same as that of the third session of the Board of Supervisors. At the same day, Mr. YANG Jian, Mr. CHEN Hongcai, Mr. LIU Hanmin, Mr. WANG Changyi and Mr. LI Keyong ceased to be Supervisors of the Bank.
- IV. On 23 July 2021, Ms. XU Yu resigned as the shareholder Supervisor and a member of the Supervision Committee under the Board of Supervisors of the Bank due to work adjustment, with effect from the same date.
- V. On 15 December 2021, Mr. MA Peng resigned as a shareholder Supervisor and member of the Nomination and Remuneration Committee and Evaluation Committee under the Board of Supervisors of the Bank due to work adjustment, with effect from the same date.

6.2.3 Changes of senior management

- I. On 30 March 2021, Mr. CHAI Bolin ceased to be the vice president of the Bank due to work arrangement by Guizhou provincial government.
- II. On 16 June 2021, Ms. WU Fan ceased to be the vice president of the Bank due to her appointment as the Chairman of the Board of Supervisors of the Bank.
- III. On 29 September 2021, Mr. LI Tao ceased to be the vice president of the Bank due to work arrangement by Guizhou provincial government.
- IV. On 22 October 2021, Mr. AN Peng was appointed as the vice president of the Bank.
- V. On 8 February 2022, Mr. QIN Wei was appointed as the vice president of the Bank.
- VI. On 30 March 2022, Mr. Wang Xiangdong ceased to be the Chief Officer of the Bank due to work arrangement by the Bank.

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

6.3 BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANagements

6.3.1 Changes in information of Directors and Supervisors

- I. Mr. CHEN Jingde, a non-executive Director of the Bank, ceased to be a deputy General Manager of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) from May 2021; and has served as the deputy secretary of the Party Committee, director and chairman of the labor union of the company since May 2021.
- II. Mr. CHEN Hanqing, a non-executive Director of the Bank, ceased to be a deputy director of the Finance and Economics Committee of Changshun County Committee of Qiannan Prefecture and member of the Party Group of the County People's Government from July 2021.
- III. Mr. WANG Wencheng, a non-executive Director of the Bank, ceased to be a General Manager of Guizhou Water Investment Water Affairs Group Co., Ltd. from June 2021; and has served as the secretary of the Party Committee and chairman of the company since June 2021.
- IV. In June 2021, Mr. SONG Ke, an independent non-executive Director of the Bank, ceased to be an external supervisor of Bank of Zhengzhou Co., Ltd. (SEHK stock code: 6196; SZSE stock code: 002936); and has served as an independent director of the company since February 2022.
- V. Mr. LAW Cheuk Kin Stephen, an independent non-executive Director of the Bank, has served as an independent non-executive director of Keymed Biosciences Inc. (HKSE stock code: 2162) since 8 July 2021. In December 2021, Mr. LAW was elected as a council member of the Hong Kong Institute of Certified Public Accountants.
- VI. Ms. GONG Taotao, a non-executive Director of the Bank, ceased to serve as the vice president of Shenzhen Expressway Corporation Limited in December 2021; and ceased to serve as the secretary of the board of directors and joint company secretary of Shenzhen Expressway Corporation Limited from March 2022.
- VII. Ms. ZHANG Hui, an employee supervisor of the Bank, has been the general manager of the Operation Management Department of the Bank since July 2021.

6.3.2 Biography details of Directors

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

Mr. Yang had successively served as the member of the inspection office and general office in Agricultural Bank of China Guizhou Branch from July 1994 to February 1997; member of the office of legal counsel in Agricultural Bank of China Guizhou Branch from February 1997 to July 1997; deputy chief of industrial and commercial credit division in Agricultural Bank of China Guizhou Branch from July 1997 to November 1998; deputy chief of asset preservation division in Agricultural Bank of China Guizhou Branch from November 1998

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

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

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

Mr. XU An (許安) is the deputy secretary of the Party Committee, executive Director and President of the 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; 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 and President of our Bank since January 2018, and 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 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.

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

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

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

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

Mr. CHEN Jingde (陳景德) is a non-executive Director of the Bank.

Mr. Chen had successively served as a clerk, a deputy director, the director of the agricultural finance department of the Guizhou Provincial Finance Bureau (貴州省財政廳農業財務處) from July 1992 to August 2004; a deputy director of the agricultural taxation department of the Guizhou Provincial Finance Bureau (貴州省財政廳農業稅收處) from August 2004 to December 2005 (during which, from June 2005 to May 2006, he participated in the Provincial Party Building Poverty Alleviation Work Team, and took a temporary post as the assistant to the head of Houchang Township, Puding County, Anshun); a deputy director and the director of grass-root finance management department of Guizhou Provincial Finance Bureau (貴州省財政廳基層財政管理處) from December 2005 to November 2014; the director of agricultural department of Guizhou Provincial Finance Bureau from November 2014 to March 2019. He has been a member of the Party committee, director and deputy general manager of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) from March 2019 to May 2021; the deputy secretary of the Party committee, director and chairman of the labor union of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) since May 2021; and a non-executive Director of the Bank since August 2021.

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

Mr. Chen graduated from the department of agricultural economics of Jiangxi University of Finance and Economics (江西財經學院) in July 1992, majoring in specialization of agricultural finance, and obtained a bachelor's degree. From September 2003 to July 2005, he had been studying at the post-graduate course in the School of Finance of the Central University of Finance and Economics (中央財經大學) (via correspondence). From September 2012 to June 2015, he studies economics in the on-the-job postgraduate class of the Party School of Guizhou Provincial Committee of the Communist Party of China.

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

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

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

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

Mr. CHEN Hua (陳華) is a non-executive Director of the Bank.

Mr. Chen served as an accountant in the Finance Office of Kweichow Moutai Distillery (貴州茅台酒廠) from September 1993 to April 2000; the deputy director (middle level (3)) of the Finance Department in Kweichow Moutai Co., Ltd. from April 2000 to April 2003, the shares of which are listed on the Shanghai Stock Exchange with the stock code of 600519; the deputy director of the Finance Department in Kweichow Moutai Co., Ltd. from April 2003 to May 2007; the deputy director of the Finance Department and the head of the Cost Management Office in Kweichow Moutai Co., Ltd. from May 2007 to July 2010; the deputy director of the Finance Department and the head of the Cost Management Office in Kweichow Moutai Co., Ltd., and the director of the Finance Department in Construction Headquarter of Moutai Circular Economy Technology Demonstration Park of China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司茅台循環經濟科技示範園建設指揮部) from July 2010 to March 2012; the head of the Audit Office in China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) and the director of the Audit Department in Kweichow Moutai Co., Ltd. from March 2012 to July 2014; the head of the Audit Office in China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司), the director of the Audit Department in Kweichow Moutai Co., Ltd. and the Chairman (concurrently) of the Board of Supervisors in Beijing Friendship Emissary Trading Co., Ltd. (北京友誼使者商貿有限公司) from July 2014 to December 2015; the director of the Finance Department and a security affairs representative in Kweichow Moutai Co., Ltd. and the chairman (concurrently) of the board of supervisors in Beijing Friendship Emissary Trading Co., Ltd. (北京友誼使者商貿有限公司) from December 2015 to December 2017; the director of the Finance Department and a security affairs representative in Kweichow Moutai Co., Ltd. from December 2017 to November 2018; the director of the Finance Department and a security affairs representative of Kweichow Moutai Co., Ltd. and the team leader of a working group in Kweichow Moutai (Group) E-commerce Co., Ltd. (貴州茅台集團電子商務股份有限公司) from November 2018 to July 2020; the team leader of a working group in Kweichow Moutai (Group) E-commerce Co., Ltd. (貴州茅台集團電子商務股份有限公司) from July 2020 to August 2020; and has been serving as the head of the Finance Office in China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) since August 2020; and a non-executive Director of the Bank since August 2021.

Mr. Chen graduated from Guizhou Renmin University (貴州人民大學) as an accounting and auditing major in July 1993; studied at Southwestern University of Finance and Economics (西南財經大學) as an EMBA major from April 2013 to December 2015. Mr. Chen obtained the construction engineer qualification.

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

Mr. WANG Xiaoyong (王曉勇) is a non-executive Director of the Bank.

Mr. Wang has successively worked in the land section of the Planning Commission in Zunyi Area (遵義地區計劃委員會) from September 1990 to August 1996; served as the deputy director of the office, chief of the welfare-to-work section, the director of the office and the leader of the agro-ecological group (Western Development Office of the City) of the Planning Commission of Zunyi City (遵義市計劃委員會) from September 1996 to November 2004; the chief of the transportation and energy section of the Development and Reform Commission of Zunyi City, Guizhou Province (貴州省遵義市發展和改革委員會) from December 2004 to October 2007; the chief of the development and reform section of the Development and Reform Commission of Zunyi City, Guizhou Province from November 2007 to March 2009 (during which, he temporarily served as a member of the Standing Committee of the Yuqing County Committee of the CPC from December 2006 to December 2008); the chief supervisor of Zunyi Expressway Development and Investment Co., Ltd. (遵義高速公路開發投資有限公司) from April 2009 to March 2011; the chairman of the supervisory committee of Guizhou Zunyi Expressway Construction and Investment Co., Ltd. (貴州遵義高速公路建設投資有限公司) from April 2011 to January 2015; a member of the Party Committee and the chairman of the supervisory committee of Zunyi Transportation Construction and Investment (Group) Co., Ltd. (遵義交通建設投資(集團)有限公司) from February 2015 to May 2017; a member of the Party Committee and the chief supervisor of Zunyi Guarantee (Agricultural Credit Guarantee) Co., Ltd. (遵義市擔保(農業信貸擔保)有限責任公司) from June 2017 to August 2020; a member and the secretary of the Party Committee, a director and the chairman of 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) since August 2020; and a non-executive Director of the Bank since August 2021.

Mr. Wang graduated from the Geography Department of Southwest China Normal University (西南師範大學) as a geography major in July 1990 with a bachelor's degree in science.

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

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

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

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. WANG Wencheng (王文成) is a non-executive Director of the Bank.

Mr. Wang has successively served as a publicity officer of the publicity and education department of Guizhou Salt Industry (Group) Co., Ltd. (貴州鹽業(集團)有限責任公司) from July 2002 to August 2002; organization officer and Cadre Officer of the organization and personnel department of Guizhou Salt Industry (Group) Co., Ltd. from August 2002 to July 2006 (during which, he was seconded to the organization department of Guizhou Provincial Party Committee from July 2003 to January 2005); deputy director of the Party committee office of Guizhou Salt Industry (Group) Co., Ltd. from July 2006 to July 2009; deputy director of the Party committee office and deputy director of the board office of Guizhou Salt Industry (Group) Co., Ltd. from July 2009 to May 2012; person presiding over work of the office of Guizhou Water Investment and Water Affairs Group Co., Ltd. (貴州水投水務集團有限責任公司) from May 2012 to October 2012; deputy director of the Party-mass work department of Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) from October 2012 to December 2012; deputy director (presiding over work) of the Party-mass work department of Guizhou Water Conservancy Investment Group Co., Ltd. from December 2012 to April 2014; deputy director (presiding over work) of the Party-mass work department (Party committee office) of Guizhou Water Conservancy Investment Group Co., Ltd. from April 2014 to August 2014; director of the Party-mass work department (Party committee office) of Guizhou Water Conservancy Investment Group Co., Ltd. from August 2014 to January 2018; general manager and deputy secretary of the Party committee of Guizhou Water Investment Water Affairs Group Co., Ltd. from January 2018 to April 2018; and general manager, deputy secretary of the Party committee and vice chairman of Guizhou Water Investment Water Affairs Group Co., Ltd. from April 2018 to January 2021. He has served as the secretary of the Party committee, and chairman of Guizhou Water Investment Water Affairs Group Co., Ltd. from January 2021 to June 2021; the secretary of the Party committee, chairman and general manager of Guizhou Water Investment Water Affairs Group Co., Ltd. since June 2021; and a non-executive Director of the Bank since August 2021.

Mr. Wang graduated from Guizhou Normal University (貴州師範大學) majoring in ideological and political education in July 2002 with a bachelor's degree.

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

Mr. ZHAO Yong (趙勇) is a non-executive Director of the Bank.

Mr. Zhao worked in Xintian Precision and Optical Instrument Company Limited (新天精密光學儀器公司) from August 1991 to June 1995; served as the deputy manager of the information technology department of the Guizhou branch company, manager of the information technology department of the Sichuan branch company, manager of the information technology department of the Chengdu branch company, the general manager of the Panzhihua branch company and the general manager of the Guangyuan Center branch company of China Pacific Insurance (Group) Co., Ltd. (中國太平洋人壽保險股份有限公司) from January 1996 to April 2005; served as the preparatory office staff of the Deyang Center branch company of Taiping Insurance Co., Ltd. (太平保險股份有限公司) from April 2005 to December 2005; served as the deputy general manager of Deyang Center branch company of Taiping Insurance Co., Ltd. from December 2005 to October 2007; served as the preparatory office staff of the Guizhou branch company of Taiping Insurance Co., Ltd. from October 2007 to March 2008; served as the general manager of the marketing department and assistant general manager of the Guizhou branch company of Taiping Insurance Co., Ltd. (during which, he served the temporary position as the assistant general manager of Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司) from January 2016 to January 2018) from March 2008 to March 2018; served as assistant to the general manager of Guizhou Expressway Group Company Limited from March 2018 to September 2018; the deputy secretary of the Party branch of Guizhou Transportation Investment and Management Co., Ltd. (presiding the overall work) (貴州交通投資管理有限公司) from September 2018 to May 2019; the secretary of the party branch of Guizhou Transportation Investment and Management Co., Ltd. since May 2019; a director and chairman of the board of Guizhou Transportation Investment and Management Co., Ltd. since June 2019; a director and chairman of the board of Guizhou Transportation Industry Development Fund Co., Ltd. (貴州交通產業發展基金有限責任公司) from June 2019 to September 2020; a director and general manager of Guizhou Transportation Industry Development Fund Co., Ltd. since September 2020; and a non-executive Director of the Bank since August 2021.

Mr. Zhao studied at the Department of Precision Instruments in Beijing Institute of Machinery (北京機械工業學院) from September 1987 to July 1991, majoring in precision instruments, and obtained his bachelor's degree in engineering.

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

Mr. Tang has successively conducted post-doctoral research in law major at Peking University Law School from July 1998 to June 2000 and has been teaching in Tsinghua University School of Law since 2000; was promoted to Associate Professor of Tsinghua University School of Law in February 2001, was promoted to Professor of Tsinghua University School of Law in January 2015 and served as the director of the Research Center of Commercial Law of Tsinghua University since January 2021. Mr. Tang has been a member of the listing committee of the SSE since August 2012, the head of the committee of independent directors of the China Association for Public Companies (中國上市公司協會) since September 2014, a supervisor of Beijing Rural Commercial Bank Co., Ltd. since 2015, an independent non-executive director of China Life Insurance Company Limited (SSE stock code: 601628) since March 2016, an independent director of Harvest Fund Management Co., Ltd. (嘉實基金管理有限公司) since October 2017 and 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. Mr. Tang has been an independent non-executive Director of our Bank since August 2018.

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

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 the 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 the Bank.

Mr. Song has successively 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; engaged in post-doctoral research in the School of Statistics of Renmin University of China from July 2012 to July 2015; served as a deputy head of International Monetary Institute of Renmin University of China since January 2014; served as a teacher of Department of Money and Finance of the School of Finance of Renmin University of China since September 2015; served as a deputy secretary of the Party committee of the School of Finance of Renmin University of China since April 2019; Mr. Song has been an external supervisor of Bank of Zhengzhou from May 2017 to June 2021; Mr. Song Ke has been an independent director of Bank of Zhengzhou Co., Ltd. (SEHK stock code: 6196; SZSE stock code: 002936) since February 2022; 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 July 2012.

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

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

Mr. Law has successively worked in Wheelock and Company Limited (會德豐有限公司) (SEHK stock code: 0020) and Wharf (Holdings) Limited (九龍倉集團有限公司) (SEHK stock code: 0004) from 1995 to 2000; 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 Cheuk Kin Stephen served as the chief financial officer of Guohao 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 Hong Kong Polytechnic University from 2015 to 2017; the independent 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; the managing director of ANS Capital Limited since 2017; an independent 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. (SSE stock code: 601881; SEHK stock code: 06881) since June 2020; an independent non-executive director of CSPC Pharmaceutical Group Limited (SEHK stock code: 1093) since March 2021 and an independent non-executive director of Keymed Biosciences Inc. (HKSE stock code: 2162) since July 2021. Mr. Law Cheuk Kin Stephen has been an independent non-executive Director of our Bank since November 2018. Mr. Law resigned as an independent non-executive Director of the Bank in November 2021 with effective upon the approval of Mr. JIA Xiangsen and Mr. LEE Hoey Simon independent non-executive Directors by the Guizhou CBIRC.

Mr. Law graduated from University of Birmingham with a bachelor's degree in science (civil engineering) in April 1984. He graduated from University of Hull in United Kingdom with a MBA degree in July 1996. Mr. Law Cheuk Kin Stephen was a council member of the Hong Kong Institute of Certified Public Accountants from January 2010 to December 2017. In December 2021, Mr. Law was re-elected as a council member of the Hong Kong Institute of Certified Public Accountants. 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 Cheuk Kin Stephen obtained accounting qualifications in Hong Kong and the United Kingdom.

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

6.3.3 Biography details of Supervisors

Ms. WU Fan (吳帆), a member of the Party Committee, Chairlady of the Board of Supervisors and employee Supervisor of the 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 the Bank from February 2013 to January 2014; and has been an assistant to the president of the Bank from January 2014 to April 2019 (during which, she concurrently served as general manager of Guiyang Management Department of the Bank from March 2014 to November 2014 and executive deputy secretary of the Party committee of Guiyang Management Department of the Bank from November 2014 to March 2016). Ms. Wu has been a member of the Party Committee of the Bank since March 2019; served as the vice president of the Bank from April 2019 to June 2021; and Chairlady of the Board of Supervisors and employee Supervisor of the Bank since June 2021.

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.

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

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

Mr. Cheng worked in the Daba Town Government of Renhuai City from December 1998 to April 2003; worked in the Housing and Urban-Rural Development Bureau of Renhuai City from April 2003 to January 2017, during which he served as the head of the village station, head of the safety supervision station, member of the Party group, law enforcement team leader and concurrently served as the chairman of the labor union, and deputy secretary of the Party committee of the Housing and Urban-rural Development Bureau; served as the general manager of Renhuai Southern New City Construction Investment Development Co., Ltd. (仁懷市南部新城建設投資開發有限責任公司) from January 2017 to January 2018; served as the general manager of Renhuai Famous Wine Industrial Park Investment and Development Co., Ltd. (仁懷名酒工業園區投資開發有限責任公司), and concurrently served as the general manager of Renhuai Southern New City Construction Investment Development Co., Ltd. from January 2018 to April 2019; served as the deputy general manager of Renhuai City Urban Development Construction Investment Management Co., Ltd., and general manager of Renhuai Southern New City Construction Investment Development Co., Ltd. from April 2019 to August 2020; served as the deputy general manager of Renhuai Brewing Future Company, and general manager of Renhuai State Investment Corporation since August 2020; and a shareholder Supervisor of the Bank since June 2021.

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

Mr. SU Zhi (蘇治) is an external Supervisor of the 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 Zhi has also worked as executive deputy director of the Central University of Finance and Economics and 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 Zhi 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; Star Market of the Shanghai Stock Exchange stock code: 688366) on 29 June 2020. Mr. SU Zhi has been an external Supervisor of the Bank since May 2018.

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

Mr. Su obtained a bachelor's degree in management majoring in economic information management 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. YIN Xinquan (尹新全) is an external Supervisor of the Bank.

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

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

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

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

Mr. CHEN Houyi 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 served 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 the 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.

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

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

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

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

Mr. JIAO Zhengjun (焦正俊) is an employee Supervisor of the Bank.

Mr. Jiao worked in Agricultural Bank of China from July 1999 to March 2013. In particular, he served as a clerk of the business office and the credit management section of Agricultural Bank of China Xiaohu Sub-branch in Guiyang from July 1999 to July 2003; a clerk and deputy director clerk of the legal affairs division of Agricultural Bank of China Guizhou Branch from July 2003 to July 2006; a director clerk and section chief of the legal and compliance division of Agricultural Bank of China Guizhou Branch from July 2006 to July 2008; assistant to division chief of the legal and compliance division of Agricultural Bank of China Guizhou Branch from July 2008 to March 2009; assistant to general manager of the legal affairs department of Agricultural Bank of China Guizhou Branch from March 2009 to December 2009; deputy general manager of the legal affairs department of Agricultural Bank of China Guizhou Branch from December 2009 to April 2012; and deputy general manager of the credit card centre of Agricultural Bank of China Guizhou Branch from April 2012 to March 2013. Mr. Jiao worked in the Bank since 2013. In particular, he served as the temporary principal of the Legal Compliance Department and the Board Office of the Bank from March 2013 to August 2013; deputy general manager of the Legal Compliance Department and the Asset Protection Department of the Bank from August 2013 to October 2014; deputy general manager of the Asset Protection and Legal Affairs Department of the Bank from October 2014 to May 2015; deputy general manager (general manager level) of the Asset Protection and Legal Affairs Department of the Bank from May 2015 to March 2018; general manager of the Legal Compliance Department of the Bank since March 2018; employee Supervisor of the Bank since June 2021.

Mr. Jiao graduated from the Law Department of Guizhou Minzu College (貴州民族學院) in July 1999 with a bachelor's degree in law, and graduated from Guizhou University in December 2011 with a postgraduate degree in joint school-running project with the University of Quebec at Chicoutimi, Canada, majoring in management.

6.3.4 Biography details of senior management

Mr. XU An (許安), see "Directors, Supervisors and Senior Managements – Biography details of Directors" for his biography.

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

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

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 CBIRC Guizhou Office in April 2010; and the honor of the 10th National “Venture Star” (創業之星) in May 2012.

Mr. AN Peng (安鵬), is a member of the Party committee and Vice President of the Bank.

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

Mr. AN studied at Shaanxi University of Finance and Economics and graduated with a bachelor’s degree in Economics and Information Management, and graduated from Xi’an Jiaotong University with a master’s degree in Western Economics in July 2005.

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

Mr. QIN Wei (覃偉) is a member of the Party Committee and Vice President of the Bank, Secretary of the Party Committee and General Manager of Guiyang Management Department.

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

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

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.

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

6.3.5 The Biography 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 “Biography details of Directors, Supervisors and Senior Managements – Biography details of Senior Managements” for his biography.

Dr. NGAI Wai Fung Maurice (魏偉峰) is one of joint company secretaries of the Bank. Dr. Ngai currently is a director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited. Dr. Ngai has over 30 years of professional practice and senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and company secretarial work for listed issuers including major red chips companies.

Dr. Ngai is a fellow of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries), a fellow of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), a member of The Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants in the United Kingdom and a member of The Chartered Institute of Arbitrators.

Dr. Ngai has a master’s degree in business administration from Andrews University of the United States, a bachelor’s degree (Honours) in Law from the University of Wolverhampton, the United Kingdom, a master’s degree in corporate finance from the Hong Kong Polytechnic University and a doctorate of Economics (Finance) from the Shanghai University of Finance and Economics.

6.4 INFORMATION OF EMPLOYEES

6.4.1 Composition of employees

As of the end of December 2021, the Bank had 5,255 contracted employees, the composition of whom is set out as follows:

(I) By age

The Bank had 1,865 employees aged 30 or under, accounting for 35.49% of the total number of employees; 1,851 employees aged between 31 and 40, accounting for 35.22% of the total number of employees; 1,044 employees aged between 41 and 50, accounting for 19.87% of the total number of employees; and 495 employees aged over 50, accounting for 9.42% of the total number of employees.

(II) By gender

The Bank has a total of 2,472 male employees, accounting for 47.04%, and 2,783 female employees, accounting for 52.96%.

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

(III) By education

The Bank has 4,482 employees with a bachelor's degree or above, accounting for 85.29% of the total number of employees. Among them, 4 employees have a doctor's degree, accounting for 0.08% of the total number of employees, 347 employees have a master's degree, accounting for 6.60% of the total number of employees, and 773 employees have a college degree or below, accounting for 14.71% of the total number of employees.

In addition to the contracted employees, the Bank has 233 dispatch employees.

6.4.2 Employee training

During the Reporting Period, the Bank conscientiously implemented the training requirements of the Organisation Department of Provincial Party Committee, sent seven provincial management cadres to attend centralised training at Party School of the CPC Guizhou Provincial Committee, and assigned two deputy directors to attend training courses for young and middle-aged cadres; formulated the education and training plan for Party members and staff in 2021, and organized 13 training sessions for Party leaders, Party cadres, staff and the youth, training a total of 763 people; through the "cloud learning" platform, more than 15,000 employees received online training; organized examinations of professional qualifications for practitioners in eight business lines (departments), including corporate, retail and information technology departments with a total of 2,125 people obtaining job certificates; issued the "Regulations on Engaging Staff of Professional and Technical Titles in Bank of Guizhou (for trial implementation)" (《貴州銀行專業技術職稱聘用管理辦法(試行)》) to encourage talents to enhance their professional capabilities.

6.4.3 Remuneration policy, employee remuneration and welfare

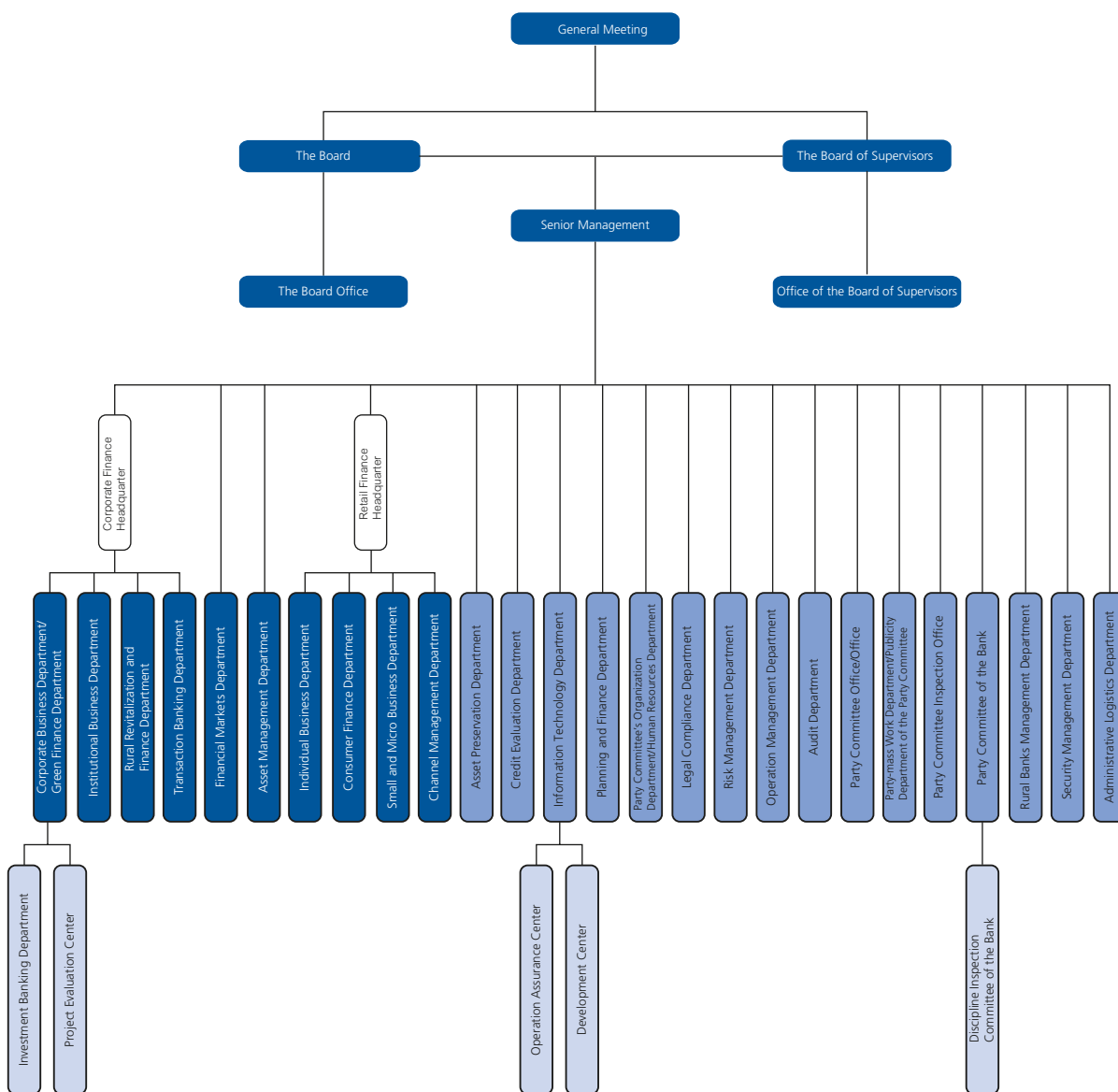
During the Reporting Period, the Bank continuously optimised and revised the remuneration management system, initially established a professional rank structure for the whole Bank, further optimised the remuneration allocation system of the head office, and implemented measures of one salary for one position and adjusting salaries upon change in positions, thereby promoting a fair system of remuneration. 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 employees of the whole Bank with comprehensive social insurance and benefits to enhance the long-term motivation of key talents and effectively support the high quality development of the whole Bank.

According to the remuneration policy of the Bank, the Nomination and Remuneration Committee of the Board 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.

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

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 7.14 Remuneration of the Management under Chapter VII and Notes 9 and 10 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 2021.

6.5 ORGANIZATIONAL STRUCTURE



Corporate Governance Report

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

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 to the Hong Kong Listing Rules during the Reporting Period, except for the followings:

Former Code Provision A.2.1 (now C.2.1) stipulates that the roles of chairman and chief executive shall be separate and shall not be performed by the same individual. The division of responsibilities between the chairman and the chief executive shall be clearly established and set out in writing. As disclosed in 7.7 Chairman and President, from 28 January 2021 to 28 July 2021, Mr. Xu An, an executive Director and President of the Bank, took charge of the work of the Board of the Bank temporarily due to a vacancy of Chairman. The appointment of Mr. XU An, President of the Bank, to take charge of the Board on an interim basis is a temporary arrangement in accordance with the relevant regulations of the Bank. Meanwhile, during the period when Mr. Xu served as temporary principal to the Board, all major decisions of the Board were still made by its members after collective consultation. In addition, after Mr. YANG Mingshang served as the Chairman of the Board, Mr. Xu ceased to be in charge of the Board of the Bank and the Bank has re-complied with Code Provision A.2.1.

Former Code Provision A.5.1 (now Rule 3.27A of the Hong Kong Listing Rules) stipulates that issuers shall establish a nomination committee which shall be chaired by the chairman of the board or an independent non-executive director and the majority of the members of the committee shall be independent non-executive directors. From 16 June 2021 to 30 August 2021, due to the election of the third session of the Board of the Bank, all members of the committees under the second session of the Board resigned and the qualifications of nine of the members of the third session of the Board of the Bank were subject to the approval by CBIRC Guizhou Office. Therefore the Bank did not establish any board committees during such period. On 30 August 2021, the Bank established, among others, the Nomination and Remuneration Committee and elected the members of the committee, of which Mr. TANG Xin, an independent non-executive Director, served as the Chairman. During the period from 30 August 2021 to 29 September 2021, independent non-executive Directors who were already in office did not account a majority of members of the Nomination and Remuneration Committee. On 29 September 2021, the Bank held a Board meeting and appointed Mr. WANG Gefan, an independent non-executive director, as a member of the Nomination and Remuneration Committee of the third session of the Board of the Bank. Since then, the majority of the members of the Nomination and Remuneration Committee of the Bank have been independent non-executive Directors.

Former Code Provision E.1.2 (now F.2.2) stipulates that the chairman of the board shall attend the annual general meeting and shall also invite the chairmen of the audit committee, remuneration committee, nomination committee and any other committees to attend. In case of the absence of any of the aforementioned chairmen, the chairman of the board shall invite another member of the committee or failing this his duly appointed delegate, to attend. Due to work arrangements, the Chairman of Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk and Related Party Transactions Management Committee were not attend in person or appoint a proxy to attend the Bank's annual general meeting held on 16 June 2021.

Corporate Governance Report (Continued)

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

7.1 FUNCTIONS AND POWERS OF THE GENERAL MEETING

According to the Articles of Association of the Bank, the shareholders' general meeting shall be an organ of power of the Company. It may exercise the following powers in accordance with the laws and regulations and the Articles of Association:

To decide on the Company's business policy and investment plans; to elect and replace Directors who are not employee representatives and to determine matters relating to remuneration of the Directors; to elect and replace Supervisors who are not employee representatives and to determine matters relating to remuneration of the Supervisors; to consider and approve the reports of the Board; to consider and approve the reports of the Board of Supervisors; to consider and approve the Company's annual financial budgets and final accounting plans; to consider and approve the Company's profit distribution plan and loss recovery plan; to resolve on increase or decrease of the registered capital of the Company; to resolve on issuance of bonds of the Company; to resolve on the major asset transfer or acquisition, repurchase of the Company's Shares, merger, division, dissolution and liquidation of the Company; to amend the Articles of Association; to listen to the results of evaluation by the Board on the Directors and by the independent Directors on each other; to listen to the results of evaluation by the Board of Supervisors on the Supervisors and by the external Supervisors on each other; to consider proposals raised by shareholder(s) severally or jointly holding more than 3% of the total voting shares of the Company; to consider and approve the related party transactions with a single amount exceeding 10% of the Company's net capital; to listen to the regulatory opinions of the banking regulatory authorities on the Company and the execution of rectification performance by the Company; to resolve on the appointment, removal or non-reappointment of an accounting firm by the Company; to consider other issues which shall be determined at the shareholders' general meeting as stipulated by laws and regulations, securities regulatory authorities at the place where the Company's shares are listed, the Articles of Association and other internal systems of the Company.

Corporate Governance Report (Continued)

7.2 GENERAL MEETINGS HELD

- I. 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, PRC) where 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. Chairman LI Zhiming⁽¹⁾ and Director XU An attended this EGM.

Four resolutions were considered and approved at the 2021 First EGM, including 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..

- II. The 2020 annual general meeting of Bank of Guizhou Co., Ltd. was held on 16 June 2021 at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9, Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, PRC) where the total number of the ordinary Shares entitling the shareholders of the Bank to vote in respect to the resolutions proposed at the 2020 annual general meeting was 13,131,027,758, including 10,931,027,758 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the 2020 annual general meeting represented, in aggregate, 11,551,024,826 ordinary Shares of the Bank carrying voting rights, being approximately 87.97% of the total number of the ordinary Shares carrying voting rights of the Bank as at the date of the 2020 annual general meeting. Director XU An attended this annual general meeting.

Thirty nine resolutions were considered and approved at the 2020 annual general meeting, including the Annual Work Report of the Board of Directors of Bank of Guizhou for 2020 and the Annual Work Report of the Board of Supervisors of Bank of Guizhou for 2020.

- III. The 2021 second extraordinary general meeting of Bank of Guizhou Co., Ltd. was held on 23 December 2021 at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9, Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, PRC) where the total number of the ordinary Shares entitling the shareholders of the Bank to vote in respect to the resolutions proposed at the 2021 Second EGM was 13,109,968,047, including 10,909,968,047 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the 2021 Second EGM represented, in aggregate, 10,855,467,276 ordinary Shares of the Bank carrying voting rights, being approximately 82.80% of the total number of the ordinary Shares carrying voting rights of the Bank as at the date of the 2021 Second EGM. Chairman YANG Mingshang and Directors XU An, CAI Dong, CHEN Hanqing, WANG Wencheng attended this EGM.

Two resolutions were considered and approved at the 2021 Second EGM, namely the Appointment of Mr. JIA Xiangsen as An Independent Non-executive Director and the Appointment of Mr. LEE Hoey Simon as An Independent Non-executive Director.

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

Note: (1) On 28 January 2021, due to work arrangement by Guizhou provincial government, Mr. LI Zhiming applied for resignation as the Chairman and executive Director of the Bank, with effect from the same date.

7.3 MEETINGS OF THE BOARD AND ITS SPECIAL COMMITTEES HELD

7.3.1 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. For regular meetings and extraordinary meetings of the Board, written notices shall be given to all Directors by hand, fax, e-mail, express mail or other means at least 14 and 5 days in advance, respectively. Since the Listing Date, the Bank has complied with the requirements of the Code Provision A.1.3 of the CG Code (which has been renumbered as Code Provision C.5.3 since 1 January 2022) to give each Director a notice at least 14 days before the convening of regular meetings of the Board.

There are six 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, the ESG Management Committee and Compliance Management Committee. 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.

7.3.2 Composition of the Board

As of the end of the Reporting Period, the Board of the Bank consisted of seventeen Directors (of which the qualification of three Directors is subject to approval), including three executive Directors, namely, Mr. YANG Mingshang (Chairman), Mr. XU An and Mr. CAI Dong; seven non-executive Directors, namely, Mr. CHEN Jingde, Mr. CHEN Hanqing, Mr. CHEN Hua, Mr. WANG Xiaoyong, Ms. GONG Taotao, Mr. WANG Wencheng and Mr. ZHAO Yong; and seven independent non-executive Directors, namely, Mr. TANG Xin, Mr. WANG Gefan, Mr. SONG Ke, Mr. JIA Xiangsen⁽¹⁾, Mr. LEE Hoey Simon⁽¹⁾, Mr. JIANG Shangjun⁽¹⁾ and Mr. LAW Cheuk Kin Stephen⁽²⁾.

Note:

- (1) The qualification of Mr. JIA Xiangsen, Mr. LEE Hoey Simon and Mr. JIANG Shangjun is subject to the approval, and their directorships will become effective upon such approval.
- (2) On 29 November 2021, due to work arrangement, Mr. LAW Cheuk Kin Stephen applied for resignation as an independent non-executive Director of the Bank, with effect from the same date when the appointments of Mr. JIA Xiangsen and Mr. LEE Hoey Simon are approved by CBIRC Guizhou Office.

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

7.3.3 Changes in Board Members during the Reporting Period

Please refer to the section headed 6.2.1 Changes of Directors for details.

Corporate Governance Report (Continued)

7.3.4 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; deliberating and approving related party transactions in which the amount of a single transaction accounts for more than 1% (excluding 1%) and less than 10% of the Company's net capital, or where the balance of the transaction between the Company and a related party accounts for more than 5% of the Company's net capital (excluding 5%); 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 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. For the details about the summary of work carried out by the Board of the Bank for the purpose of performance of corporate governance functions during the Reporting Period, please refer to 7.3.6 Meetings and the Attendance of Directors.

7.3.5 Directors' Responsibility for Preparation of Financial Statements

The Directors have acknowledged their responsibilities for preparing the financial statements for the year ended 31 December 2021. 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 2021, 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.

Corporate Governance Report (Continued)

7.3.6 Meetings and the Attendance of Directors

During the Reporting Period, the Bank convened a total of 17 Board meetings, at which 129 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. Details of the Board meetings convened during the Reporting Period are set out in the table below:

Meeting	Date	Form	Resolutions considered and approved
The 2021 1st extraordinary meeting of the second session of the Board	2021/1/25	On-site Meeting	2 resolutions were considered and approved, including the additional equity investments to Baiyun Dexin Rural Bank, Bozhou Huilong Town Bank, Suiyang Qianbei Town Bank and Kaili Dongnan Town Bank
The 2021 2nd extraordinary meeting of the second session of the Board	2021/1/28	On-site Meeting	1 resolution was considered and approved, in relation to the temporary responsibility of Director XU An for the work of the Board of the Bank
The 2021 1st meeting of the second session of the Board	2021/3/30	On-site Meeting	40 resolutions were considered and approved, including the Annual Work Report of the Board of Directors of Bank of Guizhou for 2020
The 2021 3rd extraordinary meeting of the second session of the Board	2021/4/14	On-site Meeting	2 resolutions were considered and approved, including the nomination of Mr. YANG Mingshang as an executive Director of the second session of the Board of Bank of Guizhou
The 2021 4th extraordinary meeting of the second session of the Board	2021/5/7	On-site Meeting	21 resolutions were considered and approved, including the election plan for the third session of the Board of Bank of Guizhou
The 2021 5th extraordinary meeting of the second session of the Board	2021/5/26	Written resolution	1 resolution was considered and approved, namely the 2020 ESG Report of Bank of Guizhou
The 2021 6th extraordinary meeting of the second session of the Board	2021/6/8	Written resolution	1 resolution was considered and approved, in relation to application of equity pledge filed by a substantial shareholder, Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
The 2021 2nd meeting of the second session of the Board	2021/6/15	On-site Meeting	4 resolutions were considered and approved, including the Evaluation Report on Implementation of Strategies of Bank of Guizhou for 2020
The 2021 1st extraordinary meeting of the third session of the Board	2021/6/16	On-site Meeting	3 resolutions were considered and approved, including the election of Mr. YANG Mingzhi as the Chairman of the third session of the Board of Bank of Guizhou
The 2021 2nd extraordinary meeting of the third session of the Board	2021/6/30	Written resolution	1 resolution was considered and approved, in relation to judicial transfer of equity and handling of equity pledge by a substantial shareholder, Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.

Corporate Governance Report (Continued)

Meeting	Date	Form	Resolutions considered and approved
The 2021 3rd extraordinary meeting of the third session of the Board	2021/7/5	On-site Meeting	10 resolutions were considered and approved, including the Strategic Plan for Green Finance of Bank of Guizhou (2021-2025)
The 2021 4th extraordinary meeting of the third session of the Board	2021/8/30	On-site Meeting	19 resolutions were considered and approved, including the establishment of special committees under the third session of the Board and the election of members for each special committee
The 2021 1st meeting of the third session of the Board	2021/9/29	On-site Meeting	7 resolutions were considered and approved, including the Working Rules of President of Bank of Guizhou (Amendment)
The 2021 5th extraordinary meeting of the third session of the Board	2021/10/30	Written resolution	2 resolutions were considered and approved, including the significant policies and procedures about the wealth management consignment of Bank of Guizhou
The 2021 2nd meeting of the third session of the Board	2021/11/29	On-site Meeting	8 resolutions were considered and approved, including the proposal to convene the 2021 2nd extraordinary general meeting of Bank of Guizhou
The 2021 6th extraordinary meeting of the third session of the Board	2021/12/13	On-site Meeting	1 resolution was considered and approved, in relation to the capital increase to Tongren Fengyuan Town Bank
The 2021 7th extraordinary meeting of the third session of the Board	2021/12/27	On-site Meeting	6 resolutions were considered and approved, including the Proposal on the Recovery Plan and Disposal Plan of Bank of Guizhou for 2021

Corporate Governance Report (Continued)

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

Member of the Board	Number of Attendance in person at Board meetings / Number of meetings held during the term of office ⁽¹⁾	Number of Attendance at Shareholders' General Meetings / Number of meetings held during the term of office
YANG Mingshang	5/6	1/1
XU An	15/17	3/3
CAI Dong	6/6	1/1
CHEN Jingde	5/6	0/1
CHEN Hanqing	6/6	1/1
CHEN Hua	5/6	0/1
WANG Xiaoyong	6/6	0/1
GONG Taotao	16/17	0/3
WANG Wencheng	5/6	1/1
ZHAO Yong	6/6	0/1
WANG Gefan	17/17	0/3
TANG Xin	17/17	0/3
SONG Ke	16/17	0/3
LAW Cheuk Kin Stephen ⁽²⁾	14/17	0/3
LI Zhiming ⁽³⁾	0/1	1/1
LI Shoubing ⁽⁴⁾	6/8	0/1
JIANG Shangjun ⁽⁵⁾	–	–
JIA Xiangsen ⁽⁵⁾	–	–
LEE Hoey Simon ⁽⁵⁾	–	–

Notes:

- (1) Some directors were unable to attend some board meetings in person, but they all entrusted directors of the same category to attend and vote at the meeting;
- (2) On 29 November 2021, Mr. LAW Cheuk Kin Stephen resigned as an independent non-executive Director of the Bank due to work adjustment and his resignation took effect upon the approval of the appointments of Mr. JIA Xiangsen and Mr. LEE Hoey Simon by CBIRC Guizhou Office;
- (3) On 28 January 2021, due to work arrangement by Guizhou provincial government, Mr. Li Zhiming applied for resignation as the Chairman, an executive Director of the Bank, with effect from the same date;
- (4) On 16 June 2021, due to the election of the third session of the Board, Mr. LI Shoubing ceased to serve as an independent non-executive Director of the Bank from the same date;
- (5) On 31 December 2021, the qualification of Mr. JIANG Shangjun, JIA Xiangsen and LEE Hoey Simon is subject to the approval.

Corporate Governance Report (Continued)

7.3.7 Independent Non-executive Directors

The independent non-executive Directors of the Bank 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 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.

Pursuant to Rule 3.10A of the Hong Kong Listing Rules, independent non-executive directors must constitute at least one-third of the Board of the Bank. With effect from 10 August 2021, when the directorship qualifications of relevant directors of the third session of the Board of the Bank were approved, the Bank shall appoint independent non-executive Directors who constitute at least one-third of the Board of the Bank. However, the Bank is unable to comply with the requirements of Rule 3.10A of the Hong Kong Listing Rules for the time being due to the long lead time required to complete the process of identifying, approving the appointments of independent non-executive Directors at the general meeting and applying for and obtaining approval from the CBIRC Guizhou Office for the directorship qualifications after the election of the new session of the Board. The Bank has applied to the Hong Kong Stock Exchange for and the Hong Kong Stock Exchange has granted the approval for extension of the grace period to appoint a sufficient number of independent non-executive directors under Rule 3.11 of the Hong Kong Listing Rules to 31 May 2022. Upon the approval of qualifications of the candidates for independent non-executive Directors, the Bank will meet the requirements under Rule 3.10A of the Listing Rules. For details, please refer to the Bank's announcements dated 3 December 2021 and 21 March 2022.

Corporate Governance Report (Continued)

7.3.8 Special Committees under the Board

During the Reporting Period, the second session of 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. On 30 August 2021, upon consideration and approval at the 2021 4th extraordinary meeting of the third session of the Board of the Bank, the third session of the Board of the Bank has set up six special committees, including the Audit Committee, the Risk and Related Party Transactions Management Committee, the Nomination and Remuneration Committee, the Strategic Development Committee, the ESG Management Committee and the Compliance Management Committee according to work needs.

I. Audit Committee

As of the end of the Reporting Period, the Audit Committee of the Bank consisted of six Directors, namely, the independent non-executive Director Mr. LAW Cheuk Kin Stephen (Chairman), the non-executive Director Mr. CHEN Hanqing, the non-executive Director Ms. GONG Taotao, 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 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;
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 "7.17 Risk Management, Internal Control and Internal Audit" in this annual report.

Corporate Governance Report (Continued)

During the Reporting Period, the Audit Committee convened a total of 2 meetings, at which resolutions were considered and approved, including the 2020 Annual Report of Bank of Guizhou, the Annual Financial Report of Bank of Guizhou for 2020, the Proposal on the Reappointment of Accounting Firms, the Evaluation Report on Internal Control of Bank of Guizhou for 2020, the Report on Case Prevention and Self-assessment of Bank of Guizhou for 2020 and the 2021 Interim Report of Bank of Guizhou.

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	Meetings of the Audit Committee Attendance in Person at the Meetings/ No. of meetings held during the term of office
LAW Cheuk Kin Stephen ⁽¹⁾	2/2
CHEN Hanqing	1/1
GONG Taotao ⁽¹⁾	2/2
WANG Gefan ⁽¹⁾	2/2
TANG Xin ⁽¹⁾	2/2
SONG Ke ⁽¹⁾	2/2
LI Shoubing ⁽²⁾	0/1

Note:

- (1) Mr. LAW Cheuk Kin Stephen, Ms. GONG Taotao, Mr. WANG Gefan, Mr. TANG Xin and Mr. SONG Ke were the members of the Audit Committee of the second session of the Board of the Bank;
- (2) On 16 June 2021, due to election of the third session of the Board, Mr. LI Shoubing ceased to be an independent non-executive Director of the Bank and the Chairman of the Audit Committee; failure to attend the meeting in person, Mr. LI Shoubing appointed another member as his proxy to attend the meeting and vote on his behalf.

During the period from 16 June 2021 to 30 August 2021, due to the election of the third session of the Board of the Bank and given that the members of the committees under the second session of the Board had all resigned and the directorship qualifications of 9 Directors of the third session of the Board of the Bank had yet to be approved by the CBIRC Guizhou Office, the Bank did not establish any committees under the Board (including the Audit Committee) during the above-mentioned period and did not meet the relevant requirements of Rule 3.21 of the Listing Rules. On 30 August 2021, the Bank established the Audit Committee and other special committees under the third session of the Board and elected the members of each special committee. Since then, the Bank has complied with the relevant requirements of Rule 3.21 of the Listing Rules.

Corporate Governance Report (Continued)

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 six Directors, namely, the independent non-executive Director Mr. WANG Gefan (Chairman), the non-executive Director Mr. CHEN Hanqing, the non-executive Director Mr. ZHAO Yong, the independent non-executive Director Mr. TANG Xin, the independent non-executive Director Mr. SONG Ke and the independent non-executive Director Mr. JIANG Shangjun. 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 non-performing assets disposal and material guarantees of the Bank for the consideration of the Board;
3. accepting the filing of regular related party transactions, reviewing major 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 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 report proposed by senior management, and reporting the review results to the Board;
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 7 meetings, at which resolutions were considered and approved, including the Special Report on Related Party Transactions of Bank of Guizhou for 2020, the Report on Business Continuity Management of Bank of Guizhou for 2020, the Report on IT Risk Management of Bank of Guizhou for 2020, the Report on Large-scale Risk Exposure Management of Bank of Guizhou for 2020, the Report on Comprehensive Risk Management of Bank of Guizhou for 2020, the Liquidity Risk Management Strategies of Bank of Guizhou for 2021, the Implementing Rules for Management and Control of Liquidity Risk Limits of Bank

Corporate Governance Report (Continued)

of Guizhou and the Comprehensive Risk Management Strategies of Bank of Guizhou for 2021.

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	Risk and Related Party Transactions Management Committee Attendance in Person at the Meetings/ No. of meetings held during the term of office
WANG Gefan ⁽¹⁾	7/7
CHEN Hanqing	2/2
Zhao Yong	2/2
TANG Xin ⁽¹⁾	7/7
SONG Ke ⁽¹⁾	7/7
JIANG Shangjun ⁽²⁾	–

Notes:

- (1) Mr. WANG Gefan, Mr. TANG Xin and Mr. SONG Ke were the members of the Risk and Related Party Transactions Management Committee of the second session of the Board;
- (2) As of the date of this report, the qualification of Mr. JIANG Shangjun was still subject to approval.

III. Nomination and Remuneration Committee

As of the end of the Reporting Period, the Nomination and Remuneration Committee consisted of eight Directors (of which the qualification of one director is subject to approval), including independent non-executive Director Mr. TANG Xin (Chairman), executive Director Mr. CAI Dong, non-executive Director Mr. WANG Xiaoyong, non-executive Director Mr. WANG Wencheng, independent non-executive Director Mr. WANG Gefan, independent non-executive Director Mr. SONG Ke, independent non-executive Director Mr. LAW Cheuk Kin Stephen and the independent non-executive Director Mr. JIANG Shangjun. The primary duties of the Nomination and Remuneration Committee include:

1. making recommendations to the Board on the scale, composition (including skills, knowledge and experience) and structure of the Board and senior management, as well as any proposed changes to the Board in line with the development strategies 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 senior management officers, carrying out assessment and making recommendations;

Corporate Governance Report (Continued)

4. identifying individuals suitably qualified as Directors, and selecting or proposing such individuals as Directors or making recommendations to the Board thereon, and reviewing, where appropriate, policies regarding the diversity of Board members;
5. advising the Board on the appointment or re-appointment of Directors and the succession plan of Directors (especially the chairman of the Board and the president);
6. considering the remuneration paid by similar companies, time commitment and responsibilities, and the employment conditions of other positions in the industry. Being responsible for the remuneration policy and system of the Bank, and formulating the remuneration plan for each director and senior management personnel (including benefits in kind, pension rights and compensation amount (including compensation payable for loss or termination of his/her office or appointment)), proposing compensation plan to the Board of Directors, supervising the implementation of the plan, and making recommendations to the Board on the establishment of a formal and transparent remuneration policy development process;
7. communicating with the senior management and departments in respect of the personnel of the Bank regularly, making comments and suggestions, and reviewing and approving the management's remuneration recommendations according to the Bank's guidelines and objectives formulated by the Board;
8. assessing the independence of independent Directors;
9. promoting and supervising the management to establish a scientific and reasonable performance evaluation index system;
10. other matters stipulated by relevant laws, regulations and the Articles of Association of the Bank, and those authorized by the Board.

Corporate Governance Report (Continued)

During the Reporting Period, the Nomination and Remuneration Committee convened a total of 5 meetings at which 24 resolutions were considered and approved, including the Resolution on the Election Plan for the Third Session of the Board of Bank of Guizhou, the Resolution on the Remuneration of Executive Directors and Non-executive Directors of the Third Session of the Board of Bank of Guizhou, the Resolution on the Change of HK Joint Company Secretary of the Bank, the Resolution on the Nomination of Mr. YANG Mingshang as A Candidate of Executive Director of the Third Session of the Board of Bank of Guizhou, the Resolution on the Nomination of Mr. XU An as A Candidate of Executive Director of the Third Session of the Board of Bank of Guizhou, the Resolution on the Nomination of Mr. CAI Dong as A Candidate of Executive Director of the Third Session of the Board of Bank of Guizhou and the Resolution on the Appointment of Mr. QIN Wei as Vice President of Bank of Guizhou. The attendance of each member at the meeting is as follows:

Member of the Nomination and Remuneration Committee	The Nomination and Remuneration Committee Attendance in Person / No. of meetings held during the term of office⁽¹⁾
TANG Xin ⁽²⁾	5/5
CAI Dong	1/2
WANG Xiaoyong	2/2
WANG Wencheng	2/2
WANG Gefan	2/2
SONG Ke ⁽²⁾	4/5
LAW Cheuk Kin Stephen	1/2
LI Shoubing ⁽³⁾	3/3
JIANG Shangjun ⁽⁴⁾	–

Notes:

- (1) Although some members could not attend the meeting in person, they all entrusted other members to attend the meeting and vote;
- (2) Mr. TANG Xin and Mr. SONG Ke were the members of the Nomination and Remuneration Committee of the second session of the Board;
- (3) On 16 June 2021, Mr. LI Shoubing ceased to be an independent non-executive Director of the Bank and a member of the Nomination and Remuneration Committee due to election of the third session of the Board.
- (4) As of the date of this report, the qualification of Mr. JIANG Shangjun was still subject to approval.

Corporate Governance Report (Continued)

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.

Measurable targets for implementing the Board Diversity Policy and the progress for achieving the targets: The policy also sets out the Board’s commitment to gender diversity and other diversity aspects, with the ultimate goal of achieving gender parity on the Board. The Bank currently has one female Director, and the Board will take opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

The Board is of the view that the Board of the Bank satisfies the Board Diversity Policy.

Nomination Policy

In considering candidates of Directors, the Nomination and Remuneration Committee will engage an independent professional firm to assist in selecting potential candidates of Directors as the case may be. According to Nomination Policy, Board Diversity Policy and relevant requirements, the Nomination and Remuneration Committee will review biographical details of relevant candidates and arrange interviews with the candidates of Directors having regard to the Board’s current composition and the Directors’ skill and experience. 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;
- IV. the Board Diversity Policy.

Corporate Governance Report (Continued)

(IV) Strategic Development Committee

As at the end of the Reporting Period, the Strategic Development Committee of the Bank consisted of seven Directors (of which the qualification of one Directors is subject to approval), namely, the executive Director Mr. YANG Mingshang (Chairman), the executive Director Mr. XU An (Vice Chairman), the executive Director Mr. CAI Dong, the non-executive Director Mr. CHEN Jingde, the independent non-executive Director Mr. WANG Gefan, the independent non-executive Director Mr. TANG Xin and the independent non-executive Director Mr. JIANG Shangjun. 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 the implementation of the medium and long-term development strategies and making amendments thereon based on actual situations;
2. reviewing preliminarily the foreign equity investments and bond issuance of the Bank and submitting the same to the Board for consideration;
3. reviewing the Bank's fixed assets procurement and disposal based on the authorization of the Board;
4. supervising and reviewing the implementation of annual business plans and investment and financing plans;
5. reviewing preliminarily 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;
6. Prompting and supervising the senior management to formulate specialized policies and procedures for the purpose of evaluation of feasibility, necessity and potential risks involving development of new products, major modification of existing products, exploration in new business scopes, establishment of new departments and engagement in significant acquisition and investments, and establishing internal approval process and withdrawal arrangements. The above-mentioned matters shall be submitted to the Board for consideration, subject to approval by the risk management departments and preliminary review by the Strategic Development Committee;
7. proposing plans and strategies for other major issues related to the development of the Bank;
8. other matters stipulated by relevant laws, regulations and the Articles of Association of the Bank, and those authorized by the Board.

During the Reporting Period, the Strategic Development Committee convened a total of 2 meetings, at which it considered and approved the resolutions including the 2021 Business Plan of Bank of Guizhou, the Issuance of Non-fixed Term Capital Bonds by Bank of Guizhou, the Evaluation Report on Implementation of Strategies of Bank of Guizhou for 2019 and the Evaluation Report on Implementation of Strategies of Bank of Guizhou for 2020, and reviewed the resolution in relation to the Suggestions on the Key Issues about Strategic Implementation of Bank of Guizhou under the New Situation.

Corporate Governance Report (Continued)

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

Member of the Strategic Development Committee	The Strategic Development Committee Attendance in Person/ No. of Meetings Held during the Term of Office
YANG Mingshang	–
XU An ⁽¹⁾	2/2
CAI Dong	–
CHEN Jingde	–
WANG Gefan ⁽¹⁾	2/2
TANG Xin ⁽¹⁾	2/2
SONG Ke ⁽¹⁾	2/2
LI Zhiming ⁽²⁾	–
JIANG Shangjun ⁽³⁾	–

Notes:

- (1) Mr. XU An, Mr. WANG Gefan, Mr. TANG Xin and Mr. SONG Ke were members of the second session of the Strategic Development Committee. Due to adjustments to the membership of the Strategic Development Committee of the third session of the Board, Mr. SONG Ke ceased to be a member of the Strategic Development Committee of the Bank on 16 June 2021.
- (2) On 28 January 2021, due to work arrangement by Guizhou provincial government, Mr. LI Zhiming applied for resignation as the Chairman, an executive Director of the Bank and the Chairman of the Strategic Development Committee of the Board, with effect from the same date.
- (3) As of the date of this report, the qualification of Mr. JIANG Shangjun was still subject to approval.

(V) Compliance Management Committee

As at the end of the Reporting Period, the Compliance Management Committee consisted of six Directors (of which the qualification of one Directors is subject to approval), namely, the executive Director Mr. XU An (Chairman), the non-executive Director Mr. CHEN Jingde, the non-executive Director Ms. GONG Taotao, the independent non-executive Director Mr. WANG Gefan, the independent non-executive Director Mr. LAW Cheuk Kin Stephen and the independent non-executive Director Mr. JIANG Shangjun. The major duties of the Compliance Management Committee include:

1. advocating a favorable compliance culture throughout the bank, determining the principle of compliance, and establishing compliance concepts such as “voluntary compliance by all staff” and “compliance creates value”;
2. reviewing preliminarily the Bank’s policies and systems about compliance management, and submitting the same to the Board for consideration and approval;
3. reviewing preliminarily the Bank’s Annual Report on Compliance Risk Management, and submitting the same to the Board for consideration and approval. Evaluating the effectiveness of the Bank’s compliance risk and urging the management to resolve compliance defects in a timely and effective manner;

Corporate Governance Report (Continued)

4. conducting daily supervision over compliance risk management of the Bank, understanding the implementation of compliance policies and the problems arising therefrom through the separate interview with the compliance principal and other effective means, providing opinions and recommendations on a timely basis to the Board or the senior management and supervise the effective implementation of compliance policies;
5. obtaining regularly the evaluation reports of the "four ratings", namely the central bank's rating, the regulatory rating of CBIRC, the regulatory rating of corporate governance and the regulatory rating of financial services for small and micro enterprises, and listening to the management's reports on the progress of the "four ratings", and giving assessment on the Bank's daily evaluation report on compliance;
6. obtaining timely the punishment opinions of the regulatory authorities over the Bank and the progress of rectification, and supervising the implementation of rectification measures;
7. deliberating and approving the overall policies about the Bank's case prevention, so as to promote the construction of the Bank's case prevention management system;
8. specifying the duties and scope of authorization of senior management regarding incident prevention, so as to ensure that senior management has adopted necessary measures for the effective monitoring, alert and handling of crises;
9. issuing the general requirements for case prevention, and reviewing the working report on case prevention;
10. assessing the effectiveness of our case prevention;
11. ensuring the effective review and supervision of case prevention by the internal audit functions;
12. setting the objectives for building of money laundering risk management culture;
13. reviewing preliminarily the policies and procedures of money laundering risk management, and submitting the same to the Board for consideration and approval;
14. reviewing and approving the working report on anti-money laundering, and reporting the same to the Board periodically;
15. keeping abreast of the significant money laundering events and corresponding processing, and providing professional opinions in respect of money laundering risk management to the Board;
16. other matters stipulated by relevant laws, regulations and the Articles of Association of the Bank, and those authorized by the Board.

Corporate Governance Report (Continued)

During the Reporting Period, the Compliance Management Committee convened a total of 1 meeting, at which it considered and approved 2 resolutions including the Management Measures for Anti-money Laundering of Bank of Guizhou and the Measures on Administration of Money Laundering and Terrorist Financing Risks Assessment and Customer Classification of Bank of Guizhou.

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

Member of the Compliance Management Committee	Compliance Management Committee Attendance in Person at the Meetings/ No. of meetings held during the term of office
XU An	1/1
CHEN Jingde	1/1
GONG Taotao	1/1
WANG Gefan	1/1
LAW Cheuk Kin Stephen ⁽¹⁾	1/1
JIANG Shangjun ⁽³⁾	–

Notes:

- (1) On 29 November 2021, due to work arrangement, Mr. LAW Cheuk Kin Stephen applied for resignation as a non-executive Director of the Bank, with effect upon the approval of the appointments of Mr. JIA Xiangsen and Mr. LEE Hoey Simon by CBIRC Guizhou Office.
- (2) As of the date of this report, the qualification of Mr. JIANG Shangjun was still subject to approval.

(VI) ESG Management Committee

The ESG Management Committee was formerly known as the Consumer Rights Protection and Social Responsibility Committee, consisting of two Directors, namely, the executive Director Mr. XU An (Chairman) and the independent non-executive Director Mr. LI Shoubing. During the Reporting Period, the former Consumer Rights Protection and Social Responsibility Committee was adjusted to the ESG Management Committee by the third session of the Board based on the work requirement. As of the end of the Reporting Period, the ESG Management Committee consisted of six Directors, namely, the executive Director Mr. YANG Mingshang (Chairman), the executive Director Mr. XU An, the executive Director Mr. CAI Dong, the non-executive Director Mr. CHEN Hua, the independent non-executive Director Mr. SONG Ke, the independent non-executive Director Mr. Law Cheuk Kin Stephen. The primary duties of the ESG Management Committee include:

1. leading the formulation of the Bank's ESG management approaches, strategies, visions, strategic plans and goals, and submitting to the same the Board for consideration;
2. leading to conduct ESG importance assessment, identify important ESG matters of the Bank, and urging the senior management to take active actions and measures on relevant matters;

Corporate Governance Report (Continued)

3. understanding and assessing the potential impact and relevant risks of ESG matters on the Bank's operation and management, and urging the senior management to incorporate ESG factors into business operation, risk management and other processes;
4. approving the ESG work plans, programs and measures formulated by the senior management, and reporting the same to the Board under the objectives approved by the Board;
5. hearing and reviewing the reports from the senior management concerning the progress of ESG-related work on a regular basis, supervising and evaluating the completion of ESG-related work goals, and reporting the same to the Board;
6. conducting preliminary review on the Bank's ESG report, environmental information disclosure report and other periodic reports, and submitting to the Board for consideration;
7. assisting the Board to perform the duties of consumer rights protection;
8. assisting the Board to promote the development of green finance;
9. considering external donations (including public welfare donations and commercial sponsorships) by the Bank in accordance with the authority of the Board of Directors
10. Other matters as stipulated in the relevant laws and regulations and the Bank's Articles of Association and as authorised by the Board of Directors.

Corporate Governance Report (Continued)

During the Reporting Period, the Consumer Rights Protection and Social Responsibility Committee of the second session of the Board held a total of 2 meetings, at which 3 resolutions were considered and approved, including the Summary Report of Consumer Rights Protection Work in 2020 and Plan for 2021 of Bank of Guizhou, the Green Finance Development Report of Bank of Guizhou in 2020 and 2020 ESG Report of Bank of Guizhou.

During the Reporting Period, the attendance at the meetings held during the second session of the Board by each member of the Consumer Rights Protection and Social Responsibility Committee is set out in the table below:

Member of the Consumer Rights Protection and Social Responsibility Committee	Consumer Rights Protection and Social Responsibility Committee Attendance in Person at the Meetings/ No. of meetings held during the term of office
Xu An	2/2
LI Shoubing ⁽¹⁾	2/2

Note:

- (1) As at 16 June 2021, Mr. LI Shoubing ceased to be an independent non-executive Director and a member of the Consumer Rights Protection and Social Responsibility Committee of the Bank due to the election of members for the third session of the Board of the Bank, with effect from the same date.

During the Reporting Period, the ESG Management Committee held a total of 1 meeting, at which 2 resolutions were considered and approved, including Proposal on Considering Matters Relating to Participating in the Preparation of Guizhou Provincial Charity Federation and Donating RMB10 million to the Founding Fund and Proposal on Considering Matters Relating to the Charity Donation for Rural Revitalization Works of 4 Villages in Danzhai County.

Corporate Governance Report (Continued)

During the Reporting Period, the attendance of each member in the ESG Management Committee is set out in the table below:

Member of the ESG Management Committee	ESG Management Committee Attendance in Person at the Meetings/ No. of meetings held during the term of office
YANG Mingshang	1/1
XU An	1/1
CAI Dong	1/1
CHEN Hua	1/1
SONG Ke	1/1
Law Cheuk Kin Stephen	1/1

7.4 MEETINGS OF THE BOARD OF SUPERVISORS AND ITS SPECIAL COMMITTEES

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.

7.4.1 Composition of the Board of Supervisors

As of the end of the Reporting Period, the Board of Supervisors of the Bank consisted of seven Supervisors, including three employee Supervisors, namely Ms. WU Fan (Chairlady), Ms. ZHANG Hui and Mr. JIAO Zhengjun, one shareholder Supervisor, namely Mr. CHENG Yunlong, and three external Supervisors, namely Mr. SU Zhi, Mr. CHEN Houyi and Mr. YIN Xinquan. 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.

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

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

Corporate Governance Report (Continued)

7.4.3 The powers and duties of the Board of Supervisors

According to the Articles of Association of the Bank, the Board of Supervisors shall exercise the following functions and powers: to examine and supervise the Company's financial activities; to supervise the implementation of resolutions made at shareholders' general meetings and the fulfillment of duties of the Board and senior management; to supervise the fulfillment of duties of Directors, Chairman and senior management personnel; to undertake the resign audit of Directors and senior management personnel; to independently audit operation decisions, risk management and internal control of the Company and guide the internal audit department of the Company in work; to address inquiries to Directors, the Chairman and senior management personnel; to supervise the Directors, Chairman and senior management personnel for any violation of laws and regulations or the Articles of Association while they perform their duties for the Company. If any act of the Directors, Chairman and senior management personnel damages the interests of the Company, to require them to rectify such act accordingly, and where necessary, to report to the shareholders' general meeting or banking regulatory authorities; to express independent opinions on proposals formulated by the Board and reports issued by the Company; to assess and evaluate the fulfillment of duties of Supervisors and report to the shareholders' general meeting; to propose the convening of extraordinary general meeting and interim Board meeting; to negotiate with Directors or pursue legal actions against the same on behalf of the Company; to exercise any other functions and powers as specified in the laws and regulations and the Articles of Association or as authorized by the shareholders' general meetings.

7.4.4 Meetings of the Board of Supervisors and the Attendance of Supervisors

During the Reporting Period, the Board of Supervisors convened a total of 8 on-site meetings.

Meetings of the Board of Supervisors in 2021

Meeting	Date	Form	Content
The 2021 1st meeting of the second session of the Board of Supervisors	11 January 2021	On-site meeting	Considering and approving 6 resolutions, including the approval of additional equity investment in rural banks, amendments to the Article of Association, major related party transactions and nomination of Directors.
The 2021 2nd meeting of the second session of the Board of Supervisors	7 April 2021	On-site meeting	Considering and approving 22 resolutions, including 2020 Work Report of the Board of Supervisors, Performance Evaluation Report and Annual Report of Bank of Guizhou.
The 2021 1st extraordinary meeting of the second session of the Board of Supervisors	7 May 2021	On-site meeting	Considering and approving 10 resolutions, including the election scheme of the Board of supervisors and nomination of supervisors.
The 2021 1st meeting of the third session of the Board of Supervisors	16 June 2021	On-site meeting	Considering and approving of 2 resolutions, including the election of Chairman of the third session of the Board of Supervisors, Special Committees of the Board of Supervisors and 2020 ESG Report.

Corporate Governance Report (Continued)

Meeting	Date	Form	Content
The 2021 2nd meeting of the third session of the Board of Supervisors	28 July 2021	On-site meeting	Considering and approving 11 resolutions, including Measures for the Evaluation of Performance of Duties by Directors and Supervisors of the Bank, assessment of strategic implementation, the comprehensive risk management policy, and special supervision in the operation of the information system.
The 2021 1st extraordinary meeting of the third session of the Board of Supervisors	30 August 2021	On-site meeting	Considering and approving the Interim Report 2021, and special supervision in the rectification and implementation of notified issues.
The 2021 3rd meeting of the third session of the Board of Supervisors	29 October 2021	On-site meeting	Considering and approving two systems, including Administrative Measures on Research Conducted by Supervisors and the Administrative Measures on Periodical Communication between Supervisors and Independent Directors, special supervision in 7 matters including capital management, consumer rights protection and liquidity risk management.
The 2021 4th meeting of the third session of the Board of Supervisors	20 December 2021	On-site meeting	Considering and approving the report on special inspections on fixed assets management in 2021, and special supervision in 10 matters including the implementation of comprehensive risk management policies and reputation risk management.

Corporate Governance Report (Continued)

The Attendance of Supervisors at the Meetings of the Board of Supervisors in 2021

Members of the Board of Supervisors	The Board of Supervisors Number of Attendances in Person at the Meeting/ No. of meetings held during the term of office ⁽¹⁾	Shareholders' General Meetings Number of Attendances at the Meeting / No. of meetings held during the term of office
WU Fan	5/5	1/1
CHENG Yunlong	5/5	0/1
SU Zhi ⁽²⁾	8/8	1/3
CHEN Houyi ⁽²⁾	8/8	1/3
YIN Xinquan	5/5	0/1
ZHANG Hui	5/5	1/1
JIAO Zhengjun	5/5	1/1
XIAO Cifa ⁽³⁾	1/1	1/1
LIU Hanmin ⁽⁴⁾	3/3	0/2
YANG Jian ⁽⁴⁾	3/3	0/2
CHEN Hongcai ⁽⁴⁾	3/3	0/2
WANG Changyi ⁽⁴⁾	2/3	1/2
LI Keyong ⁽⁴⁾	3/3	1/2
XU Yu ⁽⁵⁾	4/4	1/2
MA Peng ⁽⁶⁾	3/4	—

Notes:

- (1) Although some supervisors failed to attend certain meetings of the board of supervisors in person, they all appointed other supervisors as their proxies to attend the meeting and vote on their behalf;
- (2) Mr. SU Zhi and Mr. CHEN Houyi served as the external Supervisors of the second session of the Board of Supervisors of the Bank. On 16 June 2021, due to the election of the third session of the Board of Supervisors, Mr. SU Zhi and Mr. CHEN Houyi were appointed as the external supervisors of the third session of the Board of Supervisors of the Bank;
- (3) On 19 March 2021, Mr. XIAO Cifa resigned his positions as the Chairman and employee Supervisor of the second session of the Board of Supervisors due to work arrangement by Guizhou provincial government;
- (4) Mr. LIU Hanmin served as the external Supervisor of the second session of the Board of Supervisors of the Bank; Mr. YANG Jian and Mr. CHEN Hongcai served as the shareholder Supervisors of the second session of the Board of Supervisors of the Bank; Mr. WANG Changyi and Mr. LI Keyong served as the employee Supervisors of the second session of the Board of Supervisors;
- (5) On 23 July 2021, Ms. XU Yu resigned as the Shareholder Supervisor of the third session of the Board of Supervisors of the Bank due to work adjustment;
- (6) On 15 December 2021, Mr. MA Peng resigned as the Shareholder Supervisor of the third session of the Board of Supervisors of the Bank due to work adjustment.

Corporate Governance Report (Continued)

7.4.5 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.

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 2 meetings, at which 3 resolutions were considered; attended 5 on-site meetings of the Board and implemented on-site supervision; held discussions with external audit institutions to supervise the quality of annual report audits and interim report audits.

Meetings of the Supervision Committee

Meeting	Date	Form	Content
The 2021 1st meeting of the Supervision Committee of the second session of the Board of Supervisors of Bank of Guizhou	7 April 2021	On-site meeting	Considering and approving 2 resolutions, including the issuance of non-fixed term capital bonds and the Annual Financial Report of Bank of Guizhou for 2020.
The 2021 1st meeting of the Supervision Committee of the third session of the Board of Supervisors of Bank of Guizhou	29 October 2021	On-site meeting	Considering and approving the Administrative Measures on Periodical Communication between Supervisors and Independent Directors.

Corporate Governance Report (Continued)

The Attendance of Supervisors at the Meetings of the Supervision Committee

Members of the Supervision Committee	The Supervision Committee Number of Attendances in Person at the Meeting / No. of meetings held during the term of office
YIN Xinquan (Chairman)	1/1
ZHANG Hui	1/1
JIAO Zhengjun	1/1
XU Yu ⁽¹⁾	1/1
LIU Hanmin ⁽²⁾	1/1
CHEN Hongcai ⁽²⁾	1/1
LI Keyong ⁽²⁾	1/1

Notes:

- (1) On 23 July 2021, Ms. XU Yu resigned her positions as a shareholder Supervisor of the third session of the Board of Supervisors of the Bank and member of the Supervision Committee due to work adjustment;
- (2) Due to the election of the third session of the Board of Supervisors, Mr. LIU Hanmin ceased to be a Supervisor of the third session of the Board of Supervisors and Chairman of the Supervision Committee. Mr. CHEN Hongcai and Mr. LI Keyong ceased to be the Supervisors of the third session of the Board of Supervisors of the Bank and members of the Supervision Committee.

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 4 meetings, at which 11 resolutions and major issues were considered.

Corporate Governance Report (Continued)

Meetings of the Nomination, Remuneration and Evaluation Committee

Meeting	Date	Form	Content
The 2021 1st meeting of the Nomination, Remuneration and Evaluation Committee of the second session of the Board of Supervisors of Bank of Guizhou	7 April 2021	On-site meeting	Considering and approving 2 resolutions, including the 2020 Evaluation Report on the Performance of the Board of Directors, the Board of Supervisors and Senior Management and their Members, and Performance Report of Independent Non-executive Directors.
The 2021 1st extraordinary meeting of the Nomination, Remuneration and Evaluation Committee of the second session of the Board of Supervisors of Bank of Guizhou	20 April 2021	On-site meeting	Considering and approving 7 resolutions, including nominating six Supervisors and reviewing the qualifications of employee Supervisors.
The 1st meeting of the Nomination, Remuneration and Evaluation Committee of the third session of the Board of Supervisors of Bank of Guizhou	28 July 2021	On-site meeting	Considering the Measures for the Evaluation of Performance of Duties by Directors and Supervisors of the Bank.
The 2nd meeting of the Nomination, Remuneration and Evaluation Committee of the third session of the Board of Supervisors of Bank of Guizhou	29 October 2021	On-site meeting	Considering the administrative measures for Supervisors' research.

Corporate Governance Report (Continued)

The Attendance of Members of the Nomination, Remuneration and Evaluation Committee

Members of the Nomination, Remuneration and Evaluation Committee	The Nomination, Remuneration and Evaluation Committee Number of Attendances in Person at the Meeting / No. of meetings held during the term of office
SU Zhi ⁽¹⁾ (Chairman)	4/4
CHEN Yunlong	2/2
CHEN Houyi ⁽¹⁾	4/4
YANG Jian ⁽²⁾	2/2
WANG Changyi ⁽²⁾	2/2
MA Peng ⁽³⁾	1/2

Notes:

- (1) Mr. SU Zhi served as an external Supervisor of the second session of the Board of Supervisors and chairman of the Nomination, Remuneration and Evaluation Committee, and Mr. CHEN Houyi served as an external Supervisor of the second session of the Board of Supervisors and member of the Nomination, Remuneration and Evaluation Committee. In the election of the third session of the Board of Supervisors during the Reporting Period, Mr. SU Zhi was elected as an external Supervisor of the third session of the Board of Supervisors and chairman of the Nomination, Remuneration and Evaluation Committee, and Mr. CHEN Houyi was elected as an external Supervisor of the third session of the Board of Supervisors and member of the Nomination, Remuneration and Evaluation Committee;
- (2) Due to the election of the third session of the Board of Supervisors, Mr. YANG Jian and Mr. WANG Changyi ceased to be supervisors of the third session of the Board of Supervisors and members of the Nomination, Remuneration and Evaluation Committee;
- (3) On 15 December 2021, Mr. MA Peng resigned as a shareholder Supervisor of the third session of the Board of Supervisors and member of the Nomination, Remuneration and Evaluation Committee due to work adjustment; although Mr. MA Peng could not attend one of those meetings in person, he appointed other members to attend the meeting and vote.

Corporate Governance Report (Continued)

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

During the Reporting Period, the Directors (Mr. YANG Mingshang, Mr. XU An, Mr. CAI Dong, Mr. CHEN Jingde, Mr. CHEN Hanqing, Mr. CHEN Hua, Mr. WANG Xiaoyong, Ms. GONG Taotao, Mr. WANG Wencheng, Mr. ZHAO Yong, Mr. WANG Gefan, Mr. TANG Xin, Mr. SONG Ke and Mr. LAW Cheuk Kin Stephen) and Supervisors (Ms. WU Fan, Mr. CHENG Yunlong, Mr. SU Zhi, Mr. CHEN Houyi, Mr. YIN Xinquan, Ms. ZHANG Hui, Mr. JIAO Zhengjun and Mr. MA Peng) of the Bank attended or participated in relevant training on corporate governance, ESG management, anti-money laundering and anti-terrorist financing policies and regulations, and operation and management of banks according to their performance requirements, including training on corporate governance of commercial banks and performance of directors and supervisors held by SGLA Law Firm (Guiyang) (上海中聯(貴陽)律師事務所), training on responsibilities of directors, supervisors and senior management of Hong Kong listed companies and key compliance matters of listed companies held by DLA Piper Hong Kong, the training on environmental, social and governance (ESG) held by Beijing SynTao Co., Ltd. (北京商道縱橫信息科技有限責任公司) and the training on the operation analysis and strategic outlook of Bank of Guizhou held by CICC. The training mentioned above will help to improve the performance of Directors and Supervisors, and ensure that Directors and Supervisors have a full grasp of the information required to perform their duties and continue to make contribution to the Bank according to the actual condition of the Bank.

During the Reporting Period, the independent Directors of the Bank gave full play to their professional advantages and carried out four researches on the main practices, experiences and lessons learned by the Bank of Guizhou in supporting rural revitalization and preventing financial risks, how to effectively carry out inclusive financial services and how to solve the financing problems of small and micro enterprises, taking into account the actual needs of the Bank's business development. The Board of Supervisors of the Bank organized the Supervisors to conduct special researches to branches and enterprises, and carried out two researches on the support from the Bank of Guizhou to the coal industry and the risk resolution of the industry.

7.6 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.

Corporate Governance Report (Continued)

7.7 CHAIRMAN AND PRESIDENT

The positions of the Chairman and the President of the Bank are separated. 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 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 so as to fill the vacancy of Chairman since the resignation of Mr. LI Zhiming. At the annual general meeting held on 16 June 2021, the appointment of Mr. YANG Mingshang as an executive Director was considered and approved. At the same day, the Board elected Mr. YANG Mingshang as the Chairman of the Bank, with effect from the approval of his position qualification by CBIRC Guizhou Office. On 28 July 2021, Mr. YANG Mingshang's qualifications to serve as Chairman and Executive Director of the Bank were approved. At the same day, Mr. YANG Mingshang officially served as the Chairman and executive Director of the Bank, and Mr. XU An ceased to be responsible for the work of the Board of the Bank.

As of the end of the Reporting Period, Mr. YANG Mingshang served as the Chairman to the Board and was responsible for the overall work of Party Committee and the Board. Mr. XU An served as the President and was responsible for the daily operation and management of the Bank.

7.8 JOINT COMPANY SECRETARIES AND PROFESSIONAL TRAINING

Mr. ZHOU Guichang, the secretary to the Board of the Bank, and Dr. Ngai Wai Fung Maurice (魏偉峰), a Director and Group Chief Executive Officer 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 Hong Kong Listing Rules, are the joint company secretaries of the Bank under Hong Kong Listing Rules. Dr. Ngai Wai Fung Maurice (魏偉峰) is responsible for assisting Mr. ZHOU Guichang in company secretarial matters. Both Mr. ZHOU Guichang and Dr. Ngai Wai Fung Maurice (魏偉峰) are the main contact persons of the Bank.

For the year ended 31 December 2021, Mr. ZHOU Guichang and Mr. LEI Kin Keong have received no less than 15 hours of the relevant professional training respectively, which complied with Rule 3.29 of the Hong Kong Listing Rules.

Mr. LEI Kin Keong has resigned as a joint company secretary of the Bank, with effect from 27 December 2021. Dr. Ngai Wai Fung Maurice (魏偉峰) has been appointed as a joint company secretary with effect from 27 December 2021. For details, please refer to the Company's announcement dated at 27 December 2021.

Corporate Governance Report (Continued)

7.9 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.

7.10 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, 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 departments related to Party building in the Articles of Association were amended. The revised Articles of Association was approved by CBIRC Guizhou Office on 16 June 2021.

7.11 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 via:

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

Corporate Governance Report (Continued)

7.12 SHAREHOLDERS' RIGHTS**7.12.1 Procedures for Convening Extraordinary General Meetings**

- I. According to 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;
 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. 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 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.

Note 1: The number of shares held by the Bank's shareholders is calculated based on the date of the shareholders' written request.

Corporate Governance Report (Continued)

- III. 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, requiring the Board to convene an extraordinary general meeting or a class meeting and 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 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 receives the written documents, and the procedures for convening such a meeting shall be as similar as possible to those for convening a shareholders' general meeting by the Board. Where shareholders convene and hold a meeting because the Board 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. If shareholders decide to convene an extraordinary general meeting on their own, the Board and the secretary to the Board 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.

7.12.2 Procedures for Submitting Proposals at Shareholders' General Meetings

According to the Articles of Association, when the Company convenes a general meeting, shareholders severally or jointly holding more than 3% of the total voting shares of the Company shall have the right to submit new proposals in writing to the Company, and the Company 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 Company 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. The office of the Board of the Bank is responsible for receiving such proposals and its contact details are set out in the section 7.11 Investor Relations.

Corporate Governance Report (Continued)

7.13 EXTERNAL AUDITORS AND THEIR REMUNERATION

The Bank engaged KPMG Huazhen LLP and KPMG as its domestic and oversea auditors for 2021, respectively. The Bank agreed to pay RMB3 million for the audit of the financial statements for the year ended 31 December 2021. In addition, the Bank also paid RMB274,000 to KPMG Huazhen LLP for non-audit services during the Reporting Period.

The Audit Committee under the Board 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.

7.14 REMUNERATION OF THE MANAGEMENT

During the Reporting Period, the Bank's Directors (including executive Directors and independent non-executive Directors), Supervisors (including employee Supervisors and external Supervisors), and senior managements, were paid by the Bank, with a total remuneration of RMB13.82 million. Details of the remuneration of Directors and Supervisors of the Bank are set out in note 9 to the financial statements.

Details of the remuneration of the current senior management of the Bank by band for the year ended 31 December 2021 are set out as follows:

	Number
HKD500,000 – HKD1,000,000	2
HKD1,000,001 – HKD1,500,000	1
HKD1,500,001 – HKD2,000,000	2
HKD2,000,001 – HKD2,500,000	–

7.15 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 Hong Kong Listing Rules to regulate securities transactions by Directors, Supervisors and relevant employees of the Bank. All the Directors, Supervisors and other relevant employees were consulted specifically for this matter. During the Reporting Period, all the Directors, Supervisors and relevant employees of the Bank confirmed that they have complied with the Model Code.

Corporate Governance Report (Continued)

7.16 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 order to strengthen the management of information disclosure work of the Bank and protect the legal rights and interests of investors and based on the actual works of the Bank, the Bank amended the Administrative Measures for Information Disclosure of Bank of Guizhou Co., Ltd. (for Trial Implementation), which was considered and approved at the 2021 second meeting of the third session of the Board of the Bank.

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 Hong Kong 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 supervisory measures and administrative punishment imposed by regulatory departments due to the implementation of the insider registration management system or suspected involvement in insider trading.

7.17 RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

7.17.1 Risk Management and Internal Control

The Bank attaches great importance to risk management and internal control management, and earnestly implements various regulatory regulations in accordance with the working requirements of "establishing rules, serious implementation and supervision and strict accountability". Taking the regulatory rating as the starting point, the Bank continuously consolidated its internal management foundation and enhanced its risk management and control capabilities by 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 2021. 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 2021 were adequate and effective.

Corporate Governance Report (Continued)

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 CBIRC, the definition of risks and relevant professional terms issued by the Basel Committee and the practice of domestic and foreign banks, and on the basis of full consideration of the actual situation of the Bank, the Bank identifies, measures and controls a series of quantitative and non-quantitative risks that may arise from the interaction between external macroeconomic environment, business strategies, product portfolios and customer demands.

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

II. Main features of risk management 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 can only provide reasonable, but not absolute, assurances that there will be no material misrepresentations or losses. The Board is of the view that the risk management and internal control systems established and implemented by the Bank are adequate and effective.

Corporate Governance Report (Continued)

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 Hong Kong 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 on risk management and internal control during the Reporting Period

During the Reporting Period, the Bank adhered to the problem-oriented approach and earnestly implemented various regulatory requirements and the management requirement of “strict governance”. Focusing on process management and duty performance by business lines, strengthening implementation of systems, intensifying supervision and inspection, and rectification and accountability, the Bank worked to improve and strengthen the internal control environment, the risk management system, the system control mechanism and the internal supervision system, and further improve the level of internal control management and risk prevention capabilities.

The Bank took the implementation of the new capital agreement as the core and focused on the regulatory rating, Central Bank evaluation, comprehensive assessment and case prevention evaluation and management to comprehensively improve the level of risk management and internal control management. The Bank stuck to the principle of overall high-quality development and scientifically formulated its comprehensive risk policy for 2021, actively promoted the risk appetite of “stability and compliance” to ensure the continuous stability of asset quality. As at the end of the Reporting Period, the Bank’s non-performing loan ratio was 1.15%, representing better assets quality than the average level of national urban commercial banks. During the Reporting Period, the Bank comprehensively sorted out the main points of internal control evaluation, continuously improved the evaluation system, carried out evaluation work on an annual basis, and continued to make rectifications on a quarterly basis to promote the optimization of the internal control management cycle. The Bank organized institutions at all levels to carry out internal inspection and audit oversight, so as to effectively promote the standardized, sustainable and healthy development of business. We orderly promoted the two-level quarterly case risk investigation of the head office and branch, organized special investigation, immediately rectified the internal control defects, seriously pushed forward the implementation of corresponding rectification plans for the internal control defects that cannot be rectified immediately, timely eliminated potential risks and hidden dangers, and put employee behaviors under strict control.

The Bank has reviewed the effectiveness of the Bank’s risk management and internal controls during the Reporting Period and the Board believes that the Bank has effectively implemented and achieved the Bank’s objectives in respect of risk management and internal controls during the Reporting Period without material weaknesses.

Corporate Governance Report (Continued)

7.17.2 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. The Legal Compliance Department of each branch is staffed with part-time auditors, basically realizing full coverage of audit business among the organizations at all level.

According to Regulations of the National Audit Office on Internal Auditing, the Bank established an independent and vertical internal auditing system. The Board of Directors has an audit committee under its direct management and tier-one departments at the head office have audit departments which are responsible for the internal audit work of the Bank. The Audit Department implements a double-line reporting mechanism, that is, reporting to the Board and its Audit Committee and reporting to senior management.

During the Reporting Period, a total of 58 audit projects were carried out, covering credit business, financial accounting, corporate governance, information technology and economic responsibility audit. 76 audit opinions and 13 risk alerts were issued, and the units undergoing audit were urged to complete the rectification of 445 problems, which promoted the optimization of the process of the head office and branches and enhanced the risk control mechanism, the head office and relevant departments formulated 2 new rules and issued 2 notices for reinforcing management according to the audit opinions. Each branch formulated 1 rule and revised 2 rules. Based on the audit opinions and the problems found in the audit, the audited units had a total of 36 staff given public notice of criticism, and imposed economic penalties on 201 employees, with a total amount of RMB 116,200.

Report of the Board of Directors

8.1 PRINCIPAL BUSINESS AND BUSINESS REVIEW

Information about the pertinent review of the Bank's business and analysis using financial key performance indicators, the principal risks and uncertainties faced by the Bank, significant events occurring after the Reporting Period that have an impact on the Bank and the future outlook of the Bank's business are set out in the "Management Discussion and Analysis", "Corporate Governance Report" and "Major Events" sections.

8.2 ANNUAL GENERAL MEETING AND DIVIDEND

8.2.1 Annual General Meeting

The Bank will announce the details of the 2021 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 2021 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 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 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);

Report of the Board of Directors (Continued)

- (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;
- (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.

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 2020 annual general meeting of the Bank held on 16 June 2021, based on the share capital of 14,588,046,744 shares as at the end of 2020, the Bank distributed the final dividend for the year ended 31 December 2020 (the "**Final Dividend for the Year 2020**") to all shareholders at 7% of the share capital, totaling RMB1,021,163,272 (tax inclusive) in cash. The Final Dividend for the Year 2020 has been distributed to holders of both H Shares and Domestic Shares on 12 August 2021.

As audited by the auditor, the Bank recorded a net profit of RMB3,705,704,800 in 2021, and the distributable profit at the end of 2021 was RMB8,709,772,300. Taking into consideration the interests of shareholders and the future development of the Bank, and according to the relevant laws and regulations and the Bank's Articles of Association, the Board recommends the 2021 profit distribution plan of the Bank as follow: to distribute cash dividend on the basis of 14,588,046,700 shares as at the end of 2021 at 6% of the share capital, with a total amount of RMB875.2828 million (tax inclusive). The above profit distribution plan is subject to the consideration and approval at the 2021 annual general meeting of the Bank. Upon the profit distribution plan being approved, the Bank is expected to pay dividends on or before 31 August 2022.

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

Report of the Board of Directors (Continued)

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. 045 Document (《關於國稅發[1993]045號文件廢止後有關個人所得稅征管問題的通知》)(Guo Shui Han [2011] No. 348) issued, the Bank shall withhold and pay personal income tax for individual shareholders of H Shares. If Individual shareholders of H Shares 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.

If the 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 provided that 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.

If the 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.

If 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.

Report of the Board of Directors (Continued)

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” in this annual report.

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 transactions, arrangements and contracts of the Bank.

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.

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.

Report of the Board of Directors (Continued)

8.9 LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Bank has maintained 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. These insurances was effective in the financial year ended 31 December 2021 and remained in effect as at the date of this report.

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

From 1 January 2021 to the date of this report, the Bank had not purchased, sold or redeemed any listed securities of the Bank.

For details of the bonds issued by the Bank during the Reporting Period, please refer to Note 28 to the financial statements in this report.

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

The Bank actively supports the development of public welfare undertakings such as the Initial Fund of Guizhou Charity Alliance (貴州省慈善聯合會創始基金) and the Education Development Foundation of Guizhou Medical University (貴州醫科大學教育發展基金會). During the Reporting Period, the Bank made external donations amounting to RMB18,632,200.00.

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, and providing 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.

Report of the Board of Directors (Continued)

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 can be reduced and the minimum percentage of H Shares from time to time held by the public to be the higher of 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. Since the Over-allotment Option has lapsed on 18 January 2020, the minimum public float to which the Bank is subject represents 15.08% of the total issued share capital of the Bank. 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 borrowers of the Bank accounted for not more than 30% of the Bank's total operating income.

8.17 ENVIRONMENTAL AND SOCIAL POLICY AND COMPLIANCE WITH LAWS AND REGULATIONS

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. In 2021, 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 2021 Environmental, Social and Governance Report which will be issued by the Bank in accordance with the Hong Kong Listing Rules.

The Bank is required to comply with a number of laws and regulations, mainly including the Company Law of the People's Republic of China, the Commercial Bank Law of the People's Republic of China (《中華人民共和國商業銀行法》), the Civil Code of the People's Republic of China, domestic and foreign securities laws and regulations and exchange rules, as well as other regulations and regulatory legal documents. The Bank promotes compliance with laws, regulations and regulatory legal documents that have significant impact on its principal business through various measures such as internal control, compliance management and staff training; if there are significant changes in laws, regulations and regulatory legal documents relating to its principal business, the Bank will notify the relevant staff and operation team in an appropriate manner.

During the Reporting Period, Directors of the Bank are not aware that the Bank had any non-compliance with relevant laws and regulations that had a significant impact on the Bank.

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.

YANG Mingshang
Chairman
30 March 2022

Report of the Board of Supervisors

9.1 MAJOR WORK

- I. **Completion of the election of the new session of the Board of Supervisors.** In accordance with the work plan for the renewal of the Board of Supervisors of the Bank, the Bank organized the promotion, nomination and qualification examination of candidates for the Board of Supervisors, successfully completed the election of the new session of the Board of Supervisors and continuously improved the corporate governance structure.
- II. **Further enhanced regulation build-up.** Pursuant to the requirements of improving the corporate governance mechanism and continuously enhancing the effectiveness of the corporate governance provided by regulatory institutions, based on improving the quality and efficiency of supervision and strengthening its systems construction and associated with the new requirements introduced by regulatory institutions this year, the new session of the Board of Supervisors formulated three systems, namely the Measures for the Evaluation of the Performance of Directors and Supervisors of Bank of Guizhou (for Trial Implementation) (《貴州銀行董事監事履職評價辦法(試行)》), the Administrative Measures on Research Conducted by External Supervisors of Bank of Guizhou (《貴州銀行外部監事調研管理辦法》) and the Administrative Measures on Regular Communication between Supervisors and Independent Directors of Bank of Guizhou (《貴州銀行監事與獨立董事定期溝通管理辦法》), in order to regulate and ensure the performance of duties by Directors and Supervisors as well as strengthen the communication between Supervisors and independent Directors for better information sharing. At the same time, it advanced supervision work appropriately with a “general ledger” approach and without omission by comprehensively sorting out the supervisory duties of the Board of Supervisors specified in the Articles of Association, regulatory requirements and rules and regulations, clarifying the main contents of supervisory duties of the Board of Supervisors and making refinements in line with the supervision bases, supervision contents, supervision requirements, supervision objects and supervision frequency. Based on supervision contents, the Board of Supervisors classified various departments and clarified the information required to provide by them, confirmed all kinds of meetings that the Board of Supervisors shall attend to obtain necessary information when performing duties.
- III. **Solid meeting supervision.** In accordance with the relevant laws and regulations and taking into account the opinions of internal and external supervision and inspection, the Board of Supervisors arranged its meeting plans and proposals in a reasonable manner. Throughout the year, the Board of Supervisors organized 8 meetings, considered 55 proposals on the work report, financial budget report, profit distribution of the Board of Supervisors and other matters, and specially supervised 19 matters on the implementation of rectification of feedback from regulatory authorities, implementation of comprehensive risk policy, reputation risk management, protection of consumers’ rights and interests, anti-money laundering work, etc. The Board of Supervisors conducted effective supervision on key proposals and major contents, which ensured its right to be informed of important matters, reflecting the independence and effective supervision of the Board of Supervisors. The Board of Supervisors held 4 special office meetings of the chairman of the Board of Supervisors to supervise the handling of key or unexpected risk matters; 6 meetings of the special committees under the Board of Supervisors to effectively perform the deliberative function of such special committees. Members of the Board of Supervisors attended 3 shareholders’ meetings and 5 on-site meetings of the Board. The Board of Supervisors routinely sent members to attend office meetings of the President and meetings of the Risk Management Committee, Asset and Liability Management Committee, etc., at which the attending members supervised the process of the above meetings, the content of proposals and voting procedures in accordance with the law to ensure that the meetings were compliant with the law in terms of form and content.

Report of the Board of Supervisors (Continued)

- IV. Completion of performance evaluation.** The Board of Supervisors earnestly prepared the performance evaluation reports of the Board of Directors, Board of Supervisors, Senior Management and their members in 2020 and reported to the shareholders' meeting and the regulatory authorities as required. In accordance with the new performance evaluation method, the Board of Supervisors set up a performance account for Directors and Supervisors, and prompted Directors and Supervisors before the end of the year by sorting out their performance in advance, so as to prepare for the performance evaluation of Directors and Supervisors in 2021.
- V. Enhancement of on-site inspection and daily supervision.** Combining with the supervisory responsibilities of the Board of Supervisors and the operation and management of the Bank, the Board of Supervisors organized and carried out on-site inspections such as the effectiveness of the "three lines of defense" of internal control management, information disclosure management, related party transaction management and fixed assets management, so as to promote the improvement of the operation and management level in the Bank. The Board of Supervisors continued to carry out daily supervision over major risk points related to the sound operation of the whole Bank and timely urged the relevant departments to rectify and address hidden risks if any. A total of 11 Supervision Warning Letters were sent throughout the year and achieved good supervision results.
- VI. Full application of external supervision results.** The Board of Supervisors made full use of the results of external supervision, such as notification from the supervisory department, prompting, rating feedback and audit opinions from the internal audit department, to follow up and supervise the implementation of the rectification of problems and urged the relevant business departments to strengthen rectification. It supervised the audit work carried out by the annual report auditors and the audit conclusions to ensure that the information disclosure data is true and accurate.

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 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, and the Company's rules and regulations. The Board of Supervisors has not found that the Board, 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 of 2021 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 give a true and objective representation of our financial status and operating results. The Board of Supervisors has not found any false records or material omissions.

Report of the Board of Supervisors (Continued)

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

As of 31 December 2021, the Bank, as the plaintiff, the arbitration applicant, has four 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 RMB239.3864 million. The Bank as the defendant and the respondent has four 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 RMB155.1561 million. As of the end of the Reporting Period, the Bank did not expect that such litigation and arbitration (individually or jointly) would 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.

10.2 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, and none of them were filed by the Securities Management Committee or administrative penalties, banned from the securities market, being deemed improper, 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.

10.3 CHANGE OF THE BANK'S REGISTERED CAPITAL

The registered capital of the Bank is RMB14,588,046,744. During the Reporting Period, the registered capital of the Bank did not change.

Major Events (Continued)

10.4 RELATED PARTY/CONNECTED TRANSACTIONS

I. Related Party Transaction as Defined by the CBIRC

As of the end of the Reporting Period, the Bank's balance of the related party/connected transactions as defined by the CBIRC (excluding deposits, bank deposit slips, etc.) is as follows:

(I) Credit

No.	Name of connected parties (related group consolidation)	Net amount of credit as at the end of the Reporting Period (RMB million)	Type of related party transactions	Percentage of net capital of the Bank(%)
1	Guizhou 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))	1,925.00	Loan	4.30%
2	Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司)	797.14	Loan, debt investment	1.78%
3	Zunyi State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投資經營管理有限責任公司)	747.16	Loan, debt investment, bank acceptance bills	1.67%
4	Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	317.86	Loans, debt investment	0.71%
5	Related natural persons (關聯自然人)	224.39	Loans	0.50%
6	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	197.07	SPV investment, bank acceptance bills	0.44%
7	Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	163.47	Loans, bank acceptance bills	0.37%
8	Zunyi Guiyou Grain & Oil Co., Ltd. (遵義市貴友糧油有限公司)	19.71	Loans	0.04%
9	Guizhou Mayanghe Food Co., Ltd. (貴州麻陽河食品有限公司)	19.00	Loans	0.04%
10	Zunyi Qianxing Oil Co., Ltd. (遵義市黔興油脂有限責任公司)	19.00	Loans	0.04%
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	Loans	0.01%

Major Events (Continued)

(II) Non-Credit

No.	Name of customer	Type of business	Amount (RMB million)
1	Guizhou Railway Investment Group Co., Ltd. (貴州鐵路投資集團有限責任公司)	Others	190.00
2	China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司)	Assets transfer-out	49.32
3	China Life Insurance Company Limited (中國人壽保險股份有限公司)	Providing services	12.56
4	Huagui Life Insurance Co., Ltd. (華貴人壽保險股份有限公司)	Providing services	10.33
5	Digital Zunyi Construction Investment Co., Ltd. (數字遵義建設投資有限公司)	Receiving services	1.77
6	Guizhou Depository & Clearing Co., Ltd. (貴州登記結算有限責任公司)	Receiving services	1.50
7	GAO Xuefen(高學芬)	Asset transfer-in	1.18
8	China Aviation Guizhou Elevator Co., Ltd. (貴州中航電梯有限責任公司)	Receiving services	0.02
9	Guizhou Water Investment Capital Management Co., Ltd.(貴州水投資本管理有限責任公司)	Providing services	0.01

During the Reporting Period, there were a total of 2 valid significant related party transactions between the Bank and related parties under the definition by the CBIRC, which were approved by the Bank:

As considered and approved at the 2021 first meeting of the second session of the Board of the Bank, the Bank replaced the "19 Gui'an 01" bonds of an equal amount of RMB136.10 million with its wealth management funds (sold the "19 Gui'an 01" bonds of RMB136.10 million, purchase the other bonds issued by Guian New District Development and Investment Co., Ltd. (貴安新區開發投資有限公司) of an equal amount). The pricing policy: the market pricing mechanism.

As considered and approved at the 2021 first meeting of the second session of the Board of the Bank, the Bank granted Guizhou Province State-owned Capital Operation Co., Ltd.(貴州省國有資本運營有限責任公司) a credit of RMB2.4 billion with a term of 180 months. The pricing policy: floating rates (not lower than the five-year LPR of the National Inter-bank Funding Centre-5 basis points).

The above related party transactions are conducted under conditions not superior to similar transactions of non-related parties, with reasonable and fair pricing, and in line with relevant regulatory requirements of the regulatory institutions and related party transaction management regulations of the Bank, and the approval process 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.

Major Events (Continued)

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

During the Reporting Period, the Bank did not engage in any connected 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 Note 36 "RELATED PARTY RELATIONSHIPS AND TRANSACTIONS" to the Financial Statement of this report. These related party transactions are not discloseable connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

10.5 SIGNIFICANT CONTRACTS AND PERFORMANCE

10.5.1 Major contracts

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

10.5.2 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.

10.6 SIGNIFICANT GUARANTEES AND COMMITMENTS

As of the end of the Reporting Period, the Bank's guarantee balance was RMB905 million. The letter of credit balance was RMB1,634 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.

10.7 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.

10.8 SIGNIFICANT ASSET ACQUISITIONS, DISPOSAL AND CORPORATE MERGERS

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

10.9 SIGNIFICANT INVESTMENT

As of the end of the Reporting Period, the investment securities and other financial assets of the Bank were all financial markets businesses within the scope of operation approved by the CBIRC. The Bank has inspected 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 was no book value of any particular investment as of 31 December 2021 accounting for 5% or more of the Bank's total assets at the end of the Reporting Period.

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

10.10 APPOINTMENT AND DISMISSAL OF ACCOUNTANT

KPMG Huazhen LLP and KPMG were appointed as the domestic and international auditors of the Bank respectively in 2021.

The Bank did not change its auditors in the last three years.

10.11 LOAN AGREEMENT

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

10.12 EQUITY INCENTIVE PLAN AND EMPLOYEE STOCK OWNERSHIP PLAN

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

Major Events (Continued)

10.13 AUDIT REVIEW

The financial statements for the year ended 31 December 2021 prepared under International Financial Reporting Standards in this annual report have been audited by KPMG in accordance with Hong Kong Standards on Auditing. KPMG has issued an unqualified audit report. This annual report has been reviewed by the Audit Committee and the Board of the Bank.

10.14 SUBSEQUENT EVENTS

After the Reporting Period, there has been certain adjustments on the senior management of the Bank. For details, please refer to 6.2.3 Changes of senior management of this Report.

In addition to the above, no significant events which affect the Bank incurred after the end of the Reporting Period.

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 173 to 317, which comprise the statement of financial position as at December 31, 2021, 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, 2021 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.

Independent Auditor's Report (Continued)

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, 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;
- understanding and assessing the design, implementation and operating effectiveness of the information system controls related to loss allowances of loans and advances to customers and financial investments measured at amortised cost, including general information technology control, data transmission between systems, mapping of parameters of expected credit loss model, and system calculation of loss allowance for expected credit loss.

Independent Auditor's Report (Continued)

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

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

- involving KPMG's financial risk 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;
- 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 or generated from IT system, 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;

Independent Auditor's Report (Continued)

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

How the matter was addressed in our audit

- for key parameters involving judgement, 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;
- we involved our IT specialists to assess the logics and compilation of the overdue information for selected samples;
- 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;

Independent Auditor's Report (Continued)

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

How the matter was addressed in our audit

- 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 (Continued)

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 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.

Independent Auditor's Report (Continued)

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 (Continued)

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

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.

Independent Auditor's Report (Continued)

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 HKSAs 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 HKSAs, 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 (Continued)

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.

KPMG

Certified Public Accountants

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

March 30, 2022

Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Interest income		21,158,420	19,966,948
Interest expense		(11,643,927)	(9,845,563)
Net interest income	3	9,514,493	10,121,385
Fee and commission income		551,471	459,732
Fee and commission expense		(123,598)	(97,209)
Net fee and commission income	4	427,873	362,523
Net trading gains	5	800,437	144,661
Net gains arising from investment securities	6	925,590	623,836
Other operating income/(expense)	7	68,770	(4,793)
Operating income		11,737,163	11,247,612
Operating expenses	8	(3,729,772)	(3,555,743)
Impairment losses on assets	11	(3,900,174)	(3,231,786)
Share of gains/(losses) of associates		83,240	(104,780)
Profit before tax		4,190,457	4,355,303
Income tax	12	(484,752)	(684,640)
Net profit for the year		3,705,705	3,670,663
Basic and diluted earnings per share (in RMB)	13	0.25	0.25

The notes on pages 181 to 317 form part of these financial statements.

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

for the year ended December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Net profit for the year		3,705,705	3,670,663
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)	344,169	(662,204)
– net movement in the impairment losses, net of tax	31(e)	109,956	151,234
Item that will not be reclassified to profit or loss:			
– Remeasurement of net defined benefit liability, net of tax	31(f)	(8,640)	50
Other comprehensive income		445,485	(510,920)
Total comprehensive income		4,151,190	3,159,743

The notes on pages 181 to 317 form part of these financial statements.

Statement of Financial Position

as at December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Assets			
Cash and deposits with the central bank	14	35,681,947	48,149,558
Deposits with banks and other financial institutions	15	3,517,078	1,157,313
Placements with banks and other financial institutions		–	50,674
Financial assets held under resale agreements	16	27,556,991	–
Loans and advances to customers	17	238,834,742	206,152,610
Financial investments:	18		
– Financial investments at fair value through profit or loss		55,336,487	47,764,665
– Financial investments at fair value through other comprehensive income		55,661,196	48,220,199
– Financial investments at amortised cost		78,014,210	96,324,130
Interest in associates	19	231,957	170,527
Property and equipment	20	3,929,221	3,887,554
Deferred tax assets	21	4,211,654	3,547,628
Other assets	22	904,683	976,341
Total assets		503,880,166	456,401,199
Liabilities and equity			
Liabilities			
Borrowings from the central bank		32,219,501	26,641,751
Deposits from banks and other financial institutions	24	23,920,243	29,995,718
Placements from banks and other financial institutions	25	3,368,305	2,602,498
Financial assets sold under repurchase agreements	26	23,198,246	12,464,434
Deposits from customers	27	305,521,023	289,042,772
Income tax payable		489,812	610,270
Debt securities issued	28	72,394,280	55,836,382
Other liabilities	29	3,780,926	3,179,552
Total liabilities		464,892,336	420,373,377

The notes on pages 181 to 317 form part of these financial statements.

Statement of Financial Position (Continued)

as at December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Equity			
Share capital	30	14,588,047	14,588,047
Capital reserve	31(a)	8,670,091	8,840,110
Surplus reserve	31(b)	2,228,698	1,858,127
General reserve	31(c)	4,690,000	4,070,000
Fair value reserve	31(d)	(152,235)	(496,404)
Impairment reserve	31(e)	280,056	170,100
Deficit on remeasurement of net defined benefit liability	31(f)	(26,600)	(17,960)
Retained earnings	32	8,709,773	7,015,802
Total equity		38,987,830	36,027,822
Total liabilities and equity		503,880,166	456,401,199

Approved and authorised for issue by the board of directors on March 30, 2022.

YANG Mingshang*Chairman of Board***XU An***President executive Director***AN Peng***The Person In Charge of
Accounting Affairs***LI Wangang***General Manager of the Planning
and Finance Department*

(Company stamp)

The notes on pages 181 to 317 form part of these financial statements.

Statement of Changes in Equity

for the year ended December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement of net defined benefit liability	Retained earnings	Total
Balance at January 1, 2021	14,588,047	8,840,110	1,858,127	4,070,000	(496,404)	170,100	(17,960)	7,015,802	36,027,822
Changes in equity for the year:									
Net profit for the year	-	-	-	-	-	-	-	3,705,705	3,705,705
Other comprehensive income	-	-	-	-	344,169	109,956	(8,640)	-	445,485
Total comprehensive income	-	-	-	-	344,169	109,956	(8,640)	3,705,705	4,151,190
Appropriation of profit									
Changes in interest in associates	-	(170,019)	-	-	-	-	-	-	(170,019)
Appropriation to surplus reserve 31(b)	-	-	370,571	-	-	-	-	(370,571)	-
Appropriation to general reserve 31(c)	-	-	-	620,000	-	-	-	(620,000)	-
Appropriation to shareholders 32	-	-	-	-	-	-	-	(1,021,163)	(1,021,163)
Balance at December 31, 2021	14,588,047	8,670,091	2,228,698	4,690,000	(152,235)	280,056	(26,600)	8,709,773	38,987,830

Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	(Deficit)/ surplus on remeasurement of net defined benefit liability	Retained earnings	Total
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

The notes on pages 181 to 317 form part of these financial statements.

Cash Flow Statement

for the year ended December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Cash flows from operating activities			
Profit before tax		4,190,457	4,355,303
Adjustments for:			
Impairment losses on assets		3,900,174	3,231,786
Depreciation and amortization		612,418	473,676
Depreciation of investment properties		1,370	1,370
Unrealized foreign exchange losses		5,595	35,659
Net (gains)/losses on disposal of property and equipment, intangible assets and other assets		(27,879)	58,242
Net trading gains		(806,032)	(180,320)
Net gains arising from investment securities		(925,590)	(623,836)
Share of (gains)/losses of associates		(83,240)	104,780
Interest expenses on debt securities issued		1,892,781	2,153,457
Interest expense on lease liabilities		34,318	33,808
Others		(95,934)	(108,262)
		8,698,438	9,535,663
Changes in operating assets			
Net decrease in deposits with the central bank		2,219,063	3,326,868
Net decrease in deposits with banks and other financial institutions		–	756,276
Net decrease/(increase) in placements with banks and other financial institutions		50,674	(50,674)
Net increase in loans and advances to customers		(36,574,598)	(34,793,242)
Net increase in financial assets held for trading		(2,025,080)	(17,552,716)
Net decrease in other operating assets		53,132	339,955
		(36,276,809)	(47,973,533)

The notes on pages 181 to 317 form part of these financial statements.

Cash Flow Statement (Continued)

for the year ended December 31, 2021
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Changes in operating liabilities			
Net increase in borrowings from the central bank		5,485,172	24,018,331
Net (decrease)/increase in deposits from banks and other financial institutions		(5,891,232)	13,888,348
Net increase in placements from banks and other financial institutions		764,612	1,601,361
Net increase in financial assets sold under repurchase agreements		10,721,900	4,497,676
Net increase in deposits from customers		15,362,873	28,776,301
Net increase/(decrease) in other operating liabilities		1,869,610	(328,785)
		28,312,935	72,453,232
Net cash flows generated from operating activities before income tax paid			
Income tax paid		(1,383,959)	(746,656)
Net cash flows (used in)/generated from operating activities			
		(649,395)	33,268,706
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		48,011,422	43,928,200
Proceeds from disposal of property and equipment, intangible assets and other assets		45,378	51,663
Payments on acquisition of investments		(40,558,416)	(71,618,859)
Payments for capital increase in associates		(148,690)	(200,000)
Payments on acquisition of property and equipment, intangible assets and other assets		(517,149)	(731,864)
Net cash flows generated from/(used in) investing activities			
		6,832,545	(28,570,860)

The notes on pages 181 to 317 form part of these financial statements.

Cash Flow Statement (Continued)

for the year ended December 31, 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2021	2020
Cash flows from financing activities			
Proceeds from debt securities issued	35(c)	95,752,186	59,396,111
Repayment of debt securities issued	35(c)	(80,740,000)	(89,490,000)
Interest paid on debt securities issued	35(c)	(347,069)	(345,918)
Capital element of lease liabilities paid		(105,074)	(158,013)
Interest element of lease liabilities paid		(34,318)	(33,808)
Payments for initial public offering costs		(27,550)	(62,874)
Dividends paid		(1,022,352)	(975,854)
Net cash flows generated from/(used in) financing activities		13,475,823	(31,670,356)
Effect of foreign exchange rate changes on cash and cash equivalents		(4,599)	653
Net increase/(decrease) in cash and cash equivalents		19,654,374	(26,971,857)
Cash and cash equivalents as at January 1		28,719,904	55,691,761
Cash and cash equivalents as at December 31		48,374,278	28,719,904
Interest received		21,868,043	19,848,833
Interest paid (excluding interest expense on debt securities issued)		(8,714,324)	(7,692,107)

The notes on pages 181 to 317 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, 2021, 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, 2021 comprise the Bank and the Bank's interest in associates.

Notes to the Financial Statements (Continued)

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform – phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates.

- Amendment to IFRS 16, *Covid-19-Related Rent Concessions beyond 30 June 2021*

The amendment extends the time limit in one of the qualifying criteria of the practical expedient for COVID-19-related rent concessions from 30 June 2021 to 30 June 2022. As such, the use of the practical expedient is available to more rent concessions, in particular those involving reduction in lease payments originally due after 30 June 2021 but before 30 June 2022.

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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)

(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.

Notes to the Financial Statements (Continued)

(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

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 (Continued)

(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.

Notes to the Financial Statements (Continued)

(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)

Subsequent measurement of financial assets

- 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.

- 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.

Notes to the Financial Statements (Continued)

(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

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.

– Financial liabilities at amortised cost

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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (continued)

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(7) Financial instruments (continued)

(vi) Derecognition of financial assets and financial liabilities (continued)

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.

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Asset category	Estimated useful life	Estimated rate of residual value	Depreciation rate
Premises	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 (see 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%

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (continued)

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.

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (continued)

(i) As a lessee (continued)

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.

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (continued)

(i) As a lessee (continued)

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.

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(11) Leases (continued)

(ii) As a lessor (continued)

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(14) Provision for impairment losses on non-financial assets (continued)

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.

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(15) Employee benefits (continued)

(i) Short-term employee benefits and contributions to defined contribution retirement plans (continued)

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.

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(16) Income tax (continued)

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
- 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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(17) Financial guarantees, provisions and contingent liabilities (continued)

(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.

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(19) Income recognition (continued)

(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.

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(19) Income recognition (continued)

(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.

(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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*****(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;
 - (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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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).

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(24) Significant accounting estimates and judgements (continued)

(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.

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(24) Significant accounting estimates and judgements (continued)

(e) Depreciation and amortization

Investment properties, property and equipment, intangible assets and right-of-use 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.

(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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***3 NET INTEREST INCOME**

	2021	2020
Interest income arising from		
Deposits with the central bank	340,412	371,926
Deposits with banks and other financial institutions	11,343	62,911
Placements with banks and other financial institutions	594	636
Financial assets held under resale agreements	405,284	379,169
Loans and advances to customers		
– Corporate loans and advances	11,780,128	10,172,800
– Personal loans and advances	1,663,387	1,488,234
– Discounted bills	253,085	206,053
Financial investments	6,704,187	7,285,219
Sub-total	21,158,420	19,966,948
Interest expense arising from		
Borrowings from the central bank	(850,893)	(353,741)
Deposits from banks and other financial institutions	(814,331)	(730,996)
Placements from banks and other financial institutions	(105,350)	(77,921)
Financial assets sold under repurchase agreements	(205,751)	(44,379)
Deposits from customers	(7,774,821)	(6,485,069)
Debt securities issued	(1,892,781)	(2,153,457)
Sub-total	(11,643,927)	(9,845,563)
Net interest income	9,514,493	10,121,385

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***4 NET FEE AND COMMISSION INCOME****(a) Income and expense streams:**

	2021	2020
Fee and commission income		
Acceptance and guarantee services fees	208,136	125,554
Agency services fees	180,996	209,726
Bank card services fees	57,118	46,044
Fund supervision services fees	55,853	50,814
Settlement and clearing fees	48,057	26,886
Consultancy services fees	1,311	708
Sub-total	551,471	459,732
Fee and commission expense		
Bank card services fees	(67,293)	(70,569)
Others	(56,305)	(26,640)
Sub-total	(123,598)	(97,209)
Net fee and commission income	427,873	362,523

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

4 NET FEE AND COMMISSION INCOME (CONTINUED)

(b) Disaggregation of income:

	2021		2020	
	At a point in time	Over time	At a point in time	Over time
Acceptance and guarantee services fees	–	208,136	–	125,554
Agency services fees	–	180,996	–	209,726
Bank card services fees	57,118	–	46,044	–
Fund supervision services fees	–	55,853	–	50,814
Settlement and clearing fees	48,057	–	26,886	–
Consultancy service fees	–	1,311	–	708
Total	105,175	446,296	72,930	386,802

(c) Contract balances

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

	2021	2020
Contract liabilities, which are included in 'other liabilities'	61,565	38,435

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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***5 NET TRADING GAINS**

	Note	2021	2020
Net gains from debt securities	(a)	806,032	180,320
Net foreign exchange losses	(b)	(5,595)	(35,659)
Total		800,437	144,661

(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 losses mainly include losses from translation of foreign currency monetary assets and liabilities into Renminbi.

6 NET GAINS ARISING FROM INVESTMENT SECURITIES

	Note	2021	2020
Net gains of financial investments at fair value through profit or loss	(a)	814,461	340,910
Net gains of financial investments at fair value through other comprehensive income		42,782	141,165
Net gains on disposal of financial investments at amortised cost		68,347	141,761
Total		925,590	623,836

(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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***7 OTHER OPERATING INCOME/(EXPENSE)**

	Note	2021	2020
Government grants	(a)	8,651	42,045
Rental income		3,037	4,033
Penalty income		1,692	3,038
Net gains/(losses) on disposal of repossessed assets		29,787	(7,203)
Net losses on disposal of property and equipment and intangible assets		(1,908)	(51,039)
Others		27,511	4,333
Total		68,770	(4,793)

- (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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***8 OPERATING EXPENSES**

	2021	2020
Staff costs		
– Salaries, bonuses and allowances	1,531,129	1,582,022
– Social insurance and annuity	440,297	264,327
– Staff welfares	145,130	132,202
– Housing allowances	112,717	98,778
– Employee education expenses and labour union expenses	40,545	88,338
Sub-total	2,269,818	2,165,667
Office expenses	416,821	353,313
Depreciation and amortization	450,429	306,306
Depreciation charge for the right-of-use assets	161,989	167,370
Taxes and surcharges	80,617	149,090
Interest expense on lease liabilities	34,318	33,808
Rental and property management expenses	33,996	14,657
Other general and administrative expenses	281,784	365,532
Total	3,729,772	3,555,743

Notes to the Financial Statements (Continued)

(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:

	Note	2021				Total emoluments before tax
		Fees	Salaries	Discretionary bonus	Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	
Executive directors						
Yang Mingshang	(g)	-	359	-	67	426
Xu An		-	549	-	89	638
Cai Dong	(g)	-	552	-	89	641
Li Zhiming	(e)	-	40	-	8	48
Non-executive directors						
Chen Jingde		-	-	-	-	-
Chen Hanqing	(g)	-	-	-	-	-
Chen Hua	(g)	-	-	-	-	-
Wang Xiaoyong	(g)	-	-	-	-	-
Wang Wencheng	(g)	-	-	-	-	-
Gong Taotao		-	-	-	-	-
Zhao Yong		-	-	-	-	-
Shi Xianyin	(h)	-	-	-	-	-
Zhong Xueliang	(h)	-	-	-	-	-

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)**

	Note	2021				Total emoluments before tax
		Fees	Salaries	Discretionary bonus	Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	
Independent non-executive directors						
Wang Gefan		210	-	-	-	210
Tang Xin		210	-	-	-	210
Song Ke		210	-	-	-	210
Li Shoubing	(h)	311	-	-	-	311
Law Cheuk Kin Stephen	(k)	211	-	-	-	211
Jiang Shangjun	(g)	-	-	-	-	-
Jia Xiangsen	(m)	-	-	-	-	-
Li Haoran	(m)	-	-	-	-	-

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

	Note	2021				Total emoluments before tax
		Fees	Salaries	Discretionary bonus	Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	
Supervisors						
Wu Fan	(i)	-	620	-	89	709
Yin Xinquan	(g)	-	-	-	-	-
Chen Houyi		210	-	-	-	210
Cheng Yunlong	(g)	-	-	-	-	-
Su Zhi		293	-	-	-	293
Zhang Hui	(i)	-	429	-	43	472
Jiao Zhengjun	(i)	-	432	-	43	475
Xiao Cifa	(f)	-	350	-	51	401
Liu Hanmin	(i)	293	-	-	-	293
Ma Peng	(g)/(l)	-	-	-	-	-
Xu Yu	(j)	-	-	-	-	-
Chen Hongcai	(i)	-	-	-	-	-
Yang Jian	(i)	-	-	-	-	-
Wang Changyi	(i)	-	722	-	47	769
Li Keyong	(i)	-	453	-	47	500
Total		1,948	4,506	-	573	7,027

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)**

		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	(a)	–	–	–	–	–	
Yang Mingshang	(a)	–	–	–	–	–	
Wang Zhiming	(d)	–	–	–	–	–	
Chen Jingde		–	–	–	–	–	
Shi Xianyin		–	–	–	–	–	
Zhao Yong		–	–	–	–	–	
Zhong Xueliang		–	–	–	–	–	
Lu Lin	(c)	–	–	–	–	–	
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	

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)**

		2020					
	Note	Fees	Salaries	Discretionary bonus	Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	Total emoluments before tax	
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	(b)	–	–	–	–	–	
Yang Jian		–	–	–	–	–	
Chen Hongcai		–	–	–	–	–	
Xu Yu		–	–	–	–	–	
Total		1,681	3,784	–	236	5,701	

Notes to the Financial Statements (Continued)*(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, 2021 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 (2020: nil). There was no arrangement under which a director or supervisor waived or agreed to waive any remuneration during the year ended December 31, 2021 (2020: nil).

Notes:

- (a) On March 16, 2020, Chen Yongjun and Yang Mingshang resigned as non-executive directors.
- (b) On March 17, 2020, Wu Qiangli resigned as supervisor.
- (c) On August 24, 2020, Lu Lin resigned as non-executive director.
- (d) On September 21, 2020, Wang Zhiming resigned as non-executive director.
- (e) On January 28, 2021, Li Zhiming resigned as executive director.
- (f) On March 19, 2021, Xiao Cifa resigned as employee supervisor.
- (g) In the general meeting held on June 16, 2021, Yang Mingshang, Cai Dong were elected as executive directors; Chen Hanqing, Chen Hua, Wang Xiaoyong, Wang Wencheng were elected as non-executive directors; Jiang Shangjun was elected as independent non-executive director, and the appointment is still awaiting approval from the CBRIC; Yin Xinquan, Cheng Yunlong, Ma Peng were elected as supervisors.
- (h) In the board meeting held on June 16, 2021, Shi Xianyin, Zhong Xueliang resigned as non-executive directors; Li Shoubing resigned as independent non-executive director.
- (i) In the meeting of the board of supervisors held on June 16, 2021, Wu Fan, Zhang Hui, Jiao Zhengjun were elected as supervisors; Liu Hanmin, Wang Changyi, Li Keyong, Yang Jian, Chen Hongcai resigned as supervisors.
- (j) On July 23, 2021, Xu Yu resigned as supervisor.
- (k) On November 29, 2021, Law Cheuk Kin Stephen resigned as independent non-executive director. The resignation of Law Cheuk Kin Stephen will be effective on the day when the appointments of Jia Xiangsen and Li Haoran are approved by the CBRIC.
- (l) On December 15, 2021, Ma Peng resigned as supervisor.
- (m) In the general meeting held on December 23, 2021, Jia Xiangsen, Li Haoran were elected as independent non-executive directors. The appointments of the two directors are still awaiting approval from the CBRIC.
- (n) The salaries of all directors and supervisors exclude the amount of performance bonus from 2018 to 2020.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***10 INDIVIDUALS WITH HIGHEST EMOLUMENTS**

For the year ended December 31, 2021, there was one director or supervisor included in the five individuals with highest emoluments (2020: nil). The emoluments for the other highest paid individuals are shown as follows:

	2021	2020
Salaries and other emoluments	5,369	7,657
Contributions to pension schemes	447	253
Total	5,816	7,910

The number of these individuals whose emoluments are within the following bands is set out below:

	2021	2020
HKD500,000 – 1,000,000	2	–
HKD1,000,001 – 1,500,000	1	–
HKD1,500,001 – 2,000,000	2	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, 2021 (2020: nil).

11 IMPAIRMENT LOSSES ON ASSETS

	2021	2020
Loans and advances to customers	4,007,327	2,108,034
Financial investments	59,598	1,041,288
Credit commitments	(221,136)	59,609
Deposits with banks and other financial institutions	1,595	(439)
Others	52,790	23,294
Total	3,900,174	3,231,786

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***12 INCOME TAX EXPENSE****(a) Income tax:**

	Note	2021	2020
Current tax		1,263,501	1,235,346
Deferred tax	21(b)	(778,749)	(550,706)
Total		484,752	684,640

(b) Reconciliations between income tax and accounting profit are as follows:

	Note	2021	2020
Profit before tax		4,190,457	4,355,303
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		1,047,614	1,088,826
Non-deductible expenses		52,278	8,749
Non-taxable income	(i)	(615,140)	(412,935)
Income tax		484,752	684,640

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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***13 BASIC AND DILUTED EARNINGS PER SHARE**

	Note	2021	2020
Net profit for the year		3,705,705	3,670,663
Weighted average number of ordinary shares (in thousands)	(i)	14,588,047	14,588,047
Basic and diluted earnings per share (in RMB)		0.25	0.25

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)

	2021	2020
Number of ordinary shares as at January 1	14,588,047	14,588,047
New added weighted average number of ordinary shares	–	–
Weighted average number of ordinary shares as at December 31	14,588,047	14,588,047

14 CASH AND DEPOSITS WITH THE CENTRAL BANK

	Note	2021	2020
Cash on hand		632,970	665,741
Deposits with the central bank			
– Statutory deposit reserves	(a)	18,269,419	20,451,915
– Surplus deposit reserves	(b)	16,686,142	26,899,473
– Fiscal deposits		83,402	119,969
Sub-total		35,038,963	47,471,357
Accrued interest		10,014	12,460
Total		35,681,947	48,149,558

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***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:

	2021	2020
Reserve ratio for RMB deposits	6.0%	7.0%
Reserve ratio for foreign currency deposits	9.0%	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*

	2021	2020
Deposits in mainland China		
– Banks	3,465,077	1,242,509
– Other financial institutions	51,471	36,976
Sub-total	3,516,548	1,279,485
Deposits outside mainland China		
– Banks	–	27,551
Total	3,516,548	1,307,036
Accrued interest	1,100	2,623
Less: Provision for impairment losses	(570)	(152,346)
Net carrying amount	3,517,078	1,157,313

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***16 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS****(a) Analysed by type and location of counterparty**

	2021	2020
In mainland China		
– Banks	27,538,618	–
Total	27,538,618	–
Accrued interest	18,373	–
Less: Provision for impairment losses	–	–
Total	27,556,991	–

(b) Analysed by type of collateral held

	2021	2020
Debt securities	27,538,618	–
Accrued interest	18,373	–
Less: Provision for impairment losses	–	–
Net carrying amount	27,556,991	–

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***17 LOANS AND ADVANCES TO CUSTOMERS****(a) Analysed by nature**

	2021	2020
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	213,009,342	163,017,067
Personal loans and advances		
– Residential mortgage	20,008,524	20,231,659
– Personal business loans	8,022,340	7,071,925
– Personal consumption loans	440,520	695,301
– Credit cards	5,441,376	1,619,054
Sub-total	33,912,760	29,617,939
Accrued interest	630,446	442,970
Less: provision for loans and advances to customers measured at amortised cost	(12,282,283)	(8,213,264)
Sub-total	235,270,265	184,864,712
Loans and advances to customers measured at fair value through other comprehensive income		
Corporate loans and advances	455,113	2,020,953
Discounted bills	3,109,364	19,266,945
Sub-total	3,564,477	21,287,898
Net loans and advances to customers	238,834,742	206,152,610

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(b) Analysed by industry sector**

	2021		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	105,645,479	42.18%	33,334,263
Wholesale and retail trade	19,119,324	7.63%	3,654,544
Water resources, environment and public facilities management	16,969,437	6.77%	4,259,371
Construction	14,825,621	5.92%	4,346,121
Mining	8,967,269	3.58%	5,462,191
Real estate	8,903,123	3.55%	4,977,108
Education	8,875,427	3.54%	447,567
Transportation, storage and postal services	5,545,633	2.21%	2,295,909
Agriculture, forestry, animal husbandry and fishery	5,501,940	2.20%	495,474
Manufacturing	5,362,159	2.14%	1,166,004
Health and social work	3,774,105	1.51%	403,330
Production and supply of electric power, gas and water	3,100,490	1.24%	296,640
Finance	1,947,407	0.78%	2,489
Accommodation and catering	1,817,528	0.73%	398,889
Culture, sports and entertainment	388,017	0.15%	5,950
Others	2,721,496	1.09%	109,763
Sub-total of corporate loans and advances	213,464,455	85.22%	61,655,613
Personal loans and advances	33,912,760	13.54%	23,299,661
Discounted bills	3,109,364	1.24%	–
Gross loans and advances to customers (excluding accrued interest)	250,486,579	100.00%	84,955,274

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(b) Analysed by industry sector (continued)**

	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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Analysed by type of collateral

	2021	2020
Unsecured loans	33,561,883	35,692,192
Guaranteed loans	131,969,422	105,878,986
Collateralised loans	44,076,503	38,734,708
Pledged loans	40,878,771	33,617,018
Gross loans and advances to customers	250,486,579	213,922,904
Accrued interest	630,446	442,970
Less: provision for loans and advances to customers measured at amortised cost	(12,282,283)	(8,213,264)
Net loans and advances to customers	238,834,742	206,152,610

(d) Overdue loans analysed by overdue period

	2021				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	68,803	43,048	5,034	1,608	118,493
Guaranteed loans	256,989	604,599	23,578	11,833	896,999
Collateralised loans	114,448	368,502	179,850	18,472	681,272
Pledged loans	–	91,900	25,500	–	117,400
Total	440,240	1,108,049	233,962	31,913	1,814,164
As a percentage of gross loans and advances to customers	0.18%	0.44%	0.09%	0.01%	0.72%

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(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
Total	1,380,066	176,483	164,180	59,448	1,780,177
As a percentage of gross loans and advances to customers	0.65%	0.08%	0.08%	0.03%	0.84%

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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Loans and advances and provision for impairment losses

	2021			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	204,235,208	37,238,612	5,448,282	246,922,102
Accrued interest	630,446	–	–	630,446
Less: provision for impairment losses	(2,359,507)	(6,920,887)	(3,001,889)	(12,282,283)
Carrying amount of loans and advances to customers measured at amortised cost	202,506,147	30,317,725	2,446,393	235,270,265
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	3,564,477	–	–	3,564,477
Total carrying amount of loans and advances to customers	206,070,624	30,317,725	2,446,393	238,834,742

Notes to the Financial Statements (Continued)*(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)**

	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

Note:

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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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:

	2021			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,427,481	1,155,841	1,629,942	8,213,264
Transferred:				
– to expected credit losses over the next 12 months	574,607	(562,678)	(11,929)	–
– to lifetime expected credit losses: not credit-impaired loans	(894,161)	894,969	(808)	–
– to lifetime expected credit losses: credit-impaired loans	(70,692)	(142,344)	213,036	–
(Release)/charge	(2,677,728)	5,575,099	1,132,881	4,030,252
Write-offs	–	–	(235,487)	(235,487)
Recoveries	–	–	370,188	370,188
Others	–	–	(95,934)	(95,934)
As at December 31	2,359,507	6,920,887	3,001,889	12,282,283

Notes to the Financial Statements (Continued)*(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)**

	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	5,427,481	1,155,841	1,629,942	8,213,264

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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:

	2021			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	25,823	–	–	25,823
Release for the year	(22,925)	–	–	(22,925)
As at December 31	2,898	–	–	2,898
	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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***18 FINANCIAL INVESTMENTS**

	Note	2021	2020
Financial investments at fair value through profit or loss	(a)	55,336,487	47,764,665
Financial investments at fair value through other comprehensive income	(b)	55,661,196	48,220,199
Financial investments at amortised cost	(c)	78,014,210	96,324,130
Total		189,011,893	192,308,994

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

	Note	2021	2020
Debt securities issued by the following institutions in mainland China	(i)		
– Government		9,259,183	8,013,167
– Policy banks		6,966,623	4,305,539
– Banks and other financial institutions		7,392,668	8,367,954
– Corporate		–	100,702
Sub-total		23,618,474	20,787,362
Listed		–	100,702
Unlisted		23,618,474	20,686,660
Structured notes issued by securities companies			
– Unlisted		197,780	–
Investment funds managed by public fund manager			
– Unlisted		31,520,233	26,977,303
Total		55,336,487	47,764,665

Note:

- (i) Certain debt securities were pledged for repurchase agreements, borrowings from the central bank and certain deposits from customers (Note 23(a)). No other investments were subject to material restrictions in the realization.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

18 FINANCIAL INVESTMENTS (CONTINUED)

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

	Note	2021	2020
Debt securities issued by the following institutions in mainland China	(i)		
– Government		16,664,266	7,056,831
– Policy banks		21,035,181	18,855,731
– Banks and other financial institutions		432,888	329,374
– Corporate		15,675,928	19,002,785
Sub-total		53,808,263	45,244,721
Listed		10,407,882	13,436,681
Unlisted		43,400,381	31,808,040
Asset-backed securities			
– Listed		571,196	798,812
Structured notes issued by securities companies			
– Unlisted		–	910,334
Equity investments	(ii)		
– Unlisted		37,750	37,750
Accrued interest		1,243,987	1,228,582
Total		55,661,196	48,220,199

Notes to the Financial Statements (Continued)*(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, borrowings from the central bank and certain deposits from customers (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:

	2021			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	22,804	–	121,473	144,277
Transferred:				
– to lifetime expected credit losses not credit-impaired:	(2,306)	2,306	–	–
– to lifetime expected credit losses credit-impaired:	(184)	–	184	–
Charge for the year	4,961	5,911	272,009	282,881
Write-offs	–	–	(150,000)	(150,000)
As at December 31	25,275	8,217	243,666	277,158

	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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

18 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments at amortised cost

	Note	2021	2020
Debt securities issued by the following institutions in mainland China	(i)		
– Government		36,159,215	32,899,074
– Policy banks		5,314,166	5,128,308
– Corporate		9,831,854	6,372,589
Sub-total		51,305,235	44,399,971
Listed		7,481,841	4,559,406
Unlisted		43,823,394	39,840,565
Investment management products managed by trust plans		4,846,000	10,101,980
Investment management products managed by asset management companies		22,370,744	42,973,973
Private debt financing plans		414,000	815,913
Sub-total		27,630,744	53,891,866
Accrued interest		847,140	946,732
Less: Provision for impairment losses	(i)	(1,768,909)	(2,914,439)
Total		78,014,210	96,324,130

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***18 FINANCIAL INVESTMENTS (CONTINUED)****(c) Financial investments at amortised cost (continued)**

Notes:

- (i) Certain debt securities were pledged for repurchase agreements, borrowings from the central bank and certain deposits from customers (Note 23(a)). No other investments were subject to material restrictions in the realization.
- (ii) Movements of provision for impairment of financial investments at amortised cost are as follows:

	2021			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	1,489,949	580,256	844,234	2,914,439
Transferred:				
– to lifetime expected credit losses not credit-impaired:	(88,908)	88,908	–	–
– to lifetime expected credit losses credit-impaired:	(21,687)	(61,904)	83,591	–
(Release)/charge for the year	(1,028,925)	400,199	405,443	(223,283)
Write-offs	–	–	(922,247)	(922,247)
As at December 31	350,429	1,007,459	411,021	1,768,909
	2020			
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	Total
As at January 1	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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

19 INTEREST IN ASSOCIATES

	Note	2021	2020
Interest in associates	(a)	231,957	170,527

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	2021	2020	Place of incorporation/registration	Business sector
Guiyang Baiyun Dexin Rural Bank Co., Ltd. (貴陽白雲德信村鎮銀行股份有限公司)	(i)	15.00%	9.19%	Guiyang Guizhou Province	Commercial bank
Qingzhen Xingbang Rural Bank Co., Ltd. (清鎮興邦村鎮銀行有限責任公司)	(i)	17.87%	17.87%	Guiyang Guizhou Province	Commercial bank
Zunyi Bozhou Huilong Town Bank Co., Ltd. (遵義播州匯隆村鎮銀行有限責任公司)	(i)	15.00%	9.33%	Zunyi Guizhou Province	Commercial bank
Suiyang Qianbei Town Bank Co., Ltd. (綏陽黔北村鎮銀行有限責任公司)	(i)	15.00%	12.31%	Zunyi Guizhou Province	Commercial bank
Zunyi Huichuan Qianxing Town Bank Co., Ltd. (遵義匯川黔興村鎮銀行有限責任公司)		20.00%	20.00%	Zunyi Guizhou Province	Commercial bank
Liupanshui Zhongshan Liangdu Town Bank Co., Ltd. (六盤水鐘山涼都村鎮銀行股份有限公司)		20.23%	20.23%	Liupanshui Guizhou Province	Commercial bank
Panzhou Wanhe Rural Bank Co., Ltd. (盤州萬和村鎮銀行有限責任公司)		20.00%	20.00%	Liupanshui Guizhou Province	Commercial bank
Pingba Dingli Rural Bank Co., Ltd. (平壩鼎立村鎮銀行有限責任公司)		22.03%	22.03%	Anshun Guizhou Province	Commercial bank
Anshun Xihang Nanma Rural Bank Co., Ltd. (安順西航南馬村鎮銀行有限責任公司)		20.95%	20.95%	Anshun Guizhou Province	Commercial bank
Longli County Guofeng Rural Bank Co., Ltd. (龍里國豐村鎮銀行有限責任公司)		25.36%	25.36%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial bank

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***19 INTEREST IN ASSOCIATES (CONTINUED)**

Note: (continued)

- (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. (continued)

Name	Note	2021	2020	Place of incorporation/registration	Business sector
Duyun Rongtong Town Bank Co., Ltd. (都勻融通村鎮銀行有限責任公司)		20.00%	20.00%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial bank
Tongren Fengyuan Town Bank Co., Ltd. (銅仁豐源村鎮銀行有限責任公司)		20.00%	20.00%	Tongren Guizhou Province	Commercial bank
Kaili Dongnan Town Bank Co., Ltd. (凱里東南村鎮銀行有限責任公司)		20.00%	5.95%	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Commercial bank

Note:

- (i) At December 31, 2021, the Bank held 15.00% interest in Guiyang Baiyun Dexin Rural Bank Co., Ltd., 17.87% interest in Qingzhen Xingbang Rural Bank Co., Ltd., 15.00% interest in Zunyi Bozhou Huilong Town Bank Co., Ltd., and 15.00% interest in Suiyang Qianbei Town Bank Co., Ltd.. The Bank appointed directors to these rural banks, which exerted significant influence on them.

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

	2021	2020
Aggregate carrying amount of individually immaterial associates in the statements of financial position of the Bank	231,957	170,527
Declaration of cash dividends	480	–
Aggregate amounts of the Bank's share of results of those associates		
– Gains/(losses) from continuing operations	83,240	(104,780)
– Other comprehensive income	–	–
– Total comprehensive income	83,240	(104,780)

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***20 PROPERTY AND EQUIPMENT**

	Premises	Vehicles	Electronic equipment and others	Construction in process	Total
Cost					
As at January 1, 2020	1,958,905	84,799	532,899	2,046,340	4,622,943
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	4,204,129	61,854	570,616	291,587	5,128,186
Additions	182,467	175	69,344	76,680	328,666
Disposals	(7,735)	–	(26,200)	(11,187)	(45,122)
Transfer in/(out)	9,913	–	–	(1,123)	8,790
As at December 31, 2021	4,388,774	62,029	613,760	355,957	5,420,520
Accumulated depreciation					
As at January 1, 2020	(621,226)	(71,475)	(436,726)	–	(1,129,427)
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	(726,746)	(53,605)	(460,281)	–	(1,240,632)
Charge for the year	(213,178)	(3,544)	(57,714)	–	(274,436)
Disposals	3,377	–	24,246	–	27,623
Transfer in	(3,854)	–	–	–	(3,854)
As at December 31, 2021	(940,401)	(57,149)	(493,749)	–	(1,491,299)
Net book value					
As at December 31, 2020	3,477,383	8,249	110,335	291,587	3,887,554
As at December 31, 2021	3,448,373	4,880	120,011	355,957	3,929,221

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***20 PROPERTY AND EQUIPMENT (CONTINUED)**

At December 31, 2021, the net book value of premises of which title deeds were not yet finalized was RMB223.70 million (December 31, 2020: RMB212.85 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:

	2021	2020
Held in mainland China		
– Medium-term leases (10-50 years)	2,680,968	2,638,489
– Long-term leases (over 50 years)	767,405	838,894
Total	3,448,373	3,477,383

21 DEFERRED TAX ASSETS**(a) Analysed by nature**

	2021		2020	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible temporary differences	Deferred income tax assets
Deferred income tax assets/ (liabilities)				
– Allowance for impairment losses	16,069,312	4,017,328	12,795,428	3,198,857
– Accrued staff costs	813,576	203,394	829,424	207,356
– Supplemental retirement benefits	107,024	26,756	67,132	16,783
– Fair value changes of financial assets	(283,168)	(70,792)	474,232	118,558
– Others	139,872	34,968	24,296	6,074
Net deferred tax assets	16,846,616	4,211,654	14,190,512	3,547,628

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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, 2020	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	3,198,857	207,356	16,783	118,558	6,074	3,547,628
Recognised in profit or loss	818,471	(3,962)	9,973	(74,627)	28,894	778,749
Recognised in other comprehensive income	–	–	–	(114,723)	–	(114,723)
December 31, 2021	4,017,328	203,394	26,756	(70,792)	34,968	4,211,654

22 OTHER ASSETS

	Note	2021	2020
Right-of-use assets	(a)	417,179	469,870
Intangible assets	(b)	222,110	161,050
Deferred expenses		101,473	150,126
Repossessed assets		46,059	65,302
Investment properties	(c)	10,961	17,267
Interests receivable	(d)	457	26,400
Other receivables		106,444	86,326
Total		904,683	976,341

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***22 OTHER ASSETS (CONTINUED)****(a) Right-of-use assets**

	Property
Cost	
As at January 1, 2020	733,863
Additions	55,416
Disposals	(17,789)
As at December 31, 2020	771,490
Additions	109,298
Disposals	(87,683)
As at December 31, 2021	793,105
Accumulated depreciation	
As at January 1, 2020	(152,039)
Additions	(167,370)
Disposals	17,789
As at December 31, 2020	(301,620)
Additions	(161,989)
Disposals	87,683
As at December 31, 2021	(375,926)
Net book value	
As at December 31, 2020	469,870
As at December 31, 2021	417,179

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***22 OTHER ASSETS (CONTINUED)****(b) Intangible assets**

	Computer software	Land use rights	Total
Cost:			
As at January 1, 2020	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
Additions	88,088	–	88,088
Disposals	(40)	–	(40)
As at December 31, 2021	189,119	112,117	301,236
Accumulated amortization:			
As at January 1, 2020	(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)
Additions	(24,162)	(2,866)	(27,028)
Disposals	40	–	40
As at December 31, 2021	(51,882)	(27,244)	(79,126)
Book value:			
As at December 31, 2020	73,311	87,739	161,050
As at December 31, 2021	137,237	84,873	222,110

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***22 OTHER ASSETS (CONTINUED)****(c) Investment properties**

	Investment properties
Cost:	
As at January 1, 2020	28,239
Transfer in	–
As at December 31, 2020	28,239
Transfer out	(8,790)
As at December 31, 2021	19,449
Accumulated depreciation:	
As at January 1, 2020	(9,602)
Additions	(1,370)
As at December 31, 2020	(10,972)
Additions	(1,370)
Transfer out	3,854
As at December 31, 2021	(8,488)
Book value:	
As at December 31, 2020	17,267
As at December 31, 2021	10,961

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***22 OTHER ASSETS (CONTINUED)****(d) Interests receivable**

	2021	2020
Interests receivable arising from:		
Loans and advances to customers	457	26,400
Total	457	26,400

As at December 31, 2021, interests receivable only includes interest that has been due for the relevant financial instruments but not yet received at the balance sheet date. Interest on financial instruments based on the effective interest method has been reflected in the balance of corresponding financial instruments.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***23 PLEDGED ASSETS****(a) Assets pledged as collateral**

	2021	2020
Borrowings from the central bank:		
– Financial investments measured at fair value through profit or loss	400,000	–
– Financial investments measured at fair value through other comprehensive income	8,620,774	250,000
– Financial investments measured at amortised cost	21,554,015	25,702,801
Sub-total	30,574,789	25,952,801
For repurchase agreements:		
– Financial investments measured at fair value through profit or loss	5,833,000	3,762,000
– Financial investments measured at fair value through other comprehensive income	14,453,000	8,700,000
– Financial investments measured at amortised cost	4,457,000	–
Sub-total	24,743,000	12,462,000
For deposits from customers		
– Financial investments measured at fair value through profit or loss	20,000	–
– Financial investments measured at fair value through other comprehensive income	440,750	–
– Financial investments measured at amortised cost	2,118,894	–
Sub-total	2,579,644	–
Total	57,897,433	38,414,801

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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***23 PLEDGED ASSETS (CONTINUED)****(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, 2021, the carrying amount of the received pledged assets was RMB28,199.20 million (December 31, 2020: Nil).

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

	2021	2020
Deposits in mainland China		
– Banks	9,119,215	22,387,906
– Other financial institutions	14,757,742	7,380,283
Sub-total	23,876,957	29,768,189
Accrued interest	43,286	227,529
Total	23,920,243	29,995,718

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

	2021	2020
In mainland China		
– Banks	3,364,612	2,600,000
Accrued interest	3,693	2,498
Total	3,368,305	2,602,498

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***26 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS****(a) Analysed by type and location of counterparty**

	2021	2020
In mainland China		
– Banks	23,183,900	12,462,000
Sub-total	23,183,900	12,462,000
Accrued interest	14,346	2,434
Total	23,198,246	12,464,434

(b) Analysed by type of collateral held

	2021	2020
Debt securities	23,183,900	12,462,000
Sub-total	23,183,900	12,462,000
Accrued interest	14,346	2,434
Total	23,198,246	12,464,434

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***27 DEPOSITS FROM CUSTOMERS**

	2021	2020
Demand deposits		
– Corporate customers	92,150,744	109,141,234
– Individual customers	35,382,736	31,995,530
Sub-total	127,533,480	141,136,764
Time deposits		
– Corporate customers	78,731,318	65,365,242
– Individual customers	86,330,374	69,637,506
Sub-total	165,061,692	135,002,748
Pledged deposits	9,340,076	10,400,555
Fiscal deposits	45,073	10,906
Inward and outward remittances	41,077	107,552
Sub-total	302,021,398	286,658,525
Accrued interest	3,499,625	2,384,247
Total	305,521,023	289,042,772

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***28 DEBT SECURITIES ISSUED**

	Note	2021	2020
Interbank deposits issued	(a)	64,539,979	47,971,985
Financial bonds issued	(b)	4,999,105	4,999,051
Tier-two capital bonds issued	(c)	2,794,217	2,793,516
Accrued interest		60,979	71,830
Total		72,394,280	55,836,382

Notes:

(a) Interbank deposits issued

- (i) 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.
- (ii) In 2021, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB92,550.00 million and duration between 1 to 12 months. The effective interest rates ranged from 2.30% to 3.37% per annum.
- (iii) As at December 31, 2021, the fair value of outstanding interbank deposits amounted to RMB64,593.51 million (December 31, 2020: RMB47,971.53 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%. The Bank redeemed the bonds on November 20, 2021.
- (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%. The Bank redeemed the bonds on December 5, 2021.
- (iii) In December 2021, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB5,000.00 million. The coupon interest rate per annum is 3.45%.
- (iv) As at December 31, 2021, the fair value of outstanding financial bonds amounted to RMB5,032.35 million (December 31, 2020: RMB5,051.17 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, 2021, the fair value of outstanding tier-two capital bonds amounted to RMB2,894.94 million (December 31, 2020: RMB2,863.80 million).

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***29 OTHER LIABILITIES**

	Note	2021	2020
Accrued staff cost	(a)	1,474,657	1,410,554
Lease liabilities		468,561	464,337
Provisions	(b)	149,774	370,932
Other tax payable		293,465	244,023
Payment and collection clearance accounts		844,759	329,482
Dividend payable		92,396	93,585
Other payables		457,314	266,639
Total		3,780,926	3,179,552

(a) Accrued staff cost

	2021	2020
Salary, bonuses and allowances payable	1,251,841	1,216,579
Social insurance payable	62,512	15,412
Labor union fee, staff and workers' education fee	624	67,583
Supplementary retirement benefits payable	159,680	110,980
Total	1,474,657	1,410,554

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. Contributions to the defined contribution retirement plan, include the social pension insurance schemes and the annuity plan, are recognised as expenses when incurred and there are no forfeited contributions that may be used by the Bank to reduce the existing level of contribution.

The amount of supplementary retirement benefits represents the present value of the total estimated amount of future benefits that the Bank is committed to pay for eligible employees as at December 31. The Bank's obligations in respect of the supplementary retirement benefits were assessed using projected unit credit method by qualified staff (member of China Association of Actuaries and member of society of Actuaries in America) of an external independent actuary Willis Towers Watson Public Limited Company.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***29 OTHER LIABILITIES (CONTINUED)****(a) Accrued staff cost (continued)***(i) The balances of supplementary retirement benefits of the Bank are as follows:*

	2021	2020
Present value of early retirement plan	31,130	14,850
Present value of supplementary retirement benefits	128,550	96,130
Total	159,680	110,980

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

	2021	2020
As at January 1	110,980	98,230
Benefits paid during the year	(6,870)	(3,787)
Changes recognised in profit or loss	46,930	16,587
Changes recognised in other comprehensive income	8,640	(50)
As at December 31	159,680	110,980

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***29 OTHER LIABILITIES (CONTINUED)****(a) Accrued staff cost (continued)***(iii) Principal actuarial assumptions of the Bank are as follows:***Early retirement plan**

	2021	2020
Discount rate	2.50%	2.75%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

Supplementary retirement plan

	2021	2020
Discount rate	3.25%	3.75%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

(b) Provisions

	Note	2021	2020
Provision for credit commitments	(i)	149,774	370,932

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***29 OTHER LIABILITIES (CONTINUED)****(b) Provisions (continued)***(i) Movements of provisions for credit commitments are as follows:*

	2021			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	366,659	673	3,600	370,932
Transfer to:				
– Expected credit losses over the next 12 months	475	(156)	(319)	–
– Lifetime expected credit losses not credit-impaired	(7)	18	(11)	–
– Lifetime expected credit losses credit-impaired	(12)	–	12	–
(Release)/charge for the year	(225,304)	448	3,720	(221,136)
Other	(22)	–	–	(22)
As at December 31	141,789	983	7,002	149,774

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

29 OTHER LIABILITIES (CONTINUED)

(b) Provisions (continued)

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

	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

30 SHARE CAPITAL

Authorised and issued share capital

	2021	2020
Ordinary shares in Mainland China	12,388,047	12,388,047
Ordinary shares listed in Hong Kong (H-share)	2,200,000	2,200,000
Total	14,588,047	14,588,047

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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***31 RESERVES****(a) Capital reserve**

	2021	2020
Share premium	8,840,110	8,840,110
Changes in interest in associates	(170,019)	–
Total	8,670,091	8,840,110

(b) Surplus reserve

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

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

The Bank appropriated an amount of RMB370.57 million to the statutory surplus reserve for the year ended December 31, 2021 (2020: RMB367.07 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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***31 RESERVES (CONTINUED)****(d) Fair value reserve**

	2021	2020
As at January 1	(496,404)	165,800
Changes in fair value recognised in other comprehensive income	472,661	(817,832)
Transfer to profit or loss upon disposal	(13,769)	(65,107)
Less: deferred tax	(114,723)	220,735
As at December 31	(152,235)	(496,404)

(e) Impairment reserve

	2021	2020
As at January 1	170,100	18,866
Impairment losses recognised in other comprehensive income	109,956	151,234
As at December 31	280,056	170,100

(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.

	2021	2020
As at January 1	(17,960)	(18,010)
Changes recognised in other comprehensive income	(8,640)	50
As at December 31	(26,600)	(17,960)

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

32 RETAINED EARNINGS

(a) Appropriation of profits

In accordance with the resolution of the Bank's Board of Directors Meeting held on March 30, 2022, the proposed profit appropriations for the year ended December 31, 2021 is listed as follows:

- Appropriation of statutory surplus reserve amounted to RMB370.57 million;
- Appropriation of general reserve amounted to RMB380.00 million; and
- Declaration of cash dividend of RMB0.6 per 10 shares before tax and in an aggregation amount of RMB875.28 million to all existing shareholders.

In accordance with the resolution of the Bank's Annual General Meeting held on June 16, 2021, the shareholders approved the following profit appropriations for the year ended December 31, 2020:

- 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 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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

33 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)**(a) Structured entities sponsored by third party institutions in which the Bank holds an interest: (continued)**

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:

	2021		2020	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial investments at fair value through profit or loss	31,718,013	31,718,013	26,977,303	26,977,303
Financial investments at fair value through other comprehensive income	571,196	571,196	798,812	798,812
Financial investments at amortised cost	25,556,916	25,556,916	50,313,848	50,313,848
Total	57,846,125	57,846,125	78,089,963	78,089,963

At December 31, 2021 and 2020, 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, 2021 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, 2021, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Bank was RMB23,615.95 million (December 31, 2020: RMB22,759.76 million).

Notes to the Financial Statements (Continued)

(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, 2021, 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 RMB209.78 million (2020: RMB9,412.76 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.

Notes to the Financial Statements (Continued)

*(Expressed in thousands of Renminbi, unless otherwise stated)***34 CAPITAL MANAGEMENT (CONTINUED)**

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.

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:

	2021	2020
Total core tier-one capital		
– Share capital	14,588,047	14,588,047
– Qualifying portion of capital reserve	8,771,312	8,495,846
– Surplus reserve	2,228,698	1,858,127
– General reserve	4,690,000	4,070,000
– Retained earnings	8,709,773	7,015,802
Core tier-one capital	38,987,830	36,027,822
Core tier-one capital deductions	(718,981)	(243,837)
Net core tier-one capital	38,268,849	35,783,985
Net tier-one capital	38,268,849	35,783,985
Tier-two capital		
– Instruments issued and share premium	2,794,217	2,793,516
– Surplus provision for loan impairment	3,671,161	3,476,428
Net tier-two capital	6,465,378	6,269,944
Net capital base	44,734,227	42,053,929
Total risk weighted assets	324,577,684	307,713,674
Core tier-one capital adequacy ratio	11.79%	11.63%
Tier-one capital adequacy ratio	11.79%	11.63%
Capital adequacy ratio	13.78%	13.67%

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***35 NOTES TO THE CASH FLOW STATEMENTS****(a) Net increase/(decrease) in cash and cash equivalents**

	2021	2020
Cash and cash equivalents as at December 31	48,374,278	28,719,904
Less: Cash and cash equivalents as at January 1	(28,719,904)	(55,691,761)
Net increase/(decrease) in cash and cash equivalents	19,654,374	(26,971,857)

(b) Cash and cash equivalents

	2021	2020
Cash on hand	632,970	665,741
Deposits with central bank other than restricted deposits	16,686,142	26,899,473
Deposits with banks and other financial institutions	3,516,548	1,154,690
Financial assets held under resale agreements	27,538,618	–
Total	48,374,278	28,719,904

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***35 NOTES TO THE CASH FLOW STATEMENTS (CONTINUED)****(c) Reconciliation of liabilities arising from financing activities**

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

	Debt securities issued	Lease liabilities
As at January 1, 2021	55,836,382	464,337
<hr/>		
Changes from financing cash flows:		
Net proceeds from new debt securities issued	95,752,186	-
Repayment of debt securities issued	(80,740,000)	-
Interest paid on debt securities issued	(347,069)	-
Repayment of lease liabilities	-	(139,392)
Total changes from financing cash flows	14,665,117	(139,392)
<hr/>		
Other changes		
Increase in lease liabilities	-	109,298
Interest expenses	1,892,781	34,318
Total other changes	1,892,781	143,616
<hr/>		
As at December 31, 2021	72,394,280	468,561

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***35 NOTES TO THE CASH FLOW STATEMENTS (CONTINUED)****(c) Reconciliation of liabilities arising from financing activities (continued)**

	Debt securities issued	Lease liabilities
As at January 1, 2020	84,122,732	566,933
Changes from financing cash flows:		
Net proceeds from new debt securities issued	59,396,111	–
Repayment of debt securities issued	(89,490,000)	–
Interest paid on debt securities issued	(345,918)	–
Repayment of lease liabilities	–	(191,820)
Total changes from financing cash flows	(30,439,807)	(191,820)
Other changes		
Increase in lease liabilities	–	55,416
Interest expenses	2,153,457	33,808
Total other changes	2,153,457	89,224
As at December 31, 2020	55,836,382	464,337

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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	2021	2020
Guizhou Provincial Financial Bureau (貴州省財政廳)	(1)	17.26%	13.15%
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)		12.00%	12.00%
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	(2)	6.55%	4.93%
Guizhou Shuitou Water Group Co., Ltd (貴州水投水務集團有限公司)	(3)	4.44%	4.44%
Gui An New District Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	(1)	3.08%	7.20%
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	(3)	2.92%	2.92%
Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	(3)	2.06%	2.06%

Notes:

- On April 23, 2021, Gui An New District Development and Investment Co., Ltd. transferred 600 million shares in the Bank to Guizhou Provincial Financial Bureau, which was approved by Guizhou Bureau of the CBIRC. Upon the completion of the share transfer, the shareholding of Guizhou Provincial Financial Bureau is 17.26%, and the shareholding of Gui An New District Development and Investment Co., Ltd. is 3.08%.
- On June 30, 2021, Zunyi Hengtong Industrial Development Co., Ltd. transferred 236.93 million shares in the Bank to Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.. Upon the completion of the share transfer, the shareholding of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. is 6.55%.
- As at December 31, 2021 and 2020, Guizhou Shuitou Water Group Co., Ltd., Shenzhen Expressway Corporation Limited and Guizhou Expressway Group Company Limited appointed one director to the Bank respectively.

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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***36 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)****(a) Related parties of the Bank (continued)****(ii) Associates of the Bank**

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

(b) Transactions with related parties other than key management personnel**(i) Transactions between the Bank and major shareholders:**

	2021	2020
Transactions during the year		
Interest income	4,400	11,567
Interest expense	27,185	55,069
Balances at end of the year		
Loans and advances to customers	–	291,364
Deposits from customers	2,325,196	2,192,692

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***36 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)****(b) Transactions with related parties other than key management personnel****(ii) Transactions between the Bank and other related parties:**

	2021	2020
Transactions during the year		
Interest income	245,638	290,815
Interest expense	1,031,557	529,450

	2021	2020
Balances at end of the year		
Loans and advances to customers	4,563,314	3,477,688
Financial investments	701,489	3,401,249
Deposits from customers	44,474,222	32,995,216
Deposits from banks and other financial institutions	12,664,430	8,418,538
Bank acceptances	450,737	258,157

(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, 2021, the outstanding balance of this financial investment was RMB4,345.00 million (December 31, 2020: 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 (Continued)*(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

	2021	2020
Transactions during the year		
Interest income	–	10
Interest expense	545	462
Balances at end of the year		
Deposits from customers	8,715	10,733

(ii) Key management personnel compensation

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

	2021	2020
Key management personnel compensation during the year	13,820	12,714

(d) Loans and advances to directors, supervisors and officers

	2021	2020
Aggregate amount of relevant loans outstanding at the end of the year	–	–
Maximum aggregate amount of relevant loans outstanding during the year	–	451

There was no amount due but unpaid, nor any impairment provision made against the principal or interest on these loans at December 31, 2021 (December 31, 2020: nil).

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***37 SEGMENT REPORTING (CONTINUED)*****Others (continued)***

	Corporate banking	Retail banking	2021 Financial markets	Others	Total
Operating income					
External net interest income/(expense)	10,211,424	(1,743,117)	1,046,186	–	9,514,493
Internal net interest (expense)/income	(4,092,449)	4,441,277	(348,828)	–	–
Net interest income	6,118,975	2,698,160	697,358	–	9,514,493
Net fee and commission income	258,428	14,040	155,405	–	427,873
Net trading gains	–	–	800,437	–	800,437
Net gains arising from investment securities	–	–	925,590	–	925,590
Other operating income	34,281	12	9	34,468	68,770
Operating income	6,411,684	2,712,212	2,578,799	34,468	11,737,163
Operating expenses	(2,048,695)	(929,629)	(748,957)	(2,491)	(3,729,772)
Impairment losses on assets	(2,151,286)	(996,123)	(749,590)	(3,175)	(3,900,174)
Share of gains of associates	–	–	–	83,240	83,240
Profit before tax	2,211,703	786,460	1,080,252	112,042	4,190,457
Segment assets	255,222,637	38,097,071	206,066,654	282,150	499,668,512
Deferred tax assets	–	–	–	4,211,654	4,211,654
Total assets	255,222,637	38,097,071	206,066,654	4,493,804	503,880,166
Segment liabilities	183,635,090	123,664,015	155,605,009	1,988,222	464,892,336
Total liabilities	183,635,090	123,664,015	155,605,009	1,988,222	464,892,336
Other segment information					
– Depreciation and amortization	337,534	160,736	115,518	–	613,788
– Capital expenditure	284,391	135,429	97,329	–	517,149

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 SEGMENT REPORTING (CONTINUED)

Others (continued)

	Corporate banking	Retail banking	2020 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	3,311,945	536,271	644,845	(137,758)	4,355,303
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	241,820,473	48,408,438	162,394,979	3,777,309	456,401,199
Segment liabilities	187,762,016	102,923,170	128,999,497	688,694	420,373,377
Total liabilities	187,762,016	102,923,170	128,999,497	688,694	420,373,377
Other segment information					
– Depreciation and amortization	274,238	84,373	116,435	–	475,046
– Capital expenditure	422,495	129,987	179,382	–	731,864

Notes to the Financial Statements (Continued)

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)

(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, 2021, the Bank has not considered that any of its financial assets has lower credit risk and no longer compared the credit risk at the balance sheet date with that at the initial recognition to identify whether there was a significant increase in credit risk.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL")

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

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

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

The Bank determines the ECL by estimating the PD, LGD and EAD of individual exposure or asset portfolios in the 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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

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

- In respect of the financial assets with instalment repayments and bullet repayment, the Bank determines 12-month or lifetime EAD according to the repayment schedule agreed in the contract and makes adjustment based on prediction of overlimit repayment and prepayments/refinancing made by the borrower.
- As to the off-balance sheet credit commitments, the parameter of EAD is calculated using the current exposure method and obtained from multiplying the nominal amount of the off-balance sheet items on the 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.

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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL") (continued)

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 (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

	2021			
	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	174,223	–	–	–
– Neither overdue nor credit-impaired	207,625,462	3,516,548	27,538,618	179,107,577
Sub-total	207,799,685	3,516,548	27,538,618	179,107,577
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	116,915	–	–	388,000
– Neither overdue nor credit-impaired	37,121,697	–	–	7,880,412
Sub-total	37,238,612	–	–	8,268,412
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	1,523,026	–	–	625,657
– Credit-impaired but not overdue	3,925,256	–	–	688,029
Sub-total	5,448,282	–	–	1,313,686
Accrued interests	630,446	1,100	18,373	2,091,127
Less: Provision for impairment losses	(12,282,283)	(570)	–	(1,768,909)
Net value	238,834,742	3,517,078	27,556,991	189,011,893

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***38 RISK MANAGEMENT (CONTINUED)****(a) Credit risk (continued)****(ii) Financial assets analysed by credit quality are summarized as follows: (continued)**

	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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

* 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, 2021, 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 RMB7,412.72 million (December 31, 2020: RMB468.60 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 RMB623.40 million (December 31, 2020: RMB533.00 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, 2021, the Bank has rescheduled loans and advances to customers amounted to RMB3,289.42 million (December 31, 2020: RMB2,036.76 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:

	2021	2020
Neither overdue nor impaired		
Ratings		
– AAA	32,551,225	31,598,731
– AA- to AA+	16,525,295	16,291,352
Sub-total	49,076,520	47,890,083
Unrated	79,655,452	62,541,971
Total	128,731,972	110,432,054

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

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.

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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***38 RISK MANAGEMENT (CONTINUED)****(b) Market 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:*

	2021					
	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	35,681,947	642,984	35,038,963	-	-	-
Deposits with banks and other financial institutions	3,517,078	1,100	3,515,978	-	-	-
Financial assets held under resale agreements	27,556,991	18,373	27,538,618	-	-	-
Loans and advances to customers (Note (i))	238,834,742	630,446	84,021,092	28,135,627	45,662,616	80,384,961
Financial investments (Note (ii))	189,011,893	33,649,110	9,986,256	19,851,238	70,495,290	55,029,999
Others	9,277,515	9,277,515	-	-	-	-
Total assets	503,880,166	44,219,528	160,100,907	47,986,865	116,157,906	135,414,960
Liabilities						
Borrowings from the central bank	32,219,501	355,487	6,490,936	25,373,078	-	-
Deposits from banks and other financial institutions	23,920,243	43,286	7,831,957	16,045,000	-	-
Placements from banks and other financial institutions	3,368,305	3,693	424,612	940,000	2,000,000	-
Financial assets sold under repurchase agreements	23,198,246	14,346	23,183,900	-	-	-
Deposits from customers	305,521,023	3,585,775	168,489,740	55,784,781	77,654,977	5,750
Debt securities issued	72,394,280	60,979	19,432,537	45,107,442	4,999,105	2,794,217
Others	4,270,738	4,270,738	-	-	-	-
Total liabilities	464,892,336	8,334,304	225,853,682	143,250,301	84,654,082	2,799,967
Asset-liability gap	38,987,830	35,885,224	(65,752,775)	(95,263,436)	31,503,824	132,614,993

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(b) Market 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)

	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 with 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 (ii))	192,308,994	29,190,367	20,726,960	13,627,002	62,531,973	66,232,692
Others	8,582,050	8,582,050	-	-	-	-
Total assets	456,401,199	38,896,885	132,146,803	110,862,958	70,483,635	104,010,918
Liabilities						
Borrowings 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	32,045,763	(77,764,303)	(15,560,396)	(3,910,644)	101,217,402

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***38 RISK MANAGEMENT (CONTINUED)****(b) Market 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, 2021, for loans and advances to customers, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB1,292.90 million (December 31, 2020: RMB1,267.50 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, 2021, for financial investments, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB891.48 million (December 31, 2020: RMB182.53 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.

	2021 (Decrease)/ increase	2020 (Decrease)/ increase
Changes in net profit		
Up 100 bps parallel shift in yield curves	(720,675)	(575,301)
Down 100 bps parallel shift in yield curves	720,675	575,301
Changes in equity		
Up 100 bps parallel shift in yield curves	(699,466)	(554,092)
Down 100 bps parallel shift in yield curves	699,466	554,092

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:

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(ii) Interest rate sensitivity analysis (continued)

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

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

Foreign currency risk

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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***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:**

	2021				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	Total (RMB equivalent)
Assets					
Cash and deposits with the central bank	35,680,933	1,014	-	-	35,681,947
Deposits with banks and other financial institutions	3,340,383	169,476	-	7,219	3,517,078
Financial assets held under resale agreements	27,556,991	-	-	-	27,556,991
Loans and advances to customers	238,678,229	156,513	-	-	238,834,742
Financial investments	189,011,893	-	-	-	189,011,893
Others	9,277,515	-	-	-	9,277,515
Total assets	503,545,944	327,003	-	7,219	503,880,166
Liabilities					
Borrowings from the central bank	(32,219,501)	-	-	-	(32,219,501)
Deposits from banks and other financial institutions	(23,920,243)	-	-	-	(23,920,243)
Placements from banks and other financial institutions	(3,368,305)	-	-	-	(3,368,305)
Financial assets sold under repurchase agreements	(23,198,246)	-	-	-	(23,198,246)
Deposits from customers	(305,508,211)	(5,592)	-	(7,220)	(305,521,023)
Debt securities issued	(72,394,280)	-	-	-	(72,394,280)
Others	(4,078,750)	(191,984)	(4)	-	(4,270,738)
Total liabilities	(464,687,536)	(197,576)	(4)	(7,220)	(464,892,336)
Net position	38,858,408	129,427	(4)	(1)	38,987,830
Off-balance sheet credit commitments	25,151,211	-	-	-	25,151,211

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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)

	RMB	USD (RMB equivalent)	2020 HKD (RMB equivalent)	Other (RMB equivalent)	Total (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					
Borrowings 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	23,389,902	–	–	–	23,389,902

Notes to the Financial Statements (Continued)*(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**

Changes in net profit	2021 (Decrease)/ increase	2020 (Decrease)/ increase
Foreign exchange rate decrease by 100 bps	(971)	78
Foreign exchange rate increase by 100 bps	971	(78)

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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)*(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:

	2021							Total
	Indefinite Note (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	18,358,066	17,323,881	-	-	-	-	-	35,681,947
Deposits with banks and other financial institutions	-	3,517,078	-	-	-	-	-	3,517,078
Financial assets held under resale agreements	-	-	27,556,991	-	-	-	-	27,556,991
Loans and advances to customers	2,479,977	221,386	11,123,509	10,658,489	43,388,743	62,748,374	108,214,264	238,834,742
Financial investments	1,281,943	-	4,035,034	6,370,222	49,528,887	72,115,965	55,679,842	189,011,893
Others	8,652,987	1,670	12,216	26,500	197,095	310,290	76,757	9,277,515
Total assets	30,772,973	21,064,015	42,727,750	17,055,211	93,114,725	135,174,629	163,970,863	503,880,166
Liabilities								
Borrowings from the central bank	-	-	2,880,635	3,776,178	25,562,688	-	-	32,219,501
Deposits from banks and other financial institutions	-	1,082,180	120,221	6,645,666	16,072,176	-	-	23,920,243
Placements from banks and other financial institutions	-	-	125,218	300,279	940,920	2,001,888	-	3,368,305
Financial assets sold under repurchase agreements	-	-	23,198,246	-	-	-	-	23,198,246
Deposit from customers	-	144,345,332	8,355,056	19,375,128	55,784,780	77,654,977	5,750	305,521,023
Debt securities issued	-	-	2,316,750	17,115,787	45,168,421	4,999,105	2,794,217	72,394,280
Others	2,070,671	788,549	796,099	24,992	109,112	354,836	126,479	4,270,738
Total liabilities	2,070,671	146,216,061	37,792,225	47,238,030	143,638,097	85,010,806	2,926,446	464,892,336
Net position	28,702,302	(125,152,046)	4,935,525	(30,182,819)	(50,523,372)	50,163,823	161,044,417	38,987,830

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Indefinite Note (i)	Repayable on demand	2020				More than five years	Total
			Within one month	Between one month and three months	Between three months and one year	Between one year and 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								
Borrowings 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

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 (Continued)*(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:

	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	2021				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from the central bank	32,219,501	32,722,737	-	2,882,700	3,797,416	26,042,621	-	-
Deposits from banks and other financial institutions	23,920,243	24,323,407	1,082,180	120,234	6,675,417	16,445,576	-	-
Placements from banks and other financial institutions	3,368,305	3,484,851	-	125,329	302,150	966,994	2,090,378	-
Financial assets sold under repurchase agreements	23,198,246	23,205,289	-	23,205,289	-	-	-	-
Deposits from customers	305,521,023	311,309,347	144,345,332	8,527,959	19,703,022	57,073,179	81,653,736	6,119
Debt securities issued	72,394,280	76,673,949	-	2,383,394	17,744,298	47,531,257	5,925,000	3,090,000
Total non-derivative financial liabilities	460,621,598	471,719,580	145,427,512	37,244,905	48,222,303	148,059,627	89,669,114	3,096,119

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	2020				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from the central bank	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

This analysis of the non-derivative financial liabilities by contractual undiscounted cash flow might diverge from actual results.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)

(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.

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 (Continued)

(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.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***39 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (continued)**

	2021			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	–	455,113	–	455,113
– discounted bills	–	3,109,364	–	3,109,364
<i>Financial investments at fair value through profit or loss</i>				
– debt securities	–	23,618,474	–	23,618,474
– investment funds	31,520,233	–	–	31,520,233
– structured notes issued by securities companies	–	–	197,780	197,780
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities	–	55,045,508	–	55,045,508
– asset-backed securities	–	577,938	–	577,938
– equity investments	–	–	37,750	37,750
Total	31,520,233	82,806,397	235,530	114,562,160

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***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</i>				
<i>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	26,977,303	89,347,375	948,084	117,272,762

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***39 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (continued)**

The movement during the year ended December 31, 2021 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2021	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases and settlements		December 31, 2021	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	Settlements		
Assets									
Financial assets at fair value through profit or loss – structured notes issued by securities companies	-	-	-	(266)	-	400,000	(201,954)	197,780	(2,220)
Financial investments at fair value through other comprehensive income – structured notes issued by securities companies	910,334	-	-	8,092	-	50,000	(968,426)	-	-
– equity investments	37,750	-	-	-	-	-	-	37,750	-
Total	948,084	-	-	7,826	-	450,000	(1,170,380)	235,530	(2,220)

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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 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	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

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***39 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (continued)**

During the years ended December 31, 2021 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, 2021	Valuation techniques	Unobservable inputs
Financial investments at fair value through profit or loss			
– structured notes issued by securities companies	197,780	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
	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

Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

39 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

During the years ended December 31, 2021, there were no significant changes in the valuation techniques (2020: nil).

As at December 31, 2021 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.

	2021			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial investments at fair value through profit or loss				
– structured notes issued by securities companies	22	(22)	–	–
Financial investments at fair value through other comprehensive income				
– equity investments	–	–	–	–

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***39 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (continued)**

	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	–	–	–	–

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.

	2021	2020
Entrusted loans	40,012,678	55,893,346
Entrusted funds	40,012,678	55,893,346

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***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.

	2021	2020
Credit card commitments	9,057,496	3,758,229
Sub-total	9,057,496	3,758,229
Acceptances	13,555,392	14,748,223
Letters of credit	1,633,626	2,943,546
Letters of guarantees	904,697	1,939,904
Total	25,151,211	23,389,902

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.

(b) Credit risk-weighted amount

	2021	2020
Credit risk-weighted amounts	8,897,984	9,396,415

The credit risk-weighted amount represents the amount calculated with reference to the guidelines issued by the former CBRC.

Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***41 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)****(c) Capital commitments**

As at December 31, the Bank's authorised capital commitments are as follows:

	2021	2020
Contracted but not paid for	227,769	244,587
Authorised but not contracted for	11,180	9,967
Total	238,949	254,554

(d) Outstanding litigations and disputes

As at December 31, 2021, the Bank was the defendant in certain pending litigations and disputes with an estimated gross amount of RMB162.56 million (December 31, 2020: RMB48.63 million). The Bank has assessed the impact of the above outstanding litigation and disputes that may lead to an outflow 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 (Continued)

(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, 2021

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, 2021 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
<i>Amendments to IFRS 3, Business Combinations "Reference to the conceptual framework"</i>	January 1, 2022
<i>Amendments to IAS 16, Property, Plant and Equipment "Property, plant and equipment: proceeds before intended Use"</i>	January 1, 2022
<i>Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets "Onerous contracts – cost of fulfilling a contract"</i>	January 1, 2022
<i>Annual Improvements to IFRS Standards 2018-2020</i>	January 1, 2022
<i>Amendments to IAS 1, Classification of liabilities as current or non-current</i>	January 1, 2023
<i>Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of accounting policies</i>	1 January 2023
<i>Amendments to IAS 8, Definition of accounting estimates</i>	1 January 2023
<i>Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction</i>	1 January 2023

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 Renminbi, unless otherwise stated)

The information set out below does not form part of the financial statements, and is included herein for information purpose only.

In accordance with the Hong Kong Listing Rules and Banking (Disclosure) Rules, the Bank discloses the unaudited supplementary financial information as follows:

1 LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO

Liquidity coverage ratio

	2021	Average for 2021
Liquidity coverage ratio (RMB and foreign currency)	334.63%	296.07%

	2020	Average for 2020
Liquidity coverage ratio (RMB and foreign currency)	289.00%	244.47%

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

	2021	2020
Leverage Ratio	7.20%	7.33%

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 (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***2 CURRENCY CONCENTRATIONS**

	2021			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	330,186	–	7,220	337,406
Spot liabilities	(131,714)	–	(7,220)	(138,934)
Net position	198,472	–	–	198,472

	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

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.

Unaudited Supplementary Financial Information (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***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.

	2021			Total
	Banks and other financial institutions	Public sector entities	Others	
All regions outside Mainland China	-	-	-	-

	2020			Total
	Banks and other financial institutions	Public sector entities	Others	
All regions outside Mainland China	27,552	-	-	27,552

Unaudited Supplementary Financial Information (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***4 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES**

	2021	2020
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– Within three months (inclusive)	440,240	1,380,066
– Overdue more than three months to one year (inclusive)	1,108,049	176,483
– Overdue more than one year	265,875	223,628
Total	1,814,164	1,780,177
As a percentage of gross loans and advances		
– Within three months (inclusive)	0.18%	0.65%
– Overdue more than three months to one year (inclusive)	0.44%	0.08%
–Overdue more than one year	0.10%	0.11%
Total	0.72%	0.84%

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	Guiyang Zunyi Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 1/F, No. 1 2/F, No. 1 3/F, Unit A & B, Chengshi Fangzhou, No. 25 Zunyi Road, Nanming District, Guiyang, Guizhou Province	550002
3	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
4	Guiyang	Guiyang Ruijin sub-branch of Bank of Guizhou Co., Ltd.	Nos. 2&3 1/F and 14/F, Yuhui Commercial Center, No. 68 Ruijin North Road, Yunyan District, Guiyang, Guizhou Province	550003
5	Guiyang	Guiyang Huaxi sub-branch of Bank of Guizhou Co., Ltd.	Portion of 1/F and the whole of 3/F, No. 3068 Huaxi Avenue, Huaxi District, Guiyang, Guizhou Province	550002
6	Guiyang	Guiyang Yunyan sub-branch of Bank of Guizhou Co., Ltd.	No. 77 Ruijin Middle Road, Guiyang, Guizhou Province	550001
7	Guiyang	Guiyang Nanming sub-branch of Bank of Guizhou Co., Ltd.	Shops 6, 7, 8, 9, 11, Block C, Junyue Huating, No. 19 Xinhua Road, Nanming District, Guiyang, Guizhou Province	550002
8	Guiyang	Guiyang Youyi sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1-7 Youyi Road, Yunyan District, Guiyang, Guizhou Province	550001
9	Guiyang	Guiyang Baoshan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Zhongke Jiayuan annex building (on the side facing Guanshui Road), Institute of Geochemistry Chinese Academy of Sciences, No. 46 Guanshui Road, Nanming District, Guiyang, Guizhou Province	550002
10	Guiyang	Guiyang Fushui Road sub-branch of Bank of Guizhou Co., Ltd.	Annex building of Hengfeng Yipin, No. 31 Fushui South Road, Nanming District, Guiyang, Guizhou Province	550002
11	Guiyang	Guiyang West Road sub-branch of Bank of Guizhou Co., Ltd.	No. 41 Ruijin Middle Road, Yunyan District, Guiyang, Guizhou Province	550001
12	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
13	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
14	Guiyang	Guiyang Zhucheng Plaza sub-branch of Bank of Guizhou Co., Ltd.	Shengzi Building, No. 2 Zunyi Road, Guiyang, Guizhou Province	550002
15	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
16	Guiyang	Guiyang Free Trade Zone sub-branch of Bank of Guizhou Co., Ltd.	1/F, Dongka, No. 299 Zongbao Road, Guiyang Free Trade Zone, Guiyang, Guizhou Province	550017
17	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
18	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
19	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
20	Guiyang	Guiyang Exhibition Center sub-branch of Bank of Guizhou Co., Ltd.	No. 65 Zunyi Road, Nanming District, Guiyang, Guizhou Province	550002
21	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
22	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
23	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
24	Guiyang	Guiyang Wudang sub-branch of Bank of Guizhou Co., Ltd.	No. 1 1/F and 2/F, Commodity Building Block 22, No. 22 Xintian Avenue, Wudang District, Guiyang, Guizhou Province	550018
25	Guiyang	Guiyang Jinyang North Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-1, 1-2, 1-3, 1-4, No. 6, Guanfu No.1, PowerChina Real Estate, No.378, Jinyang North Road, Guanshanhu District, Guiyang, Guizhou Province	550081
26	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	550002
27	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
28	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
29	Guiyang	Guiyang Jinyang South Road Community sub-branch of Bank of Guizhou Co., Ltd.	Nos. 44, 45, 46, 47, 48, 1/F, Guoxi Center Construction Project, Phase I, Next to the side facing Jinyang South Road, Karst Park, Guanshanhu District, Guiyang, Guizhou Province	550081
30	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
31	Guiyang	Guiyang Xifeng sub-branch of Bank of Guizhou Co., Ltd.	No. 1-1 1/F, Block 1, Kunlun Building, Hucheng Avenue, Yongjing Town, Xifeng County, Guiyang, Guizhou Province	551100
32	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
33	Guiyang	Kaiyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, No. 395 Kaizhou Avenue, Kaiyang County, Guiyang, Guizhou Province	550300
34	Guiyang	Xiuwen sub-branch of Bank of Guizhou Co., Ltd.	1/F, Unit 1, Block 1, Chaoyang Road, Xiuwen County, Guiyang, Guizhou Province	550200
35	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
36	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
37	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
38	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
39	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
40	Guiyang	Guiyang North Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 North Road, Yunyan District, Guiyang, Guizhou Province	550003
41	Guiyang	Guiyang Beijing Road sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Beijing Road, Yunyan District, Guiyang, Guizhou Province	550001
42	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
43	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
44	Guiyang	Guiyang Weilai Fangzhou sub-branch of Bank of Guizhou Co., Ltd.	Nos. 16-18 Basement 7, Group E4, Weilai Fangzhou, Yu'an Anjing Area, Yunyan District, Guiyang, Guizhou Province	550001
45	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
46	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
47	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
48	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
49	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
50	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
51	Guiyang	Guiyang Huaxi Avenue sub-branch of Bank of Guizhou Co., Ltd.	No. 3078, Qingxi Road, Huaxi District, Guiyang, Guizhou Province	550025
52	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	550001
53	Guiyang	Guiyang Yanwu Street sub-branch of Bank of Guizhou Co., Ltd.	No. 35 Yanwu Street, Yunyan District, Guiyang, Guizhou Province	550001
54	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
55	Guiyang	Guiyang Youlin Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Basement 1, Group G4, Weilai Fangzhou, Yu'an Anjing Area, Yunyan District, Guiyang, Guizhou Province	550003
56	Guiyang	Qingzhen Yunling Middle Road sub-branch of Bank of Guizhou Co., Ltd.	No.91 Yunling Middle Road, Qingzhen, Guizhou Province	551400
57	Guiyang	Guiyang Shachong North Road sub-branch of Bank of Guizhou Co., Ltd.	No. 2, 1/F, Block I, J, K, G, California Sunshine New Town, No.145 Shachong North Road, Guiyang, Guizhou Province	550002
58	Zunyi	Zunyi branch Business Department of Bank of Guizhou Co., Ltd.	Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province	563000
59	Zunyi	Zunyi Hangtian sub-branch of Bank of Guizhou Co., Ltd.	No. 36 Beijing Road, Honghuagang District, Zunyi, Guizhou Province	563000
60	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
61	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, Nangan Street Office, Honghuagang District, Zunyi, Guizhou Province	563000
62	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
63	Zunyi	Zunyi Huichuan sub-branch of Bank of Guizhou Co., Ltd.	Haixin Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province	563000
64	Zunyi	Zunyi Hong Kong Road sub-branch of Bank of Guizhou Co., Ltd.	Baoli Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province	563000
65	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
66	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
67	Zunyi	Zunyi Zhongnan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 84-88 Zhonghua South Road, Honghuagang District, Zunyi, Guizhou Province	563000
68	Zunyi	Zunyi Xinhua sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54-56 Xinhua Road, Honghuagang District, Zunyi, Guizhou Province	563000
69	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
70	Zunyi	Zunyi Donggongsi sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-1, Block 1, Feiyang Tiandi, Huichuan Avenue, Zunyi, Guizhou Province	563000
71	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
72	Zunyi	Zunyi Shanghai Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 7 & 8, 1/F, Block B, Phase II of Longquan Changqingting Garden, Shanghai Road, Huichuan District, Zunyi, Guizhou Province	563000
73	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
74	Zunyi	Zunyi Xima Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, Block B, Meilunhuaxiang, Xima Road, Zunyi, Guizhou Province	563000
75	Zunyi	Zunyi Honghuagang sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Haier Avenue, Honghuagang District, Zunyi, Guizhou Province	563000

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
76	Zunyi	Zunyi Nanzhou Road sub-branch of Bank of Guizhou Co., Ltd.	No. 270 Nanzhou Road, Honghuagang District, Zunyi, Guizhou Province	563000
77	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
78	Zunyi	Zunyi Lanjiabao sub-branch of Bank of Guizhou Co., Ltd.	Shops 8-9, Block 18, Lanjiabao Community, Honghuagang District, Zunyi, Guizhou Province	563000
79	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
80	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
81	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
82	Zunyi	Zunyi Majiawan sub-branch of Bank of Guizhou Co., Ltd.	No. 262 Tianchi Avenue, Longkeng Street, Bozhou District, Zunyi, Guizhou Province	563100
83	Zunyi	Renhuai sub-branch of Bank of Guizhou Co., Ltd.	Commercial & Administrative Complex, Jiudu Xinjing Town Garden, east side of Guojiu Avenue, Jiudu New District, Renhuai, Zunyi, Guizhou Province	564500
84	Zunyi	Renhuai Guojiu Road sub-branch of Bank of Guizhou Co., Ltd.	No. 6-7 Guojiu Middle Road, Renhuai, Zunyi, Guizhou Province	564500
85	Zunyi	Renhuai Maotai sub-branch of Bank of Guizhou Co., Ltd.	Shop 122, Maotai Lobby Commercial Square, South of 1915 Square, Maotai Town, Renhuai, Zunyi, Guizhou Province	564500
86	Zunyi	Renhuai 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
87	Zunyi	Chishui City sub-branch of Bank of Guizhou Co., Ltd.	Shop 8, Jinwei Jiezu, Xiangyang Road, Chishui, Zunyi, Guizhou Province	564700
88	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
89	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
90	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
91	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 (Continued)

No.	Region	Name of institution	Address of institution	Postal code
92	Zunyi	Fenggang sub-branch of Bank of Guizhou Co., Ltd.	Xinggangan Community, Longquan Town, Fenggang County, Zunyi, Guizhou Province	564200
93	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
94	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
95	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
96	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
97	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
98	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
99	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
100	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
101	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
102	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
103	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
104	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
105	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
106	Zunyi	Zunyi Xinpu sub-branch of Bank of Guizhou Co., Ltd.	No. 1-2, Building 1, Linda Yangguang New Town, Xinpu New Area, Bozhou Avenue, Xinpu New Area, Zunyi, Guizhou Province	563100
107	Anshun	Anshun sub-branch Business Department of Bank of Guizhou Co., Ltd.	1-5/F, Block B, Yinxiang Anshun-Wealth Center, Huangguoshu Street, Xixiu District, Anshun, Guizhou Province	561000
108	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
109	Anshun	Pingba sub-branch of Bank of Guizhou Co., Ltd.	Zhongshan Building, Zhongshan Road, Pingba District, Anshun, Guizhou Province	561100
110	Anshun	Puding County sub-branch of Bank of Guizhou Co., Ltd.	No. 116, Guangming Road, Chengguan Town, Puding County, Anshun, Guizhou Province	562100
111	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
112	Anshun	Guanling County sub-branch of Bank of Guizhou Co., Ltd.	Block U, Yincheng Xinyuan, Guansuo Town, Guanling County, Guizhou Province	561300
113	Anshun	Anshun Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Tashan East Road, Xixiu District, Anshun, Guizhou Province	561000
114	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
115	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
116	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
117	Anshun	Anshun Gufu Street sub-branch of Bank of Guizhou Co., Ltd.	Shops 14&15, Block 5, Tushu Road, Anshun, Guizhou Province	561000
118	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
119	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
120	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
121	Anshun	Anshun Xixiu sub-branch of Bank of Guizhou Co., Ltd.	Office Building No. 1, No. 64 Zhonghua South Road, Anshun, Guizhou Province	561000

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
122	Anshun	Anshun Nanhua sub-branch of Bank of Guizhou Co., Ltd.	Block A, Shun'an Shiji New Town, Nanhua Road, Anshun, Guizhou Province	561000
123	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
124	Anshun	Anshun Qianzhong sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-8, 1-9, 1-10, Cuilu Jincheng, Anshun, Guizhou Province	561000
125	Anshun	Anshun Wumiao sub-branch of Bank of Guizhou Co., Ltd.	Shops 0-2, Guozhao Community, Ruofei North Road, Anshun, Guizhou Province	561000
126	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
127	Anshun	Huangguoshu New City sub-branch of Bank of Guizhou Co., Ltd.	No. 1, 1/F, Suofei'er Hotel, Huangguoshu New City, Guanling County, Guizhou Province	561200
128	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
129	Qiannan	Qiannan branch Business Department of Bank of Guizhou Co., Ltd.	Huaxin Building, No. 62 Jianjiang Middle Road, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	558000
130	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
131	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
132	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
133	Qiannan	Guiding sub-branch of Bank of Guizhou Co., Ltd.	No. 71 Hongqi Road, Guiding County, Qiannan Prefecture, Guizhou Province	551300
134	Qiannan	Weng'an sub-branch of Bank of Guizhou Co., Ltd.	Block 1, Zone B, Central Park, Hexi New District, Yongyang Town, Weng'an County, Qiannan Prefecture, Guizhou Province	550400
135	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
136	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
137	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
138	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
139	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
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	Luodian sub-branch of Bank of Guizhou Co., Ltd.	No. 4-9, 1/F, Commercial Building, No. 2, Anbang Huacheng, Chengdong New District, Longping Town, Luodian County, Qiannan Prefecture, Guizhou Province	550100
142	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
143	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
144	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
145	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
146	Qiandongnan	Qiandongnan branch Business Department of Bank of Guizhou Co., Ltd.	1/F-3/F, Fengqiu Xintiandi, Yingbin Avenue, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	556000
147	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
148	Qiandongnan	Kaili Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 11, Beijing East Road, Kaili City, Guizhou Province	556000
149	Qiandongnan	Rongjiang sub-branch of Bank of Guizhou Co., Ltd.	Huilong Commercial Square, No. 9-1 Dongbingjiang Avenue, Rongjiang County, Guizhou Province	557200
150	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
151	Qiandongnan	Jianhe sub-branch of Bank of Guizhou Co., Ltd.	No. 3 Yang'ashadong Avenue, Gedong Town, Jianhe County, Guizhou Province	556400

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
152	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	556600
153	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
154	Qiandongnan	Huangping sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Feiyun Road, Xinzhou Town, Huangping County, Guizhou Province	556100
155	Qiandongnan	Taijiang sub-branch of Bank of Guizhou Co., Ltd.	No. 8 Miaojiang East Avenue, Taigong Town, Taijiang County, Guizhou Province	556300
156	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
157	Qiandongnan	Zhenyuan sub-branch of Bank of Guizhou Co., Ltd.	Former Hardware Factory's Dormitory, Lianhe Street, Wuyang Town, Zhenyuan County, Guizhou Province	557700
158	Qiandongnan	Sansui sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-3 and portion of 3/F, Jinxiu Qiancheng, Fuzheng West Road, Bagong Town, Sanshui County, Guizhou Province	556500
159	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	557400
160	Qiandongnan	Leishan sub-branch of Bank of Guizhou Co., Ltd.	No. 115 Leigongshan Avenue, Danjiang Town, Leishan County, Guizhou Province	557100
161	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	557600
162	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
163	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	557800
164	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	556200
165	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
166	Tongren	Tongren branch Business Department of Bank of Guizhou Co., Ltd.	No. 256 Jinlin Avenue, Wanshan District, Tongren, Guizhou Province	554300
167	Tongren	Dejiang sub-branch of Bank of Guizhou Co., Ltd.	No. 4 Wujiang North Road, Qinglong Street, Dejiang County, Tongren, Guizhou Province	565200

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
168	Tongren	Songtao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block 1, Zone C, Binjiang Garden, Qixing Avenue, Liaogao Street Office, Songtao Miao Autonomous County, Tongren, Guizhou Province	554100
169	Tongren	Tongren Dashizi sub-branch of Bank of Guizhou Co., Ltd.	Unit 101-3, Fulin Building, Jiefang Road, Bijiang District, Tongren, Guizhou Province	554300
170	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
171	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
172	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
173	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
174	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
175	Tongren	Tongren Jinjiang sub-branch of Bank of Guizhou Co., Ltd.	Ancillary Building, Jinjiang Hotel, No. 8 Jinjiang South Road, Tongren, Guizhou Province	554300
176	Tongren	Jiangkou sub-branch of Bank of Guizhou Co., Ltd.	Foguang Road, Shuangjiang Street Office, Jiangkou County, Tongren, Guizhou Province	554400
177	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
178	Tongren	Tongren Bijiang sub-branch of Bank of Guizhou Co., Ltd.	Unit 3, 1/F, Block B, Bandaoyuan, No. 19 Nanchangcheng Road, Bijiang District, Tongren, Guizhou Province	554300
179	Bijie	Bijie branch Business Department of Bank of Guizhou Co., Ltd.	Block A, Jinyuanda Time Square, Baili Dujuan Road, Qixingguang District, Bijie, Guizhou Province	551700
180	Bijie	Bijie Dujuan sub-branch of Bank of Guizhou Co., Ltd.	No. 2, 1/F, Block A, Shangcheng International, Biyang Avenue, Qixinguan District, Bijie, Guizhou Province	551700
181	Bijie	Jinsha sub-branch of Bank of Guizhou Co., Ltd.	Block F0026, Zone B, Kaiming Tongxin City, Yuping Community, Guchang Street, Jinsha County, Bijie, Guizhou Province	551800
182	Bijie	Zhijin sub-branch of Bank of Guizhou Co., Ltd.	Zijin Huaifu, No. 2 Jinan Road, Chengguan Town, Zhijin County, Bijie, Guizhou Province	552100
183	Bijie	Qianxi sub-branch of Bank of Guizhou Co., Ltd.	Fulin International, Wenhua Road, Qianxi County, Bijie, Guizhou Province	551500

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
184	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
185	Bijie	Nayong sub-branch of Bank of Guizhou Co., Ltd.	1/F Yonghuafu, Jingsi Road, Yongxi Town, Nayong County, Bijie, Guizhou Province	553300
186	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
187	Bijie	Hezhang sub-branch of Bank of Guizhou Co., Ltd.	Longquan Road, Chengguan Town, Hezhang County, Bijie, Guizhou Province	553200
188	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
189	Bijie	Bijie Hongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Hongshan Wealth International, No. 5 Hongshan Road, Qixinguan District, Bijie, Guizhou Province	551700
190	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
191	Bijie	Bijie Tianhe sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 9, Tianhe Farmer's Market, Tianhe Road, Qixinguan District, Bijie, Guizhou Province	551700
192	Bijie	Baili Dujuan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Builing No. 23, Pengcheng Community, Pudi Township, Dafang County, Bijie, Guizhou Province	551600
193	Bijie	Jinsha Zhonghua sub-branch of Bank of Guizhou Co., Ltd.	No. 157 Zhonghua Road, Guchang Street, Jinsha County, Bijie, Guizhou Province	551800
194	Liupanshui	Liupanshui branch business department of Bank of Guizhou Co., Ltd.	Baolong International Building, No.36 Zhongshan West Road, Liupanshui, Guizhou Province	553000
195	Liupanshui	Liupanshui Liangdu sub-branch of Bank of Guizhou Co., Ltd.	No. 37, Zhongshan West Road, Liupanshui, Guizhou Province	553000
196	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
197	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
198	Liupanshui	Liupanshui Yinxing sub-branch of Bank of Guizhou Co., Ltd.	Room 103 affiliated to No. 25, Zhongshan Middle Road, Liupanshui, Guizhou Province	553000
199	Liupanshui	Liuzhi Special Region sub-branch of Bank of Guizhou Co., Ltd.	A-08 & A-09, 1/F Gongkuang Building, No. 22 Renmin Road, Pingzhai Town, Liuzhi Special Region, Liupanshui, Guizhou Province	553400
200	Liupanshui	Panzhou Shuangfeng sub-branch of Bank of Guizhou Co., Ltd.	No. 57 Yanhe South Road, Shuangfeng Town, Panzhou City, Liupanshui, Guizhou Province	553500
201	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

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
202	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
203	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
204	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
205	Liupanshui	Shuicheng sub-branch of Bank of Guizhou Co., Ltd.	No. 126 Jinshan Road, Shuangshui Development Area, Shuicheng County, Liupanshui, Guizhou Province	553000
206	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
207	Liupanshui	Liupanshui Gangcheng sub-branch of Bank of Guizhou Co., Ltd.	No. 452279, Shuigang Baxi Middle Road, Liupanshui, Guizhou Province	553000
208	Liupanshui	Panzhou Panjiang sub-branch of Bank of Guizhou Co., Ltd.	No. 5 Panjiang North Road, Hanlin Street, Panzhou City, Guizhou Province	553500
209	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
210	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
211	Liupanshui	Liupanshui Jintai sub-branch of Bank of Guizhou Co., Ltd.	Jintai Building, No. 73, Zhongshan Middle Road, Liupanshui	553000
212	Liupanshui	Liuzhi Jiankang sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Block E, Jiankang Road, Pingzhai Town, Liuzhi, Special District	553400
213	Liupanshui	Liupanshui Dexinyuan sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 10, 1/F, Building No. 10, Shuikuang Dexinyuan Community, Dewu New subdistrict, Zhongshan District, Liupanshui, Guizhou Province	553000
214	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
215	Liupanshui	Liupanshui Hongqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Outlets International Plaza, Hongqiao New District, Liupanshui	553000
216	Qianxinan	Qianxinan branch Business Department of Bank of Guizhou Co., Ltd.	1/F-2/F, Aocheng Community, Ruijin Avenue, Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province	562400
217	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
218	Qianxinan	Zhenfeng sub-branch of Bank of Guizhou Co., Ltd.	Yongfeng Avenue, Mingu Town, Zhenfeng County, Guizhou Province	562200

Appendix: List of Branches and Sub-Branches (Continued)

No.	Region	Name of institution	Address of institution	Postal code
219	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
220	Qianxinan	Xingyi Ruijin sub-branch of Bank of Guizhou Co., Ltd.	No.1 Panjiang Road, Xingyi, Qianxinan Prefecture, Guizhou Province	562400
221	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
222	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
223	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
224	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
225	Qianxinan	Xingyi Wanfeng sub-branch of Bank of Guizhou Co., Ltd.	Side of Civil Aviation Avenue in Xingyi City	562400




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