



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

Stock Code:6199

2023 YEAR INTERIM REPORT

SERVING WITH HEART



BANK
OF GUIZHOU



CONTENTS

	Page
Definitions	2
Chapter 1 Company Profile	5
Chapter 2 Summary of Accounting Data and Financial Indicators	8
Chapter 3 Management Discussion and Analysis	10
Chapter 4 Changes in Share Capital and Information on Shareholders	55
Chapter 5 Directors, Supervisors, Senior Management, Employees and Organizations	68
Chapter 6 Corporate Governance	94
Chapter 7 Major Events	104
Chapter 8 Report on Review of Interim Financial Information	109
Chapter 9 Financial Statements and Notes to the Unaudited Interim Financial Report	111
Chapter 10 Unaudited Supplementary Financial Information	229
Appendix List of Branches and Sub-branches	232

The Bank holds a financial license No. B1383H252010001 approved by the National Administration of Financial Regulation (NAFR) and was authorised by the NAFR 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 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 annual general meeting held on 16 June 2022, and has been approved by the NAFR Guizhou Office and came into effect on 26 April 2023
“Board”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Director(s)”	the director(s) of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank
“CBIRC” or “CBRC”	formerly the 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), and on 18 May 2023, the NAFR was formed on the basis of the China Banking and Insurance Regulatory Commission
“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 the PRC laws and regulations and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
“Banking Ordinance”	the Banking Ordinance, Chapter 155 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“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 paid in full for 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 Shares 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
“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”	formerly the 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), and on 20 July 2023, the NAFR Guizhou Office was officially set up
“One, Two, Three, Four”	the overall working idea of “One, Two, Three, Four” put forward by Guizhou government, “One” refers to the overall guiding principle of high quality development, “Two” refers to the two bottom lines which we must hold firmly, namely development and ecological conservation, “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

Definitions (Continued)

“new No.2 Document of State Council”	Opinions of the State Council on Supporting Guizhou to Break New Paths in Western Development in the New Era (Guo Fa [2022] No. 2) (國務院關於支持貴州在新時代西部大開發上闖新路的意見) (國發[2022]2號)
“LPR”	loan prime rate
“Reporting Period”	for the six months ended 30 June 2023
“Reporting Date”	the date on which 2023 interim report of our Bank approved by the Board of Directors, being 31 August 2023

1. Basic Information

LEGAL CHINESE NAME:

貴州銀行股份有限公司

ENGLISH NAME:

BANK OF GUIZHOU CO., LTD.

LEGAL REPRESENTATIVE:

Mr. Yang Mingshang

AUTHORISED REPRESENTATIVES FOR THE HONG KONG STOCK EXCHANGE:

Mr. Yang Mingshang, Mr. Zhou Guichang

BOARD SECRETARY AND COMPANY SECRETARY:

Mr. Zhou Guichang

REGISTERED ADDRESS:

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

HEAD OFFICE IN THE PRC:

Bank of Guizhou Head Office Building,
No. 9, Yongchang Road, Guanshanhu District,
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1. Basic Information (Continued)

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: BDO Limited

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

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE:

Computershare Hong Kong Investor Services Limited

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.

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.

During the Reporting Period, the Bank realized total profit of RMB2.571 billion and net profit of RMB2.206 billion, with a return on average total assets of 0.80% and return on average equity of 9.71%. As of the end of the Reporting Period, the Bank had total assets of RMB575.418 billion, total gross loans and advances to customers of RMB320.991 billion; total liabilities of RMB528.497 billion, and total deposits from customers of RMB357.648 billion; non-performing loan ratio of 1.38%, provision coverage ratio of 367.84%, and capital adequacy ratio of 13.24%. The Bank has 5,366 regular employees and a total of 225 licensed institutions, all of which are located in Guizhou Province, realizing coverage of institutions in all cities (prefectures) and counties (districts) in Guizhou Province.

The Bank of Guizhou always adheres to the concept of "bank with heart", and strongly supports the economic and social development of Guizhou. Bank of Guizhou has established business areas covering corporate banking, retail banking, small and micro financial services, financial market operations, and asset management. In light of Guizhou's economic and social development, it has continuously innovated business products, and each business has developed rapidly. Bank of Guizhou has vigorously strengthened the distribution network construction, with branches in 88 counties (districts and municipalities) in Guizhou Province. Electronic banking, mobile banking, WeChat banking, online banking, telephone banking and other service channels have been continuously improved, and the customer base has been continuously expanded. Bank of Guizhou insists on steady and prudent operations, and has established a comprehensive risk management system that matches business development. Bank of Guizhou continued to optimize its internal management, various systems and mechanisms were continuously improved, the building of the talent team was continuously strengthened, and the Bank has operated efficiently and orderly. Bank of Guizhou ranked 252nd in the world in the list of "2023 Top 1000 Global Banks" released by the British Magazine "the Banker", and ranked 46th in the "2023 China Top 100 Bank List" released by the China Banking Association.

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.

	For the six months ended 30 June		Year-on-Year
	2023	2022	
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>		
Operation results			Rate of change (%)
Net interest income	5,036.29	5,056.53	(0.40)
Net fee and commission income	201.54	251.45	(19.85)
Operating income	6,429.95	6,015.08	6.90
Operating expenses	(1,695.35)	(1,643.27)	3.17
Impairment losses on assets	(2,155.54)	(1,863.15)	15.69
Profit before tax	2,570.56	2,513.77	2.26
Net profit	2,206.35	2,184.53	1.00
Per share (RMB)			Rate of change (%)
Net assets per share	3.22	2.77	16.25
Basic earnings per share	0.15	0.15	–
Profitability indicators (%)			Change (%)
Return on average total assets ⁽¹⁾	0.80%	0.85%	(0.05%)
Return on average equity ⁽²⁾	9.71%	11.01%	(1.30%)
Net interest spread ⁽³⁾	2.16%	2.30%	(0.14%)
Net interest margin ⁽⁴⁾	2.07%	2.26%	(0.19%)
Net fee and commission income to operating income	3.13%	4.18%	(1.05%)
Cost-to-income ratio ⁽⁵⁾	25.03%	26.04%	(1.01%)

Summary of Accounting Data and Financial Indicators (Continued)

	As at 30 June 2023	As at 31 December 2022	First half of 2023 over the end of 2022
<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Scale indicators			Rate of change (%)
Total assets	575,418.14	533,781.34	7.80
Including: Gross loans and advances to customers	320,991.28	293,527.57	9.36
Net loans and advances to customers ⁽⁶⁾	307,132.23	279,738.68	9.79
Total liabilities	528,496.90	489,810.81	7.90
Including: Deposits from customers ⁽⁷⁾	357,647.53	326,324.45	9.60
Share capital	14,588.05	14,588.05	–
Total equity	46,921.24	43,970.53	6.71
Asset quality indicators			Change (%)
Non-performing loan ratio ⁽⁸⁾	1.38%	1.47%	(0.09%)
Allowance coverage ratio ⁽⁹⁾	367.84%	351.21%	16.63%
Allowance to gross loans ⁽¹⁰⁾	5.06%	5.17%	(0.11%)
Capital adequacy ratio indicators ⁽¹¹⁾			Change (%)
Core tier-one capital adequacy ratio	10.93%	11.20%	(0.27%)
Tier-one capital adequacy ratio	11.84%	11.91%	(0.06%)
Capital adequacy ratio	13.24%	13.82%	(0.58%)
Total equity to total assets	8.15%	8.24%	(0.09%)
Other indicators			Change (%)
Liquidity coverage ratio	374.64%	419.41%	(44.77%)
Liquidity ratio	138.66%	133.49%	5.17%
Loan-to-deposit ratio	91.17%	91.31%	(0.14%)

Notes:

- (1) The percentage of net profit for the Reporting Period to the average balance of the total assets at the beginning and the end of the period.
- (2) The percentage of net profit for the Reporting Period to the average balance of total equity at the beginning and the end of the period.
- (3) Calculated by the difference between the average yield on total interest-earning assets and the average cost on total interest-bearing liabilities, on a basis of the daily average of the interest-earning assets and interest-bearing liabilities.
- (4) Calculated by dividing net interest income by average interest-earning assets, on a basis of the daily average of the interest-earning assets.
- (5) Calculated by dividing operating cost after tax and surcharges by operating income.
- (6) Net loans and advances to customers = total loans and advances to customers + accrued interest on loans and advances to customers-provision for impairment of loans and advances to customers.
- (7) Deposits from customers = principal of deposits from customers + interest payable on deposits from customers.
- (8) Calculated by dividing total non-performing loans by total loans and advances to customers.
- (9) Calculated by dividing provision for impairment loss on loan by total non-performing loans.
- (10) Calculated by dividing provision for impairment loss on loan by total loans and advances to customers.
- (11) 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 former CBIRC (NAFR) (effective from 1 January 2013).

Management Discussion and Analysis

3.1 ANALYSIS OF OPERATION PERFORMANCE

3.1.1 *Development strategies and future development prospects*

With high-quality development as the guiding principle, the Bank adheres to the service concept of “bank with heart”, consolidates and strengthens its urban business and vigorously expands the rural market, striving to become the most heartfelt top-notch regional bank in China. Looking ahead, the Bank will thoroughly implement the new No.2 Document of State Council (新國發2號文件) and the Fourteenth Five-Year Plan for National Economic and Social Development and Outline of 2035 Vision Objectives of Guizhou Province (《貴州省國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) to vigorously promote high-quality development. The main directions for development are as follows:

- I. The Bank will focus on key projects, characteristic industries and high-quality customers of the “Four-Zations” construction in the province, and support the formation of a modern industrial system to build a leading corporate bank.
- II. The Bank will expand the rural market and continuously improve the construction of the rural service outlets, enhance the granting of “Agriculture Revitalization Loan (興農貸)” and loans for rural revitalization and develop financing services for 12 special industries in the province to fully support rural revitalization.
- III. The Bank will implement the “Carbon Peak” and “Carbon Neutrality” strategy, vigorously develop green finance and continuously innovate financial products and services to strengthen the green bank brand.
- IV. The Bank will vigorously develop small and micro enterprise business, focus on “increasing the volume, expanding the scale, improving the quality and alleviating the difficulty” and improve the service quality for small and micro enterprises to facilitate the high-quality development of small and micro enterprise business.
- V. The Bank will accelerate the digital transformation and make efforts to strengthen the leadership of digital strategy, speed up digital governance and cultivate digital talents to strengthen technology-enabled operation.
- VI. The Bank will consolidate comprehensive risk management infrastructure, deepen digitization-driven empowerment and better coordinate the scale, quality and revenue of the whole bank to improve the value of risk management.
- VII. The Bank will actively promote capital replenishment, steadily optimize the capital structure, focus on giving play to the role of capital in guiding and promoting the business development of the whole bank, and step up efforts to build the capital management system in accordance with regulatory requirements so as to improve the level of refined capital management.

Management Discussion and Analysis (Continued)

3.1.2 Analysis of overall operation performance

In the first half of 2023, the Bank adhered to the general principle of seeking progress while maintaining stability, and implemented the new development concept completely, accurately and comprehensively. The Bank adhered to the strategy of overall high-quality development, and closely focused on the main strategy of “Four News” to serve “Four-Zations”, and the main positioning of “Four Regions and One Highland”. Being determined, the Bank set goals and targets and made precise efforts to steadily push forward the high-quality development, and the overall business situation was stable and improving.

Business scale grew steadily. the Bank recorded total assets of RMB575.418 billion, representing an increase of RMB41.637 billion or 7.80% from the beginning of the year; total gross loans and advances to customers of RMB320.991 billion, representing an increase of RMB27.464 billion or 9.36% from the beginning of the year; total liabilities of RMB528.497 billion, representing an increase of RMB38.686 billion or 7.90% from the beginning of the year; deposits from customers of RMB357.648 billion, representing an increase of RMB31.323 billion or 9.60% from the beginning of the year.

Operating efficiency improved steadily. During the Reporting Period, the Bank recorded operating income of RMB6.430 billion, representing a year-on-year increase of RMB415 million or 6.90%; net profit of RMB2.206 billion, representing a year-on-year increase of RMB22 million or 1.00%; basic earnings per share of RMB0.15 remained stable over the previous year and net assets per share of RMB3.22, representing a year-on-year increase of 16.25%.

Asset quality was generally stable. As of the end of the Reporting Period, the Bank recorded non-performing loan ratio of 1.38%, down 0.09 percentage point from the beginning of the year; provision coverage ratio of 367.84%, up 16.63 percentage points from the beginning of the year; allowance to gross loans of 5.06%, down 0.11 percentage points from the beginning of the year.

Management Discussion and Analysis (Continued)

3.1.3 Business summary

I. Fully promoting the transformation of the corporate business

The Bank has been dedicated to serving the “Four-Zations”, fully contributing to the real economy and deeply implementing the concept of green development. The Bank actively supports the rural revitalization, steadily develops transaction banking, greatly develops institutional business, continuously improves its operational capabilities, and continues to promote the transformation of its corporate business, thereby laying a solid foundation for the high-quality development of the Bank. **The Bank’s business scale has grown steadily.** As of the end of the Reporting Period, the Bank had corporate deposits of RMB175.585 billion, representing an increase of RMB13.370 billion or 8.24% over the beginning of the year; corporate loans of RMB269.578 billion, representing an increase of RMB19.322 billion or 7.72% over the beginning of the year. **The Bank has maintained stable asset quality.** As of the end of the Reporting Period, the non-performing loan ratio of the Bank’s corporate loans was 1.23%, representing a decrease of 0.14 percentage points or 10.22% over the beginning of the year. **The Bank has consolidated its customer base.** As of the end of the Reporting Period, the Bank had 99,465 corporate customers, representing a year-on-year increase of 11.19%. The Bank had 19,868 institutional accounts, representing an increase of 2.91% over the beginning of the year.

(I) Earnestly serving the construction of “Four-Zations”

The Bank focuses on the key areas and projects of the “Four-Zations”, diligently assists the construction of the “Four-Zations” and promotes the province’s high-quality development with all its strength. During the Reporting Period, the Bank’s balance of new industrialization loans was RMB22.507 billion, representing an increase of RMB4.815 billion or 27.22% compared to the beginning of the year; the balance of new urbanization loans was RMB160.582 billion, representing an increase of RMB3.051 billion or 1.94% compared to the beginning of the year; the balance of tourism industrialization loans was RMB18.622 billion, representing an increase of RMB1.165 billion or 6.67% compared to the beginning of the year; and the balance of agricultural modernization loans was RMB20.327 billion, representing an increase of RMB5.192 billion or 34.30% compared to the beginning of the year.

(II) Fully supporting the real economy

Focusing on key enterprises, major projects and programmes in the province, the Bank continued to deepen its financial services and enhance its ability and level of financial support for the development of the real economy. As of the end of the Reporting Period, the financing balance of the Bank for the real economy was RMB197.472 billion, representing an increase of RMB21.402 billion or 12.16% from the beginning of the year. The Bank insists on growing with the local economy and fully supports the development of local private enterprises. As of the end of the Reporting Period, the loan balance of the Bank for private enterprises was RMB50.3 billion, representing an increase of RMB6.732 billion or 15.45% as compared with the beginning of the year.

Management Discussion and Analysis (Continued)

(III) Deeply practicing the concept of green development

The Bank has actively implemented the national strategy of “Carbon Peak and Carbon Neutrality”, strongly supported the construction of key projects such as modern chemical industry, water supply quality improvement, eco-tourism and green agriculture in the province, and comprehensively promoting the transformation of the province’s lucid waters and lush mountains into “happy real estate” and “green cash machine”. As of the end of the Reporting Period, the Bank’s green credit balance was RMB50.879 billion, up RMB4.249 billion from the beginning of the year, of which the balance of corporate green loans was RMB50.388 billion, up RMB3.968 billion or 8.54% from the beginning of the year; the percentage of corporate green loans was 21.79%, up 0.27 percentage point from the beginning of the year. During the Reporting Period, the total amount of corporate green loans was RMB6.285 billion.

(IV) Actively contributing to rural revitalization

Focusing on the 12 major advantageous and characteristic agricultural industries, forestry industry and forest economy in Guizhou Province, the Bank continues to improve the rural financial service system, continuously expands its financial service, actively promotes the improvement of the rural financial environment, and strives to enhance the capacity and level of financial services for the rural revitalization. During the Reporting Period, the Bank placed rural revitalization loans of RMB14.301 billion in total. As of the end of the Reporting Period, the Bank’s balance of rural revitalization loans reached RMB59.139 billion, representing an increase of RMB8.190 billion or 16.08% from the beginning of the year.

(V) Steadily developing transaction banking business

The Bank fully leverages the advantages of its transaction banking products and continuously enhances its product and service capabilities to vigorously support the development of the real economy. During the Reporting Period, the Bank has provided trade financing of RMB8.231 billion in total, representing a year-on-year increase of 18.02%. As of the end of the Reporting Period, the balance of trade financing reached RMB12.609 billion, representing a year-on-year increase of 13.98% as compared to the beginning of the year. The Bank adheres to the concept of “Chain Finance and Circle Finance (鏈金融、圈金融)”, deeply explores the relationship between industrial chains, bonds the upstream and downstream industrial chains, and focuses on the development of supply chain finance. During the Reporting Period, the Bank invested RMB6.290 billion in trade financing through online supply chain finance products, and provided financial support to 553 enterprises in the industrial chain based on the transfer of the credit value of 152 core enterprises.

Management Discussion and Analysis (Continued)

(VI) Greatly developing institutional business

The Bank closely focuses on customer needs and pain points, key funds and key clients, and seizes institutional business opportunities. During the Reporting Period, the Bank continued to carry out seven specialized actions in education, medical services and other sectors to enhance services. It customized distinctive account products, optimized the key project “Intelligent Bankruptcy Case Handling System (智破雲系統)” in Guizhou Province, actively integrated with the public housing fund business system in the Qianxinan Prefecture, and fully cooperated with the national platform of Ministry of Housing and Urban-Rural Development for debugging and development of the public housing fund business in the Qianxinan Prefecture. As a result, the smart government scenarios have been continuously enriched. As of the end of the Reporting Period, the Bank’s institution deposit balance reached RMB65.506 billion.

II. Deeply cultivating retail business

The Bank has consistently focused on customers’ financial needs and continuously deepened and refined its retail business. It has made every effort to promote individual banking services, vigorously developed small and micro enterprise business, steadily advanced consumer finance business, accelerated the development of the business that benefiting farmers and agriculture, and solidly promoted the integration of online and offline channels. **The Bank recorded continuous growth in business income.** During the Reporting Period, the Bank’s retail banking realized income of RMB1.377 billion, representing a year-on-year increase of RMB283 million or 25.84%, profit before tax of RMB862 million, up RMB285 million or 49.32% year-on-year. **The Bank has expanded its business scale steadily.** As of the end of the Reporting Period, the Bank’s personal deposits amounted to RMB166.874 billion, representing an increase of RMB17,768 million or 11.92% over the beginning of the year. The Bank’s personal loans amounted to RMB43.913 billion, representing an increase of RMB5.01 billion or 12.88% over the beginning of the year. **The Bank has consolidated its customer base.** As of the end of the Reporting Period, the number of personal deposit customers was 11,340,100, representing an increase of 4.22% compared with the beginning of the year. The number of inclusive small and micro enterprise loan customers reached 48,100, representing an increase of 47.09% compared with the beginning of the year. The number of mobile banking customers reached 6,159,200, representing an increase of 6.80% compared with the beginning of the year, and the number of monthly active customers reached 752,900 in June of the year, representing an increase of 7.03% compared with the beginning of the year.

(I) Fully promoting personal business

The Bank adheres to the customer-centered approach and focuses on the activity of “Qian Tu Si Jin (黔兔似锦)” as its main theme to launch marketing activities during peak seasons, including the Chinese New Year Shopping Festival, the “Zong Qing Yu Ni (粽情與你)” Dragon Boat Festival event, the “Enjoy the Travel Season (樂享出遊季)” Employee Benefit Week and discounts for refueling during travel during traditional festivals such as the Chinese New Year, Tomb-sweeping Day and Labor Day. The Bank focuses on classification and quality improvement of union cards customers and salary payment service customers, and continuously enhanced customer loyalty, achieving significant results in business development. As of the end of the Reporting Period, the balance of personal deposits was RMB166.874 billion in total, representing an increase of RMB17.768 billion or 11.92% over the beginning of the year.

Management Discussion and Analysis (Continued)

(II) Vigorously developing small and micro enterprise business

The Bank focuses on the strategic transformation and development goals of small and micro enterprise business, and continuously enhances its comprehensive financial services capabilities for these customers. During the Reporting Period, the Bank has provided a total of RMB19.425 billion in inclusive small and micro enterprise loans to 26,001 small and micro enterprise customers. As of the end of the Reporting Period, the Bank's balance of inclusive small and micro enterprise loans reached RMB44.930 billion, representing an increase of RMB6.995 billion or 18.44% compared to the beginning of the year. The number of inclusive small and micro enterprise loan customers reached 48,100, representing an increase of 15,400 or 47.09% compared to the beginning of the year.

(III) Steady promoting consumer finance business

Focusing on the three major areas of personal housing mortgage, credit card and consumer credit, the Bank continued to develop diversified products and enhance customer experience so as to promote the steady development of consumer finance business. During the Reporting Period, the consumer finance business of the Bank realized operating income of RMB717 million, representing a year-on-year increase of 4.60%. As at the end of the Reporting Period, the balance of the Bank's consumer finance assets amounted to RMB30.64 billion, representing an increase of RMB1.966 billion from the beginning of the year. The Bank issued a total of 829,100 credit cards, representing an increase of 24.30%.

(IV) Accelerating the development of business that benefiting farmers and agriculture

The Bank regards the construction of rural service outlets as an important carrier and key channel to expand the market for rural customers, and continuously improves the comprehensive service capacity of rural service outlets. As of the end of the Reporting Period, the Bank opened 2,100 rural service outlets, providing comprehensive financial services such as small-amount withdrawals, remittance and balance inquiries, and social security, medical insurance and convenient payment services for rural residents. As of the end of the Reporting Period, the Bank's rural benefit terminals handled 500,200 transactions relating to small withdrawals, transfers and remittances, with a transaction amount of RMB1.091 billion, serving a total of 8 million rural customers.

(V) Solidly promoting the integration of online and offline development

The Bank adheres to the core objectives of "building platforms, expanding scenarios and cultivating traffic" and "branch transformation", and takes the digital transformation as an opportunity to continuously enrich product functions and enhance operational capabilities. As of the end of the Reporting Period, the Bank's electronic financial transactions accounted for 99.29% of financial transactions, with a total of 270 million transactions, representing a year-on-year increase of 33.84%. The Bank actively expanded its e-commerce, education, medical and other specialty scenarios, and successfully supported the launch of the "i Zunyi" platform for e-commerce fund management business of Zunyi City, with the scope of scenario services continuously expanding. The Bank vigorously promoted the intelligent transformation of its outlets and took the lead in launching hall intelligence pilots in 21 outlets, and continued to optimize the network of its offline outlets.

Management Discussion and Analysis (Continued)

III. Strengthening the foundation of financial market business

The Bank has closely followed the overall requirements for high-quality development, consolidated the foundation of its financial market business, continuously enhanced the structure of its financial asset portfolio, continuously strengthened the cooperation with financial institutions, improved asset allocation, and promoted the steady development of its financial market business in an orderly manner. As at the end of the Reporting Period, the net financial investment of the Bank amounted to RMB217.125 billion, representing an increase of RMB15.207 billion or 7.53% compared with the beginning of the year. The financial markets business achieved operating income of RMB1.72 billion and profit before tax of RMB489 million.

(I) Steadily developing financial market business

The Bank continuously strengthens its analysis and judgment of macro policies and the market, adheres to the strategy of prioritizing safety and liquidity while taking into account efficiency, dynamically adjusts its asset portfolio, seizes trading opportunities, further improves the liquidity of its asset portfolio, and achieves a balance between liquidity and efficiency. The Bank continued to expand its circle of friends in the interbank market, further enhanced the breadth and depth of interbank cooperation, improved the risk identification capability of interbank counterparties, and prudently carried out interbank credit. The Bank has continuously enhanced the depth and breadth of its participation in the interbank market, enriched its business varieties, increased its market activity, broadened its bond market business, and contributed to the diversified development of its business.

(II) Promoting the development of asset management business in a compliant manner

The Bank adheres to the business philosophy of “honesty and integrity, loyalty to customers, and prudent development” for financial management business, and promotes the Bank’s business transformation and the long-term development of the Bank’s asset management business with high quality work. As of the end of the Reporting Period, the net value of the Bank’s existing wealth management products was RMB23.795 billion, all of which were net value wealth management products. The Bank continued to strengthen the investment and research capacity of its wealth management business, orderly carried out diversified assets allocation to broaden investment channels and diversify investment risks. During the Reporting Period, the Bank continued to promote a “fixed income+” asset allocation strategy for its wealth management assets, continued to increased investments in public fund products and enhanced cooperation with leading institutions to reduce overall risks and enhance returns on asset portfolios.

Management Discussion and Analysis (Continued)

3.2 ANALYSIS OF PROFIT STATEMENTS

In the first half of 2023, the Bank recorded profit before tax of RMB2,571 million, representing an increase of 2.26% as compared with the corresponding period of the previous year; net profit of RMB2,206 million, representing an increase of 1.00% as compared with the corresponding period of the previous year.

	For the six months ended 30 June			
	2023	2022	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			<i>(%)</i>
Interest income	11,588.98	11,081.85	507.13	4.58
Interest expense	(6,552.69)	(6,025.32)	(527.37)	8.75
Net interest income	5,036.29	5,056.53	(20.24)	(0.40)
Fee and commission income	280.21	327.19	(46.98)	(14.36)
Fee and commission expense	(78.67)	(75.74)	(2.93)	3.87
Net fee and commission income	201.54	251.45	(49.91)	(19.85)
Net trading profit	506.88	269.29	237.59	88.23
Net gains on investment securities	502.65	403.19	99.46	24.67
Other operating income	182.59	34.62	147.97	427.41
Operating income	6,429.95	6,015.08	414.87	6.90
Operating expenses	(1,695.35)	(1,643.27)	(52.08)	3.17
Impairment losses on assets	(2,155.54)	(1,863.15)	(292.39)	15.69
Share of gains/(losses) of associates	(8.50)	5.11	(13.61)	(266.34)
Profit before tax	2,570.56	2,513.77	56.79	2.26
Income tax expense	(364.21)	(329.24)	(34.97)	10.62
Net profit	2,206.35	2,184.53	21.82	1.00

Management Discussion and Analysis (Continued)

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

In the first half of 2023, the Bank's net interest income amounted to RMB5,036 million, accounting for 78.33% 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.

	For the six months ended 30 June					
	Average balance	2023 Interest income/expense	Average yield/cost ⁽¹⁾ (%)	Average balance	2022 Interest income/expense	Average yield/cost ⁽¹⁾ (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>					
Assets						
Total loans and advances to customers	307,753.62	8,594.70	5.59	265,908.25	7,683.41	5.78
Financial investments ⁽²⁾	133,096.13	2,627.36	3.95	135,460.92	3,018.47	4.46
Cash and deposits with the central bank	19,815.62	144.79	1.46	19,961.10	147.82	1.48
Deposits with banks and other financial institutions	2,534.49	16.38	1.29	2,209.72	14.61	1.32
Financial assets held under resale agreements	23,324.36	205.75	1.76	23,665.40	217.54	1.84
Total interest-earning assets	486,524.22	11,588.98	4.76	447,205.39	11,081.85	4.96
Liabilities						
Deposits from customers	338,571.62	4,408.17	2.60	305,743.55	3,949.13	2.58
Deposits from banks and other financial institutions	23,405.42	298.58	2.55	21,799.45	334.37	3.07
Borrowings from the central bank	37,806.03	498.52	2.64	34,335.02	476.10	2.77
Placements from banks and other financial institutions	5,184.60	72.22	2.79	4,230.53	70.68	3.34
Financial assets sold under repurchase agreements	9,819.30	75.25	1.53	12,972.48	112.50	1.73
Debt securities issued	89,183.34	1,199.95	2.69	74,232.36	1,082.54	2.92
Total interest-bearing liabilities	503,970.31	6,552.69	2.60	453,313.39	6,025.32	2.66
Net interest income		5,036.29			5,056.53	
Net interest spread ⁽³⁾		2.16%			2.30%	
Net interest margin ⁽⁴⁾		2.07%			2.26%	

Notes:

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

Management Discussion and Analysis (Continued)

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

Item	For the six months ended 30 June 2023 compared to 2022		
	Increase/(decrease) as a result of		Net increase/ (decrease) ⁽³⁾
	Scale ⁽¹⁾	Interest rate ⁽²⁾	
<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Interest-earning assets			
Total loans and advances to customers	1,168.62	(257.33)	911.29
Financial investments	(46.68)	(344.43)	(391.11)
Deposits with the central bank	(1.06)	(1.97)	(3.03)
Deposits with banks and other financial institutions	2.10	(0.33)	1.77
Financial assets held under resale agreements	(3.01)	(8.78)	(11.79)
Changes in interest income	1,119.97	(612.84)	507.13
Interest-bearing liabilities			
Deposits from customers	427.42	31.62	459.04
Deposits from banks and other financial institutions	20.49	(56.28)	(35.79)
Borrowings from central bank	45.77	(23.35)	22.42
Placements from banks and other financial institutions	13.29	(11.75)	1.54
Financial assets sold under repurchase agreements	(24.16)	(13.09)	(37.25)
Debts securities issued	201.16	(83.75)	117.41
Changes in interest expenses	683.97	(156.60)	527.37
Changes in net interest income	436.00	(456.24)	(20.24)

Notes:

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

Management Discussion and Analysis (Continued)

3.2.2 Analysis on interest income

In the first half of 2023, the Bank realized interest income of RMB11,589 million, representing a year-on-year increase of RMB507 million or 4.58%.

I. Interest income from loans and advances to customers

In the first half of 2023, the Bank's interest income from loans to customers was RMB8,595 million, representing a year-on-year increase of RMB911 million or 11.86%.

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.

	For the six months ended 30 June					
	2023			2022		
	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	259,327.32	7,565.58	5.83	221,629.31	6,720.95	6.07
Personal loans and advances	40,736.34	953.71	4.68	34,521.66	873.23	5.06
Discounted bills	7,689.96	75.41	1.96	9,757.28	89.23	1.83
Total loans and advances to customers	307,753.62	8,594.70	5.59	265,908.25	7,683.41	5.78

II. Interest income from financial investments

In the first half of 2023, the Bank's interest income from financial investments was RMB2,627 million.

III. Interest income from deposits with the Central Bank

In the first half of 2023, the Bank's interest income from deposits with the central bank amounted to RMB145 million, representing a year-on-year decrease of RMB3 million.

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

In the first half of 2023, the Bank's interest income from deposits with banks and other financial institutions was RMB16 million, representing a year-on-year increase of RMB2 million.

V. Interest income from financial assets held under resale agreements

In the first half of 2023, the Bank's interest income from financial assets held under resale agreements was RMB206 million, representing a year-on-year decrease of RMB12 million.

Management Discussion and Analysis (Continued)

3.2.3 Analysis on interest expenses

In the first half of 2023, the Bank's interest expense amounted to RMB6,553 million, representing a year-on-year increase of RMB527 million or 8.75%.

I. Interest expense on deposits from customers

In the first half of 2023, the Bank's interest expense on deposits from customers amounted to RMB4,408 million, representing a year-on-year increase of RMB459 million or 11.62%.

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

In the first half of 2023, the Bank's interest expense on deposits from banks and other financial institutions amounted to RMB299 million, representing a year-on-year decrease of RMB36 million or 10.70%.

III. Interest expense on financial assets sold under repurchase agreements

In the first half of 2023, the Bank's interest expense on financial assets sold under repurchase agreements was RMB75 million, representing a year-on-year decrease of RMB37 million.

IV. Interest expense on debt securities issued

In the first half of 2023, the Bank's interest expense on debt securities issued was RMB1,200 million, representing a year-on-year increase of RMB117 million or 10.85%.

V. Interest expense on borrowings from Central Bank

In the first half of 2023, the Bank's interest expense on borrowings from central bank amounted to RMB499 million, representing a year-on-year increase of RMB22 million or 4.71%.

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

In the first half of 2023, the interest expenses on placements from banks and other financial institutions was RMB72 million, representing a year-on-year increase of RMB2 million.

Management Discussion and Analysis (Continued)

3.2.4 Analysis on non-interest income**I. Fee and commission income**

In the first half of 2023, the Bank's net fee and commission income amounted to RMB202 million, representing a year-on-year decrease of RMB50 million.

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

	For the six months ended 30 June			
	2023	2022	Change	Rate of change (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Acceptance and guarantee services fees	138.78	171.98	(33.20)	(19.30)
Agency services fees	64.83	75.47	(10.64)	(14.10)
Settlement and clearing fees	14.04	17.25	(3.21)	(18.61)
Fund supervision and consultancy services fees	12.81	25.74	(12.93)	(50.23)
Bank card services fees	49.75	36.75	13.00	35.37
Fee and commission income	280.21	327.19	(46.98)	(14.36)
Bank card services expenses	(44.96)	(54.62)	9.66	(17.69)
Other fee and commission expenses	(33.71)	(21.12)	(12.59)	59.61
Fee and commission expenses	(78.67)	(75.74)	(2.93)	3.87
Net fee and commission income	201.54	251.45	(49.91)	(19.85)

II. Net trading gains

In the first half of 2023, the Bank's net trading gains amounted to RMB507 million, representing a year-on-year increase of RMB238 million or 88.23%.

III. Net gains arising from investment securities

In the first half of 2023, the Bank's net gains arising from investment securities amounted to RMB503 million, representing a year-on-year increase of RMB99 million or 24.67%.

IV. Other operating income

In the first half of 2023, the Bank's other operating income was RMB183 million, representing a year-on-year increase of RMB148 million.

Management Discussion and Analysis (Continued)

3.2.5 Analysis on operating expenses

In the first half of 2023, the Bank's operating expenses amounted to RMB1,695 million, representing a year-on-year increase of RMB52 million or 3.17%.

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

	For the six months ended 30 June			
	2023	2022	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Staff costs	1,041.74	1,099.00	(57.26)	(5.21)
Depreciation and amortization	190.95	173.53	17.42	10.04
Rental and property management expenses	19.28	17.00	2.28	13.41
Taxes and surcharges	85.71	76.81	8.90	11.59
Depreciation of right-of-use assets	60.80	71.68	(10.88)	(15.18)
Interest expense on lease liabilities	5.65	7.53	(1.88)	(24.97)
Other general and administrative fees	291.22	197.72	93.50	47.29
Total operating expenses	1,695.35	1,643.27	52.08	3.17

In the first half of 2023, the Bank's staff costs were RMB1,042 million, representing a year-on-year decrease of RMB57 million or 5.21%.

In the first half of 2023, depreciation and amortization of the Bank amounted to RMB191 million, representing a year-on-year increase of RMB17 million or 10.04%.

In the first half of 2023, the Bank's other general and administrative fees amounted to RMB291 million, representing a year-on-year increase of RMB94 million.

In the first half of 2023, the Bank's tax and surcharges amounted to RMB86 million, representing a year-on-year increase of RMB9 million.

In the first half of 2023, the Bank's depreciation of right-of-use assets amounted to RMB61 million, representing a year-on-year decrease of RMB11 million or 15.18%.

Management Discussion and Analysis (Continued)

3.2.6 Impairment losses on assets

In the first half of 2023, the Bank's impairment loss amounted to RMB2,156 million, representing a year-on-year increase of RMB292 million or 15.69%.

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

	For the six months ended 30 June			
	2023	2022	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Loans and advances to customers	1,552.30	1,781.37	(229.07)	(12.86)
Financial investments	787.66	(25.67)	813.33	(3,168.41)
Credit commitments	(130.49)	103.36	(233.85)	(226.25)
Deposit with banks and other financial institutions	3.84	0.42	3.42	814.29
Financial assets held under resale agreements	0.01	0.77	(0.76)	(98.70)
Others	(57.78)	2.90	(60.68)	(2,092.41)
Total	2,155.54	1,863.15	292.39	15.69

3.2.7 Income tax

In the first half of 2023, the Bank's income tax amounted to RMB364 million, representing a year-on-year increase of RMB35 million or 10.62%.

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

Item	For the six months ended 30 June			
	2023	2022	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Current income tax expense	768.65	792.03	(23.38)	(2.95)
Deferred income tax expense	(404.44)	(462.79)	58.35	(12.61)
Income tax	364.21	329.24	34.97	10.62

Management Discussion and Analysis (Continued)

3.3 ANALYSIS ON MAJOR ITEMS IN THE BALANCE SHEET**3.3.1 Assets**

As at 30 June 2023, the Bank's total assets amounted to RMB575,418 million, representing an increase of RMB41,637 million or 7.80% 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 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Gross loans and advances to customers	320,991.28	55.78	293,527.57	54.99
Add: accrued interest	2,386.95	0.43	1,388.96	0.25
Less: allowance for impairment losses on assets	(16,246.00)	(2.82)	(15,177.85)	(2.84)
Net loans and advances to customers	307,132.23	53.39	279,738.68	52.40
Financial investments	217,125.20	37.73	201,918.21	37.83
Cash and deposits with the central bank	22,987.28	3.99	23,249.90	4.36
Deposits with banks and other financial institutions	10,958.18	1.90	5,204.53	0.98
Financial assets held under resale agreements	6,668.33	1.16	13,418.38	2.51
Other assets ⁽¹⁾	10,546.92	1.83	10,251.64	1.92
Total assets	575,418.14	100.00	533,781.34	100.00

Note:

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

Management Discussion and Analysis (Continued)

(1) Loans and advances to customers

As at 30 June 2023, the Bank's total loans and advances to customers amounted to RMB320,991 million, representing an increase of RMB27,464 million or 9.36% as compared to the end of last year.

The following table sets out, at the dates indicated, a breakdown of the Bank's loans by business lines.

	As at 30 June 2023		As at 31 December 2022	
	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	269,577.84	83.98	250,255.98	85.26
Personal loans and advances	43,912.51	13.68	38,902.06	13.25
Sub-total	313,490.35	97.66	289,158.04	98.51
Loans and advances to customers measured at fair value through other comprehensive income				
Discounted bills	7,500.93	2.34	4,369.53	1.49
Sub-total	7,500.93	2.34	4,369.53	1.49
Total loans and advances to customers	320,991.28	100.00	293,527.57	100.00

1. Corporate loans and advances

As at 30 June 2023, the Bank's corporate loans and advances amounted to RMB269,578 million, representing an increase of RMB19,322 million or 7.72% as compared with the end of last year.

2. Personal loans and advances

As at 30 June 2023, the Bank's personal loans amounted to RMB43,913 million, representing an increase of RMB5,010 million or 12.88% as compared to the end of last year.

Management Discussion and Analysis (Continued)

(2) Investment securities and other financial assets

As at 30 June 2023, the Bank's investment securities and other financial assets amounted to RMB217,125 million, representing an increase of RMB15,207 million or 7.53% 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 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Financial investments				
Financial investments at fair value through profit or loss	79,172.40	36.46	72,114.71	35.72
Financial investments at fair value through other comprehensive income	62,350.57	28.72	59,411.31	29.42
Financial investments at amortised cost	75,602.23	34.82	70,392.19	34.86
Net financial investments	217,125.20	100.00	201,918.21	100.00

Management Discussion and Analysis (Continued)

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

Distribution of financial investments	As at 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Bonds				
Debt securities issued by central and local governments	75,932.71	34.97	74,152.87	36.72
Debt securities issued by policy banks	42,787.21	19.71	41,748.32	20.68
Debt securities issued by banks and other financial institutions	15,332.63	7.06	6,881.18	3.41
Debt securities issued by enterprises	27,418.32	12.63	26,159.90	12.96
Sub-total	161,470.87	74.37	148,942.27	73.77
Other financial assets				
Asset-backed securities	404.63	0.19	397.55	0.20
Structured notes issued by securities companies	450.98	0.21	100.00	0.05
Investment funds managed by mutual fund managers ⁽¹⁾	39,448.43	18.17	36,456.13	18.05
Equity investments	37.75	0.02	37.75	0.02
Investment management products managed by asset management companies and trust schemes	12,176.56	5.61	13,755.94	6.81
Private debt financing plans	90.00	0.04	90.00	0.04
Other debt investments	3,131.62	1.44	1,940.37	0.96
Sub-total	55,739.97	25.68	52,777.74	26.13
Accrued interest	2,328.08	1.06	2,333.67	1.16
Allowance for impairment losses on assets	(2,413.72)	(1.11)	(2,135.47)	(1.06)
Net financial investments	217,125.20	100.00	201,918.21	100.00

Notes:

- (1) Mainly include monetary funds and bond funds.
- (2) As at the end of the Reporting Period, the financial investment of the Bank were all financial markets business within the scope of operation approved by the former CBIRC (NAFR). The Bank has conducted a review according to the disclosure requirements for significant investments held as set out in Appendix 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 30 June 2023.

Management Discussion and Analysis (Continued)

3.3.2 Liabilities

As at 30 June 2023, the Bank's total liabilities amounted to RMB528,497 million, representing an increase of RMB38,686 million or 7.90% as compared to the end of last year.

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

	As at 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Borrowings from the central bank	37,591.80	7.11	38,106.95	7.78
Deposits from customers	357,647.53	67.67	326,324.45	66.62
Deposits from banks and other financial institutions	23,884.87	4.52	23,228.19	4.74
Placements from banks and other financial institutions	5,794.27	1.10	4,604.94	0.94
Financial assets sold under repurchase agreements	5,094.66	0.96	8,501.79	1.74
Debt securities issued	93,332.67	17.66	84,790.58	17.31
Other liabilities ⁽¹⁾	5,151.10	0.98	4,253.91	0.87
Total liabilities	528,496.90	100.00	489,810.81	100.00

Note:

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

Management Discussion and Analysis (Continued)

I. Deposits from customers

As at 30 June 2023, deposits from customers of the Bank amounted to RMB357,648 million, representing an increase of RMB31,323 million or 9.60% as compared with the end of last year.

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

	As at 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Demand deposits				
– Corporate deposits	90,695.88	25.36	81,761.33	25.06
– Individual deposits	39,622.91	11.08	38,972.31	11.94
Sub-total	130,318.79	36.44	120,733.64	37.00
Time deposits				
– Corporate deposits	84,888.70	23.74	80,453.28	24.65
– Individual deposits	127,251.18	35.58	110,133.90	33.75
Sub-total	212,139.88	59.32	190,587.18	58.40
Pledged deposits	8,878.12	2.48	9,629.92	2.96
Fiscal deposits	16.80	–	5.98	–
Inward and outward remittances	725.50	0.20	491.36	0.15
Sub-total	9,620.42	2.68	10,127.26	3.11
Accrued interest	5,568.44	1.56	4,876.37	1.49
Total deposits from customers	357,647.53	100.00	326,324.45	100.00

II. Deposits from banks and other financial institutions

As at 30 June 2023, the Bank's deposits from banks and other financial institutions amounted to RMB23,885 million, representing an increase of RMB657 million or 2.83% as compared to the end of last year.

III. Debt securities issued

As at 30 June 2023, the Bank's debt securities issued amounted to RMB93,333 million, representing an increase of RMB8,542 million or 10.07% as compared to the end of last year.

Management Discussion and Analysis (Continued)

3.3.3 Equity

As at 30 June 2023, the total shareholders' equity of the Bank amounted to RMB46,921 million, representing an increase of RMB2,951 million or 6.71% 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 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Share capital	14,588.05	31.09	14,588.05	33.18
Other equity instrument	3,499.48	7.46	2,499.52	5.68
Capital reserve	8,670.09	18.48	8,670.09	19.72
Surplus reserve	2,611.64	5.57	2,611.64	5.94
General reserve	5,590.00	11.91	5,070.00	11.53
Fair value reserve	(123.39)	(0.26)	(655.67)	(1.49)
Impairment reserve	406.76	0.87	315.66	0.72
Deficit on re-measurement of net defined benefit liability	(33.46)	(0.07)	(29.76)	(0.07)
Retained earnings	11,712.07	24.95	10,901.00	24.79
Total equity	46,921.24	100.00	43,970.53	100.00

3.4 OFF-BALANCE SHEET CREDIT COMMITMENTS AND CONTINGENT LIABILITIES

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

	As at 30 June 2023	As at 31 December 2022
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>	
Acceptances	11,875.22	15,596.51
Letters of credit	931.94	589.49
Credit card commitments	13,414.41	11,900.59
Letters of guarantee	924.61	966.13
Total	27,146.18	29,052.72

Management Discussion and Analysis (Continued)

3.5 ANALYSIS ON LOANS QUALITY**3.5.1 Loan distribution by the five-category classification**

Five-category classification	As at 30 June 2023		As at 31 December 2022	
	Amount	Percentage (%)	Amount	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Normal	308,201.74	96.01	281,302.31	95.84
Special mention	8,372.89	2.61	7,903.72	2.69
Substandard	1,571.87	0.49	3,393.96	1.15
Doubtful	2,209.64	0.69	549.64	0.19
Loss	635.14	0.20	377.94	0.13
Gross loans and advances to customers	320,991.28	100.00	293,527.57	100.00
Non-performing loans and non-performing loans ratio	4,416.65	1.38	4,321.54	1.47

During the Reporting Period, the balance of non-performing loans of the Bank increased as compared to the beginning of the year while the Bank's non-performing loans ratio decreased as compared to the beginning of the year. As of 30 June 2023, the Bank's balance of non-performing loans amounted to RMB4,417 million, representing an increase of RMB95 million as compared to the beginning of the year. The non-performing Loans ratio was 1.38%, representing a decrease of 0.09 percentage points as compared to the beginning of the year. Loans classified as special mention accounted for 2.61% of the total loans, representing a decrease of 0.08 percentage points as compared to the beginning of the year.

Management Discussion and Analysis (Continued)

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

Item	As at 30 June 2023				As at 31 December 2022			
	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>								
Loans and advances to customers measured at amortised cost:								
Corporate loans and advances								
Working capital loans	83,016.81	25.86	903.29	1.09	71,410.25	24.34	671.09	0.94
Fixed assets loans	174,421.94	54.34	2,419.69	1.39	168,223.93	57.31	2,759.19	1.64
Others	12,139.09	3.78	-	-	10,621.80	3.62	-	-
Sub-total	269,577.84	83.98	3,322.98	1.23	250,255.98	85.27	3,430.28	1.37
Personal loans and advances								
Personal residential mortgage loans	20,468.75	6.39	374.80	1.83	19,820.55	6.75	303.58	1.53
Personal business loans	13,272.18	4.13	431.96	3.25	10,227.74	3.48	372.52	3.64
Personal consumption loans	1,425.61	0.44	13.64	0.96	272.61	0.09	11.85	4.35
Credit cards	8,745.97	2.72	273.27	3.12	8,581.16	2.92	203.31	2.37
Sub-total	43,912.51	13.68	1,093.67	2.49	38,902.06	13.24	891.26	2.29
Loans and advances to customers measured at fair value through other comprehensive income:								
Discounted bills	7,500.93	2.34	-	-	4,369.53	1.49	-	-
Total	320,991.28	100.00	4,416.65	1.38	293,527.57	100.00	4,321.54	1.47

During the Reporting Period, the Bank increased its support for the real economy and inclusive finance, achieving steady growth in business scale. As at the end of the Reporting Period, the balance of corporate loans and advances amounted to RMB269,578 million, up RMB19,322 million from the beginning of the year, representing a decrease of 1.29 percentage points of total loans and the non-performing ratio of such loans was decreased by 0.14 percentage points from the beginning of the year. The balance of personal loans and advances amounted to RMB43,913 million, up RMB5,010 million from the beginning of the year, representing an increase of 0.44 percentage points of total loans and the non-performing ratio of such loans increased by 0.20 percentage points from the beginning of the year. The discounted bills increased by RMB3,131 million compared with the beginning of the year, representing an increase of 0.85 percentage points of total loans.

Management Discussion and Analysis (Continued)

3.5.3 Distribution of loans and non-performing loans by industry

Industry ⁽¹⁾	As at 30 June 2023				As at 31 December 2022			
	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	123,955.03	38.61	886.07	0.71	121,180.02	41.29	777.73	0.64
Wholesale and retail trade	35,372.80	11.02	307.90	0.87	27,454.32	9.35	172.06	0.63
Water resources, environment and public facilities management	20,453.29	6.37	71.42	0.35	21,179.69	7.22	69.87	0.33
Construction	15,767.52	4.91	262.26	1.66	15,505.79	5.28	152.56	0.98
Mining	9,655.76	3.01	4.14	0.04	8,958.33	3.05	82.19	0.92
Real estate ⁽²⁾	8,582.57	2.67	1,641.71	19.13	10,202.59	3.48	2,062.35	20.21
Education	9,432.74	2.94	6.70	0.07	9,031.16	3.08	2.88	0.03
Transportation, storage and postal services	9,936.55	3.10	0.80	0.01	7,880.27	2.68	8.90	0.11
Agriculture, forestry, animal husbandry and fishery	9,040.10	2.82	41.97	0.46	7,664.10	2.61	26.56	0.35
Manufacturing	12,081.73	3.76	64.51	0.53	7,605.33	2.59	36.03	0.47
Health and social work	4,477.11	1.39	9.69	0.22	4,219.73	1.44	9.30	0.22
Production and supply of electric power, gas and water	3,748.28	1.17	0.44	0.01	3,137.74	1.07	0.52	0.02
Finance	1,475.64	0.46	-	-	1,486.94	0.51	-	-
Accommodation and catering industry	1,451.50	0.45	11.68	0.80	1,125.67	0.38	15.47	1.37
Culture, sports and entertainment	467.96	0.15	-	-	478.03	0.16	-	-
Others	3,679.26	1.15	13.69	0.37	3,146.27	1.07	13.86	0.44
Corporate loans and advances	269,577.84	83.98	3,322.98	1.23	250,255.98	85.26	3,430.28	1.37
Personal loans	43,912.51	13.68	1,093.67	2.49	38,902.06	13.25	891.26	2.29
Discounted bills	7,500.93	2.34	-	-	4,369.53	1.49	-	-
Total	320,991.28	100.00	4,416.65	1.38	293,527.57	100.00	4,321.54	1.47

Notes:

- (1) The Bank classifies loans according to the industry to which the customer belongs.
- (2) Loans to the real estate industry include housing development loans, shantytown renovation loans, commercial housing development loans and other loans for non-real estate purposes granted to enterprises whose main business is in the real estate industry. During the Reporting Period, the normal operation of individual real estate enterprises was affected due to the impact of the economic downturn. The scale of the Bank's real estate industry loans was limited, with the balance of real estate industry loans accounting for 2.67% of the Bank's total loans, while the Bank had made adequate provision for non-performing loans. The Bank continued to adhere to the national real estate policy and actively prevented and resolved credit risks. As at the end of the Reporting Period, the balance of non-performing loans in the real estate industry and the ratio of non-performing loans were reduced by RMB421 million and 1.08 percentage points respectively as compared with the beginning of the year.

Management Discussion and Analysis (Continued)

During the Reporting Period, the Bank seized the significant opportunities of the new No. 2 Document of State Council, comprehensively implemented the national macro-control policies, industrial development policies and regional strategic plans, focused on the construction of “new industrialization, new urbanization, agricultural modernization and tourism industrialization” projects and high-quality customers, and promoted high-quality development of businesses. As at the end of the Reporting Period, the proportion of loans to wholesale and retail trade and manufacturing industries increased by 1.67 and 1.17 percentage points compared with the beginning of the year, respectively. The non-performing loan ratio of real estate, mining, transportation, storage and postal services industries decreased by 1.08, 0.88 and 0.10 percentage points from the beginning of the year, respectively. The non-performing loan ratio of construction, wholesale and retail trade and agriculture, forestry, animal husbandry and fishery industries increased by 0.68, 0.24 and 0.11 percentage points compared with the beginning of the year, respectively.

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

Item	As at 30 June 2023				As at 31 December 2022			
	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	51,768.35	16.13	429.13	0.83	42,712.66	14.55	263.34	0.62
Guaranteed loans	176,760.03	55.07	2,734.03	1.55	161,318.37	54.96	2,419.25	1.50
Collateralised loans	49,314.01	15.36	1,154.59	2.34	46,741.20	15.92	1,539.75	3.29
Pledged loans	43,148.89	13.44	98.90	0.23	42,755.34	14.57	99.20	0.23
Total	320,991.28	100.00	4,416.65	1.38	293,527.57	100.00	4,321.54	1.47

During the Reporting Period, the Bank’s unsecured loans balance increased by RMB9,056 million compared with the beginning of the year, representing an increase of 1.58 percentage points of total loans. The non-performing ratio of loans under each security method remained basically stable from beginning of the year.

Management Discussion and Analysis (Continued)

3.5.5 Distribution of loans by overdue period

Category	As at 30 June 2023		As at 31 December 2022	
	Total	Percentage (%)	Total	Percentage (%)
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans not past due	315,015.12	98.14	288,029.66	98.13
Overdue loans				
Within 3 months	3,322.63	1.03	3,522.64	1.20
Over 3 months but within 1 year	1,833.91	0.57	1,152.25	0.39
Over 1 year but within 3 years	738.04	0.23	795.28	0.27
Over 3 years	81.58	0.03	27.74	0.01
Overdue loans and overdue ratio	5,976.16	1.86	5,497.91	1.87
Total loans	320,991.28	100.00	293,527.57	100.00

As of the end of the Reporting Period, the overdue loan balance of the Bank was RMB5,976 million, representing an increase of RMB478 million over the beginning of the year, with an overdue rate of 1.86%, remaining stable as compared to the beginning of the year. During the Reporting Period, the Bank's overdue data remained basically stable at all stages, and the proportion of overdue loans over three months but within one year and over three years increased by 0.18 and 0.02 percentage points compared with the beginning of the year, respectively, which as a whole were within a manageable range.

Management Discussion and Analysis (Continued)

3.5.6 Loan concentration

Industry	As at 30 June 2023			Five-category classification
	Balance	Percentage of total loans (%)	Percentage of net capital (%)	
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Mining	4,015.90	1.25	7.92	Normal
Leasing and commercial service	3,218.29	1.00	6.35	Normal
Leasing and commercial service	2,964.50	0.92	5.85	Normal
Leasing and commercial service	2,848.50	0.89	5.62	Normal
Leasing and commercial service	2,412.42	0.75	4.76	Normal
Leasing and commercial service	2,396.60	0.75	4.73	Normal
Wholesale and retail trade	2,126.95	0.66	4.20	Normal
Leasing and commercial service	2,032.20	0.63	4.01	Normal
Real estate	1,962.70	0.61	3.87	Normal
Construction	1,919.90	0.60	3.79	Normal
Total	25,897.96	8.06	51.11	

As at the end of the Reporting Period, the balance of loan to the Bank's largest single borrower amounted to RMB4,016 million, representing 1.25% of the total loans and 7.92% of the net capital, and the total amount of loans to the ten largest single borrowers was RMB25,898 million, representing 8.06% of the total loans and 51.11% of the net capital.

Management Discussion and Analysis (Continued)

3.6 SEGMENT REPORTING

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

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

Management Discussion and Analysis (Continued)

Item	For the six months ended 30 June 2022				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
External net interest income/(expense) ⁽²⁾	5,578.61	(1,063.17)	541.09	–	5,056.53
Inter-segment net interest (expense)/income ⁽³⁾	(1,998.59)	2,144.68	(146.09)	–	–
Net interest income	3,580.02	1,081.51	395.00	–	5,056.53
Net fee and commission income	171.09	12.58	67.78	–	251.45
Net trading gains	–	–	269.29	–	269.29
Net gains arising from investment securities	–	–	403.19	–	403.19
Other operating income/(expense)	33.48	(0.02)	(0.02)	1.18	34.62
Operating income	3,784.59	1,094.07	1,135.24	1.18	6,015.08
Operating expenses	(962.40)	(287.39)	(380.09)	(13.39)	(1,643.27)
Impairment losses on assets	(1,569.29)	(229.58)	(64.35)	0.07	(1,863.15)
Share of losses of associates	–	–	–	5.11	5.11
Profit before tax	1,252.90	577.10	690.80	(7.03)	2,513.77

Notes:

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

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

	For the six months ended 30 June 2023		For the six months ended 30 June 2022	
	Amount	Percentage of total amount (%)	Amount	Percentage of total amount (%)
Corporate Banking	3,327.61	51.75	3,784.59	62.92
Retail Banking	1,376.75	21.41	1,094.07	18.19
Financial Markets	1,719.95	26.75	1,135.24	18.87
Others ⁽¹⁾	5.64	0.09	1.18	0.02
Total	6,429.95	100.00	6,015.08	100.00

Note:

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

Management Discussion and Analysis (Continued)

3.7 CAPITAL COMPOSITION

As at 31 December 2022 and 30 June 2023, the Bank's core tier-one capital adequacy ratio were 11.20% and 10.93%, respectively, the Bank's tier-one capital adequacy ratio were 11.91% and 11.84%, respectively, and the Bank's capital adequacy ratio were 13.82% and 13.24%, respectively.

	As at 30 June 2023	As at 31 December 2022
<i>(Expressed in millions of RMB, unless otherwise stated)</i>		
Total core tier-one capital		
Share capital	14,588.05	14,588.05
Qualifying portion of capital reserve	8,670.09	8,670.09
Other comprehensive income	249.91	(369.78)
Surplus reserve	2,611.64	2,611.64
General reserve	5,590.00	5,070.00
Retained earnings	11,712.07	10,901.00
Core tier-one capital	43,421.76	41,471.00
Core tier-one capital deductions	(1,582.05)	(1,544.39)
Net core tier-one capital	41,839.71	39,926.61
Net other tier-one capital	3,499.48	2,499.52
Tier-two capital		
Instruments issued and share premium	998.12	2,794.96
Surplus provision for loan impairment	4,338.17	4,035.50
Net tier-two capital	5,336.29	6,830.46
Total net capital	50,675.48	49,256.59
Total risk-weighted assets	382,838.30	356,341.99
Core tier-one capital adequacy ratio	10.93%	11.20%
Tier-one capital adequacy ratio	11.84%	11.91%
Capital adequacy ratio	13.24%	13.82%

Note: In accordance with the Regulatory Requirements on the Information Disclosure Regarding the Capital Composition of the Commercial Banks (《關於商業銀行資本構成信息披露的監管要求》), the information concerning the capital composition statements, detailed explanation on relevant items and the main characteristics of the capital instrument of the Bank has been published in the Regulatory Capital column of the Investor Relationship section of the Bank's official website (www.bgzchina.com), and please log in for relevant information.

Management Discussion and Analysis (Continued)

3.8 RISK MANAGEMENT

3.8.1 *Credit risk management*

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

The Board is the Bank's highest decision-making body for credit risk management, which undertakes the ultimate responsibility of credit risk management. Senior management is responsible for the implementation of credit risk management strategies set by the Board, putting into practice credit risk appetite and limit, and optimizing the credit risk management system. The Credit Risk Management Committee subordinate to the senior management has centralised the decision-making, coordination and management in respect of credit risk management of the Bank within their authorization. The Bank has established the "three lines of defense" consisting of the Business Department, the Risk Compliance Department and the Audit Department to carry out credit risk management through mutual supervision and cooperation.

During the Reporting Period, the Bank adhered to the general principle of seeking progress while maintaining stability. Centred around high-quality development which is taken as the guiding principle, the Bank implemented the "steady and balanced" risk appetite, consolidated the basic management of credit extension, continuously improved the level of refined risk control, unceasingly improved the credit risk management system, and maintained the assets quality stable.

Management Discussion and Analysis (Continued)

3.8.2 Market risk management

Market risk refers to the risk of loss on the Bank's on-and-off-balance sheet businesses due to the adverse changes in interest rates, foreign exchange rates, stock prices and commodity prices. The Bank has established a market risk management policy system covering market risk identification, measurement, monitoring and control. The Bank mainly quantifies market risks by adopting historical simulation method, in which it identifies, measures, monitors and controls market risks through various methods such as Value at Risk (VaR), limit management, sensitivity analysis, and duration exposure analysis to improve the level of market risk management. The target of market risk management of the Bank is to control market risk within the reasonable range and maximize shareholders' returns based on its risk appetite.

The Bank's market risk arises from trading book, and interest rate risk is the main market risk faced by the Bank. In 2023, the Bank's comprehensive risk management policies clarified market risk management requirements, trading and investment business access standards, and asset portfolio allocation orientation. Adhering to a steady and balanced risk appetite, the Bank continued to promote the implementation of representative accreditation in response to financial market risks, and the centralized management of market risks continued to show results. During the Reporting Period, on the basis of the transformation of market risk consulting results under the new Capital Accord, the Bank continued to improve its market risk identification, quantitative analysis, limit management and other functions, and the market risk appetite was transmitted and reported in a top-down manner with more clearness and effectiveness. A monitoring and forewarning framework applicable to the financial market business has been established to actively respond to adverse fluctuations in the bond market. In the first half of 2023, the volatility of the bond market narrowed compared with that of the previous year, while indicators of market risk limit such as mark-to-market profit and loss and Value at Risk (VaR) in the trading book were all within the limit range.

Considering the impact of uncertain factors such as economic growth and macro policies in 2023, there is still the possibility of shocks in the bond market, and it is necessary to continue to pay attention to market risk control.

3.8.3 Information technology risk management

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

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

Management Discussion and Analysis (Continued)

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

3.8.4 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 events, and defects in the execution and settlement of transactions and operational procedure management.

The Board is ultimately responsible for our operational risk management and the senior management leads our day-to-day operational risk management. The Bank has established “three lines of defense” against operational risk. The first line of defense is formed by various business departments of our head office, branches and sub-branches and business organizations, which are directly responsible for operational risk management. The second line of defense includes our Risk Management Department, Legal and Compliance Department and other risk management-related departments, which are responsible for formulating operational risk management policies, coordinating, supporting and supervising operational risk management. The third line of defense is our Internal 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.

In the first half of 2023, the Bank clarified the operational risk management policy, improved the operational risk management system, strengthened the promotion and application of operational risk management system, continuously strengthened the application of operational risk management tools, and further promoted the Bank’s operational risk management capability and effectiveness. Firstly, the Bank organized and launched a credit business and operational risk inspection to strengthen source regulation. Secondly, the Bank implemented the principle of “tempering justice with leniency; equal punishment for mistakes” to revise the Measures for Handling Employee’s Violations of Rules and Disciplines of Bank of Guizhou (《貴州銀行員工違規違紀行為處理辦法》) and other accountability systems. Thirdly, the Bank sorted out the internal control system of incompatible posts, the key points of post separation and the incompatible posts (responsibilities), compiled the List of Incompatible Posts (《不相容崗位列表》), and formulated the Management Measures for Incompatible Posts (Responsibilities) (Trial) (《不相容崗位(職責)管理辦法(試行)》). Fourthly, the Bank regularly organized the collection of operational risk loss data and the monitoring of key risk indicators across the Bank, and completed the 2022 Stress Test for Operational Risk of the Bank. Fifthly, the Bank organized trial operation and systematic training of the operational risk management system. Sixthly, the Bank launched and deployed dozens of monitoring models regarding products and behavior management. Seventhly, the Bank expanded the scope of access channels, relying on the anti-fraud application platform to continuously improve the ability to prevent external fraud risks. Eighthly, the Bank revised and improved the Outsourcing Risk Management Measures of Bank of Guizhou (《貴州銀行外包風險管理辦法》) which included outsourcing risk management into the scope of catalog management and authorization management.

Management Discussion and Analysis (Continued)

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

3.8.5 Money laundering risk management

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

During the Reporting Period, the Bank continued to improve the anti-money laundering mechanism, strengthened the anti-money laundering coordination mechanism, intensified the supervision and inspection, enhanced the use of anti-money laundering technology, actively submitted suspicious transaction clues to help combat money laundering crimes, and continuously improved the anti-money laundering management standards. Firstly, the Bank improved its corporate governance by strengthening the due diligence of all governance entities. The Bank increasingly consolidated main responsibilities and clarified the working duties. Secondly, the Bank organized the one-to-one assistance to improve the performance of branches and sub-branches. Thirdly, the Bank strengthened compliance review, assisted business departments in implementing anti-money laundering regulatory requirements, prevented money laundering risks from the source of business development, and promoted high-quality business development. Fourthly, the Bank identified the omissive and blind spots for intensified supervision and management, adhered to normalized anti-money laundering inspections, and continued to strengthen the second line of defense to fulfill their duties. Fifthly, the Bank continued to improve the systems, enhanced technological empowerment, launched new monitoring model, improved the accuracy rate of the model, and effectively improved ability to identify money laundering crimes. Sixthly, the prevention and control of money laundering risks have achieved tangible results. The Bank assisted the public security organs in catching money laundering suspects by actively submitting suspicious clues. Seventhly, the Bank emphasized education and training and organized special anti-money laundering training to enhance the ability of staff to perform their duties.

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

Management Discussion and Analysis (Continued)

3.8.6 Legal risk management

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

During the Reporting Period, the Bank adopted various measures to improve the quality and effectiveness of legal risk management and control, which provided strong legal support and guarantee for operation and management. Firstly, strictly implementing the legal review system. It conducted legal review on the bankwide contracts for all types of business and various rules and systems, attached great importance to the review of protection of consumers' rights and interests. It carried out legal risk assessment and argumentation on significant operation and management and risk resolution matters, and provided legal opinions or risk prevention plans to ensure the legality of the operation and management activities of the Bank. Secondly, consistently formulating formatted contract texts system. It formulated formatted contract texts for online business and frequently used offline business activities based on business operation and management needs and continuously supplemented and amended them based on regulatory requirements and business demands to effectively prevent systematic legal risks. Thirdly, effectively executing litigation cases management. For litigation cases, it conducted feasibility and necessity analysis and argumentation and prepared lawsuit plans before the litigation based on management requirements and strictly went through approval procedures to enhance the management and handling ability on litigation and effectively safeguard the legitimate rights of the Bank. Fourthly, enhancing legal advocacy and training. Based on the requirements on legal advocacy, the Bank carried on legal advocacy through publishing learning materials on laws and regulations on the website of the Bank, timely delivery of newly issued laws and regulations and other means. It organized legal training through centralized training, consultancy and guidance and online law learning and examining to enhance the employees' legal and risk awareness.

The Bank recorded no major legal risk events during the Reporting Period.

3.8.7 Compliance risk management

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

The Bank earnestly benchmarked against regulatory requirements and continuously promoted the establishment of a sound compliance risk management system. Through deeply promoting the optimization of governance system and improving the system of rules and regulations, it continued to strengthen the supervision and inspection of "three lines of defense", intensified the risk prevention and control in key fields, advanced the compliance culture construction in various forms, and further consolidated the foundation of internal control

Management Discussion and Analysis (Continued)

compliance management. The Bank paid attention to important areas, key businesses and key links. It carried out the compliance inspections on bond business, note business, guarantee letter business, cash business, and three investigations in loan; the Bank paid attention to employees' conduct management. It formulated and issued the Management Measures for Grid-based Examination of Abnormal Behavior of Employees of Bank of Guizhou (《貴州銀行員工異常行為網格化排查管理辦法》), compressing the management radius and narrowing the management unit, facilitating the formation of a responsible community, and advancing the behavioral governance of basic institutions; The Bank continued to ensure to fulfill primary responsibility of case prevention for each institution or department, which linked up and down, coordinated horizontally, and performed their respective duties. It effectively implemented the duties of case prevention, increased the intensity of warning education, proactively identified and eliminated risks, punished and corrected deviations on time and prevented risks. The Bank paid attention to rectification problems. It strengthened the rectification, carried out special rectification for repeated problems and implementation on the basis of strict accountability system, severely punished violations of laws and regulation and strived to form a management culture of "strict enforcement of orders and prohibitions" of Bank of Guizhou, and promoted the continuous improvement of internal control compliance management of institutions at all levels.

During the Reporting Period, the Bank recorded no major compliance risk incident.

3.8.8 Reputational risk management

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

The Board of the Bank assumes ultimate responsibility for reputational risk management and the Bank's Party Committee Office/Publicity Department of the Party Committee/Office are responsible for taking the lead in handling 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 continuously improved the reputational risk management mechanism, promoting the "governance structure improvement", "whole-process management" and "normalization" for reputation risk; strictly implemented the 7*24 hours 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 of the whole Bank, 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 various drills to enhance the Bank's reputation risk emergency response capabilities; increased positive publicity, actively carried out corporate culture 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.

Management Discussion and Analysis (Continued)

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

3.8.9 Strategic risk management

Strategic risk refers to the risk caused by changes in the external operation environment or improper operation policies during the formulation and implementation of strategies, which may have negative effects on the current or future capital, reputation or market position. The strategic risk management is an integral part of the Bank's corporate governance and comprehensive risk management system, which aims to focus on improving the efficiency of strategic risk management by a sound governance structure and effective management programs to provide solid guarantee for high-quality development of the Bank.

During the Reporting Period, the Bank closely integrated with the Fourteenth Five-Year Plan for National Economic and Social Development and Outline of 2035 Vision Objectives of Guizhou Province, seized the great opportunities brought by the new No.2 Document of State Council and executed strategy management strictly in accordance with the 2022-2024 Plan of Development Strategies of Bank of Guizhou and the Management Measures for Strategic Risks of Bank of Guizhou (Provisional) and has played a better role of strategic management in supporting and ensuring the business development of the whole Bank.

3.8.10 Exchange rate risk management

Exchange rate risk refers to the risk that the position and cash flow of foreign currency exposures held by the Bank will be adversely affected by fluctuations in foreign exchange rates.

The Bank's foreign currency assets and liabilities are mainly US dollars, and the remaining few are Euros. The Bank's principle for controlling exchange rate risk is to match assets and liabilities in each currency as much as possible, and conduct daily monitoring of foreign exchange exposure; and to avoid exchange losses arising from exchange rate fluctuation through settlement and sales of foreign exchange in a timely manner under a prudent transaction strategy and continue to remain the cumulative foreign exchange exposure position indicators held by the Bank within the regulatory limits.

Management Discussion and Analysis (Continued)

3.8.11 Interest rate risk management of banking book

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

The Bank mainly adopts repricing gap analysis, net interest income analysis, economic value analysis, limit management and other means to measure, monitor and report on interest rate risks in banking book. During the Reporting Period, the Bank continued to improve the interest rate risk governance system of the banking book with continuous optimization of the management approach and steadily consolidated the interest rate risk management mechanism of the banking book. The Bank continued to improve the monitoring and feedback mechanism for interest rate risk of the banking book, regularly monitored repricing gaps, and adjusted the size of assets and liabilities, structure and duration to achieve active gap management and good income and value stability management. The Bank constrained the fluctuation range of interest rate and experienced continuous favorable effect on management by regularly implementing scenario analysis and stress testing, so as to ensure safe and smooth operation of income and value under the circumstance where interest rate risks are controllable and enhance the effectiveness of risk prevention.

During the Reporting Period, the Bank's interest rate risk in the banking book was stable and the overall risk was controllable.

3.8.12 Liquidity risk management

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

The Bank established a relatively sound liquidity risk management and organization system. The Board is ultimately responsible for the management of liquidity risks; the senior management undertakes the organization 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.

Management Discussion and Analysis (Continued)

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

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

During the Reporting Period, our liquidity risk 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.

Management Discussion and Analysis (Continued)

As at the end of the Reporting Period, the Bank's liquidity coverage ratio was 374.64%; the qualified current assets amounted to RMB70,256 million; the net cash outflow for the next 30 days was RMB18,753 million; the current ratio was 138.66%. The net stable funding ratio was set out in the table below:

Net Stable Funding Ratio

Unit: RMB100 million, %

No.	Item	June 2023	March 2023
1	Stable funding available	3,680.27	3,667.40
2	Stable funding needed	3,306.84	3,167.13
3	Net stable funding ratio (%)	111.29	115.80

3.9 INFORMATION TECHNOLOGY DEVELOPMENT

In the first half of 2023, the Bank focused on the target of digital transformation and made efforts to improve the support capabilities.

- I. **Strengthening basic capability construction to boost the high-quality development of the Bank.** During the Reporting Period, the Bank has completed multiple tasks, including the transformation of "one cloud with multiple cores", the commissioning of the monitoring screen of the "three centers in two cities", and the expansion of the core system of Gui'an Data Centre GoldenDB distributed database cluster. The Bank launched the second phase of the integrated data management platform and set up the big data dual systems query CDH cluster. The Bank has been promoting the building of data and technology infrastructure capacity in an orderly manner.
- II. **Improving the management level of system operation and maintenance to ensure the safe operation of the system.** During the Reporting Period, the Bank continuously improved its internal control system, strengthened its operation and maintenance management, carried out information technology security checks on a regular basis, and constantly enhanced the level of information system operation and maintenance protection, with an availability rate of 100% for core business systems and other important business systems, and having no major incidents of responsibility for business continuity and information security, which provides strong scientific and technological support for the development of the Bank's business.

Management Discussion and Analysis (Continued)

- III. Strengthening project management to enhance basic management capabilities.** During the Reporting Period, the Bank improved the quality of project management in various aspects, organised inspections of construction and implementation projects, completed training for managers of information technology projects, strictly controlled key stages and nodes in the development process of software projects, and strengthened change management and monitoring of the implementation process, continuously improving the quality of project construction. During the Reporting Period, the Bank continued to strengthen the management of information technology outsourcing vendors, improve assessment and evaluation indexes, organise post-evaluation of vendors and conduct quarterly assessment and evaluation of outsourcing service level, continuously promoting the effectiveness of information technology outsourcing.

3.10 DIGITAL TRANSFORMATION

Digital transformation is essentially a reconstruction of productive forces and relations of production, and a profound self-revolution. In the first half of 2023, the Bank insisted on digital transformation as a new driving force for development, improved top-level design, planted digital genes, utilized digital technology, expanded digital ecosystems, brought the value of data into full play, and solidified the base for transformation, so that the digital transformation has entered the “fast lane”.

I. Strengthening the top-level design of digital transformation and consolidating the foundation of digital transformation

Organizational structure change, as a core element of the Bank’s strategic planning and a major driving force for future development, has become the first step for banks to seize opportunities and address challenges in the digital era. During the Reporting Period, the Bank improved the organizational structure and rules of procedure of the digital transformation leading group, and set up the digital finance department which is responsible for coordinating, planning, promoting and supervising all works relating to the Bank’s digital transformation. The Bank conducted forward-looking assessment on the digital transformation targets for 2023, and planned 66 transformation tasks, of which 37 tasks were included into the Bank’s high-quality development assessment system, making digital transformation not only a consensus but also a conscious action of all departments. The Bank has optimized the full life cycle management of digital projects, introduced operational feasibility analysis at the feasibility analysis stage, and established a post-project evaluation mechanism to ensure that the projects are well-planned, properly-used and highly-yielded.

Management Discussion and Analysis (Continued)

II. Expanding digital eco-applications and continuously expanding the lineup of digital products and businesses

During the Reporting Period, the Bank adhered to the standards of “digitalization, online, scenario and platform”, reshaped its customer operations and internal management model, and accelerated the implementation of key digital transformation projects covering key areas and key links of the Bank. In terms of serving micro and small enterprises and rural finance, the Bank has built an intelligent micro-credit system, which is a key step for credit at the middle-end platform, on which the Bank has rapidly developed and put into production the Business Quick Loan (經營快貸) and Agriculture Revitalization Loan products, realizing the highly efficient business process of “3-minute application + 1-minute approval and granting + 0 manual intervention and online collateral”. The Bank has invested and operated the platform for agricultural benefit, completing the digitalization of management operations such as the identification and statistical analysis of the businesses of agricultural benefit. In the area of consumer finance, the Bank provided online entry and digital credit-granting capabilities for personal mortgage loans, which improved service efficiency and customer experience. In terms of financial scenarios and ecosystem construction, the Bank has completed the Xunfeng Digital World (巽風數字世界) project, realizing the output of standardized financial service capabilities and practicing the concept of open banking. In terms of transaction banking business, the Bank has established the new-generation bill system, featuring the functions of bill splitting, sub-bill payment and discounting. Meanwhile, the Bank has successfully introduced the Electronic Letter of Credit Phase II system, completing the digital transformation of the letter of credit business. In terms of risk control capacity building, the Bank has iterated and enhanced the rules and models for anti-money laundering, risk-weighted assets and large risk exposure, and completed the development of 11 risk control models for the application of the anti-fraud strategy rule base, further improving the digital risk control capacity. In terms of channels, the Bank has completed the second phase of lobby intelligence, the second phase of remote banking and the unified operation and management platform project, creating new digital capabilities for channel operation and management.

III. Deepening data governance and strengthening the empowerment of data element assets for management decision-making

During the Reporting Period, the Bank continued to deepen its data governance work. The Bank revised 1,413 data standards and 2,253 standard word roots. The Bank put into operation a comprehensive data management platform, in which the “definition” and “realization” of data standards were embedded and solidified in the daily data production, processing and application, forming a full chain of data governance capabilities. The Bank achieved milestones in the construction of a data warehouse and a supervisory reporting data mart.

Management Discussion and Analysis (Continued)

The Bank has stepped up the empowerment of data for business operation, management and decision-making. The Bank has established 5 data development knowledge bases, including the knowledge base of access logic, data quality issues base, data standards base, data dictionary and checking rules base to provide strong support for data application. Through BI tools and AI machine learning platform, the Bank has cultivated the ability of business personnel to use data independently, and explored, aggregated and correlated multi-dimensional data in the fields of credit cards, consumer loans, wealth management sales, customer star level management and risk management of agricultural loans, combined with rich charts and graphs, to broaden the depth and breadth of operational decision-making. As of the end of the Reporting Period, the active users of the BI platform increased by 142% over the previous year, and the frequency of operation increased by 488% over the previous year.

3.11 SOCIAL RESPONSIBILITIES

- I. **Fully promoting rural revitalization.** The Bank actively implements its market positioning of “Three Services” for urban commercial banks and vigorously promotes the construction of rural service outlets. It continues to optimize the “bank + company + outlet manager” tripartite cooperation model, effectively turning rural service outlets into integrated distribution and service channels. As of the end of the Reporting Period, the Bank has established a total of 2,100 rural service outlets, fully bridging the “last mile” of financial services to rural areas, and striving to improve the happiness and sense of achievement of the rural population. During the Reporting Period, the Bank continued to dispatch 4 officials to serve as the first secretaries in 4 villages in Longquan Town and Yangwu Town of Danzhai County, and donated a total of RMB1.6 million to support the construction of infrastructure and industrial development in the assisted villages, making every effort to support poverty alleviation and promote rural revitalization.
- II. **Sincerely serving micro and small private enterprises.** The Bank continues to increase the allocation of credit resources to the real economy, focusing on enterprises that use special and sophisticated technologies to produce novel and unique products, and technology-oriented customer groups, particularly technology-based small and medium-sized enterprises. The Bank fully utilizes the “SME Credit (中小企業信貸通)” product to expand its financing services to small and medium-sized enterprises. During the Reporting Period, the Bank has provided a total of RMB6.211 billion to small and medium-sized enterprises, of which RMB4.422 billion was allocated through the SME Credit program. With the goal of “strengthening the foundation and expanding the coverage, improving quality and increasing efficiency (強基擴面、提質增效)”, the Bank has established a mechanism of “able, willing, dare and sure to lend (能貸、願貸、敢貸、會貸)” for micro and small private enterprises. It continues to expand the scale and coverage of credit services for private and micro-enterprises. As of the end of the Reporting Period, the balance of inclusive loans to micro and small enterprises of the Bank increased by RMB6.995 billion compared with the beginning of the year, with a growth rate of 18.44%.

Management Discussion and Analysis (Continued)

- III. Actively promoting the development of green finance.** The Bank adheres to green finance as a strategic development direction, actively formulates implementation plans for green finance guidelines, and implements green finance strategic planning and the “Carbon Peak and Carbon Neutrality” action plan to further clarify work objectives and measures. During the Reporting Period, the Bank proactively included itself in the list of financial institutions supported by the People’s Bank of China’s carbon reduction tools, and continued to strengthen reporting to the regulatory departments. The Bank strengthened cooperation with financial institutions and successfully implemented the first carbon reduction support loan for a local legal entity financial institution in Guizhou Province. During the Reporting Period, the Bank actively conducted research on green finance. As the leading institution of the Green Finance Committee of the Asian Financial Cooperation Association, the Bank successfully organized the inaugural meeting of the Green Finance Committee, continuously expanding the influence of the “Green Bank” brand of Bank of Guizhou.
- IV. Actively safeguarding consumer rights and interests.** The Bank has always adhered to the concept of finance for the people and integrated the protection of consumer rights and interests throughout its business processes. The Bank actively practices social responsibility, vigorously promotes financial knowledge education, enhances public financial literacy, and strengthens the ability of ordinary people to identify and prevent financial risks. During the Reporting Period, the Bank organized 960 educational and promotional activities for “Financial Consumer Rights Day”, covering 522,700 person-times. It also organized 693 promotional activities such as “Promote Financial Knowledge, Safeguard Your Wallet” and “Financial Knowledge Promotion”, reaching an audience of 103,000 consumers, further enhancing the public’s awareness of financial consumption risks and self-protection.
- V. Courageously assuming social responsibilities.** The Bank actively fulfills its social responsibilities and strives to become a “warm-hearted” bank. It organized events such as the “Children’s Day” celebration and visits to Gaopai Village in Danzhai County, actively showing care and love. The Bank continued to conduct the activities of the Month of Publicizing the Law for Female Employees and the Month of Action for the Protection of Female Employees’ Rights, ensuring the legitimate interests of employees. The Bank also vigorously carried out the 7th “Riding the Wind and Waves with Your Dreams” charity assistance for college entrance examination volunteer activities and the 4th voluntary blood donation activity, continuously spreading warmth to society. During the Reporting Period, the Bank actively organized more than 400 youth volunteer service activities, providing help and services for more than 50,000 people.
- VI. Vigorously leading talent development.** The Bank thoroughly implements the decisions and deployments of the Party Central Committee, the State Council, and the Provincial Party Committee and Provincial Government on stabilizing and ensuring employment. In line with the Bank’s strategic implementation and the talent requirements for transformation and development, the Bank earnestly planned and organized various activities during the Reporting Period, including participating in the 11th Professionals Convention, Guizhou, the “Sailing Plan” internship program organized by the Financial Work Committee of Guizhou (貴州金融團工委), and the special recruitment event for financial technology talents. The Bank has done a good job in resettling retired military personnel and insisted on putting “stabilizing and preserving employment” in a prominent position, fully demonstrating the responsibility of state-owned enterprises.

Changes in Share Capital and Information on Shareholders

4.1 CHANGES IN SHARE CAPITAL

As at 30 June 2023, total share capital of the Bank was 14,588,046,744, comprising 12,388,046,744 Domestic Shares and 2,200,000,000 H Shares.

Item	As at 31 December 2022		Changes in shares during the Reporting Period (share)	As at 30 June 2023	
	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%

4.2 INFORMATION ON SHAREHOLDERS

4.2.1 Total number of domestic shareholders

As at 30 June 2023, the Bank had 5,296 domestic shareholders in total, consisting of 10 state-owned shareholders, 62 state-owned legal person shareholders, 118 private enterprise legal person shareholders and 5,106 natural person shareholders.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.2 Top ten holders of the Domestic Shares

As at 30 June 2023, 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	2,668,500,000	18.29
2	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	Domestic Shares	1,750,000,001	12.00
3	Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	Domestic Shares	955,477,904	6.55
4	Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	Domestic Shares	426,000,000	2.92
5	Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	334,000,000	2.29
6	Guizhou Gui'an Development Group Co., Ltd. (貴州貴安發展集團有限公司)	Domestic Shares	300,000,000	2.06
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	Guizhou Science and Technology Venture Capital Co., Ltd. (貴州省科技風險投資有限公司)	Domestic Shares	202,602,689	1.39
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)

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

As at 30 June 2023, to the best knowledge of the Bank, the following persons (other than the Bank's Directors, Supervisors and chief executive) had interests and/or short positions in the Shares or underlying shares as recorded in the register of interests required to be kept by the Bank pursuant to Section 336 of Part XV of the SFO, or, directly or indirectly, were interested in 5% or more of the nominal value of any class of the Bank's share capital:

Name of shareholder	Class of shares	Long positions/ Short positions	Nature of interests	Number of Shares (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	2,668,500,000	21.54	18.29
China Kweichow Moutai Distillery (Group) Co., Ltd. ⁽¹⁾ (中國貴州茅台酒廠(集團)有限 責任公司)	Domestic Shares	Long positions	Beneficial owner	1,750,000,001	14.13	12.00
State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽¹⁾ (貴州省人民政府國有資產監督 管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	1,750,000,001	14.13	12.00
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. ⁽²⁾ (遵義市國有資產投資經營管 理有限責任公司)	Domestic Shares	Long positions	Beneficial owner	955,477,904	7.71	6.55
Zunyi State-owned Capital Operation Co., Ltd. ⁽²⁾ (遵義市國有資本運營有限公司)	Domestic Shares	Long positions	Interest in controlled corporation	955,477,904	7.71	6.55
Zunyi City Mingcheng State- owned Assets Investment and Operation Co., Ltd. ⁽²⁾ (遵義市名城國有資產投資經營 有限公司)	Domestic Shares	Long positions	Beneficial owner	34,065,055	0.27	0.23
State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi Municipality ⁽²⁾ (遵義市人民政府國有資產監督 管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	989,542,959	7.98	6.78

Changes in Share Capital and Information on Shareholders (Continued)

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

Changes in Share Capital and Information on Shareholders (Continued)

Notes:

- (1) China Kweichow Moutai Distillery (Group) Co., Ltd. is 90.00% 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 the State-owned Assets Supervision and Administration Commission of Zunyi Municipality. 58.44% interests of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. is held by Zunyi State-owned Capital Operation Co., Ltd. Zunyi State-owned Capital Operation Co., Ltd. is 98.00% owned by the State-owned Assets Supervision and Administration Commission of Zunyi Municipality. In virtue of the SFO, Zunyi State-owned Capital Operation Co., Ltd. is deemed to be interested in the shares of the Bank held by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. The State-owned Assets Supervision and Administration Commission of Zunyi Municipality is deemed to be interested in the shares of the Bank held by Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. and Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
- (3) Guizhou Water Investment Water Affairs Group Co., Ltd. is 87.47% owned by Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) 82.18% interests of which is held by State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province. 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.
- (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. is 92.61% 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.

Save as disclosed above, the Bank is not aware of any other person (other than the Directors, Supervisors and chief executives of the Bank) having any interests or short positions in the shares or underlying shares of the Bank as at 30 June 2023 as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

4.2.4 Shareholders holding 5% or more of the shares

For information on shareholders holding 5% or more of the share capital of the Bank, please refer to particulars of shareholders as described in 4.2.3 above.

Changes in Share Capital and Information on Shareholders (Continued)

4.2.5 Other substantial shareholders

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

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

Name of Shareholder	Class of Shares	Long positions/ Short positions	Nature of Interests	Number of shares (Share)	Approximate percentage of the total issued share capital of the Bank (%)
Shenzhen Expressway Corporation Limited ⁽¹⁾ (深圳高速公路集團股份有限公司)	Domestic Shares	Long positions	Beneficial owner	426,000,000	2.92
	H Shares	Long positions	Interest in controlled corporation	76,207,000	0.52
Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	Long positions	Beneficial owner	334,000,000	2.29
	H Shares	Long positions	Beneficial owner	314,030,000	2.15
Guizhou Water Conservancy Investment Group Co., Ltd. ⁽²⁾ (貴州省水利投資(集團)有限責任公司)	Domestic Shares	Long positions	Beneficial owner	165,647,484	1.14
	Domestic Shares	Long positions	Interest in controlled corporation	334,000,000	2.29
	H Shares	Long positions	Interest in controlled corporation	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
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	H Shares	Long positions	Beneficial owner	310,487,000	2.13
Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Domestic Shares	Long positions	Beneficial owner	104,065,055	0.71

Notes:

- (1) Mei Wah Industrial (Hong Kong) Limited is wholly-owned by Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司) which is deemed to hold interests in 76,207,000 shares of the Bank held by Mei Wah Industrial (Hong Kong) Limited according to the SFO.
- (2) Guizhou Water Conservancy Investment Group Co., Ltd. holds 87.47% of the shares of Guizhou Water Investment Water Affairs Group Co., Ltd. and therefore Guizhou Water Conservancy Investment Group Co., Ltd. directly and indirectly holds a total of 5.58% of the shares of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd. and Guizhou Water Investment Water Affairs Group Co., Ltd. are identified as substantial shareholders of the Bank.

Changes in Share Capital and Information on Shareholders (Continued)

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

Company Name	Registry	Registered capital (RMB'000)	Percentage of shares held as at 30 June 2023 (including Domestic Shares and H Shares)	Percentage of shares held as at 31 December 2022 (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	18.29%	18.29%	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	6.55%	6.55%	Limited liability company (state-controlled)	SUN Junwei (孫俊偉)
Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司)	Guiyang, Guizhou Province	60,000,000	5.58%	5.58%	Limited liability company (state-controlled)	ZHANG Wenwei (張文偉)
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 Ke (王可)
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	Shenzhen, Guangdong Province	2,180,770	3.44%	3.44%	Joint-stock company	HU Wei (胡偉)
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province	173,690	2.13%	2.13%	Limited liability company (state-controlled)	LV Jiyao (呂紀焱)
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, Guizhou Province	1,130,000	0.71%	0.71%	Limited liability company (wholly state-owned)	CHEN Ce (陳策)

Changes in Share Capital and Information on Shareholders (Continued)

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

Guizhou Provincial Finance Bureau holds 2,668,500,000 Domestic Shares of the Bank, accounting for approximately 18.29% of the total issued share capital of the Bank. The shares held by Guizhou Provincial Finance Bureau are state-owned shares, and the ultimate owner is Guizhou Provincial Finance Bureau.

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

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

China Kweichow Moutai Distillery (Group) Co., Ltd. holds 1,750,000,001 Domestic Shares of the Bank, representing 12.00% of the total share capital of the Bank. China Kweichow Moutai Distillery (Group) Co., Ltd. is 90.00% owned by State-owned Assets Supervision and Administration Commission of People's Government of Guizhou Province which is its actual controller and actual beneficiary. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of China Kweichow Moutai Distillery (Group) Co., Ltd. included Kweichow Moutai Distillery (Group) Real Estate Investment and Development Co., Ltd.* (貴州茅台酒廠(集團)置業投資發展有限公司) and Shanghai Moutai Trading Co., Ltd. (上海茅台貿易有限公司).

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

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

Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank, representing approximately 6.55% of the total share capital of the Bank. Zunyi State-owned Capital Operation Co., Ltd. holds 58.44% equity of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. and is 98.00% owned by State-owned Assets Supervision and Administration Commission of Zunyi Municipality. Therefore, State-owned Assets Supervision and Administration Commission of Zunyi Municipality is an actual controller and the ultimate beneficial owner of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. included, among others, Zunyi State-owned Capital Operation Co., Ltd. and Zunyi State-owned Assets Investment Property Management Co., Ltd. (遵義市國投物業管理有限責任公司).

Changes in Share Capital and Information on Shareholders (Continued)

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.

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

Guizhou Water Conservancy Investment Group Co., Ltd. holds 165,647,484 Domestic Shares of the Bank, representing 1.14% of the total share capital of the Bank. It and its related party, Guizhou Water Investment Water Affairs Group Co., Ltd. hold 813,677,484 Shares of the Bank in aggregate, accounting for approximately 5.58% of the entire share capital of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd. is 82.18% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Conservancy Investment Group Co., Ltd. included, among others, Guizhou Water Investment Capital Management Co., Ltd. (貴州水投資本管理有限責任公司) and Guizhou Water Investment Industry Development Co., Ltd. (貴州水投產業發展有限責任公司).

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

Changes in Share Capital and Information on Shareholders (Continued)

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

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

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

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

The main businesses of Shenzhen Expressway Corporation Limited are investment in toll road business and general-environmental protection business, construction and operation management.

Changes in Share Capital and Information on Shareholders (Continued)

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

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

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

8. *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 2.06% of the total share capital of the Bank. Guizhou Expressway Group Co., Ltd. is 51.00% 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. 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 main 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)

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

Renhuai City State-owned Assets Investment and Management Co., Ltd. holds 104,065,055 Domestic Shares of the Bank, representing 0.71% of the total share capital of the Bank. Renhuai City State-owned Assets Investment and Management Co., Ltd. is wholly owned by Renhuai People's Government which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Renhuai City State-owned Assets Investment and Management Co., Ltd. included, among others, 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.

4.2.7 Pledge of equity by substantial shareholders

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

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

4.2.8 Pledge of equity by major shareholders

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

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

Changes in Share Capital and Information on Shareholders (Continued)

4.2.9 Despatch of Directors and Supervisors by the shareholders

Despatched by	Name	Position
Guizhou Provincial Finance Bureau	CHEN Jingde	Non-executive Director
Guizhou Provincial Finance Bureau	CHEN Hanqing	Non-executive Director
Shenzhen Expressway Corporation Limited	GONG Taotao	Non-executive Director
Guizhou Expressway Group Co., Ltd.	ZHAO Yong	Non-executive Director
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd.	HE Xinzhang	Shareholder Supervisor
Renhuai City State-owned Assets Investment and Management Co., Ltd.	CHENG Yunlong	Shareholder Supervisor

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

Nil.

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

- I. As of the end of the Reporting Period, to the best knowledge of the Bank, 281,705,562 pledged shares held by 5 domestic shareholder of the Bank were involved in freezing.
- II. According to the Articles of Association of the Bank, when the number of shares pledged by a shareholder of the Bank reaches or exceeds 50% of the shares of the Bank held by the shareholder, the shareholder may not exercise the right to vote on the pledged part of the shares at the shareholders' general meeting during the pledge period. As of the end of the Reporting Period, to the best knowledge of the Bank, 13 domestic shareholders of the Bank have pledged equity interests reaching or exceeding 50% of their equity interests in the Bank, with a total of 909,424,118 shares of the 13 domestic shareholders subject to restrictions on voting rights, representing 6.23% of the total number of shares in the Bank.

4.2.12 Purchase, sale or redemption of listed securities

During the Reporting Period, the Bank did not purchase, sell or redeem any of its listed securities.

Directors, Supervisors, Senior Management, Employees and Organizations

5.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

5.1.1 Directors

As of the end of the Reporting Period, the Board of the Bank consists of seventeen Directors (of which the qualification of five 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	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	October 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
GONG Taotao (龔濤濤)	Female	February 1973	November 2016	Non-executive Director
ZHAO Yong (趙勇)	Male	May 1969	August 2021	Non-executive Director
WU Zhijun (吳志軍) ⁽¹⁾	Male	February 1966	—	Non-executive Director
SUN Junwei (孫俊偉) ⁽¹⁾	Male	March 1969	—	Non-executive Director
YE Jiangmei (葉江玫) ⁽¹⁾	Female	November 1973	—	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
LEE Hoey Simon (李浩然)	Male	March 1977	May 2022	Independent non-executive Director
SUN Li (孫莉)	Female	October 1970	August 2022	Independent non-executive Director
JIA Xiangsen (賈祥森) ⁽³⁾	Male	April 1955	—	Independent non-executive Director
JIANG Shangjun (姜尚君) ⁽³⁾	Male	July 1954	—	Independent non-executive Director

Notes:

- (1) The qualifications of Mr. WU Zhijun, Mr. SUN Junwei and Ms. YE Jiangmei as non-executive Directors of the Bank are subject to approval.
- (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 qualifications of Mr. JIA Xiangsen and Mr. JIANG Shangjun as independent non-executive Directors of the Bank are subject to approval.

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

5.1.2 Supervisors

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

Name	Gender	Date of birth	Date of appointment	Position in the Bank
WU Fan (吳帆)	Female	August 1968	June 2021	Chairman of the Board of Supervisors, Employee Supervisor
ZHANG Hui (張惠)	Female	October 1973	June 2021	Employee Supervisor
WANG Wei (王薇)	Female	February 1978	June 2022	Employee Supervisor
CHENG Yunlong (程雲龍)	Male	October 1976	June 2021	Shareholder Supervisor
HE Xinzhang(何信彰)	Male	July 1965	June 2022	Shareholder Supervisor
SU Zhi (蘇治) ⁽¹⁾	Male	December 1977	May 2018	External Supervisor
YIN Xinquan (尹新全)	Male	August 1957	June 2021	External Supervisor

Notes:

- (1) Mr. SU Zhi served as an external Supervisor of the second session of the Board of Supervisors of the Bank from May 2018 to June 2021.

5.1.3 Senior management

As of the end of the Reporting Period, the senior management of the Bank comprises a total of seven members. Details are as follows:

Name	Gender	Date of birth	Date of appointment	Position in the Bank
XU An (許安)	Male	October 1963	April 2018	President of the Bank
HU Liangpin (胡良品)	Male	September 1968	April 2018	Vice President of the Bank
AN Peng (安鵬)	Male	October 1976	October 2021	Vice President of the Bank
QIN Wei (覃偉)	Male	March 1976	February 2022	Vice President of the Bank
ZHOU Guichang (周貴昌)	Male	August 1974	May 2019	Secretary to the Board of the Bank
JIAO Zhengjun (焦正俊)	Male	September 1973	May 2022	Chief compliance officer
Xu Peiwen (徐培文)	Male	February 1984	May 2023	Assistant to the President of the Bank

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

5.2 CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD**5.2.1 Changes of Directors**

On 18 May 2023, the general meeting of the Bank elected Mr. WU Zhijun, Mr. SUN Junwei and Ms. YE Jiangmei as non-executive Directors of the third session of the Board of Directors, and the qualifications of the three Directors are yet to be approved.

5.2.2 Changes of Supervisors

Mr. CHEN Houyi resigned as a supervisor of the Bank on April 27, 2023 due to the expiration of his term of office.

5.2.3 Changes of senior management

Mr. XU Peiwen was appointed as an assistant to the President of the Bank in May 2023.

5.2.4 Changes in information of Directors and Supervisors

Mr. LEE Hoey Simon, an independent non-executive Director of the Bank, ceased to serve as a member of the 12th session of the Chinese People's Political Consultative Conference of Guizhou Province, the deputy director of the Hong Kong, Macao and Taiwan Overseas Chinese and Foreign Affairs Committee since January 2023 and has served as a member of the 14th session of Beijing Municipal Committee of the Chinese People's Political Consultative Conference since January 2023.

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

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

5.3.1 Biographical details of Directors

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

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

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

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

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 2000; the chief of industrial and commercial credit division in ICBC Anshun Branch from September 2000 to December 2001. 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 December 2001 to April 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 April 2009 to August 2012. Mr. Xu was a member of the Party Committee and Vice President of our Bank from August 2012 to January 2018; and has been the Deputy Secretary of the Party Committee of our Bank since January 2018, President of our Bank since April 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) 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.

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.

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

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

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.

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

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; he served as the deputy head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) from March 2019 to August 2022; he has served as the director of Qianxinan Venture Capital Fund Co., Ltd. since March 2019; he has served as a member of the Party Committee and deputy general manager of Guizhou Financing Guarantee Co., Ltd. (貴州省融資擔保有限責任公司) (renamed as Guizhou Credit Investment Co., Ltd. (貴州省信用增進有限公司) on March 2023) since August 2022; he has served as a non-executive Director of the Bank since August 2021.

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.

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

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

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

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; a director, chairman of the board and general manager of Guizhou Transportation Investment and Management Co., Ltd. since July 2022; 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.

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

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

Mr. TANG Xin (湯欣) 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 4th and 5th session of the listing committee of the SSE since August 2012, the head of 1st and 2nd session of the committee of independent directors of the China Association for Public Companies (中國上市公司協會) since September 2014, 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 1st and 2nd session 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.

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.

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

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 from April 2019 to July 2022; Mr. Song has been an independent director of Bank of Zhengzhou Co., Ltd. (SEHK stock code: 6196; SZSE stock code: 002936) since January 2022; has been the deputy director of the Academic Affairs Office of Renmin University of China since July 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.

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

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

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

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

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

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

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

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

5.3.2 *Biographical details of Supervisors*

Ms. WU Fan (吳帆) is 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 served as 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); served as a member of the Party Committee of the Bank from March 2019 to April 2019; served as a member of the Party Committee and the vice president of the Bank from April 2019 to June 2021; and has been a member of the Party Committee, Chairlady of the Board of Supervisors and employee Supervisor of the Bank since June 2021.

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

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.

Ms. ZHANG Hui (張惠) is the deputy Chairlady of the labor union and 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; and has been general manager of the Operation Management Department of the Bank since July 2021; deputy Chairlady of the labor union of the Bank since May 2021; and an employee Supervisor of the Bank since June 2021.

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

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

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

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

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

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

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

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

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

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

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

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

Mr. 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 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 has been appointed as a 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; a non-executive director of Changzhou Kaneken Steel Section Co., Ltd. (常州鋼勁型鋼股份有限公司) (NEEQ stock code: 672632) since August 2020; a non-executive director of Fujian Start Group Co., Ltd. (福建實達集團股份有限公司) (Main Board of the Shanghai Stock Exchange stock code: 600734) since March 2022; and an external Supervisor of Bank of Communications Co. Ltd. (Hong Kong Stock Exchange stock code: 3328; Main Board of the Shanghai Stock Exchange stock code: 601328) since July 2022. Mr. Su has been an external Supervisor of the Bank since May 2018.

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.

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

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

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

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

5.3.3 Biographical details of senior management

Mr. XU An (許安), see "Biographical 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.

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

Mr. Hu served as a credit officer of Yuezhao Credit Cooperative in Shuicheng County of Guizhou Province from December 1986 to December 1987; served as cashier, bookkeeper and credit officer in Rural Credit Cooperative of Shuicheng County of Guizhou Province from December 1987 to May 1995; served as the business clerk and auditor of the Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province from May 1995 to October 1995; served as deputy chief (person in charge) and chief of the Auditing Section of Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province from October 1995 to May 1997; served as the chief of the Credit Section of the Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province, the assistant director and the organization member of the Party branch of the association from May 1997 to December 1998; served as the deputy director and Party branch secretary of the Rural Credit Cooperative of Zhongshan District, Liupanshui City, Guizhou Province from December 1998 to August 2001; served as acting chairman and deputy director (presiding over work) of Liuzhi Special District Rural Credit Cooperative in Guizhou Province from August 2001 to April 2004; served as chairman and director of Shuicheng County Rural Credit Cooperative in Guizhou Province and council member of Guizhou Rural Credit Union from April 2004 to August 2005; served as the deputy director of Liupanshui Office of Guizhou Rural Credit Cooperative and the chairman, director and Party branch secretary of Shuicheng County Rural Credit Cooperative from August 2005 to September 2005. From September 2005, Mr. Hu worked in Guizhou Rural Credit Union where he successively served in the human resources division, Anshun Office and Qian'nan 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 as secretary of the Party committee. From August 2011 to September 2013, he concurrently served as the deputy secretary of the Zhenning County Party Committee and the deputy county magistrate. Since November 2016, he has been a member of the Party committee of the Bank. Mr. Hu served as the Chairman of the Board of Supervisors of our Bank from January 2017 to January 2018; and has been the Vice President of the Bank since January 2018.

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

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

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

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

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.

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; member of the Party committee and vice president of Anshun sub-branch of the Bank from September 2013 to May 2015; deputy secretary (presiding over work) of Party committee and temporary principal of Bijie Dujuan sub-branch of the Bank from May 2015 to July 2015; vice president (presiding over work) of Bijie sub-branch of the Bank from July 2015 to April 2018; deputy secretary of the Party committee of Bijie sub-branch of the Bank from September 2015 to April 2018; secretary of the Party committee and general manager of Guiyang Management Department of the Bank from April 2018 to February 2022. He has been a member of the Party Committee of the Bank since November 2021; and Vice President of the Bank since February 2022.

Mr. Qin graduated from China Central Radio & TV University with a major of Administration Management 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 the Bank.

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

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

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

Mr. JIAO Zhengjun (焦正俊) is the chief compliance officer of the Bank and general manager of the Legal Compliance Department (part-time).

Mr. Jiao served as a trainee staff member and clerk of the credit section of ABC Xiaohu Subbranch in Guiyang from July 1999 to June 2003; a clerk and deputy director clerk of the legal affairs division of ABC Guizhou Branch from June 2003 to July 2006; a director clerk and section chief of the legal affairs division of ABC Guizhou Branch from July 2006 to July 2008; assistant to division chief of the legal division of ABC Guizhou Branch from July 2008 to March 2009; assistant to general manager of the legal affairs department of ABC Guizhou Branch from March 2009 to December 2009; deputy general manager of the legal affairs department of ABC Guizhou Branch from December 2009 to April 2012; deputy general manager of the credit card centre of ABC Guizhou Branch from April 2012 to March 2013; deputy general manager of the Legal Compliance Department of the Bank of Guizhou from March 2013 to May 2013; deputy general manager of the Legal Compliance Department and the Asset Protection Department of the Bank of Guizhou from May 2013 to September 2014; deputy general manager (general manager level) of the Asset Protection and Legal Affairs Department of the Bank of Guizhou from September 2014 to March 2018. He has been the general manager of the Legal Compliance Department of the Bank of Guizhou since March 2018; and served as a employee Supervisor of the Bank from June 2021 to April 2022; and has been the chief compliance officer of the Bank since May 2022.

Mr. Jiao studied at the Law Department of Guizhou Minzu College (貴州民族學院) and graduated with a bachelor's degree in law. In June 2012, he graduated from Guizhou University with a MPM degree, majoring in joint school-running project of MPM with the University of Quebec at Chicoutimi, Canada.

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

Mr. XU Peiwen (徐培文) is the assistant to the President of the Bank.

Mr. Xu served as a grade I teller of Beijing Shijingshan District Yongtong sub-branch of Agricultural Bank of China from July 2013 to July 2014; grade III teller of Beijing Shijingshan District Yongtong sub-branch of Agricultural Bank of China from July 2014 to October 2014; grade I account manager of the Corporate Banking Department of Beijing Shijingshan District sub-branch of Agricultural Bank of China from October 2014 to May 2015; grade I risk manager of the Risk Management Department of Beijing Shijingshan District sub-branch of Agricultural Bank of China from May 2015 to September 2015; officer of the Corporate Banking Management Department/Small and Micro Enterprises Banking Department/Customer Section I of Rural Industrial Banking Department of Agricultural Bank of China Beijing Branch from September 2015 to August 2016; senior specialist of the Institution Management Division of the Human Resources Department of Agricultural Bank of China from August 2016 to June 2019; senior specialist of the Human Resources Department of the Customer Service Centre/Party-mass Work Department of Agricultural Bank of China from June 2019 to November 2019; deputy general manager (deputy director) of the Internal Department of the Customer Service Centre of Agricultural Bank of China from November 2019 to December 2019; deputy general manager (deputy director) of the Human Resources Department of the Customer Service Centre/Party-mass Work Department of Agricultural Bank of China from December 2019 to November 2020; deputy general manager (deputy director) of the Human Resources Department of the Remote Banking Centre/Party-mass Work Department of Agricultural Bank of China from November 2020 to February 2022; and general manager (director) of the Human Resources Department of the Remote Banking Centre/Party-mass Work Department of Agricultural Bank of China from February 2022 to February 2023. He joined Bank of Guizhou in February 2023 and has been the assistant to the President of the Bank since May 2023.

Mr. Xu graduated from Southwest Jiaotong University in July 2006 with a bachelor's degree in Statistics; graduated from Southwest University of Finance and Economics in September 2010 with a master's degree in Finance; and graduated from Southwest University of Finance and Economics in July 2013 with a PhD degree in Finance.

5.3.4 Biographical details of company secretary

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

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

5.4 INFORMATION OF EMPLOYEES

5.4.1 *Composition of employees*

As of the end of June 2023, the Bank had 5,366 contracted employees, the composition of whom is set out as follows:

I. By age:

The Bank had 1,656 employees aged 30 or under, accounting for 30.86% of the total number of employees; 2,133 employees aged between 31 and 40, accounting for 39.75% of the total number of employees; 963 employees aged between 41 and 50, accounting for 17.95% of the total number of employees; and 614 employees aged over 50, accounting for 11.44% of the total number of employees.

II. By gender:

The Bank has a total of 2,556 male employees, accounting for 47.63%, and 2,810 female employees, accounting for 52.37%.

III. By education:

The Bank has 4,641 employees with a bachelor's degree or above, accounting for 86.50% of the total number of employees. Among them, 5 employees have a doctor's degree, accounting for 0.09% of the total number of employees, 355 employees have a master's degree, accounting for 6.62% of the total number of employees, and 725 employees have a college degree or below, accounting for 13.50% of the total number of employees.

In addition to the contracted employees, the Bank has 503 dispatch employees.

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

5.4.2 Employee training

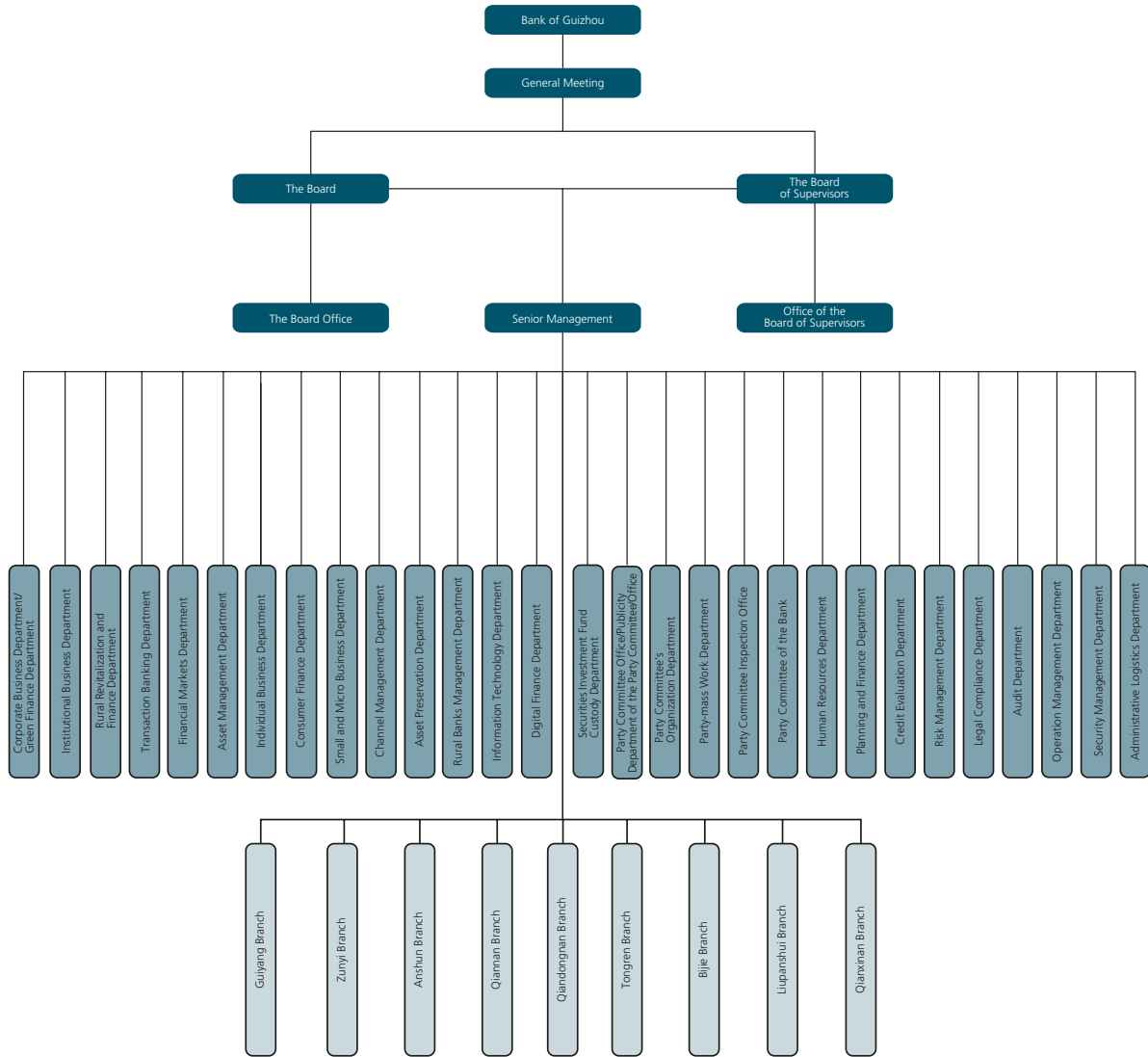
During the Reporting Period, the Bank carried out research on the demand for employee training and examinations of professional qualifications, and on this basis, the Bank formulated the 2023 Education and Training Plan for the Head Office of the Bank and Examination Plan of Professional Qualifications, and successively organized trainings for practitioners in bills discounting, asset-liability and liquidity management practice and credit card business with a total training of 534 person-times, and promoted the examinations of professional qualifications for the practitioners of asset management and small and micro enterprise business departments with a total examinations of 1,499 person-times.

5.4.3 Remuneration policy, employee remuneration and welfare

The Bank continuously improved the remuneration management system, formulated the remuneration management measures for head office and branches of Bank of Guizhou, respectively, and enhanced the systematic and incentive nature of remuneration allocation system. The Bank revised and published the Management Measures for Professional Route Rank to improve the management mechanism for professional and technical talents and the career development path for employees. The Bank has contributed social insurance and provident fund for all employees of the whole Bank on time, built up the welfare system of Bank of Guizhou to effectively enhance the incentive effect of the welfare and security system on employees, and effectively attract all kinds of talents to relieve the worries and enable them to work with peace of mind.

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

5.5 ORGANIZATIONAL STRUCTURE



Corporate Governance

6.1 SUMMARY OF CORPORATE GOVERNANCE

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

The Bank has complied with all the applicable code provisions contained in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Hong Kong Listing Rules during the Reporting Period, continuously promoting the orderly implementation of the Bank's corporate governance.

6.2 THE GENERAL MEETING

6.2.1 Functions and powers of the general meeting

According to the laws and regulations, regulatory provisions and the Articles of Association of the Bank, the shareholders' general meeting, consisting of all shareholders, shall be an organ of power of the Company. It may exercise the following powers in accordance with the laws and regulations and the Articles of Association: To decide on the Company's business policy and investment plans; to elect and replace Directors who are not employee representatives and to determine matters relating to remuneration of the Directors; to elect and replace Supervisors who are not employee representatives and to determine matters relating to remuneration of the Supervisors; to consider and approve the reports of the Board; to consider and approve the reports of the Board of Supervisors; to consider and approve the Company's annual financial budgets and final accounting plans; to consider and approve the Company's profit distribution plan and loss recovery plan; to resolve on increase or decrease of the registered capital of the Company; to resolve on issuance of bonds or listing of the Company; to resolve on the major asset transfer or acquisition, repurchase of the Company's Shares, merger, division, dissolution and liquidation of the Company pursuant to the laws and regulations; to amend the Articles of Association; to listen to the results of evaluation by the Board on the Directors and by the independent Directors on each other; to listen to the performance report of the independent Directors; to listen to the results of evaluation by the Board of Supervisors on the Directors, Supervisors and senior management; to consider proposals raised by shareholder(s) severally or jointly holding more than 3% of the total voting shares of the Company; to consider and approve the related party transactions with a single amount exceeding 10% of the Company's net capital at the end of the previous quarter; to resolve on the appointment or removal of an accounting firm that conduct regular statutory audit for the Company's financial statements; to consider and approve the rules of procedure of the shareholders' general meeting, of the Board of Directors and of the Board of Supervisors; to consider and approve the equity incentive plan; to consider and approve other issues which shall be determined at the shareholders' general meeting as stipulated by laws and regulations, securities regulatory authorities at the place where the Company's shares are listed, the Articles of Association of the Bank and other internal systems of the Company.

Corporate Governance (Continued)

6.2.2 General meetings held

On 18 May 2023, the Bank held the 2022 annual general meeting at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9 Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC). The total number of the ordinary Shares entitling the shareholders of the Bank to vote in respect to the resolutions proposed at the annual general meeting was 13,692,362,192, including 11,492,362,192 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the annual general meeting represented, in aggregate, 11,549,279,015 ordinary Shares of the Bank carrying voting rights, being approximately 84.35% of the total number of the ordinary Shares of the Bank carrying voting rights as at the date of the annual general meeting. Eleven Directors including Mr. YANG Mingshang and Mr. XU An attended the above meetings.

The 2022 annual general meeting considered and approved 11 resolutions, including 2022 Work Report of the Board of Directors, 2022 Work Report of the Board of Supervisors, 2022 Financial Statements Report, 2022 Profit Distribution Plan, 2023 Financial Budget Plan, Appointment of Accounting Firms for 2023 and others.

Corporate Governance (Continued)

6.3 THE BOARD OF DIRECTORS

6.3.1 *Functions and powers of the Board*

According to the laws and regulations, regulatory requirements and Articles of Association of the Bank, the Board is the executive body of the general meeting of the Bank, which is accountable to the general meeting for determining strategies, making decisions and preventing risks. Its major functions and powers include convening Shareholders' general meetings and reporting its performance at the Shareholders' general meetings; implementing resolutions of the Shareholders' general meetings; formulating the Company's business development strategies and supervising the implementation of the strategies; determining the Company's business plans and investment plans; formulating annual financial budget plans, final account plans, profit distribution plans and loss recovery plans of the Company; formulating proposals for the Company's increase in or reduction of registered capital and issuance of bonds or other securities and the listing; formulating proposals for the Company's major asset acquisition, transfer and alienation, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company; determining the setting, merger and revocation of branches and internal management bodies of the Company; determining material external guarantees within the authorization of the Shareholders' general meeting.; considering and approving major related party transaction (a single transaction amounting to more than 10% of the net capital of the Company at the end of the previous quarter shall be submitted to the shareholders' general meeting for consideration); appointing or dismissing the President and the secretary to the Board according to the regulatory requirements; appointing or dismissing vice presidents and other senior management personnel based on the regulatory requirements and nominations of the President and determining their remunerations, awards or punishments thereof and supervising the performance of duties by senior management; determining the Company's risk management and internal control policies and formulating the Company's basic management system; formulating modifications to the Articles of Association, formulating the rules of procedure for the Shareholders' general meeting and the rules of procedure for the Board, and considering and approving the working rules of the special committees of the Board; taking charge of the information disclosures of the Company, and being ultimately responsible for the authenticity, completeness, accuracy and timeliness of the Company's accounting and financial reporting; proposing at a Shareholders' general meeting the engagement or dismissal of an accounting firm providing regular statutory audit for the Bank's financial reports; considering and determining working rules of the President, listening to his/her work reports and examining his/her work; in accordance with laws and regulations, regulatory requirements and the Articles and Association, considering and approving the Company's external investment, purchases of assets, disposal and write-off of assets, pledged assets, related transactions, data governance and other matters; formulating the capital plan of the Company and assume the ultimate responsibility for capital or solvency management; regularly evaluating and improving the corporate governance; safeguarding the legitimate rights and interests of financial consumers and other stakeholders; establishing the mechanism for identification, verification and management of the conflict of interests between the Company and Shareholders, in particular substantial Shareholders; assuming the management responsibility for affairs of Shareholders; other functions and powers stipulated by laws and regulations and these Articles of Association of the Bank and authorized by the Shareholders' general meetings.

Corporate Governance (Continued)

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

6.3.2 Composition of the Board

As of the end of the Reporting Period, the Board of the Bank consisted of seventeen Directors (of which the qualification of five 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, Ms. GONG Taotao, Mr. ZHAO Yong, Mr. WU Zhijun⁽¹⁾, Mr. SUN Junwei⁽¹⁾ and Ms. YE Jiangmei⁽¹⁾; and seven independent non-executive Directors, namely, Mr. WANG Gefan, Mr. TANG Xin, Mr. SONG Ke, Mr. LEE Hoey Simon, Ms. SUN Li, Mr. JIA Xiangsen⁽¹⁾ and Mr. JIANG Shangjun⁽¹⁾.

Note: (1) The qualifications of Mr. WU Zhijun, Mr. SUN Junwei and Ms. YE Jiangmei to serve as non-executive Directors of the Bank are subject to approval, and the qualifications of Mr. JIA Xiangsen and Mr. JIANG Shangjun to serve as independent non-executive Directors of the Bank are subject to approval, and their directorships will become effective upon obtaining such approval.

6.3.3 Meetings of the Board and its special committees held

During the Reporting Period, the Board of the Bank held a total of 6 meetings, at which 50 resolutions were considered and 41 reports were reviewed, including the regular meeting held by the Board quarterly. The special committees under the Board held a total of 19 meetings, among which, the Audit Committee held 3 meetings, at which 7 resolutions were considered and 4 resolutions were reviewed; the Nomination and Remuneration Committee held 3 meetings at which 9 resolutions were considered; ESG Management Committee held a total of 4 meetings, at which 6 resolutions were considered and 4 matters were recorded; Compliance Management Committee held a total of 1 meeting, at which 3 resolutions were considered and 7 resolutions were reviewed; the Strategic Development Committee held a total of 2 meetings, at which 2 resolutions were considered; the Risk and Related Party Transactions Management Committee held a total of 6 meetings, at which 26 resolutions were considered, and 6 matters were reviewed.

6.3.4 Work of independent non-executive Directors

During the Reporting Period, the independent non-executive Directors of the Bank conscientiously implemented the internal requirements of independent Directors for good corporate governance by attending meetings, debriefing, on-site research and other methods, and performed their duties with integrity, independence and diligence. All independent non-executive Directors made in-depth research on the relevant resolutions and important documents of the Board and the general meetings, and expressed opinions and decisions thereon independently. In particular, they expressed opinions on major issues such as profit distribution, the appointment of senior management and appointment of the accounting firms that performs regular statutory audits of the Company's financial reports, which effectively safeguard the legitimate rights and interests of the Bank, minority Shareholders and financial consumers, and promoted the implementation of the Bank's development strategy.

Corporate Governance (Continued)

6.4 BOARD OF SUPERVISORS

6.4.1 *The duties of the Board of Supervisors*

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

6.4.2 *Composition of the Board of Supervisors*

As of the end of the Reporting Period, the third session of the Board of Supervisors of the Bank consisted of seven Supervisors, including three employee Supervisors, namely Ms. WU Fan (Chairlady), Ms. ZHANG Hui and Ms. WANG Wei, two shareholder Supervisors, namely Mr. CHENG Yunlong and Mr. HE Xinzhang, and two external Supervisors, namely Mr. SU Zhi and Mr. YIN Xinquan.

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

During the Reporting Period, the Board of Supervisors held a total of 3 meetings, at which 13 resolutions were reviewed, involving the annual work report of the Board of Supervisors, performance evaluation reports of the Board of Directors and Board of Supervisors and Senior Management and their Members, financial statements report, financial budget, profit distribution plan and others; it carried out 20 special supervisions, including the supervision on the works relating to overall risk management, stress tests, liability quality management, related party transaction management, anti-money laundering, consumer rights protection, internal control, centralized procurement and others; and reviewed 11 reports, including reports on market risk management, information technology risk management, large risk exposure management, salary system design and implementation audit.

Corporate Governance (Continued)

The Board of Supervisors of the Bank has set up two committees, namely the Supervision Committee and the Nomination, Remuneration and Evaluation Committee. During the Reporting Period, the Supervision Committee attended ordinary meetings of the Board and annual general meeting, convened special supervisory meetings on the audit of the annual report and the credit structure optimization, liability stability, loan collection and interest collection and others. The Nomination, Remuneration and Evaluation Committee held a total of 1 meeting, at which 1 resolution was considered and the proposed matter of which is to review the 2023 Performance Evaluation Report on Board of Directors and Board of Supervisors and Senior Management and their Members of Bank of Guizhou.

6.4.4 Work of external Supervisors

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

6.5 SENIOR MANAGEMENT

6.5.1 Functions and powers of the senior management

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

6.5.2 Composition of the Senior Management

The Bank had a total of seven senior management personnel, namely Mr. XU An (President), Mr. HU Liangpin, Mr. AN Peng, Mr. QIN Wei, Mr. ZHOU Guichang, Mr. JIAO Zhengjun and Mr. XU Peiwen.

Corporate Governance (Continued)

6.6 DEALING IN SECURITIES BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank has adopted the Model Code as set out in Appendix 10 of the Hong Kong Listing Rules (the "Model Code") and complied with Rules 13.67 and 19A.07B of the Hong Kong Listing Rules to regulate the securities transaction by the Directors, Supervisors and relevant employees of the Bank. During the Reporting Period, all the Directors, Supervisors and relevant employees were made specific enquiry for this matter. All Directors, Supervisors and relevant employees have confirmed that they had complied with the Model Code and had no dealings in shares of the Bank.

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

As at 30 June 2023, the interests and short positions of the Directors, Supervisors and chief executives of the Bank in the shares, underlying shares or debentures of the Bank or its associated corporations (I) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (II) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (III) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Class of Shares held	Number of Shares held directly or indirectly (Share)	Nature of interest	Approximate percentage of the relevant class of share capital of the Bank	Approximate percentage of the total issued share capital of the Bank
XU An (許安)	Executive Director and President	Domestic Shares	500,000	Beneficial Owner	0.004%	0.003%
WU Fan (吳帆)	Chairman of the Board of Supervisors	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%
WANG Wei (王薇)	Employee Supervisor	Domestic Shares	500,000	Beneficial Owner	0.004%	0.003%

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Bank had any interests or short positions in any shares, underlying shares or debentures of the Bank or any of its associated corporations as at 30 June 2023.

Corporate Governance (Continued)

6.8 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The resolution on amendments to the Articles of Association was considered and approved at the 2021 annual general meeting held by the Bank on 16 June 2022. The amendments to the Article 132 of Articles of Association of Bank of Guizhou were considered and approved at the 2022 First Domestic Shareholders Class Meeting and the 2022 First H Shareholders Class Meeting. The amendments to the Articles of Association were mainly made to the contents such as functions and powers of the general meeting, the Board and the Board of Supervisors and the notice date of the general meeting as set out in the Articles of Association based on the requirements of new regulations including Corporate Governance Standards for Banking or Insurance Institutions. The amended Articles of Association was approved and ratified by the former CBIRC Guizhou Office (NAFR Guizhou Office) on 26 April 2023.

6.9 RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

6.9.1 Risk Management

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

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

The material risks faced by the Bank include: credit risk, market risk, operational risk, liquidity risk. The Bank have established clear and specific procedures to effectively identify, assess and 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.

Corporate Governance (Continued)

II. Main features of risk management

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

III. Ultimate responsibility of the Board for risk management

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

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

6.9.2 Internal Control

The Bank insisted on the goal of "strengthening internal control, preventing risks and promoting compliance" and was driven by high quality development. In accordance with the work requirements of "strict management, strict implementation, strict supervision, strict rectification, and strict accountability", the Bank adhered to "seeking stable progress" and focused on stabilizing benefits, quality and risks, and improved control measures and management mechanisms in terms of strategies, systems, tools, processes and mechanisms, resulting in stable growth of assets and liabilities, proactive and effective risk management and control, stabilized profitability, and standardized operation of the internal control system.

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

Corporate Governance (Continued)

The Bank has established an internal control system that basically covers all business lines and permeates the entire process of operation and management, with internal control measures covering authorization control, job rotation control, incompatible job separation control, review and reconciliation control, material matter report control, performance appraisal control, accounting management control, property protection control, financial budget control, and operation analysis control, etc., and covering the major risk points. The persons in charge of the corporate governance realizes control at the enterprise level by continuously improving the corporate governance structure and ensuring the effective implementation of decision-making, execution and supervision: the senior management realizes control at the business activity level by continuously improving regulations, information systems, carrying out supervision and inspection, etc.: all levels of institutions and positions realize control at the business activity level through the effective implementation of regulations, and the internal control measures are carried out throughout the process of decision-making, implementation, supervision and improvement.

During the Reporting Period, the Bank implemented its internal control measures in an orderly manner and there were no significant deficiencies in internal control.

6.9.3 Internal Audit

The Bank has established an independent internal audit system, and the Board of Directors ensures the independence and effectiveness of the internal audit, for which it bears ultimate responsibility. The Audit Committee under the Board of Directors guides and supervises the Bank's internal audit work, while the Board of Supervisors supervises the internal audit work. At the first-level department of the head office, there is an Audit Department, which is responsible for the internal audit work of the entire Bank. The Legal Compliance Department of each branch is equipped with audit staff, basically realizing the full coverage of audit business and institutional scope.

During the Reporting Period, the Bank carried out 30 audit projects covering credit business, financial accounting, corporate governance, information technology, economic responsibility audit and other aspects of operation and management, and issued 12 audit opinions and 3 risk reminders to promote the optimization of processes and the improvement of risk control mechanisms at the head office and branches.

Major Events

7.1 EARNINGS AND DIVIDENDS

The revenue of the Bank for the six months ended 30 June 2023 and the financial position of the Bank as at the same day were set out in the chapter titled “Financial Statements and Notes to the Unaudited Interim Financial Report” of this report.

As considered and approved at the 2022 annual general meeting of the Bank held on 18 May 2023, based on the share capital of 14,588,046,744 shares as at the end of 2022, the Bank distributed the final dividend for the year ended 31 December 2022 (the “Final Dividend for the Year 2022”) to all shareholders at 6% of the share capital, totaling RMB875,282,804.64 (tax inclusive) in cash. The Final Dividend for the Year 2022 has been distributed to holders of both H Shares and Domestic Shares on 13 July 2023.

The Bank did not declare interim dividend for the six months ended 30 June 2023 and no common reserve fund will be converted to increase share capital.

7.2 RELATED PARTY/CONNECTED TRANSACTIONS

I. Related Party Transaction as Defined by the former CBIRC (NAFR)

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

No.	Name of connected parties (related group consolidation)	Net amount of credit as at the end of the Reporting Period (RMB million)	Type of related party transactions	Percentage of net capital of the Bank (%)
1	Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司)	2,170.57	Loan, debt investment	4.28%
2	Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司 (貴州貴民投資集團有限責任公司))	1,605.50	Loan	3.17%
3	Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	810.48	Loan	1.60%
4	Zunyi State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	749.37	Loan, debt investment, bank acceptance bills	1.48%
5	Guizhou Jiuyi Mining Industry Co., Ltd. (貴州久益礦業股份有限公司)	632.00	Loan	1.25%
6	Harvest Fund Management Co., Ltd. (嘉實基金管理有限公司)	300.00	SPV investment	0.59%
7	Related natural persons	205.56	Loan, overdraft	0.41%

Major Events (Continued)

No.	Name of connected parties (related group consolidation)	Net amount of credit as at the end of the Reporting Period (RMB million)	Type of related party transactions	Percentage of net capital of the Bank (%)
8	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	103.59	SPV investment	0.20%
9	Zunyi Guiyou Grain & Oil Co., Ltd. (遵義市貴友糧油 有限公司)	44.64	Loan	0.09%
10	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)	20.00	Loan	0.04%
11	Guizhou Mayanghe Food Co., Ltd. (貴州麻陽河食品 有限公司)	18.50	Loan	0.04%
12	Guizhou Linshang Decoration Design Co., Ltd. (貴州 林尚裝飾設計有限公司)	0.90	Loan	0.00%
13	Anshun Xihang Nanma Rural Bank Co., Ltd. (安順西 航南馬村鎮銀行有限責任公司)	0.14	Loan	0.00%

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

- I. As considered and approved at the 2023 first special meeting of the third session of the Board of the Bank, the Bank granted Guizhou Water Conservancy Investment Group Co., Ltd. a credit of RMB800 million with a term of 36 months with a final coupon rate of 5%.
- II. As considered and approved at the 2023 first meeting of the third session of the Board of the Bank, the Bank granted Guizhou Expressway Investment Group Co., Ltd. a credit of RMB1,400 million with a term of 12 months with an execution interest rate of the current one-year LPR at the time of credit utilization.

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

Major Events (Continued)

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

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

III. Related Party Transactions as Defined in Accounting Standards

For details, please refer to Note 35 “RELATED PARTY RELATIONSHIPS AND TRANSACTIONS” to the financial statements of this report.

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

As of 30 June 2023, the Bank, as the plaintiff or the arbitration applicant, has five 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 approximately RMB1,981,886,600. The Bank, as the defendant or the respondent, has two 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 RMB199,062,300. As of the end of the Reporting Period, the Bank did not expect that such litigation and arbitration will have a material adverse effect on the Bank’s business, financial position and business performance.

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

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

As far as the Bank is aware, during the Reporting Period, the Bank, Directors, Supervisors and senior management were not investigated by the competent authority, enforced by the judicial disciplinary inspection department, transferred to the judicial authority or investigated for criminal responsibility, and none of them were fined by the Securities Regulatory Commission or administrative penalties, banned from the securities market, being deemed as inappropriate candidate, or being publicly condemned by the stock exchange. The Bank has not been penalized by other regulatory agencies that have a significant impact on the Bank’s operations.

Major Events (Continued)

7.5 SIGNIFICANT MATERIAL ASSET ACQUISITIONS, DISPOSALS AND CORPORATE MERGERS

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

7.6 SIGNIFICANT INVESTMENT HELD

As of the end of the Reporting Period, the investment securities and other financial assets of the Bank were all financial markets businesses within the scope of operation approved by the former CBIRC (NAFR). The Bank has inspected the disclosure requirements for significant investments held as set out in Appendix 16 to the Hong Kong Listing Rules, and to the best knowledge of the Bank, there was no book value of any particular investment accounting for 5% or more of the Bank's total assets as of the end of the Reporting Period.

7.7 APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

As considered and approved at the 2022 annual general meeting convened on 18 May 2023, BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited were appointed as the Bank's domestic and oversea auditors for 2023, respectively, for a term of one year and with a total fee of RMB3.30 million.

7.8 REVIEW OF INTERIM FINANCIAL STATEMENTS

The interim financial statements disclosed in this interim report have not been audited. The interim financial statements for the six months ended 30 June 2023 have been prepared by the Bank in accordance with disclosure requirements under the International Financial Reporting Standards and the Hong Kong Listing Rules and have been reviewed by BDO Limited based on the Hong Kong Standard on Review Engagements with unqualified review report being issued.

The 2023 interim report and 2023 interim financial statements of the Bank have been considered and approved by the Bank's Board and its audit committee.

Major Events (Continued)

7.9 PUBLICATION OF THE INTERIM REPORT

The interim report is prepared in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.

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

7.10 SUBSEQUENT EVENTS

The Bank has no significant subsequent events occurring after 30 June 2023 which are required to be disclosed.

Report on Review of Interim Financial Information



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

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

INTRODUCTION

We have reviewed the accompanying interim financial information set out on pages 111 to 228, which comprises the statement of financial position of Bank of Guizhou Co., Ltd. (the "Bank") as at June 30, 2023 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

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

SCOPE OF REVIEW

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

Report on Review of Interim Financial Information (Continued)

CONCLUSION

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

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate no. P05443

Hong Kong, August 31, 2023

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2023	2022
Interest income		11,588,978	11,081,847
Interest expense		(6,552,684)	(6,025,314)
Net interest income	4	5,036,294	5,056,533
Fee and commission income		280,207	327,186
Fee and commission expense		(78,671)	(75,742)
Net fee and commission income	5	201,536	251,444
Net trading gains	6	506,877	269,294
Net gains arising from investment securities	7	502,651	403,188
Other operating income	8	182,592	34,628
Operating income		6,429,950	6,015,087
Operating expenses	9	(1,695,361)	(1,643,274)
Impairment losses on assets	10	(2,155,535)	(1,863,150)
Share of (losses)/gains of associates		(8,496)	5,109
Profit before tax		2,570,558	2,513,772
Income tax	11	(364,210)	(329,240)
Net profit for the period		2,206,348	2,184,532
Basic and diluted earnings per share (in RMB)	12	0.15	0.15

The notes on pages 120 to 228 form part of this interim financial report.

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

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2023	2022
Net profit for the period		2,206,348	2,184,532
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets measured at fair value through other comprehensive income:			
– Net movement in the fair value reserve, net of tax	30(d)	532,287	(33,435)
– Net movement in the impairment losses, net of tax	30(e)	91,109	98,348
Item that will not be reclassified to profit or loss:			
– Remeasurement of net defined benefit liability, net of tax	30(f)	(3,698)	4,400
Other comprehensive income for the period, net of tax		619,698	69,313
Total comprehensive income for the period		2,826,046	2,253,845

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Financial Position

As at June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	At June 30, 2023	At December 31, 2022
Assets			
Cash and deposits with the central bank	13	22,987,279	23,249,900
Deposits with banks and other financial institutions	14	10,958,175	5,204,530
Financial assets held under resale agreements	15	6,668,327	13,418,376
Loans and advances to customers	16	307,132,233	279,738,679
Financial investments:	17		
– Financial investments measured at fair value through profit or loss		79,172,403	72,114,709
– Financial investments measured at fair value through other comprehensive income		62,350,568	59,411,312
– Financial investments measured at amortised cost		75,602,230	70,392,189
Interests in associates	18	275,432	234,168
Property and equipment	19	3,770,651	3,816,678
Deferred tax assets	20	5,488,893	5,291,017
Other assets	21	1,011,952	909,773
Total assets		575,418,143	533,781,331
Liabilities			
Borrowings from the central bank		37,591,795	38,106,949
Deposits from banks and other financial institutions	23	23,884,870	23,228,193
Placements from banks and other financial institutions	24	5,794,266	4,604,940
Financial assets sold under repurchase agreements	25	5,094,663	8,501,793
Deposits from customers	26	357,647,528	326,324,447
Income tax payable		439,735	890,374
Debt securities issued	27	93,332,673	84,790,579
Other liabilities	28	4,711,368	3,363,534
Total liabilities		528,496,898	489,810,809

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Financial Position (Continued)

As at June 30, 2023 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	At June 30, 2023	At December 31, 2022
Equity			
Share capital	29	14,588,047	14,588,047
Capital reserve	30(a)	8,670,091	8,670,091
Surplus reserve	30(b)	2,611,643	2,611,643
General reserve	30(c)	5,590,000	5,070,000
Fair value reserve	30(d)	(123,387)	(655,674)
Impairment reserve	30(e)	406,764	315,655
Deficit on remeasurement of net defined benefit liability	30(f)	(33,458)	(29,760)
Retained earnings	31	11,712,065	10,901,000
Total equity attributable to equity shareholders of the Bank		43,421,765	41,471,002
Perpetual bonds		3,499,480	2,499,520
Total equity		46,921,245	43,970,522
Total liabilities and equity		575,418,143	533,781,331

Approved and authorised for issue by the board of directors on August 31, 2023.

Yang Mingshang

Chairman of the Board of Directors

Xu An

President Executive Director

An Peng

*The Person In Charge of
of Accounting Affairs*

Li Wangang

*General Manager of
the Planning and Finance Department*

(Company Stamp)

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Changes in Equity

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

Notes	Attributable to equity shareholders of the Bank										
	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement of net defined benefit liability	Retained earnings	Subtotal	Perpetual bonds	Total
Balance at January 1, 2023	14,588,047	8,670,091	2,611,643	5,070,000	(655,674)	315,655	(29,760)	10,901,000	41,471,002	2,499,520	43,970,522
Changes in equity for the period:											
Net profit for the period	-	-	-	-	-	-	-	2,206,348	2,206,348	-	2,206,348
Other comprehensive income	-	-	-	-	532,287	91,109	(3,698)	-	619,698	-	619,698
Total comprehensive income	-	-	-	-	532,287	91,109	(3,698)	2,206,348	2,826,046	-	2,826,046
Issuance of perpetual bonds	-	-	-	-	-	-	-	-	-	999,960	999,960
Appropriation of profit:											
Appropriation to general reserve 30(c)	-	-	-	520,000	-	-	-	(520,000)	-	-	-
Appropriation to shareholders 31	-	-	-	-	-	-	-	(875,283)	(875,283)	-	(875,283)
Balance at June 30, 2023	14,588,047	8,670,091	2,611,643	5,590,000	(123,387)	406,764	(33,458)	11,712,065	43,421,765	3,499,480	46,921,245

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Changes in Equity (Continued)

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the Bank										Total	
	Notes	Share Capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement of net defined benefit liability	Retained earnings	Subtotal		Perpetual bonds
Balance at January 1, 2022		14,588,047	8,670,091	2,228,698	4,690,000	(152,235)	280,056	(26,600)	8,709,773	38,987,830	-	38,987,830
Changes in equity for the period:												
Net profit for the period		-	-	-	-	-	-	-	2,184,532	2,184,532	-	2,184,532
Other comprehensive income		-	-	-	-	(33,435)	98,348	4,400	-	69,313	-	69,313
Total comprehensive income		-	-	-	-	(33,435)	98,348	4,400	2,184,532	2,253,845	-	2,253,845
Appropriation of profit:												
Appropriation to general reserve	30(c)	-	-	-	380,000	-	-	-	(380,000)	-	-	-
Appropriation to shareholders	31	-	-	-	-	-	-	-	(875,283)	(875,283)	-	(875,283)
Balance at June 30, 2022		14,588,047	8,670,091	2,228,698	5,070,000	(185,670)	378,404	(22,200)	9,639,022	40,366,392	-	40,366,392

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Cash Flows

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2023	2022
Cash flows from operating activities			
Profit before tax		2,570,558	2,513,772
Adjustments for:			
Impairment losses on assets	10	2,155,535	1,863,150
Depreciation and amortisation	9	251,747	245,216
Depreciation of investment properties	9	472	471
Unrealised foreign exchange gains	6	(8,481)	(10,302)
Net (gains)/losses on disposal of property and equipment, intangible assets and other assets		(17,873)	1,815
Net gains from debt securities	6	(498,396)	(258,992)
Net gains arising from investment securities	7	(502,651)	(403,188)
Share of losses/(gains) of associates	18	8,496	(5,109)
Interest expense on debt securities issued		1,199,945	1,082,538
Interest expense on lease liabilities		5,653	7,534
Others		(54,237)	(42,053)
Operating cash flow before movements in operating assets and liabilities		5,110,768	4,994,852
Changes in operating assets			
Net (increase)/decrease in deposits with the central bank		(76,497)	856,372
Net increase in deposits with banks and other financial institutions		–	(1,000,000)
Net increase in loans and advances to customers		(27,878,229)	(27,969,138)
Net increase in financial assets held for trading		(4,297,705)	(469,281)
Net increase in other operating assets		(1,140,674)	(343,435)
Net cash flows generated by operating assets		(33,393,105)	(28,925,482)

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Cash Flows (Continued)

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2023	2022
Changes in operating liabilities			
Net (decrease)/increase in borrowings from the central bank		(530,464)	5,459,305
Net increase/(decrease) in deposits from banks and other financial institutions		592,176	(2,562,366)
Net increase in placements from banks and other financial institutions		1,190,000	1,774,041
Net decrease in financial assets sold under repurchase agreements		(3,405,600)	(3,125,220)
Net increase in deposits from customers		30,631,010	18,451,432
Net increase/(decrease) in other operating liabilities		1,416,419	(167,782)
Net cash flows generated by operating liabilities		29,893,541	19,829,410
Net cash flows generated from/(used in) operating activities before income tax paid			
Income tax paid		(1,219,291)	(905,912)
Net cash flows generated from/(used in) operating activities		391,913	(5,007,132)
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		40,806,478	14,782,685
Proceeds from disposal property and equipment, intangible assets and other assets		77,079	–
Payments on acquisition of investments		(42,028,570)	(22,193,077)
Payments for capital injection for an associates		(50,000)	–
Payments on acquisition of property and equipment, intangible assets and other assets		(144,853)	(86,172)
Net cash flows used in investing activities		(1,339,866)	(7,496,564)

The notes on pages 120 to 228 form part of this interim financial report.

Statement of Cash Flows (Continued)

For the six months ended June 30, 2023 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended June 30,	
		2023	2022
Cash flows from financing activities			
Proceeds from debt securities issued	34(c)	57,660,000	46,498,943
Repayment of debt securities issued	34(c)	(49,110,000)	(45,310,000)
Interest paid on debt securities issued	34(c)	(1,207,851)	(90,004)
Capital element of lease liabilities paid		(54,049)	(46,671)
Interest element of lease liabilities paid		(5,653)	(7,534)
Dividends paid		(3,356)	(15,339)
Net proceeds from issuance of perpetual bonds		999,960	–
Net cash flows generated from financing activities		8,279,051	1,029,395
Effect of foreign exchange rate changes on cash and cash equivalents		4,252	9,304
Net increase/(decrease) in cash and cash equivalents	34(a)	7,335,350	(11,464,997)
Cash and cash equivalents as at January 1		54,828,236	48,374,278
Cash and cash equivalents as at June 30	34(b)	62,163,586	36,909,281
Net cash generated by operating activities include:			
Interest received		11,256,187	11,081,847
Interest paid (excluding interest expense on debt securities issued)		(4,583,060)	(5,041,319)

The notes on pages 120 to 228 form part of this interim financial report.

Notes to the unaudited Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BACKGROUND INFORMATION

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

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

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

As at June 30, 2023, the Bank has one head office and 9 branches across Guizhou Province. The principal activities of the Bank are the provision of corporate and personal deposits, loans and advances, settlement, financial market business and other banking services as approved by the former CBRC.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, Interim financial reporting, issued by the International Accounting Standards Board (IASB). It was authorised for issue on August 31, 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION (CONTINUED)

This interim financial information contains condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Bank since the 2022 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

The interim financial information is unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. BDO Limited’s independent review report to the Board of Directors is included on page 109 to 110.

The financial information relating to the financial year ended December 31, 2022 that is included in the interim financial information as comparative information does not constitute the Bank’s statutory annual financial statements for that financial year but is derived from those financial statements.

3 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17), Insurance Contract
- Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies
- Amendments to IAS 8, Definition of Accounting Estimates
- Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

4 NET INTEREST INCOME

	Six months ended June 30,	
	2023	2022
Interest income arising from:		
Deposits with the central bank	144,788	147,815
Deposits with banks and other financial institutions	16,378	14,608
Financial assets held under resale agreements	205,748	217,540
Loans and advances to customers		
– Corporate loans and advances	7,565,577	6,720,954
– Personal loans and advances	953,714	873,231
– Discounted bills	75,412	89,225
Financial investments	2,627,361	3,018,474
Sub-total	11,588,978	11,081,847
Interest expense arising from:		
Borrowings from the central bank	(498,522)	(476,094)
Deposits from banks and other financial institutions	(298,582)	(334,371)
Placements from banks and other financial institutions	(72,219)	(70,682)
Financial assets sold under repurchase agreements	(75,247)	(112,502)
Deposits from customers	(4,408,169)	(3,949,127)
Debt securities issued	(1,199,945)	(1,082,538)
Sub-total	(6,552,684)	(6,025,314)
Net interest income	5,036,294	5,056,533

Total interest income arising from financial assets that are “not measured at fair value through profit or loss (“FVTPL”)” for the six months ended June 30, 2023 amounted to RMB11,589 million (six months ended June 30, 2022: RMB11,082 million).

Total interest expense arising from financial liabilities that are not at FVTPL for the six months ended June 30, 2023 amounted to RMB6,553 million (six months ended June 30, 2022: RMB6,025 million).

Interest income arising from impaired loans for the six months ended June 30, 2023 amounted to RMB54 million (six months ended June 30, 2022: RM137 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

5 NET FEE AND COMMISSION INCOME

(a) Income and expense streams

	Six months ended June 30,	
	2023	2022
Fee and commission income		
Acceptance and guarantee services fees	138,782	171,978
Agency services fees	64,833	75,470
Settlement and clearing fees	14,041	17,254
Fund supervision services fees and consultancy services fees	12,806	25,730
Bank card services fees	49,745	36,754
Sub-total	280,207	327,186
Fee and commission expense		
Bank card services fees	(44,960)	(54,620)
Others	(33,711)	(21,122)
Sub-total	(78,671)	(75,742)
Net fee and commission income	201,536	251,444
Fee and commission income		
Fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading or designated at FVTPL	21,618	12,670
Fee income on trust and other fiduciary activities where the Bank holds or invests on behalf of its customers	36,948	55,519
Fee and commission expense		
Fee expense, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading or designated at FVTPL	300	141

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

5 NET FEE AND COMMISSION INCOME (CONTINUED)

(b) Disaggregation of income

	Six months ended June 30,			
	2023		2022	
	At a point in time	Over time	At a point in time	Over time
Acceptance and guarantee services fees	–	138,782	–	171,978
Agency services fees	–	64,833	–	75,470
Settlement and clearing fees	14,041	–	17,254	–
Fund supervision services fees and consultancy service fees	–	12,806	–	25,730
Bank card services fees	49,745	–	36,754	–
Total	63,786	216,421	54,008	273,178

(c) Contract balances

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

	At June 30, 2023	At December 31, 2022
Contract liabilities, which are included in 'other liabilities'	24,684	33,392

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

6 NET TRADING GAINS

	Notes	Six months ended June 30,	
		2023	2022
Net gains from debt securities	(a)	498,396	258,992
Net foreign exchange gains	(b)	8,481	10,302
Total		506,877	269,294

Notes:

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

7 NET GAINS ARISING FROM INVESTMENT SECURITIES

	Note	Six months ended June 30,	
		2023	2022
Net gains of financial investments measured at fair value through profit or loss	(a)	453,052	389,867
Net gains of financial investments measured at fair value through other comprehensive income		49,599	13,321
Total		502,651	403,188

Note:

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

8 OTHER OPERATING INCOME/(EXPENSES)

	Note	Six months ended June 30,	
		2023	2022
Net losses on disposal of repossessed assets		–	(110)
Government grants	(a)	159,789	33,582
Rental income		1,551	1,758
Penalty income		1,145	688
Net gains/(losses) on disposal of property and equipment and intangible assets		15,749	(1,705)
Others		4,358	415
Total		182,592	34,628

Note:

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

9 OPERATING EXPENSES

	Six months ended June 30,	
	2023	2022
Staff costs	1,041,741	1,099,002
Depreciation and amortisation	190,951	173,533
Depreciation charge for the right-of-use assets	60,796	71,683
Taxes and surcharges	85,712	76,810
Interest expense on lease liabilities	5,653	7,534
Rental and property management expenses	19,280	17,003
Others general and administrative expenses	291,228	197,709
Total	1,695,361	1,643,274

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

10 IMPAIRMENT LOSSES ON ASSETS

	Six months ended June 30,	
	2023	2022
Loans and advances to customers	1,552,303	1,781,367
Financial investments	787,661	(25,671)
Credit commitments	(130,493)	103,360
Deposits with banks and other financial institutions	3,845	415
Financial assets held under resale agreements	8	775
Others	(57,789)	2,904
Total	2,155,535	1,863,150

11 INCOME TAX

(a) Income tax

	Note	Six months ended June 30,	
		2023	2022
Current tax		768,652	792,030
Deferred tax	20(b)	(404,442)	(462,790)
Total		364,210	329,240

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

11 INCOME TAX (CONTINUED)

(b) Reconciliations between income tax and accounting profit

	Note	Six months ended June 30,	
		2023	2022
Profit before tax		2,570,558	2,513,772
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		642,640	628,443
Non-deductible expense		51,956	45,345
Non-taxable income	(i)	(330,386)	(344,548)
Income tax		364,210	329,240

Note:

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

12 BASIC AND DILUTED EARNINGS PER SHARE

	Note	Six months ended June 30,	
		2023	2022
Net profit for the period		2,206,348	2,184,532
Weighted average number of ordinary shares (in thousands)	(a)	14,588,047	14,588,047
Basic and diluted earnings per share (in RMB)		0.15	0.15

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

12 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

Note:

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

	Six months ended June 30,	
	2023	2022
Number of ordinary shares as at January 1 and June 30	14,588,047	14,588,047

13 CASH AND DEPOSITS WITH THE CENTRAL BANK

	Notes	At June 30, 2023	At December 31, 2022
Cash on hand		637,878	746,458
Deposits with the central bank			
– Statutory deposit reserves	(a)	17,462,842	16,925,716
– Surplus deposit reserves	(b)	4,733,913	4,964,134
– Fiscal deposits		144,531	605,160
Sub-total		22,341,286	22,495,010
Accrued interest		8,115	8,432
Total		22,987,279	23,249,900

Notes:

- (a) The Bank places statutory deposit reserves with the People's Bank of China ("PBOC") in accordance with relevant regulations. As at June 30, 2023 and December 31, 2022, the statutory deposit reserve ratios applicable to the Bank were as follows:

	At June 30, 2023	At December 31, 2022
Reserve ratio for RMB deposits	5.00%	5.25%
Reserve ratio for foreign currency deposits	6.00%	6.00%

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

14 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty:

	At June 30, 2023	At December 31, 2022
Deposits in mainland China		
– Banks	10,764,507	5,095,630
– Other financial institutions	195,986	108,355
Sub-total	10,960,493	5,203,985
Accrued interest	2,499	1,517
Less: provision for impairment losses	(4,817)	(972)
Net carrying amount	10,958,175	5,204,530

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

	At June 30, 2023	At December 31, 2022
In mainland China – Banks	6,668,000	13,413,660
Sub-total	6,668,000	13,413,660
Accrued interest	335	4,716
Less: provision for impairment losses	(8)	–
Total	6,668,327	13,418,376

(b) Analysed by type of collateral held

	At June 30, 2023	At December 31, 2022
Debts securities	6,668,000	13,413,660
Accrued interest	335	4,716
Less: provision for impairment losses	(8)	–
Net carrying amount	6,668,327	13,418,376

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

	At June 30, 2023	At December 31, 2022
Loans and advances to customers measured at amortised cost:		
Corporate loans and advances	269,577,841	250,255,977
Personal loans and advances		
– Residential mortgage	20,468,761	19,820,559
– Personal business loans	13,272,175	10,227,740
– Personal consumption loans	1,425,610	272,612
– Credit cards	8,745,965	8,581,157
Sub-total	43,912,511	38,902,068
Accrued interest	2,386,949	1,388,959
Less: provision for loans and advances to customers measured at amortised cost	(16,245,996)	(15,177,852)
Sub-total	299,631,305	275,369,152
Loans and advances to customers measured at fair value through other comprehensive income:		
Discounted bills	7,500,928	4,369,527
Sub-total	7,500,928	4,369,527
Net loans and advances to customers	307,132,233	279,738,679

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector

	At June 30, 2023		
	Amount	Percentage	Loans and advances secured by collaterals
Leasing and commercial services	123,955,031	38.61%	34,493,386
Wholesale and retail trade	35,372,813	11.02%	5,503,727
Water resources, environment and public facilities management	20,453,287	6.37%	4,222,735
Construction	15,767,520	4.91%	4,543,261
Manufacturing	12,081,727	3.76%	2,991,694
Transportation, storage and postal services	9,936,550	3.10%	3,944,133
Mining	9,655,762	3.01%	5,606,768
Education	9,432,736	2.94%	789,395
Agriculture, forestry, animal husbandry and fishery	9,040,104	2.82%	932,246
Real estate	8,582,570	2.67%	4,289,569
Health and social work	4,477,111	1.39%	385,876
Production and supply of electric power, gas and water	3,748,278	1.17%	606,816
Finance	1,475,636	0.46%	136
Accommodation and catering	1,451,499	0.45%	549,050
Culture, sports and entertainment	467,959	0.15%	31,945
Others	3,679,258	1.15%	628,976
Sub-total of corporate loans and advances	269,577,841	83.98%	69,519,713
Personal loans and advances	43,912,511	13.68%	22,943,184
Discounted bills	7,500,928	2.34%	–
Gross loans and advances to customers (excluding accrued interest)	320,991,280	100.00%	92,462,897

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector (continued)

	At December 31, 2022		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	121,180,028	41.29%	34,340,690
Wholesale and retail trade	27,454,326	9.35%	4,679,765
Water resources, environment and public facilities management	21,179,685	7.22%	4,455,168
Construction	15,505,791	5.28%	4,066,276
Real estate	10,202,588	3.48%	4,744,311
Education	9,031,157	3.08%	455,430
Mining	8,958,326	3.05%	5,059,074
Transportation, storage and postal services	7,880,270	2.68%	4,020,087
Agriculture, forestry, animal husbandry and fishery	7,664,100	2.61%	790,899
Manufacturing	7,605,326	2.59%	2,412,743
Health and social work	4,219,734	1.44%	336,695
Production and supply of electric power, gas and water	3,137,735	1.07%	754,085
Finance	1,486,939	0.51%	939
Accommodation and catering	1,125,668	0.38%	424,965
Culture, sports and entertainment	478,030	0.16%	10,930
Others	3,146,274	1.07%	376,999
Sub-total of corporate loans and advances	250,255,977	85.26%	66,929,056
Personal loans and advances	38,902,068	13.25%	22,567,486
Discounted bills	4,369,527	1.49%	–
Gain loans and advances to customers (excluding accrued interest)	293,527,572	100.00%	89,496,542

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Analysed by type of collateral

	At June 30, 2023	At December 31, 2022
Unsecured loans	51,768,349	42,712,657
Guaranteed loans	176,760,034	161,318,373
Collateralised loans	49,314,012	46,741,204
Pledged loans	43,148,885	42,755,338
Gross loans and advances to customers	320,991,280	293,527,572
Accrued interest	2,386,949	1,388,959
Less: provision for loans and advances to customers measured at amortised cost	(16,245,996)	(15,177,852)
Net loans and advances to customers	307,132,233	279,738,679

(d) Overdue loans analysed by overdue period

	At June 30, 2023				Total
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	
Unsecured loans	380,039	308,996	18,947	2,304	710,286
Guaranteed loans	1,285,452	1,111,484	361,319	8,816	2,767,071
Collateralised loans	1,179,205	413,429	265,870	70,462	1,928,966
Pledged loans	477,934	-	91,900	-	569,834
Total	3,322,630	1,833,909	738,036	81,582	5,976,157
As a percentage of gross loans and advances to customers	1.03%	0.57%	0.23%	0.03%	1.86%

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Overdue loans analysed by overdue period (continued)

	At December 31, 2022				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	269,504	182,137	7,598	2,027	461,266
Guaranteed loans	2,685,464	385,400	412,357	7,587	3,490,808
Collateralised loans	565,674	584,715	283,423	18,128	1,451,940
Pledged loans	2,000	–	91,900	–	93,900
Total	3,522,642	1,152,252	795,278	27,742	5,497,914
As a percentage of gross loans and advances to customers	1.20%	0.39%	0.27%	0.01%	1.87%

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

Notes to the unaudited Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(e) Loans and advances to customers and provision for impairment losses**

	At June 30, 2023			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss (i)	
Total loans and advances to customers measured at amortised cost	279,232,389	26,784,050	9,860,862	315,877,301
Less: provision for impairment losses	(5,036,165)	(4,691,657)	(6,518,174)	(16,245,996)
Carrying amount of loans and advances to customers measured at amortised cost	274,196,224	22,092,393	3,342,688	299,631,305
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	7,500,928	–	–	7,500,928
Total carrying amount of loans and advances to customers	281,697,152	22,092,393	3,342,688	307,132,233

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

	At December 31, 2022			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 (i)	
Total loans and advances to customers measured at amortised cost	255,147,965	26,579,106	8,819,933	290,547,004
Less: provision for impairment losses	(5,074,375)	(5,411,763)	(4,691,714)	(15,177,852)
Carrying amount of loans and advances to customers measured at amortised cost	250,073,590	21,167,343	4,128,219	275,369,152
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	4,369,527	–	–	4,369,527
Total carrying amount of loans and advances to customers	254,443,117	21,167,343	4,128,219	279,738,679

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses

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

	Six months ended June 30, 2023			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,074,375	5,411,763	4,691,714	15,177,852
Transferred:				
– to expected credit losses over the next 12 months	92,702	(92,702)	–	–
– to lifetime expected credit losses: not credit-impaired loans	(18,434)	100,406	(81,972)	–
– to lifetime expected credit losses: credit-impaired loans	(22,047)	(69,534)	91,581	–
(Release)/charge for the period	(90,387)	(658,276)	2,295,891	1,547,228
Recoveries	–	–	106,954	106,954
Write-offs	–	–	(485,865)	(485,865)
Others	(44)	–	(100,129)	(100,173)
As at June 30	5,036,165	4,691,657	6,518,174	16,245,996

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

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

	Year ended December 31, 2022			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	2,359,507	6,920,887	3,001,889	12,282,283
Transferred:				
– to expected credit losses over the next 12 months	1,569,518	(1,561,637)	(7,881)	–
– to lifetime expected credit losses: not credit-impaired loans	(9,898)	841,677	(831,779)	–
– to lifetime expected credit losses: credit-impaired loans	(10,539)	(641,433)	651,972	–
Charge/(release) for the year	1,165,550	(147,731)	2,100,393	3,118,212
Recoveries	–	–	424,609	424,609
Write-offs	–	–	(464,590)	(464,590)
Others	237	–	(182,899)	(182,662)
As at December 31	5,074,375	5,411,763	4,691,714	15,177,852

As at June 30, 2023, the Bank adjusted the customer rating of loans and advance to customers. The loan principal transferred from stage 1 to stage 2 and stage 3 was RMB2,200.2 million, and corresponding impairment provision increased by RMB958.5 million. The loan principal transferred from stage 2 to stage 3 was RMB589.4 million, and the impairment provision increased by RMB248.2 million. The loan principal transferred from stage 2 to stage 1 was RMB238.1 million, and the impairment provision decreased by RMB33.5 million. The loan principal transferred from stage 3 to stage 2 was RMB122.2 million, and the impairment provision decreased by RMB53.7 million. The loan principal transferred from stage 3 to stage 1 was not significant.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

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

	Six months ended June 30, 2023			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,510	–	–	5,510
Charge for the period	5,075	–	–	5,075
As at June 30	10,585	–	–	10,585

	Year ended December 31, 2022			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	2,898	–	–	2,898
Charge for the year	2,612	–	–	2,612
As at December 31	5,510	–	–	5,510

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS

	Notes	At June 30, 2023	At December 31, 2022
Financial investments measured at fair value through profit or loss	(a)	79,172,403	72,114,709
Financial investments measured at fair value through other comprehensive income	(b)	62,350,568	59,411,312
Financial investments measured at amortised cost	(c)	75,602,230	70,392,189
Total		217,125,201	201,918,210

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

	Note	At June 30, 2023	At December 31, 2022
Debt securities issued by the following institutions in mainland China	(i)		
– Government		13,001,927	15,132,450
– Policy banks		11,841,263	14,195,753
– Banks and other financial institutions		14,779,801	6,330,381
Sub-total		39,622,991	35,658,584
Unlisted		39,622,991	35,658,584
Structured notes issued by securities companies – Unlisted		100,984	–
Investment funds managed by public fund manager – Unlisted		39,448,428	36,456,125
Total		79,172,403	72,114,709

Note:

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

	Notes	At June 30, 2023	At December 31, 2022
Debt securities issued by the following institutions in mainland China	(i)		
– Government		28,471,377	23,162,225
– Policy banks		21,005,142	21,753,601
– Banks and other financial institutions		552,832	550,797
– Corporate		10,761,357	12,206,812
Sub-total		60,790,708	57,673,435
Listed		7,652,190	8,561,841
Unlisted		53,138,518	49,111,594
Asset-backed securities			
– Listed		404,625	397,547
Equity investments			
– Unlisted	(ii) & (iii)	37,750	37,750
Accrued interest		1,117,485	1,302,580
Total		62,350,568	59,411,312

Notes:

- (i) Certain debt securities were pledged for repurchase agreements, borrowing from the central bank and deposits from customers (Note 22(a)). No other investments were subject to material restrictions in the realisation.
- (ii) The Bank designates non-trading equity investments as financial investments at fair value through other comprehensive income. The Bank did not dispose of any such equity investment, nor transfer any cumulative gain or loss from other comprehensive income to retained earnings during the reporting period.
- (iii) For the period ended June 30, 2023 and the year ended December 31, 2022, there were no cash dividends received from equity investments measured at fair value through other comprehensive income.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes: (continued)

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

	Six months ended June 30, 2023			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	59,045,423	–	328,139	59,373,562
New financial assets originated or purchased	9,242,878	–	–	9,242,878
Financial assets derecognised during the period	(6,360,864)	(68,532)	(400,000)	(6,829,396)
Transferred:				
– to lifetime expected credit losses: not credit-impaired financial assets	(2,912,325)	2,912,325	–	–
Change in accrued interest	(304,075)	103,707	15,273	(185,095)
Change in fair value	537,835	(87,825)	260,859	710,869
As at June 30	59,248,872	2,859,675	204,271	62,312,818

	Year ended December 31, 2022			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	53,556,737	1,897,899	168,810	55,623,446
New financial assets originated or purchased	18,110,098	–	–	18,110,098
Financial assets derecognised during the year	(13,628,945)	(118,439)	(5,446)	(13,752,830)
Transferred:				
– to expected credit losses over the next 12 months	1,808,171	(1,808,171)	–	–
– to lifetime expected credit losses: credit-impaired financial assets	(435,231)	–	435,231	–
Change in accrued interest	10,561	–	48,032	58,593
Change in fair value	(375,968)	28,711	(318,488)	(665,745)
As at December 31	59,045,423	–	328,139	59,373,562

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes: (continued)

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

	Six months ended June 30, 2023			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	15,749	–	399,614	415,363
Transferred:				
– to lifetime expected credit losses not credit-impaired	(3,217)	3,217	–	–
Charge for the period	8,738	107,148	400,518	516,404
Write-offs	–	–	(400,000)	(400,000)
As at June 30	21,270	110,365	400,132	531,767

	Year ended December 31, 2022			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	25,275	8,217	243,666	277,158
Transferred:				
– to expected credit losses over the next 12 months	8,217	(8,217)	–	–
– to lifetime expected credit losses credit-impaired	(521)	–	521	–
(Release)/charge for the year	(17,222)	–	155,427	138,205
As at December 31	15,749	–	399,614	415,363

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost

	Notes	At June 30, 2023	At December 31, 2022
Debt securities issued by the following institutions in mainland China	(i)		
– Government		34,459,407	35,858,196
– Policy banks		9,940,802	5,798,967
– Corporate		16,656,965	13,953,096
Sub-total		61,057,174	55,610,259
Listed		13,068,424	10,454,065
Unlisted		47,988,750	45,156,194
Investment management products managed by asset management companies		12,176,555	13,755,944
Private debt financing plans		90,000	90,000
Other debt investments		3,481,617	2,040,367
Sub-total		15,748,172	15,886,311
Accrued interest		1,210,608	1,031,085
Less: provision for impairment losses	(iii)	(2,413,724)	(2,135,466)
Total		75,602,230	70,392,189

Notes:

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes: (continued)

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

	Six months ended June 30, 2023			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	67,953,256	1,886,527	2,687,872	72,527,655
New financial assets originated or purchased	12,727,819	699,922	–	13,427,741
Financial assets derecognised during the period	(7,888,005)	(79,264)	(151,698)	(8,118,967)
Transferred:				
– to lifetime expected credit losses: not credit-impaired financial assets	(3,290,775)	3,290,775	–	–
Change in accrued interest	(13,754)	143,949	49,330	179,525
As at June 30	69,488,541	5,941,909	2,585,504	78,015,954
	Year ended December 31, 2022			Total
	Financial assets that are assessed for expected credit losses over the next 12 months	Financial assets that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired financial assets that are assessed for lifetime expected credit loss	
As at January 1	72,121,015	6,502,438	1,159,666	79,783,119
New financial assets originated or purchased	8,487,350	–	–	8,487,350
Financial assets derecognised during the year	(15,255,521)	(246,115)	(425,123)	(15,926,759)
Transferred:				
– to expected credit losses over the next 12 months	4,217,022	(4,217,022)	–	–
– to lifetime expected credit losses: not credit-impaired financial assets	(370,392)	570,713	(200,321)	–
– to lifetime expected credit losses: credit-impaired financial assets	(1,336,512)	(683,756)	2,020,268	–
Change in accrued interest	90,294	(39,731)	133,382	183,945
As at December 31	67,953,256	1,886,527	2,687,872	72,527,655

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments at amortised cost (continued)

Notes: (continued)

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

	Six months ended June 30, 2023			Total
	Expected credit losses over the next 12 month	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	328,040	427,435	1,379,991	2,135,466
Transferred:				
- to lifetime expected credit losses: not credit-impaired	(3,946)	3,946	-	-
Charge/(release) for the period	112,069	(217,056)	376,245	271,258
Recoveries	-	-	7,000	7,000
As at June 30	436,163	214,325	1,763,236	2,413,724

	Year ended December 31, 2022			Total
	Expected credit losses over the next 12 month	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	350,429	1,007,459	411,021	1,768,909
Transferred:				
- to expected credit losses over the next 12 months	584,662	(584,662)	-	-
- to lifetime expected credit losses: not credit-impaired	(5,056)	165,531	(160,475)	-
- to lifetime expected credit losses: credit-impaired	(4)	(119,164)	119,168	-
(Release)/charge for the year	(601,991)	(41,729)	1,010,277	366,557
As at December 31	328,040	427,435	1,379,991	2,135,466

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

18 INTERESTS IN ASSOCIATES

	Note	At June 30, 2023	At December 31, 2022
Interests in associates	(a)	275,432	234,168

Note:

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

	Note	At June 30, 2023	At December 31, 2022	Place of Incorporation/ registration	Business sector
Guiyang Baiyun Dexin Rural Bank Co., Ltd (貴陽白雲德信村鎮銀行股份有限公司)	(i)	15.00%	15.00%	Guiyang Guizhou Province	Commercial Bank
Qingzhen Xingbang Rural Bank Co., Ltd. (清鎮興邦村鎮銀行有限責任公司)	(i)	17.87%	17.87%	Guiyang Guizhou Province	Commercial Bank
Zunyi Bozhou Huilong Town Bank Co., Ltd. (遵義播州匯隆村鎮銀行有限責任公司)	(i)	15.00%	15.00%	Zunyi Guizhou Province	Commercial Bank
Suiyang Qianbei Town Bank Co., Ltd. (綏陽黔北村鎮銀行有限責任公司)	(i)	15.00%	15.00%	Zunyi Guizhou Province	Commercial Bank
Zunyi Huichuan Qianxing Town Bank Co., Ltd. (遵義匯川黔興村鎮銀行有限責任公司)		20.00%	20.00%	Zunyi Guizhou Province	Commercial Bank
Liupanshui Zhongshan Liangdu Town Bank Co., Ltd. (六盤水鐘山涼都村鎮銀行股份有限公司)		20.23%	20.23%	Liupanshui Guizhou Province	Commercial Bank
Panzhou Wanhe Rural Bank Co., Ltd. (盤州萬和村鎮銀行有限責任公司)		20.00%	20.00%	Liupanshui Guizhou Province	Commercial Bank
Pingba Dingli Rural Bank Co., Ltd. (平壩鼎立村鎮銀行有限責任公司)		45.24%	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
Duyun Rongtong Town Bank Co., Ltd. (都勻融通村鎮銀行有限責任公司)		20.00%	20.00%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial Bank
Tongren Fengyuan Town Bank Co., Ltd. (銅仁豐源村鎮銀行有限責任公司)		20.00%	20.00%	Tongren Guizhou Province	Commercial Bank
Kaili Dongnan Town Bank Co., Ltd. (凱里東南村鎮銀行有限責任公司)		20.00%	20.00%	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Commercial Bank

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

18 INTERESTS IN ASSOCIATES (CONTINUED)

Note: (continued)

- (i) At June 30, 2023, the Bank held 15% interest in Guiyang Baiyun Dexin Rural Bank Co., Ltd., 17.87% interest in Qingzhen Xingbang Rural Bank Co., Ltd., 15% interest in Zunyi Bozhou Huilong Town Bank Co., Ltd., and 15% interest in Suiyang Qianbei Town Bank Co., Ltd. The Bank was the largest shareholder of Guiyang Baiyun Dexin Rural Bank Co., Ltd., Qingzhen Xingbang Rural Bank Co., Ltd., Zunyi Bozhou Huilong Town Bank Co., Ltd., and Suiyang Qianbei Town Bank Co., Ltd.. Meanwhile, the Bank appointed directors to these rural banks, which exerted significant influence on them.

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

	At June 30, 2023	At December 31, 2022
Aggregate carrying amount of individually immaterial associates in the statement of financial position of the Bank	275,432	234,168
Declaration of cash dividends	240	–
Aggregate amounts of the Bank's share of results of those associates		
– (Loss)/profits from continuing operations	(8,496)	2,212
– Other comprehensive income	–	–
– Total comprehensive income	(8,496)	2,212

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

19 PROPERTY AND EQUIPMENT

	Premises	Vehicles	Electronic equipment and others	Construction in progress	Total
Cost					
As at January 1, 2022	4,388,774	62,029	613,760	355,957	5,420,520
Additions	102,848	1,671	28,068	44,678	177,265
Disposals	–	(322)	(13,960)	–	(14,282)
Transfer in/(out)	299,839	–	–	(317,043)	(17,204)
As at December 31, 2022	4,791,461	63,378	627,868	83,592	5,566,299
Additions	2,155	354	12,173	104,029	118,711
Disposals	(15,007)	–	(10,006)	–	(25,013)
Transfer out	–	–	–	(3,056)	(3,056)
As at June 30, 2023	4,778,609	63,732	630,035	184,565	5,656,941
Accumulated depreciation					
As at January 1, 2022	(940,401)	(57,149)	(493,749)	–	(1,491,299)
Charge for the year	(220,951)	(2,111)	(49,043)	–	(272,105)
Disposals	–	313	13,473	–	13,786
Transfer out	(3)	–	–	–	(3)
As at December 31, 2022	(1,161,355)	(58,947)	(529,319)	–	(1,749,621)
Charge for the period	(114,532)	(585)	(31,265)	–	(146,382)
Disposals	–	–	9,713	–	9,713
As at June 30, 2023	(1,275,887)	(59,532)	(550,871)	–	(1,886,290)
Net book value					
As at December 31, 2022	3,630,106	4,431	98,549	83,592	3,816,678
As at June 30, 2023	3,502,722	4,200	79,164	184,565	3,770,651

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

19 PROPERTY AND EQUIPMENT (CONTINUED)

As at June 30 2023, the net book value of premises of which title deeds were not yet finalised was RMB528.97 million (December 31, 2022: RMB554.62 million). The net book value of premises of which the Bank had not gone through the progress of changing the name of the warrants was RMB59.95 million (December 31, 2022: RMB61.9 million), the net book value of the above premises without title deeds does not include the net book value of the head office building of the Bank of RMB1,832.11 million (December 31, 2022: RMB1,886.01 million). The Bank is in the process of applying the outstanding title deeds for the above premises. The directors of the Bank are of the opinion that there would be no significant costs in obtaining the title deeds.

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

	At June 30, 2023	At December 31, 2022
Held in mainland China		
– Medium-term leases (10-50 years)	2,817,135	2,917,145
– Long-term leases (over 50 years)	685,587	712,961
Total	3,502,722	3,630,106

20 DEFERRED TAX ASSETS

(a) Analysed by nature

	At June 30, 2023		At December 31, 2022	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible temporary differences	Deferred income tax assets
Deferred tax assets/(liabilities)				
– Allowance for impairment losses	20,880,784	5,220,198	19,132,440	4,783,110
– Accrued staff costs	962,445	240,611	1,154,542	288,635
– Supplemental retirement benefits	252,640	63,160	250,170	62,543
– Fair value changes of financial assets	(260,676)	(65,169)	477,098	119,275
– Others	120,371	30,093	149,818	37,454
Net deferred tax assets	21,955,564	5,488,893	21,164,068	5,291,017

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

20 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, 2022	4,017,328	203,394	26,756	(70,792)	34,968	4,211,654
Recognised in profit or loss	871,001	85,241	25,867	22,254	2,486	1,006,849
Recognised in other comprehensive income	(105,219)	-	9,920	167,813	-	72,514
December 31, 2022	4,783,110	288,635	62,543	119,275	37,454	5,291,017
Recognised in profit or loss	467,457	(48,024)	(615)	(7,015)	(7,361)	404,442
Recognised in other comprehensive income	(30,369)	-	1,232	(177,429)	-	(206,566)
June 30, 2023	5,220,198	240,611	63,160	(65,169)	30,093	5,488,893

21 OTHER ASSETS

	Notes	At June 30, 2023	At December 31, 2022
Right-of-use assets	(a)	275,968	319,420
Intangible assets	(b)	159,045	211,904
Deferred expenses		88,689	99,448
Repossessed assets		18,281	18,281
Investment properties	(c)	9,544	10,016
Interests receivable	(d)	23,318	102,418
Other receivables		437,107	148,286
Total		1,011,952	909,773

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(a) Right-of-use assets

	Property
Cost	
As at January 1, 2022	793,105
Additions	52,050
Disposals	(87,519)
Others	(36,171)
As at December 31, 2022	721,465
Additions	18,476
Disposals	(74,834)
At as June 30, 2023	665,107
Accumulated depreciation	
As at January 1, 2022	(375,926)
Additions	(142,631)
Disposals	80,654
Others	35,858
As at December 31, 2022	(402,045)
Additions	(60,796)
Disposals	73,702
As at June 30, 2023	(389,139)
Net book value	
As at December 31, 2022	319,420
As at June 30, 2023	275,968

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(b) Intangible assets

	Computer software	Land use rights	Total
Cost			
As at January 1, 2022	189,119	112,117	301,236
Additions	10,075	–	10,075
Disposals	(5,048)	–	(5,048)
Transfer in	4,666	–	4,666
As at December 31, 2022	198,812	112,117	310,929
Additions	1,291	–	1,291
Disposals	(6,760)	(61,785)	(68,545)
Transfer in	1,426	–	1,426
At as June 30, 2023	194,769	50,332	245,101
Accumulated amortisation			
As at January 1, 2022	(51,882)	(27,244)	(79,126)
Additions	(20,511)	(2,863)	(23,374)
Disposals	3,475	–	3,475
As at December 31, 2022	(68,918)	(30,107)	(99,025)
Additions	(10,441)	(1,146)	(11,587)
Disposals	4,917	19,639	24,556
As at June 30, 2023	(74,442)	(11,614)	(86,056)
Net book value			
As at December 31, 2022	129,894	82,010	211,904
As at June 30, 2023	120,327	38,718	159,045

Notes to the unaudited Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***21 OTHER ASSETS (CONTINUED)****(c) Investment properties**

	Investment properties
Cost	
As at January 1, 2022	19,449
Transfer out	(5)
	<hr/>
As at December 31, 2022 and June 30, 2023	19,444
	<hr/>
Accumulated depreciation	
As at January 1, 2022	(8,488)
Additions	(943)
Transfer out	3
	<hr/>
As at December 31, 2022	(9,428)
Additions	(472)
	<hr/>
As at June 30, 2023	(9,900)
	<hr/>
Net book value	
As at December 31, 2022	10,016
	<hr/>
As at June 30, 2023	9,544
	<hr/>

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(d) Interests receivable

	At June 30, 2023	At December 31, 2022
Interests receivable arising from:		
– Loans and advances to customers	27,301	106,712
– Financial investments measured at amortised cost	2,727	33,147
– Other investment on bonds	–	26,600
Sub-total	30,028	166,459
Less: Provision for impairment losses	(6,710)	(64,041)
Total	23,318	102,418

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

22 PLEDGED ASSETS

(a) Assets pledged as collateral

	At June 30, 2023	At December 31, 2022
Borrowings from central bank:		
– Financial investments measured at fair value through profit or loss	6,480,000	670,000
– Financial investments measured at fair value through other comprehensive income	18,387,865	17,942,903
– Financial investment measured at amortised cost	14,098,337	22,408,525
Sub-total	38,966,202	41,021,428
For repurchase agreements:		
– Financial investments measured at fair value through profit or loss	2,326,000	880,000
– Financial investments measured at fair value through other comprehensive income	2,842,400	7,009,000
– Financial investments measured at amortised cost	170,000	1,113,000
Sub-total	5,338,400	9,002,000
For deposits from customers:		
– Financial investments measured at fair value through profit or loss	1,762,467	22,171
– Financial investments measured at fair value through other comprehensive income	8,157,142	4,301,203
– Financial investments measured at amortised cost	12,228,776	7,286,368
Sub-total	22,148,385	11,609,742
Total	66,452,987	61,633,170

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

22 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 June 30, 2023, the carrying amount of the received pledged assets was RMB7,049.90 million (December 31, 2022: RMB14,219.00 million).

23 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	At June 30, 2023	At December 31, 2022
Deposits in mainland China		
– Banks	11,615,612	10,698,318
– Other financial institutions	12,077,402	12,402,520
Sub-total	23,693,014	23,100,838
Accrued interest	191,856	127,355
Total	23,884,870	23,228,193

24 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	At June 30, 2023	At December 31, 2022
In mainland China		
– Banks	5,791,100	4,601,100
Accrued interest	3,166	3,840
Total	5,794,266	4,604,940

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

25 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparty

	At June 30, 2023	At December 31, 2022
In mainland China – Banks	5,094,400	8,500,000
Sub-total	5,094,400	8,500,000
Accrued interest	263	1,793
Total	5,094,663	8,501,793

(b) Analysed by type of collateral held

	At June 30, 2023	At December 31, 2022
Debt securities	5,094,400	8,500,000
Sub-total	5,094,400	8,500,000
Accrued interest	263	1,793
Total	5,094,663	8,501,793

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

26 DEPOSITS FROM CUSTOMERS

	At June 30, 2023	At December 31, 2022
Demand deposits		
– Corporate customers	90,695,879	81,761,332
– Individual customers	39,622,908	38,972,311
Sub-total	130,318,787	120,733,643
Time deposits		
– Corporate customers	84,888,704	80,453,275
– Individual customers	127,251,182	110,133,896
Sub-total	212,139,886	190,587,171
Pledged deposits	8,878,117	9,629,929
Fiscal deposits	16,800	5,975
Inward and outward remittances	725,498	491,360
Sub-total	352,079,088	321,448,078
Accrued interest	5,568,440	4,876,369
Total	357,647,528	326,324,447

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

27 DEBT SECURITIES ISSUED

	Notes	At June 30, 2023	At December 31, 2022
Interbank deposits issued	(a)	73,547,644	69,851,425
Financial bonds issued	(b)	18,498,531	11,998,748
Tier-two capital bonds issued	(c)	998,120	2,794,957
Accrued interest		288,378	145,449
Total		93,332,673	84,790,579

Notes:

(a) Interbank deposits issued

- (i) In 2022, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB87,300.00 million and duration between 3 to 12 months. The effective interest rates ranged from 2.28% to 2.72% per annum.
- (ii) During the six months ended June 30, 2023, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB51,160.00 million and duration between 3 to 12 months. The effective interest rates ranged from 2.25% to 2.87% per annum.
- (iii) As at June 30, 2023, the fair value of outstanding interbank deposits amounted to RMB72,925.58 million (December 31, 2022: RMB69,769.30 million).

(b) Financial bonds issued

- (i) In December 2021, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB5,000.00 million. The coupon interest rate per annum is 3.45%.
- (ii) In March 2022, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB3,000.00 million. The coupon interest rate per annum is 3.27%.
- (iii) In December 2022, the Bank issued three-year fixed-rate small and micro enterprises loans financial bonds with total nominal amount of RMB4,000.00 million. The coupon interest rate per annum is 3.45%.
- (iv) In February 2023, the Bank issued three-year fixed-rate small and micro enterprises loans financial bonds with total nominal amount of RMB4,000.00 million. The coupon interest rate per annum is 3.30%.
- (v) In May 2023, the Bank issued three-year fixed-rate "Sannong" financial bonds with total nominal amount of RMB2,500.00 million. The coupon interest rate per annum is 3.04%.
- (vi) As at June 30, 2023, the fair value of outstanding financial bonds amounted to RMB18,695.83 million (December 31, 2022: RMB12,158.33 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

27 DEBT SECURITIES ISSUED (CONTINUED)

Notes: (continued)

(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 June 30, 2023, the fair value of outstanding tier-two capital bonds amounted to RMB1,008.12 million (December 31, 2022: RMB2,873.71 million).

28 OTHER LIABILITIES

	Notes	At June 30, 2023	At December 31, 2022
Accrued staff cost	(a)	1,316,097	1,465,582
Lease liabilities		271,195	307,983
Provisions for credit commitments	(b)	123,643	254,136
Other tax payable		338,230	312,910
Payment and collection clearance accounts		998,180	388,868
Dividend payable		955,518	83,592
Contract balances	5(c)	24,684	33,392
Other payables		683,821	517,071
Total		4,711,368	3,363,534

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(a) Accrued staff cost

	At June 30, 2023	At December 31, 2022
Salary, bonuses and allowances payable	962,405	1,154,542
Social insurance payable	91,049	60,283
Labour union fee, staff and workers' education fee	10,003	587
Supplemental retirement benefits payable	252,640	250,170
Total	1,316,097	1,465,582

Supplemental retirement benefits

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(a) Accrued staff cost (continued)

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

	At June 30, 2023	At December 31, 2022
Present value of early retirement plan	51,170	59,850
Present value of supplemental retirement benefits	201,470	190,320
Total	252,640	250,170

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

	At June 30, 2023	At December 31, 2022
As at January 1	250,170	159,680
Benefits paid during the period/year	(10,430)	(13,240)
Changes recognised in profit or loss	7,970	90,650
Changes recognised in other comprehensive income	4,930	13,080
As at June 30/December 31	252,640	250,170

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(a) Accrued staff cost (continued)

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

Early retirement plan

	At June 30, 2023	At December 31, 2022
Discount rate	2.25%	2.50%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

Supplementary retirement plan

	At June 30, 2023	At December 31, 2022
Discount rate	3.00%	3.00%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(b) Provision for credit commitments

	Note	At June 30, 2023	At December 31, 2022
Provision for credit commitments	(i)	123,643	254,136

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

	Six months ended June 30, 2023			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	252,018	514	1,604	254,136
Transferred to:				
– Lifetime expected credit losses: not credit-impaired	(4)	4	–	–
– Lifetime expected credit losses: credit-impaired	(2)	–	2	–
(Release)/charge for the period	(131,672)	(139)	1,318	(130,493)
As at June 30	120,340	379	2,924	123,643

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(b) Provisions for credit commitments (continued)

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

	Year ended December 31, 2022			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	141,789	983	7,002	149,774
Transferred to:				
– Lifetime expected credit losses: not credit-impaired	(4)	4	–	–
– Lifetime expected credit losses: credit-impaired	(2)	–	2	–
(Release)/charge for the year	110,173	(473)	(5,400)	104,300
Others	62	–	–	62
As at December 31	252,018	514	1,604	254,136

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

29 SHARE CAPITAL

Authorised and issued share capital

	At June 30, 2023	At December 31, 2022
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.

30 RESERVES

(a) Capital reserve

	At June 30, 2023	At December 31, 2022
Share premium	8,840,110	8,840,110
Changes in interests in associates	(170,019)	(170,019)
Total	8,670,091	8,670,091

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

30 RESERVES (CONTINUED)

(b) Surplus reserve

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

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

The Bank did not appropriate statutory surplus reserve for the period ended June 30, 2023 (December 31, 2022: RMB382.95 million).

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

(c) General reserve

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

(d) Fair value reserve

	At June 30, 2023	At December 31, 2022
As at January 1	(655,674)	(152,235)
Changes in fair value recognised in other comprehensive income	939,858	(693,170)
Transfer to profit or loss upon disposal	(230,143)	21,918
Less: deferred tax	(177,428)	167,813
As at June 30/December 31	(123,387)	(655,674)

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

30 RESERVES (CONTINUED)

(e) Impairment reserve

	At June 30, 2023	At December 31, 2022
As at January 1	315,655	280,056
Impairment loss recognised in other comprehensive income	121,480	140,818
Less: deferred tax	(30,371)	(105,219)
As at June 30/December 31	406,764	315,655

(f) Deficit on remeasurement of net defined benefit liability

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

	At June 30, 2023	At December 31, 2022
As at January 1	(29,760)	(26,600)
Changes recognised in other comprehensive income	(4,930)	(13,080)
Less: deferred tax	1,232	9,920
As at June 30/December 31	(33,458)	(29,760)

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

30 RESERVES (CONTINUED)

(g) Other equity instrument

On August 5, 2022, the Bank issued a perpetual bond of RMB2,500.0 million with no fixed maturity date, resulting in credits to perpetual bonds of RMB2,499.52 million, after deducting the direct issuance cost of RMB0.48 million. In addition, the payment of interest can be indefinitely deferred at the Bank's option and is not cumulative.

On February 27, 2023, the Bank issued a perpetual bond of RMB1,000.0 million with no fixed maturity date, resulting in credits to perpetual bonds of RMB999.96 million, after deducting the direct issuance cost of RMB0.04 million. In addition, the payment of interest can be indefinitely deferred at the Bank's option and is not cumulative.

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

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

During the six months ended June 30, 2023, the bank did not distribute interest on perpetual bond.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

31 RETAINED EARNINGS

(a) Appropriation of profit

The Bank did not declare interim dividend for the six months ended 30 June 2023.

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

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

In accordance with the resolution of the Bank's Annual General Meeting held on June 16, 2022, the shareholders approved the following profit appropriations for the year ended December 31, 2021:

- 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 and in an aggregation amount of RMB875.28 million to all existing shareholders.
- The agreed dividend were distributed in form of cash to the equity shareholders on July 13, 2022

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

32 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

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

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

The following table sets out an analysis of the carrying amounts of interests held by the Bank in unconsolidated structured entities, as well as an analysis of the line items in the statements of financial position in which relevant assets are recognised at June 30, 2023 and December 31, 2022:

	At June 30, 2023		At December 31, 2022	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial investments measured at fair value through profit or loss	39,448,428	39,448,428	36,456,125	36,456,125
Financial investments measured at fair value through other comprehensive income	404,625	404,625	397,547	397,547
Financial investments measured at amortised cost	11,433,067	11,433,067	12,837,184	12,837,184
Total	51,286,120	51,286,120	49,690,856	49,690,856

At June 30, 2023 and December 31, 2022, the carrying amounts of the unconsolidated structured entities are equal to the maximum exposures.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

32 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

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

The types of unconsolidated structured entities sponsored by the Bank include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Bank includes fees charged by providing management services. At June 30, 2023 and December 31, 2022, the carrying amounts of the investments in the units issued by these structured entities and management fee receivables being recognised are not material in the statements of financial positions.

At June 30, 2023, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Bank was RMB20,735.49 million (December 31, 2022: RMB21,427.99 million)

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

For the six months ended June 30, 2023, no non-principal guaranteed wealth management products sponsored and issued by the Bank after January 1, but matured before June 30 (June 30, 2022: nil).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

33 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 standardised approach. Operational risk-weighted assets are calculated using basic indicator approach.

The capital adequacy ratios of the Bank illustrated below are computed based on the Bank's statutory financial statements prepared in accordance with PRC GAAP.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

33 CAPITAL MANAGEMENT (CONTINUED)

The Bank's capital adequacy ratios calculated in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" and relevant requirements former CBRC are as follows:

	At June 30, 2023	At December 31, 2022
Total core tier-one capital		
– Share capital	14,588,047	14,588,047
– Qualifying portion of capital reserve	8,670,091	8,670,091
– Other comprehensive income	249,919	(369,779)
– Surplus reserve	2,611,643	2,611,643
– General reserve	5,590,000	5,070,000
– Retained earnings	11,712,065	10,901,000
Core tier-one capital	43,421,765	41,471,002
Core tier-one capital deductions	(1,582,051)	(1,544,385)
Net core tier-one capital	41,839,714	39,926,617
Other tier-one capital	3,499,480	2,499,520
Net tier-one capital	45,339,194	42,426,137
Tier-two capital		
– Instruments issued and share premium	998,120	2,794,957
– Surplus provision for loan impairment	4,338,173	4,035,502
Net tier-two capital	5,336,293	6,830,459
Net capital base	50,675,487	49,256,596
Total risk-weighted assets	382,838,303	356,341,994
Core tier-one capital adequacy ratio	10.93%	11.20%
Tier-one capital adequacy ratio	11.84%	11.91%
Capital adequacy ratio	13.24%	13.82%

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Net increase/(decrease) in cash and cash equivalents

	At June 30, 2023	At June 30, 2022
Cash and cash equivalents as at June 30	62,163,586	36,909,281
Less: cash and cash equivalents as at January 1	(54,828,236)	(48,374,278)
Net increase/(decrease) in cash and cash equivalents	7,335,350	(11,464,997)

(b) Cash and cash equivalents

	At June 30, 2023	At June 30, 2022
Cash on hand	637,878	585,424
Deposits with the central bank	4,733,913	14,578,783
Deposits with banks and other financial institutions	10,960,493	5,590,894
Financial assets held under resale agreements	6,668,000	16,154,180
Trading securities	39,163,302	–
Total	62,163,586	36,909,281

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

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

	Debt securities issued	Lease liabilities
As at January 1, 2023	84,790,579	307,983
Changes from financing cash flows:		
Net proceeds from new debt securities issued	57,660,000	–
Repayment of debt securities	(49,110,000)	–
Interest paid on debt securities	(1,207,851)	–
Repayment of lease liabilities	–	(59,702)
Total changes from financing cash flows	7,342,149	(59,702)
Other changes:		
Increase in lease liabilities	–	18,476
Interest expense	1,199,945	5,653
Others	–	(1,215)
Total other changes	1,199,945	22,914
As at June 30, 2023	93,332,673	271,195

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (continued)

	Debt securities issued	Lease liabilities
As at January 1, 2022	72,394,280	468,561
Changes from financing cash flows:		
Net proceeds from new debt securities issued	92,735,467	–
Repayment of debt securities	(82,140,000)	–
Interest paid on debt securities	(317,506)	–
Repayment of lease liabilities	–	(138,726)
Total changes from financing cash flows	10,277,961	(138,726)
Other changes:		
Increase in lease liabilities	–	52,050
Interest expense	2,118,338	14,218
Others	–	(88,120)
Total other changes	2,118,338	(21,852)
As at December 31, 2022	84,790,579	307,983

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Bank

(i) Major shareholders

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

Shareholding in the Bank:

	Notes	At June 30, 2023	At December 31, 2022
Guizhou Provincial Financial Bureau (貴州省財政廳)		18.29%	18.29%
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)		12.00%	12.00%
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)		6.55%	6.55%
Guizhou Shuitou Water Group Co., Ltd. (貴州水投水務集團有限公司)		4.44%	4.44%
Guizhou Province Water Investment (Group) Co., Ltd. (貴州省水利投資(集團)有限責任公司)	(1)	1.14%	1.14%
Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司)	(1), (2)	2.92%	2.92%
Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	(1), (2)	2.06%	2.06%

Notes:

- As at June 30, 2023, Shenzhen Expressway Corporation Limited and Guizhou Expressway Group Company Limited appointed one director to the Bank respectively. The appointment of director by Guizhou Province Water Investment (Group) Co., Ltd. was pending for obtaining approval from former CBIRC Guizhou Office (NAFR Guizhou Office).
- As at December 31, 2022, Shenzhen Expressway Corporation Limited and Guizhou Expressway Group Company Limited appointed one director to the Bank respectively.

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(a) Related parties of the Bank (continued)

(ii) Associates of the Bank

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

(iii) Others related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the board of supervisors and senior management, and close family members of such individuals; entities (and their subsidiary) controlled or jointly controlled or significantly influenced by members of the Board of Directors, the board of supervisors and senior management, and close family members of such individuals; and entities controlled or jointly controlled or significantly influenced by the major shareholders of the Bank as set out in Note 35(a) or their controlling shareholders.

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

(i) Transactions between the Bank and major shareholders:

	Six months ended June 30,	
	2023	2022
Transactions during the period		
Interest income	50,408	–
Interest expense	37,118	24,228
	At June 30,	
	2023	At December 31, 2022
Balances at end of the period/year		
Deposits from customers	5,246,700	3,370,044
Loans and advances to customers	1,304,927	–
Financial investments	817,971	–

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

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

(ii) Transactions between the Bank and other related parties:

	Six months ended June 30,	
	2023	2022
Transactions during the period		
Interest income	97,201	129,297
Interest expense	333,475	400,458

	At June 30,	At December 31,
	2023	2022
Balances at end of the period/year		
Loans and advances to customers	3,108,401	4,550,032
Financial investments	724,398	532,823
Deposits from customers	28,977,337	23,707,585
Deposits from banks and other financial institutions	10,828,007	10,285,771
Entrusted Loan	1,075,000	1,085,000
Bank acceptances	16,600	26,500

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(c) Key management personnel

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

(i) Transactions between the Bank and key management personnel

	Six months ended June 30,	
	2023	2022
Transactions during the period		
Interest income	11	23
Interest expense	149	113
	At June 30,	
	2023	At December 31, 2022
Balances at end of the period/year		
Loans and advances to customers	9	747
Deposits from customers	9,269	7,826

(ii) Key management personnel compensation

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

	Six months ended June 30,	
	2023	2022
Key management personnel compensation during the period	7,084	8,480

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

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

	At June 30, 2023	At December 31, 2022
Aggregate amount of relevant loans outstanding at the end of period/year	9	746
Maximum aggregate amount of relevant loans outstanding during period/year	746	774

There was no amount due but unpaid, nor any impairment provision made against the principal or interest on these loans at June 30, 2023 (December 31, 2022: nil).

36 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.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 SEGMENT REPORTING (CONTINUED)

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 unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 SEGMENT REPORTING (CONTINUED)

Others (continued)

	Six months ended June 30, 2023				
	Corporate banking	Retail banking	Financial markets	Others	Total
Operating income					
External interest income/(expense)	5,897,740	(1,339,996)	478,550	–	5,036,294
Internal interest (expense)/income	(2,864,620)	2,695,209	169,411	–	–
Net interest income	3,033,120	1,355,213	647,961	–	5,036,294
Net fee and commission income	124,602	18,547	58,387	–	201,536
Net trading gains	–	–	506,877	–	506,877
Net gains arising from investment securities	–	–	502,651	–	502,651
Other operating income	169,895	2,991	4,065	5,641	182,592
Operating income	3,327,617	1,376,751	1,719,941	5,641	6,429,950
Operating expenses	(977,808)	(312,275)	(401,065)	(4,213)	(1,695,361)
Impairment losses on assets	(1,123,337)	(202,747)	(829,451)	–	(2,155,535)
Share of losses of associates	–	–	–	(8,496)	(8,496)
Profit/(Loss) before tax	1,226,472	861,729	489,425	(7,068)	2,570,558
Other segment information					
– Depreciation and amortisation	148,252	43,866	59,629	–	251,747
– Capital expenditure	85,303	25,240	34,310	–	144,853
	At June 30, 2023				
	Corporate banking	Retail banking	Financial markets	Others	Total
Segment assets	284,985,924	54,318,698	230,090,993	533,635	569,929,250
Undistributed assets					5,488,893
Total assets					575,418,143
Segment liabilities	188,947,077	170,014,796	166,944,891	2,590,134	528,496,898
Total liabilities					528,496,898

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT

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

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

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

(a) Credit risk

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

Credit business

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Credit business (continued)

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

For corporate and institutional businesses, 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 standardised loan recovery procedures.

Stages of risks in financial instrument

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

Stage 1

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

Stage 2

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

Stage 3

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Significant increase in credit risk

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

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

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

As at June 30, 2023, the Bank has not considered that any of its financial assets has lower credit risk and no longer compared the credit risk at the balance sheet date with that at the initial recognition to identify whether there was a significant increase in credit risk.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

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

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

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

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of expected credit losses (“ECLs”)

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 obliger over the next 12 months or the remaining lifetime of the loan;
- LGD refers to the expected degree of loss arising from the exposure at default which is predicted by the Bank. LGD varies according to different types of counterparties, methods and priority of recovering debts and the availability of collaterals or other credit support.

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

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

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

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

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

As at June 30, 2023 and December 31, 2022, there has been no significant changes in the estimate techniques and key assumptions of the Bank Forward-looking information included in the expected credit loss model is as follows:

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

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

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

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

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

A higher probability weight is assigned to the pessimistic scenario to reflect the most likely outcome and a lower probability weight is assigned to the Baseline and optimistic scenarios to reflect the less likely outcomes. As at 30 June 2023, the weights assigned to various economic scenarios were: "Baseline" 30%, "optimistic" 20%, and "pessimistic" 50% (31 December 2022: the same).

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

(i) **Maximum credit risk exposure**

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

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

	At June 30, 2023			
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial assets held under resale agreement	Financial investments*
Balance of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	1,513,695	–	–	–
– Neither overdue nor credit-impaired	283,582,122	10,960,493	6,668,000	206,120,158
Sub-total	285,095,817	10,960,493	6,668,000	206,120,158
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	604,503	–	–	–
– Neither overdue nor credit-impaired	25,977,315	–	–	8,551,462
Sub-total	26,581,818	–	–	8,551,462
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	3,857,958	–	–	697,994
– Credit-impaired but not overdue	5,455,687	–	–	1,841,218
Sub-total	9,313,645	–	–	2,539,212
Accrued interest	2,386,949	2,499	335	2,328,093
Less: provision for impairment losses	(16,245,996)	(4,817)	(8)	(2,413,724)
Net value	307,132,233	10,958,175	6,668,327	217,125,201

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

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

	At December 31, 2022			
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial assets held under resale agreement	Financial investments*
Balances of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	450,543	–	–	–
– Neither overdue nor credit-impaired	258,126,712	5,203,985	13,413,660	197,005,900
Sub-total	258,577,255	5,203,985	13,413,660	197,005,900
Balances of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	1,644,277	–	–	–
– Neither overdue nor credit-impaired	24,868,603	–	–	1,884,061
Sub-total	26,512,880	–	–	1,884,061
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	3,403,094	–	–	857,468
– Credit-impaired but not overdue	5,034,343	–	–	1,972,582
Sub-total	8,437,437	–	–	2,830,050
Accrued interests	1,388,959	1,517	4,716	2,333,665
Less: Provision for impairment losses	(15,177,852)	(972)	–	(2,135,466)
Net value	279,738,679	5,204,530	13,418,376	201,918,210

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

(iii) Loans and advances to customers analysed by credit quality

Within overdue but not credit impaired loans and advances and credit impaired loans and advances, the portions covered and not covered by the collateral held as at June 30, 2023 and December 31, 2022 are as follows:

	At June 30, 2023		At December 31, 2022	
	Overdue but not credit impaired loans and advances	Credit impaired loans and advances	Overdue but not credit impaired loans and advances	Credit impaired loans and advances
Portion covered	691,353	4,061,583	234,926	4,447,810
Portion not covered	1,426,845	5,252,062	1,859,894	3,989,627
Total	2,118,198	9,313,645	2,094,820	8,437,437

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

(iv) Rescheduled loans and advances to customers

Restructured loans refer to the loans that the Bank adjusts the repayment terms of the loan contract due to the deterioration of the borrower's financial condition or inability to repay. As at June 30, 2023, the Bank has rescheduled loans and advances to customers amounted to RMB1,508.17 million (December 31, 2022: RMB1,496.91 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of ECLs (continued)

(v) Credit rating

The Bank adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at June 30, 2023 and December 31, 2022 are as follows:

	At June 30, 2023	At December 31, 2022
Neither overdue nor impaired		
Ratings		
– AAA	36,781,096	37,690,431
– AA- to AA+	12,997,431	14,464,364
Sub-total	49,778,527	52,154,795
Unrated	111,692,346	96,787,483
Total	161,470,873	148,942,278

For the six months ended June 30, 2023, the unrated debt securities held by the Bank issued by the Chinese government and government institutions (the Ministry of Finance, local government and policy banks) amounted to RMB42,127.21 million (December 31, 2022: RMB81,148.61 million); Interbank deposited issued by commercial banks amounted to RMB14,082.37 million (December 31, 2022: RMB4,894.85 million).

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk

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

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

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

Interest rate risk

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 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 of the banking book. In respect of measuring and managing risks, the Bank regularly assesses the impact of interest rate sensitivity repricing gaps and interest rate changes on the Bank’s net interest income and economic value. The main purpose of interest rate risk management of the banking book is to reduce the potential negative impact of interest rate changes on net interest income and economic value.

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 unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Trading interest rate risk (continued)

(i) The following tables indicate the assets and liabilities as at June 30, 2023 and December 31, 2022 by the expected next repricing dates or by maturity dates, depending on which is earlier:

	At June 30, 2023					
	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	22,987,279	645,993	22,341,286	-	-	-
Deposits with banks and other financial institutions	10,958,175	2,499	10,955,676	-	-	-
Financial assets held under resale agreements	6,668,327	335	6,667,992	-	-	-
Loans and advances to customers (Note (i))	307,132,233	2,736,901	8,550,890	137,099,891	157,034,412	1,710,139
Financial investments (Note (ii))	217,125,201	41,915,256	4,820,032	33,984,854	97,152,904	39,252,155
Others	460,425	460,425	-	-	-	-
Total assets	565,331,640	45,761,409	53,335,876	171,084,745	254,187,316	40,962,294
Liabilities						
Borrowings from the central bank	37,591,795	448,658	9,169,437	27,973,700	-	-
Deposits from banks and other financial institutions	23,884,870	191,856	13,733,014	9,960,000	-	-
Placements from banks and other financial institutions	5,794,266	3,166	400,000	4,201,100	1,190,000	-
Financial assets sold under repurchase agreements	5,094,663	263	5,094,400	-	-	-
Deposits from customers	357,647,528	6,310,738	159,760,868	81,099,899	104,690,542	5,785,481
Debt securities issued	93,332,673	288,378	23,651,419	49,896,225	18,498,531	998,120
Others	1,556,865	1,556,865	-	-	-	-
Total liabilities	524,902,660	8,799,924	211,809,138	173,130,924	124,379,073	6,783,601
Assets-liability gap	40,428,980	36,961,485	(158,473,262)	(2,046,179)	129,808,243	34,178,693

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Trading interest rate risk (continued)

(i) The following tables indicate the assets and liabilities as at June 30, 2023 and December 31, 2022 by the expected next repricing dates or by maturity dates, depending on which is earlier: (continued)

	Total	Non-interest bearing	At December 31, 2022			
			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	23,249,900	754,890	22,495,010	-	-	-
Deposits with banks and other financial institutions	5,204,530	1,517	5,203,013	-	-	-
Financial assets held under resale agreements	13,418,376	4,716	13,413,660	-	-	-
Loans and advances to customers (Note (i))	279,738,679	1,950,371	65,485,407	168,896,497	26,358,246	17,048,158
Financial investments (Note (ii))	201,918,210	38,728,951	6,761,870	25,512,790	95,130,134	35,784,465
Others	250,704	250,704	-	-	-	-
Total assets	523,780,399	41,691,149	113,358,960	194,409,287	121,488,380	52,832,623
Liabilities						
Borrowings from the central bank	38,106,949	433,348	9,306,701	28,366,900	-	-
Deposits from banks and other financial institutions	23,228,193	127,355	3,140,838	19,960,000	-	-
Placements from banks and other financial institutions	4,604,940	3,840	2,100,000	1,861,100	640,000	-
Financial assets sold under repurchase agreements	8,501,793	1,793	8,500,000	-	-	-
Deposits from customers	326,324,447	4,876,369	169,864,495	57,840,378	91,643,177	2,100,028
Debt securities issued	84,790,579	145,449	17,663,469	52,187,956	11,998,748	2,794,957
Others	744,691	744,691	-	-	-	-
Total liabilities	486,301,592	6,332,845	210,575,503	160,216,334	104,281,925	4,894,985
Assets-liability gap	37,478,807	35,358,304	(97,216,543)	34,192,953	17,206,455	47,937,638

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Trading interest rate risk (continued)

- (i) **The following tables indicate the assets and liabilities as at June 30, 2023 and December 31, 2022 by the expected next repricing dates or by maturity dates, depending on which is earlier: (continued)**

Notes:

- (i) As at June 30, 2023, for loans and advances to customers, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB781.91 million (December 31, 2022: RMB748.38 million).
- (ii) Financial investments include financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost. As at June 30, 2023, for financial investments, the category "Less than three months" does not have overdue amounts (net of provision for impairment losses) (December 31, 2022: RMB70.78 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.

	At June 30, 2023 (Decrease)/ increase	At December 31, 2022 (Decrease)/ increase
Changes in net profit		
Up 100 bps parallel shift in yield curves	(474,368)	(593,029)
Down 100 bps parallel shift in yield curves	474,368	593,029
Changes in equity		
Up 100 bps parallel shift in yield curves	(1,836,388)	(1,841,474)
Down 100 bps parallel shift in yield curves	2,034,315	1,956,857

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Trading interest rate risk (continued)

(ii) Interest rate sensitivity analysis (continued)

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

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

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign currency risk

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

(i) *The Bank's currency exposures as at June 30, 2023 and December 31, 2022 were as follows:*

	At June 30, 2023				Total (RMB equivalent)
	RMB (RMB equivalent)	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	
Assets					
Cash and deposits with the central bank	22,986,889	390	-	-	22,987,279
Deposits with banks and other financial institutions	10,754,499	200,668	-	3,008	10,958,175
Financial assets held under resale agreements	6,668,327	-	-	-	6,668,327
Loans and advances to customers	307,097,516	34,717	-	-	307,132,233
Financial investments	217,125,201	-	-	-	217,125,201
Others	460,425	-	-	-	460,425
Total assets	565,092,857	235,775	-	3,008	565,331,640
Liabilities					
Borrowings from the central bank	(37,591,795)	-	-	-	(37,591,795)
Deposits from banks and other financial institutions	(23,884,870)	-	-	-	(23,884,870)
Placements from banks and other financial institutions	(5,794,266)	-	-	-	(5,794,266)
Financial assets sold under repurchase agreements	(5,094,663)	-	-	-	(5,094,663)
Deposits from customers	(357,641,520)	(3,000)	-	(3,008)	(357,647,528)
Debt securities issued	(93,332,673)	-	-	-	(93,332,673)
Others	(1,337,861)	(219,004)	-	-	(1,556,865)
Total liabilities	(524,677,648)	(222,004)	-	(3,008)	(524,902,660)
Net position	40,415,209	13,771	-	-	40,428,980
Off-balance sheet credit commitments	27,087,748	58,430	-	-	27,146,178

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign currency risk (continued)

(i) The Bank's currency exposures as at June 30, 2023 and December 31, 2022 were as follows: (continued)

	At December 31, 2022				Total (RMB equivalent)
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	
Assets					
Cash and deposits with the central bank	23,248,256	1,644	-	-	23,249,900
Deposits with banks and other financial institutions	5,092,785	104,314	-	7,431	5,204,530
Financial assets held under resale agreements	13,418,376	-	-	-	13,418,376
Loans and advances to customers	279,603,661	135,018	-	-	279,738,679
Financial investments	201,918,210	-	-	-	201,918,210
Others	250,704	-	-	-	250,704
Total assets	523,531,992	240,976	-	7,431	523,780,399
Liabilities					
Borrowings from the central bank	(38,106,949)	-	-	-	(38,106,949)
Deposits from banks and other financial institutions	(23,228,193)	-	-	-	(23,228,193)
Placements from banks and other financial institutions	(4,604,940)	-	-	-	(4,604,940)
Financial assets sold under repurchase agreements	(8,501,793)	-	-	-	(8,501,793)
Deposits from customers	(326,295,824)	(21,200)	-	(7,423)	(326,324,447)
Debt securities issued	(84,790,579)	-	-	-	(84,790,579)
Others	(531,363)	(213,327)	-	(1)	(744,691)
Total liabilities	(486,059,641)	(234,527)	-	(7,424)	(486,301,592)
Net position	37,472,351	6,449	-	7	37,478,807
Off-balance sheet credit commitments	28,962,236	90,487	-	-	29,052,723

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign currency risk (continued)

(ii) Exchange rate sensitivity analysis

	At June 30, 2023 (Decrease)/ increase	At December 31, 2022 (Decrease)/ increase
Changes in net profit		
Foreign exchange rate decrease by 100 bps	(103)	(48)
Foreign exchange rate increase by 100 bps	103	48

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

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

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 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 unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The following tables provide an analysis of assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment at June 30, 2023 and December 31, 2022:

	At June 30, 2023							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	17,607,373	5,379,906	-	-	-	-	-	22,987,279
Deposits with banks and other financial institutions	-	10,958,175	-	-	-	-	-	10,958,175
Financial assets held under resale agreements	-	-	6,668,327	-	-	-	-	6,668,327
Loans and advances to customers	3,759,429	1,526,097	14,472,353	13,258,131	74,690,390	87,418,870	112,006,963	307,132,233
Financial investments	282,950	-	41,779,967	3,507,269	35,149,956	97,152,904	39,252,155	217,125,201
Others	460,425	-	-	-	-	-	-	460,425
Total assets	22,110,177	17,864,178	62,920,647	16,765,400	109,840,346	184,571,774	151,259,118	565,331,640
Liabilities								
Borrowings from the central bank	-	-	1,850,018	7,506,794	28,234,983	-	-	37,591,795
Deposits from banks and other financial institutions	-	558,096	4,643,018	8,686,305	9,997,451	-	-	23,884,870
Placements from banks and other financial institutions	-	-	-	403,160	4,201,106	1,190,000	-	5,794,266
Financial assets sold under repurchase agreements	-	-	5,094,663	-	-	-	-	5,094,663
Deposits from customers	-	139,723,645	8,228,112	13,337,230	82,796,849	107,729,090	5,832,602	357,647,528
Debt securities issued	-	-	6,132,148	17,519,271	50,184,603	18,498,531	998,120	93,332,673
Others	558,685	998,180	-	-	-	-	-	1,556,865
Total liabilities	558,685	141,279,921	25,947,959	47,452,760	175,414,992	127,417,621	6,830,722	524,902,660
Net position	21,551,492	(123,415,743)	36,972,688	(30,687,360)	(65,574,646)	57,154,153	144,428,396	40,428,980

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Indefinite Note (i)	Repayable on demand	Within one month	At December 31, 2022				Total
				Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
Assets								
Cash and deposits with the central bank	17,530,876	5,719,024	-	-	-	-	-	23,249,900
Deposits with banks and other financial institutions	-	5,204,530	-	-	-	-	-	5,204,530
Financial assets held under resale agreements	-	-	13,418,376	-	-	-	-	13,418,376
Loans and advances to customers	4,729,436	1,213,010	15,070,175	9,599,071	55,686,385	84,640,246	108,800,356	279,738,679
Financial investments	435,269	-	39,585,924	4,224,160	26,758,258	95,130,134	35,784,465	201,918,210
Others	250,704	-	-	-	-	-	-	250,704
Total assets	22,946,285	12,136,564	68,074,475	13,823,231	82,444,643	179,770,380	144,584,821	523,780,399
Liabilities								
Borrowings from the central bank	-	-	-	9,572,091	28,534,858	-	-	38,106,949
Deposits from banks and other financial institutions	-	70,908	255,885	2,849,786	20,051,614	-	-	23,228,193
Placements from banks and other financial institutions	-	-	400,397	1,703,437	1,861,106	640,000	-	4,604,940
Financial assets sold under repurchase agreements	-	-	8,501,793	-	-	-	-	8,501,793
Deposits from customers	-	134,989,213	14,243,692	21,756,135	59,035,918	94,197,379	2,102,110	326,324,447
Debt securities issued	-	-	2,007,269	15,735,755	52,253,850	11,998,748	2,794,957	84,790,579
Others	355,823	388,868	-	-	-	-	-	744,691
Total liabilities	355,823	135,448,989	25,409,036	51,617,204	161,737,346	106,836,127	4,897,067	486,301,592
Net position	22,590,462	(123,312,425)	42,665,439	(37,793,973)	(79,292,703)	72,934,253	139,687,754	37,478,807

Note:

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 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 June 30, 2023 and December 31, 2022:

	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	At June 30, 2023				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from the central bank	37,591,795	37,544,193	-	1,852,013	7,035,655	28,656,525	-	-
Deposits from banks and other financial institutions	23,884,870	24,068,640	558,097	4,649,181	8,767,853	10,093,509	-	-
Placements from banks and other financial institutions	5,794,266	5,922,098	-	-	430,537	4,286,658	1,204,903	-
Financial assets sold under repurchase agreements	5,094,663	5,095,240	-	5,095,240	-	-	-	-
Deposits from customers	357,647,528	371,768,703	139,723,645	8,236,905	13,402,094	84,492,285	119,857,489	6,056,285
Debt securities issued	93,332,673	96,087,578	-	-	23,720,000	51,629,978	19,682,600	1,055,000
Total non-derivative financial liabilities	523,345,795	540,486,452	140,281,742	19,833,339	53,356,139	179,158,955	140,744,992	7,111,285

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	At December 31, 2022				
				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	38,106,949	38,241,265	-	3,086,688	6,117,400	29,037,177	-	-
Deposits from banks and other financial institutions	23,228,193	23,582,255	70,908	256,163	2,926,300	20,328,884	-	-
Placements from banks and other financial institutions	4,604,940	4,679,345	-	400,477	1,729,948	1,894,760	654,160	-
Financial assets sold under repurchase agreements	8,501,793	8,503,221	-	8,503,221	-	-	-	-
Deposits from customers	326,324,447	337,950,232	134,989,236	14,264,743	21,872,091	60,125,750	104,085,370	2,613,042
Debt securities issued	84,790,579	87,468,750	-	60,000	17,907,655	53,331,395	13,224,700	2,945,000
Total non-derivative financial liabilities	485,556,901	500,425,068	135,060,144	26,571,292	50,553,394	164,717,966	117,964,230	5,558,042

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(d) Operational risk

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 events, and defects in the execution and settlement of transactions and operational procedure management.

The Board is ultimately responsible for our operational risk management and the senior management leads our day-to-day operational risk management. The Bank has established “three lines of defense” against operational risk. The first line of defense is formed by various business departments of our head office, branches and sub-branches and business organizations, which are directly responsible for operational risk management. The second line of defense includes our Risk Management Department, Legal and Compliance Department and other risk management-related departments, which are responsible for formulating operational risk management policies, coordinating, supporting and supervising operational risk management. The third line of defense is our Internal 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.

In the first half of 2023, the Bank clarified the operational risk management policy, improved the operational risk management system, strengthened the promotion and application of operational risk management system, continuously strengthened the application of operational risk management tools, and further promoted the Bank’s operational risk management capability and effectiveness. Firstly, the Bank organized and launched a credit business and operational risk inspection to strengthen source regulation. Secondly, the Bank implemented the principle of “tempering justice with leniency; equal punishment for mistakes” to revise the Measures for Handling Employee’s Violations of Rules and Disciplines of Bank of Guizhou (《貴州銀行員工違規違紀行為處理辦法》) and other accountability systems. Thirdly, the Bank sorted out the internal control system of incompatible posts, the key points of post separation and the incompatible posts (responsibilities), compiled the List of Incompatible Posts (《不相容崗位列表》), and formulated the Management Measures for Incompatible Posts (Responsibilities) (Trial) (《不相容崗位(職責)管理辦法(試行)》). Fourthly, the Bank regularly organized the collection of operational risk loss data and the monitoring of key risk indicators across the Bank, and completed the 2022 Stress Test for Operational Risk of the Bank. Fifthly, the Bank organized trial operation and systematic training of the operational risk management system. Sixthly, the Bank launched and deployed dozens of monitoring models regarding products and behavior management. Seventhly, the Bank expanded the scope of access channels, relying on the anti-fraud application platform to continuously improve the ability to prevent external fraud risks. Eighthly, the Bank revised and improved the Outsourcing Risk Management Measures of Bank of Guizhou (《貴州銀行外包風險管理辦法》) which included outsourcing risk management into the scope of catalog management and authorization management.

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

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE

(a) *Methods and assumptions for measurement of fair value*

The Bank adopts the following methods and assumptions when evaluating fair values:

(i) *Debt securities and equity investments*

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of the reporting period. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows.

(ii) *Investments and other non-derivative financial assets*

Fair values are estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

(iii) *Debt securities issued and other non-derivative financial liabilities*

Fair values of debt securities issued are based on their quoted market prices at the end of the reporting period, or the present value of estimated future cash flows. The fair values of other non-derivative financial liabilities are valued at the present value of estimated future cash flows. The discount rates are based on the market interest rates at the end of the reporting period.

The Bank has established policies and internal controls with respect to the measurement of fair values, specify the framework of fair value measurement of financial instruments, fair value measurement methodologies and procedures.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 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 27. The carrying amounts of other financial liabilities approximate their fair value.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

Level 3: Fair value measured using significant unobservable inputs.

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis. The inputs used in valuation techniques include risk free and benchmark interest rates and credit spreads. Where discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is reference to another instrument that is substantially the same.

Notes to the unaudited Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***38 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (continued)**

	At June 30, 2023			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>				
– Discounted bills	–	7,500,928	–	7,500,928
<i>Financial investments measured at fair value through profit or loss</i>				
– Debt securities	–	39,622,991	–	39,622,991
– Investment funds	39,448,428	–	–	39,448,428
– Structured notes issued by securities companies	–	–	100,984	100,984
<i>Financial investments measured at fair value through other comprehensive income</i>				
– Debt securities	–	61,901,527	–	61,901,527
– Assets-backed securities	–	411,291	–	411,291
– Equity investments	–	–	37,750	37,750
Total	39,448,428	109,436,737	138,734	149,023,899

Notes to the unaudited Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***38 FAIR VALUE (CONTINUED)****(c) Fair value hierarchy (continued)**

	At December 31, 2022			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>				
– Discounted bills	–	4,369,527	–	4,369,527
<i>Financial investments measured at fair value through profit or loss</i>				
– Debt securities	–	35,658,584	–	35,658,584
– Investment funds	36,456,125	–	–	36,456,125
<i>Financial investments measured at fair value through other comprehensive income</i>				
– Debt securities	–	58,969,230	–	58,969,230
– Assets-backed securities	–	404,332	–	404,332
– Equity investments	–	–	37,750	37,750
Total	36,456,125	99,401,673	37,750	135,895,548

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

The movement during the six months ended June 30, 2023 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2023	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements		June 30, 2023	Total gains or losses for the period included in profit or loss for assets held at the end of the period
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Settlements		
Assets									
Financial investments measured at fair value through profit or loss – Structured notes issued by securities companies	-	-	-	984	-	100,000	-	100,984	984
Financial investments measured at fair value through other comprehensive income – Structured notes issued by securities companies	-	-	-	-	-	-	-	-	-
– Equity investments	37,750	-	-	-	-	-	-	37,750	-
Total	37,750	-	-	984	-	100,000	-	138,734	984

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

The movement during the year ended December 31, 2022 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2022	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements		December 31, 2022	Total gains or losses for the period included in profit or loss for assets held at the end of the period
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Settlements		
Assets									
Financial investments measured at fair value through profit or loss – Structured notes issued by securities companies	197,780	-	-	9,477	-	100,000	(307,257)	-	-
Financial investments measured at fair value through other comprehensive income – Structured notes issued by securities companies	-	-	-	-	-	-	-	-	-
– Equity investments	37,750	-	-	-	-	-	-	37,750	-
Total	235,530	-	-	9,477	-	100,000	(307,257)	37,750	-

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

During the year ended December 31, 2022 and six months ended June 30, 2023, the carrying amount of financial instrument valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

The valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3.

Quantitative information of Level 3 fair value measurement is as below:

	Fair value at June 30, 2023	Valuation techniques	Unobservable inputs
Financial investments measured at fair value through profit or loss			
– Structured notes issued by securities companies	100,984	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments measured at fair value through other comprehensive income			
– Equity investments	37,750	Discounted cash flow	Risk – adjusted discount rate, cash flow
	Fair value at December 31, 2022	Valuation techniques	Unobservable inputs
Financial investments measured at fair value through other comprehensive income			
– Equity investments	37,750	Discounted cash flow	Risk-adjusted discount rate, cash flow

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

During the six months ended June 30, 2023, there were no significant changes in the valuation techniques (2022: nil).

As at December 31, 2022 and June 30, 2023, unobservable inputs such as risk-adjusted discount rate and cash flow were used in the valuation of financial assets at fair value classified as Level 3, which were mainly equity investments and wealth management products. The fair value of these financial assets fluctuates according to the changes in the unobservable inputs.

The sensitivity of the fair value on changes in unobservable inputs for Level 3 financial instruments is measured at fair value on an ongoing basis.

The fair value of financial instruments is, in certain circumstances, measured using valuation models which incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the sensitivity of fair value due to parallel movement of plus or minus 1 percent of change in fair value to reasonably possible alternative assumptions.

As at year ended December 31, 2022, the level 3 financial instrument has no sensitivity of fair value.

	At June 30, 2023			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial investments measured at fair value through profit or loss				
– Structured notes issued by securities companies	10	(10)	–	–

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

39 ENTRUSTED LENDING BUSINESS

The Bank provides entrusted lending business services to customers. All entrusted loans are funded by entrusted funds from these customers. The Bank does not take any credit risk in relation to these transactions. The Bank acts as an agent to hold and manage these assets and liabilities at the direction of the entrustor and receives fee income for the services provided. The entrusted assets are not the assets of the Bank and are not recognised in the statements of financial position. Surplus funding is accounted for as deposits from customers.

	At June 30, 2023	At December 31, 2022
Entrusted loans	40,657,404	41,592,093
Entrusted funds	40,657,404	41,592,093

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

40 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Credit commitments

The Bank's credit commitments take the form of approved loans with signed contracts, credit card commitments, bank acceptances, letters of credit and financial guarantees.

The contractual amounts of loans commitments represent the amounts should the contracts be fully drawn upon. The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from the customers.

	At June 30, 2023	At December 31, 2022
Credit card commitments	13,414,411	11,900,588
Sub-total	13,414,411	11,900,588
Acceptances	11,875,215	15,596,513
Letters of credit	931,941	589,487
Letters of guarantees	924,611	966,135
Total	27,146,178	29,052,723

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

	At June 30, 2023	At December 31, 2022
Credit risk-weighted amounts	347,053,834	10,253,108

The credit risk-weighted amount represents the amount calculated with reference to the guidelines issued by the former CBRC.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

40 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(c) Capital commitments

As at June 30, 2023 and December 31, 2022, the Bank's authorised capital commitments are as follows:

	At June 30, 2023	At December 31, 2022
Contracted but not paid for	139,346	156,765
Authorised but not contracted for	3,725	–
Total	143,071	156,765

(d) Outstanding litigations and disputes

As at June 30, 2023, the Bank was the defendant in certain pending litigations and disputes with an estimated gross amount of RMB212.34 million (December 31, 2022: RMB15.67 million). The Bank has assessed the above outstanding litigation cases that may lead to the loss of economic benefits. Management believes that the Bank is extremely unlikely to be liable for compensation. Therefore, the Bank did not recognise any litigation provision.

41 SUBSEQUENT EVENTS

No significant events occurred to the Bank after the reporting period.

Notes to the unaudited Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

42 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2023

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the six months ended June 30, 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Bank.

	Effective for accounting period beginning on or after
Amendments to IAS 1, Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IAS 1, Non-current Liabilities with Covenants	January 1, 2024
Amendments to IFRS 16, Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Bank is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statement.

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

The information set out below does not form part of the financial statements, and is included herein for information purpose only.

In accordance with the Hong Kong Listing Rules and Banking (Disclosure) Rules, the Bank discloses the unaudited supplementary financial information as follows:

1 LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO

Liquidity coverage ratio

	30 June, 2023	Average for the six months ended 30 June, 2023
Liquidity coverage ratio (RMB and foreign currency)	374.64%	377.11%

	31 December, 2022	Average for the year ended 31 December, 2022
Liquidity coverage ratio (RMB and foreign currency)	419.41%	336.92%

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

	At June 30, 2023	At December 31, 2022
Leverage Ratio	7.77%	7.70%

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

	At June 30, 2023			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	235,775	–	3,008	238,783
Spot liabilities	222,804	–	3,008	225,812
Net position	12,971	–	–	12,971

	At December 31, 2022			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	244,141	–	7,424	251,565
Spot liabilities	21,962	–	7,423	29,385
Net position	222,179	–	1	222,180

The Bank has no structural position at June 30, 2023 and December 31, 2022

3 INTERNATIONAL CLAIMS

The Bank is principally engaged in business operations within Mainland China and regards all claims on third parties outside Mainland China as international claims.

International claims include loans and advances to customers, and amounts due from banks and other financial institutions.

A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account all risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose Head Office is located in another country.

As at June 30, 2023 and December 31, 2022, the Bank has no international claims in all areas outside China.

Unaudited Supplementary Financial Information (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

4 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES

	At June 30, 2023	At December 31, 2022
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– Within three months (inclusive)	3,322,630	3,522,642
– Overdue more than three months to one year (inclusive)	1,833,909	1,152,252
– Overdue more than one year	819,618	823,020
Total	5,976,157	5,497,914
As a percentage of gross loans and advances		
– Within three months (inclusive)	1.03%	1.20%
– Overdue more than three months to one year (inclusive)	0.57%	0.39%
– Overdue more than one year	0.26%	0.28%
Total	1.86%	1.87%

Appendix: List of Branches and Sub-branches

No.	Region	Name of institution	Address of institution
1	Guiyang	Guiyang branch Business Department of Bank of Guizhou Co., Ltd.	Shops (No.1-2) on 1/F, 39-45/F, 47-49/F, Guizhou Tourism Building, No.68 Beijing Road, Yunyan District, Guiyang, Guizhou Province
2	Guiyang	Guiyang Zunyi Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 1/F, No. 1 2/F, No. 1 3/F, Unit A & B, Chengshi Fangzhou, No.25 Zunyi Road, Nanming District, Guiyang, Guizhou Province
3	Guiyang	Guiyang Qianjiang Road sub-branch of Bank of Guizhou Co., Ltd.	Shop No.2, 1/F, Building 5 (former Building 1),Yunkaixiyuan Phase II, No.29 Qianjiang Road, Guiyang Economic & Technology Development Zone, Guiyang, Guizhou Province
4	Guiyang	Guiyang Ruijin sub-branch of Bank of Guizhou Co., Ltd.	Nos. 2&3 1/F and 14/F, Yuhui Commercial Center, No. 68 Ruijin North Road, Yunyan District, Guiyang, Guizhou Province
5	Guiyang	Guiyang Huaxi sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-6, 1-7, 1-8, 1-9, 1-10, 1/F & Shops 1-24, 1-25, 1-26, 1-27, 2/F, Building 1, Huaxi District Liangjiapo Big Data Comprehensive Industry Zone, Junction of Mingzhu Avenue and Huatong Road, Huaxi District, Guiyang, Guizhou Province
6	Guiyang	Guiyang Yunyan sub-branch of Bank of Guizhou Co., Ltd.	No. 77 Ruijin Middle Road, Guiyang, Guizhou Province
7	Guiyang	Guiyang Nanming sub-branch of Bank of Guizhou Co., Ltd.	Shops 6, 7, 8, 9, 11, Block C, Junyue Huating, No. 19 Xinhua Road, Nanming District, Guiyang, Guizhou Province
8	Guiyang	Guiyang Youyi sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1-7 Youyi Road, Yunyan District, Guiyang, Guizhou Province
9	Guiyang	Guiyang Baoshan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Zhongke Jiayuan annex building (on the side facing Guanshui Road), Institute of Geochemistry Chinese Academy of Sciences, No. 46 Guanshui Road, Nanming District, Guiyang, Guizhou Province
10	Guiyang	Guiyang Fushui Road sub-branch of Bank of Guizhou Co., Ltd.	Annex building of Hengfeng Yipin, No. 31 Fushui South Road, Nanming District, Guiyang, Guizhou Province
11	Guiyang	Guiyang Jinyang Keji sub-branch of Bank of Guizhou Co., Ltd.	Building No. 1, Western China (Guiyang) High-tech Production and R&D base, No. 28 Changling South Road, National High-tech Zone, Guiyang, Guizhou Province
12	Guiyang	Guiyang Shijicheng Xingfu Road sub-branch of Bank of Guizhou Co., Ltd.	1-2/F, Units 7-11, Comprehensive Market periphery, Group M, Shijicheng, Guanshanhu District, Guiyang, Guizhou Province
13	Guiyang	Guiyang Taiciqiao sub-branch of Bank of Guizhou Co., Ltd.	No. 2, B1, Yijingchuntian, No. 560, North Section of Huaxi Avenue, Nanming District, Guiyang, Guizhou Province
14	Guiyang	Guiyang Xiaohe sub-branch of Bank of Guizhou Co., Ltd.	1/F, Building No. 1, Daxing Commercial Building, No. 418 Huanghe Road, Xiaohe District, Guiyang, Guizhou Province
15	Guiyang	Guiyang 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
16	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
17	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
18	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
19	Guiyang	Guiyang Exhibition Center sub-branch of Bank of Guizhou Co., Ltd.	No. 65 Zunyi Road, Nanming District, Guiyang, Guizhou Province
20	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
21	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
22	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
23	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
24	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
25	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
26	Guiyang	Guiyang Zaoshan Road Community sub-branch of Bank of Guizhou Co., Ltd.	Shop No.2, 1/F, Tiedao Building, No. 31 Zaoshan Road, Yunyan District, Guiyang, Guizhou Province
27	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
28	Guiyang	Guiyang Jinyang South Road Community subbranch 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
29	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
30	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
31	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
32	Guiyang	Kaiyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, No. 395 Kaizhou Avenue, Kaiyang County, Guiyang, Guizhou Province
33	Guiyang	Xiuwen sub-branch of Bank of Guizhou Co., Ltd.	1/F, Unit 1, Block 1, Chaoyang Road, Xiuwen County, Guiyang, Guizhou Province
34	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
35	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
36	Guiyang	Guiyang Huaguoyuan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1005A & 1005B, phase one, Huaguoyuan Project, Zhongshan South Road, Guiyang, Guizhou Province
37	Guiyang	Guiyang Shuanglong Air Harbor sub-branch of Bank of Guizhou Co., Ltd.	Shop B, No.28, -3/F, Building B, phase one, Longdongbao E-Business Port, No. 9 Airport Road, Nanming District, Guiyang, Guizhou Province
38	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
39	Guiyang	Guiyang Shibei Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Shibei Road, Yunyan District, Guiyang, Guizhou Province
40	Guiyang	Guiyang Beijing Road sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Beijing Road, Yunyan District, Guiyang, Guizhou Province
41	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
42	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
43	Guiyang	Guiyang Weilai Fangzhou sub-branch of Bank of Guizhou Co., Ltd.	Nos. 16-18 Basement 7, Group E4, Weilai Fangzhou, Yu'an Anjin Area, Yunyan District, Guiyang, Guizhou Province
44	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
45	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
46	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
47	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
48	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
49	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
50	Guiyang	Guiyang Huaxi Avenue sub-branch of Bank of Guizhou Co., Ltd.	No. 3078, Qingxi Road, Huaxi District, Guiyang, Guizhou Province
51	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
52	Guiyang	Guiyang Yanwu Street sub-branch of Bank of Guizhou Co., Ltd.	No. 35 Yanwu Street, Yunyan District, Guiyang, Guizhou Province
53	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
54	Guiyang	Guiyang Youlin Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Basement 1, Group G4, Weilai Fangzhou, Yu'an Anjin Area, Yunyan District, Guiyang, Guizhou Province
55	Guiyang	Qingzhen Yunling Middle Road sub-branch of Bank of Guizhou Co., Ltd.	No.91 Qingzhen Yunling Middle Road. Qingzhen, Guizhou Province
56	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
57	Zunyi	Zunyi branch Business Department of Bank of Guizhou Co., Ltd.	Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province
58	Zunyi	Zunyi Hangtian sub-branch of Bank of Guizhou Co., Ltd.	No. 36 Beijing Road, Honghuagang District, Zunyi, Guizhou Province
59	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
60	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
61	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
62	Zunyi	Zunyi Huichuan sub-branch of Bank of Guizhou Co., Ltd.	Haixin Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province
63	Zunyi	Zunyi Hong Kong Road sub-branch of Bank of Guizhou Co., Ltd.	Baoli Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province
64	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
65	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
66	Zunyi	Zunyi Zhongnan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 84-88 Zhonghua South Road, Honghuagang District, Zunyi, Guizhou Province
67	Zunyi	Zunyi Xinhua sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54-56 Xinhua Road, Honghuagang District, Zunyi, Guizhou Province
68	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
69	Zunyi	Zunyi Donggongsi sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-1, Block 1, Feiyang Tiandi, Huichuan Avenue, Zunyi, Guizhou Province
70	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
71	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
72	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
73	Zunyi	Zunyi Xima Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, Block B, Meilunhuaxiang, Xima Road, Zunyi, Guizhou Province
74	Zunyi	Zunyi Honghuagang sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Haier Avenue, Honghuagang District, Zunyi, Guizhou Province
75	Zunyi	Zunyi Nanzhou Road sub-branch of Bank of Guizhou Co., Ltd.	No. 270 Nanzhou Road, Honghuagang District, Zunyi, Guizhou Province
76	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
77	Zunyi	Zunyi Lanjiabao sub-branch of Bank of Guizhou Co., Ltd.	Shops 8-9, Block 18, Lanjiabao Community, Honghuagang District, Zunyi, Guizhou Province
78	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
79	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
80	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
81	Zunyi	Zunyi Majiawan sub-branch of Bank of Guizhou Co., Ltd.	No. 262 Tianchi Avenue, Longkeng Street, Bozhou District, Zunyi, Guizhou Province
82	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
83	Zunyi	Renhuai Guojiu Road sub-branch of Bank of Guizhou Co., Ltd.	No. 6-7 Guojiu Middle Road, Renhuai, Zunyi, Guizhou Province
84	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
85	Zunyi	Renhuai Zhongshu sub-branch of Bank of Guizhou Co., Ltd.	A26-1-1-1, A26-1-1-2, A26-1-1-3, A26-1-1-4 and A26-1-1-5, Huibang International Building, Chengnan Community, Yanjin Street Office, Renhuai, Zunyi, Guizhou Province
86	Zunyi	Chishui City sub-branch of Bank of Guizhou Co., Ltd.	Shop 8, Jinwei Jiezu, Xiangyang Road, Chishui, Zunyi, Guizhou Province
87	Zunyi	Tongzi County sub-branch of Bank of Guizhou Co., Ltd.	Block 4, Zone 11, Wenbi Road, Loushanguan Town, Tongzi County, Zunyi, Guizhou Province
88	Zunyi	Tongzi County Loushan sub-branch of Bank of Guizhou Co., Ltd.	Block 2, East Zone 2, Dongqing South Road, Loushanguan Town, Tongzi County, Zunyi, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
89	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
90	Zunyi	Yuqing sub-branch of Bank of Guizhou Co., Ltd.	Xinglong Road, Baini Town, Yuqing County, Zunyi, Guizhou Province
91	Zunyi	Fenggang sub-branch of Bank of Guizhou Co., Ltd.	Xinggangwan Community, Longquan Town, Fenggang County, Zunyi, Guizhou Province
92	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
93	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
94	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
95	Zunyi	Zunyi Nanbai sub-branch of Bank of Guizhou Co., Ltd.	Nos. 0-1-34, 0-1-35 and 0-2-2, Block 1-2, Shanty Town Transformation Project in Wanxiang Square Area, Nanbai Street Office, Bozhou District, Zunyi, Guizhou Province
96	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
97	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
98	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
99	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
100	Zunyi	Xishui County Fuxi Road sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guifu Haoyuan, Fuxi Road, Xishui County, Zunyi, Guizhou Province
101	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
102	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
103	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
104	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
105	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
106	Anshun	Anshun Xihang Road sub-branch of Bank of Guizhou Co., Ltd.	No. 136, Xihang Road, Economic and Technological Development Zone, Anshun, Guizhou Province
107	Anshun	Pingba sub-branch of Bank of Guizhou Co., Ltd.	Zhongshan Building, Zhongshan Road, Pingba District, Anshun, Guizhou Province
108	Anshun	Puding County sub-branch of Bank of Guizhou Co., Ltd.	No. 116, Guangming Road, Chengguan Town, Puding County, Anshun, Guizhou Province
109	Anshun	Zhenning County sub-branch of Bank of Guizhou Co., Ltd.	Shops 24-31, 1/F, Longcheng Impression, Yanhe South Road, Zhenning County, Anshun, Guizhou Province
110	Anshun	Guanling County sub-branch of Bank of Guizhou Co., Ltd.	No. 12, Binhe Road, Guansuo Town, Guanling Autonomous County, Anshun, Guizhou Province
111	Anshun	Anshun Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Tashan East Road, Xixiu District, Anshun, Guizhou Province
112	Anshun	Anshun Dongguan sub-branch of Bank of Guizhou Co., Ltd.	Dongsheng Xingyuan at intersection of Ruofei East Road and Jianshe Road, Xixiu District, Anshun, Guizhou Province
113	Anshun	Anshun Tuobao Mountain sub-branch of Bank of Guizhou Co., Ltd.	Xixiu District Government Financial Center, Tuobao Mountain, Huangguoshu Street, Xixiu District, Anshun, Guizhou Province
114	Anshun	Anshun Xiaoshizi sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-4&1-5, Block 1-B, Xichun Garden, Zhonghua North Road, Xixiu District, Anshun, Guizhou Province
115	Anshun	Anshun Fenghuangshan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54, 55, 56, 57, "Longfeng Chengxiang" Basement 2, Longquan Road, Xixiu District, Anshun, Guizhou Province
116	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
117	Anshun	Anshun Development Zone sub-branch of Bank of Guizhou Co., Ltd.	Basement 3-2, Block A3, Jiangshan Garden (Panshan Longting) on Jiyanpo, west side of North 2nd Ring Road, Xixiu District, Anshun, Guizhou Province
118	Anshun	Anshun Xixiu sub-branch of Bank of Guizhou Co., Ltd.	Office Building No. 1, No. 64 Zhonghua South Road, Xixiu District, Anshun, Guizhou Province
119	Anshun	Anshun Nanhua sub-branch of Bank of Guizhou Co., Ltd.	Block A, Shun'an Shiji New Town, Nanhua Road, Xixiu District, Anshun, Guizhou Province
120	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
121	Anshun	Anshun Qianzhong sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-8-9-10, CuiLu Jincheng, Xixiu District, Anshun, Guizhou Province
122	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 Miao and Bouyei Autonomous County, Anshun, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
123	Anshun	Huangguoshu New City sub-branch of Bank of Guizhou Co., Ltd.	No. 1, 1/F, Suofei'er Hotel, New City, Guanling Bouyei and Miao Autonomous County, Anshun, Guizhou Province
124	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, Xixiu District, Anshun, Guizhou Province
125	Anshun	Anshun 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
126	Qiannan	Duyun Jianjiang sub-branch of Bank of Guizhou Co., Ltd.	1/F and 3/F, Poly Star Mansion, No. 70, Doupengshan Road, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
127	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
128	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
129	Qiannan	Guiding sub-branch of Bank of Guizhou Co., Ltd.	No. 71 Hongqi Road, Guiding County, Qiannan Prefecture, Guizhou Province
130	Qiannan	Weng'an sub-branch of Bank of Guizhou Co., Ltd.	Block 1, Zone B, Lvcheng Central Park, Hexi New District, Yongyang Town, Weng'an County, Qiannan Prefecture, Guizhou Province
131	Qiannan	Qiannan branch Business Department of Bank of Guizhou Co., Ltd.	1-5/F, Block 1, Guanlan Shengdingcheng Office Building, No. 25, Xishan Avenue, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
132	Qiannan	Huishui sub-branch of Bank of Guizhou Co., Ltd.	Shops in 1/F and 2/F, Jinhui Building, Huixing Road, Huishui County, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
133	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
134	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
135	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
136	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
137	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
138	Qiannan	Luodian sub-branch of Bank of Guizhou Co., Ltd.	Shops in 1/F and 2/F, Fashion Shopping Center, Block B, Guizhou Mingqiang Real Estate Development, Co., Ltd., Hebin Road, Luodian County, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province
139	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
140	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
141	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
142	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
143	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
144	Qiandongnan	Kaili Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 11, Beijing East Road, Kaili City, Guizhou Province
145	Qiandongnan	Rongjiang sub-branch of Bank of Guizhou Co., Ltd.	Huilong Commercial Square, No. 9-1 Dongbingjiang Avenue, Rongjiang County, Guizhou Province
146	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
147	Qiandongnan	Jianhe sub-branch of Bank of Guizhou Co., Ltd.	No. 3 Yang'ashadong Avenue, Gedong Town, Jianhe County, Guizhou Province
148	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
149	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
150	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
151	Qiandongnan	Huangping sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Feiyun Road, Xinzhou Town, Huangping County, Guizhou Province
152	Qiandongnan	Taijiang sub-branch of Bank of Guizhou Co., Ltd.	No. 8 Miaojiang East Avenue, Taigong Town, Taijiang County, Guizhou Province
153	Qiandongnan	Liping sub-branch of Bank of Guizhou Co., Ltd.	Shops 12-15 and portion of 2/F, Block 8, Li'nán Jiayuan, Wukai South Road, Defeng Town, Liping County, Guizhou Province
154	Qiandongnan	Zhenyuan sub-branch of Bank of Guizhou Co., Ltd.	Former Hardware Factory's Dormitory, Lianhe Street, Wuyang Town, Zhenyuan County, Guizhou Province
155	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
156	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
157	Qiandongnan	Leishan sub-branch of Bank of Guizhou Co., Ltd.	No. 115 Leigongshan Avenue, Danjiang Town, Leishan County, Guizhou Province
158	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
159	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
160	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
161	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
162	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
163	Qiandongnan	Kaili Shaoshan Road sub-branch of Bank of Guizhou Co., Ltd.	Two commercial units with street frontage, 1/F, Kaili Hexie Dunpu Hotel, No. 70, Shaoshan South Road, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province
164	Tongren	Tongren branch Business Department of Bank of Guizhou Co., Ltd.	No. 256 Jinlin Avenue, Wanshan District, Tongren, Guizhou Province
165	Tongren	Dejiang sub-branch of Bank of Guizhou Co., Ltd.	No. 4 Wujiang North Road, Qinglong Street, Dejiang County, Tongren, Guizhou Province
166	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
167	Tongren	Tongren Dashizi sub-branch of Bank of Guizhou Co., Ltd.	Unit 101-3, Fulin Building, Jiefang Road, Bijiang District, Tongren, Guizhou Province
168	Tongren	Tongren Train Station sub-branch of Bank of Guizhou Co., Ltd.	7#, Planned Zone D, Railway Station Square, Bijiang District, Tongren, Guizhou Province
169	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
170	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)
171	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
172	Tongren	Yinjiang sub-branch of Bank of Guizhou Co., Ltd.	Xiyuan Road, Eling Town, Yinjiang Tujia and Miao Autonomous County, Tongren, Guizhou Province (1/F, Commercial & Residential Building, Duwei Guoji)
173	Tongren	Tongren Jinjiang sub-branch of Bank of Guizhou Co., Ltd.	Ancillary Building, Jinjiang Hotel, No. 8 Jinjiang South Road, Tongren, Guizhou Province
174	Tongren	Jiangkou sub-branch of Bank of Guizhou Co., Ltd.	Foguang Road, Shuangjiang Street Office, Jiangkou County, Tongren, Guizhou Province
175	Tongren	Shiqian sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guoji Minghao, Fodingshan South Road, Wenbi Community, Qandu Street Office, Shiqian County, Tongren, Guizhou Province
176	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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
177	Bijie	Qixingguan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block A, Shangcheng International, Biyang Avenue, Qixingguan District, Bijie, Guizhou Province
178	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
179	Bijie	Zhijin sub-branch of Bank of Guizhou Co., Ltd.	Zijin Huafu, No. 2 Jinan Road, Chengguan Town, Zhijin County, Bijie, Guizhou Province
180	Bijie	Qianxi sub-branch of Bank of Guizhou Co., Ltd.	Fulin International, Wenhua Road, Liancheng Street, Qianxi City, Bijie, Guizhou Province
181	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
182	Bijie	Bijie branch Business Department of Bank of Guizhou Co., Ltd.	Block A, Jinyuanda Time Square, Baili Dujuan Road, Qixingguan District, Bijie, Guizhou Province
183	Bijie	Nayong sub-branch of Bank of Guizhou Co., Ltd.	1/F Yonghuafu, Jingsi Road, Yongxi Town, Nayong County, Bijie, Guizhou Province
184	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
185	Bijie	Hezhang sub-branch of Bank of Guizhou Co., Ltd.	Longquan Road, Chengguan Town, Hezhang County, Bijie, Guizhou Province
186	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
187	Bijie	Bijie Hongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Hongshan Wealth International, No. 5 Hongshan Road, Qixingguan District, Bijie, Guizhou Province
188	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
189	Bijie	Bijie Tianhe sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 9, Tianhe Farmer's Market, Tianhe Road, Qixingguan District, Bijie, Guizhou Province
190	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
191	Bijie	Jinsha Zhonghua sub-branch of Bank of Guizhou Co., Ltd.	No. 157 Zhonghua Road, Guchang Street, Jinsha County, Bijie, Guizhou Province
192	Bijie	Dafang Yingbin sub-branch of Bank of Guizhou Co., Ltd.	Shops No. 7-8, Jiuhuan International Phase I, Yingbin Avenue Road No.4, Xinzhuang Village, Shunde Street, Dafang County, Bijie, Guizhou Province
193	Bijie	Zhijin Anju sub-branch of Bank of Guizhou Co., Ltd.	1/F, State-owned company settlement building No. 3-4, Anju Road, Shuangyan Street, Zhijin County, Bijie, Guizhou Province
194	Liupanshui	Liupanshui branch business department of Bank of Guizhou Co., Ltd.	Baolong International Building, No.36 Zhongshan West Road, Liupanshui, Guizhou Province
195	Liupanshui	Liupanshui Liangdu sub-branch of Bank of Guizhou Co., Ltd.	No. 37, Zhongshan West Road, Liupanshui, Guizhou Province

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
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
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
198	Liupanshui	Liupanshui Yinxing sub-branch of Bank of Guizhou Co., Ltd.	Room 103 affiliated to No. 25, Zhongshan Middle Road, Liupanshui, Guizhou Province
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
200	Liupanshui	Panzhou Shuangfeng sub-branch of Bank of Guizhou Co., Ltd.	No. 57 Yanhe South Road, Shuangfeng Town, Panzhou City, Liupanshui, Guizhou Province
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
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
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
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
205	Liupanshui	Shuicheng sub-branch of Bank of Guizhou Co., Ltd.	No. 126 Jinshan Road, Shuangshui Development Area, Shuicheng District, Liupanshui, Guizhou Province
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
207	Liupanshui	Liupanshui Gangcheng sub-branch of Bank of Guizhou Co., Ltd.	No. 452279, Shuigang Baxi Middle Road, Liupanshui, Guizhou Province
208	Liupanshui	Panzhou Panjiang sub-branch of Bank of Guizhou Co., Ltd.	No. 5 Panjiang North Road, Hanlin Street, Panzhou City, Guizhou Province
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
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
211	Liupanshui	Liupanshui Jintai sub-branch of Bank of Guizhou Co., Ltd.	Jintai Building, No. 73, Zhongshan Middle Road, Liupanshui
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
213	Liupanshui	Liupanshui Dexinyuan sub-branch of Bank of Guizhou Co., Ltd.	Shops No. 103 & 104, Building No. 3, Zhonglian-Huixi Garden, Southeast corner of the intersection of Zhongshan West Road and Deyue Road, Dewu Area, Liupanshui, Guizhou Province
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

Appendix: List of Branches and Sub-branches (Continued)

No.	Region	Name of institution	Address of institution
215	Liupanshui	Liupanshui Hongqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Outlets International Plaza, Hongqiao New District, Liupanshui
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
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
218	Qianxinan	Zhenfeng sub-branch of Bank of Guizhou Co., Ltd.	Side of New Transit Center, Yongfeng Avenue, Mingu Town, Zhenfeng County, Guizhou Province
219	Qianxinan	Anlong sub-branch of Bank of Guizhou Co., Ltd.	Unit 108, Stone Factory Group, Xihe Village, Zhaodi Street Office, Anlong County, Guizhou Province
220	Qianxinan	Xingyi Ruijin sub-branch of Bank of Guizhou Co., Ltd.	No.1 Panjiang Road, Xingyi, Qianxinan Prefecture, Guizhou Province
221	Qianxinan	Puan sub-branch of Bank of Guizhou Co., Ltd.	Block 2 Jinqiao Baihui, Nanhu Street, Puan County, Qianxinan Prefecture, Guizhou Province
222	Qianxinan	Qinglong sub-branch of Bank of Guizhou Co., Ltd.	East Street, Northeast Community, Liancheng Town, Qinglong County, Qianxinan Prefecture, Guizhou Province
223	Qianxinan	Wangmo sub-branch of Bank of Guizhou Co., Ltd.	South side of Wangmu Square, Wangmo County, Qianxinan Prefecture, Guizhou Province
224	Qianxinan	Ceheng sub-branch of Bank of Guizhou Co., Ltd.	Former SAT Bureau Office Building, Crossroad of Qianjin Road, Zhelou Street Office, Ceheng County, Qianxinan Prefecture, Guizhou Province
225	Qianxinan	Xingyi Wanfeng sub-branch of Bank of Guizhou Co., Ltd.	Side of Civil Aviation Avenue in Xingyi City, Qianxinan Prefecture, Guizhou Province



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