



九江银行股份有限公司
Bank of Jiujiang Co., Ltd.

(A joint stock company incorporated in the People's
Republic of China with limited liability)
Stock Code: 6190

2024
ANNUAL REPORT



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Company Profile

1. BASICS

Legal name in Chinese	:	九江銀行股份有限公司*
Legal name in English	:	Bank of Jiujiang Co., Ltd.*
Legal representative	:	ZHOU Shixin (周時辛)
Company secretary	:	WONG Wai Chiu (黃偉超)
Authorized representative	:	XIAO Jing (肖璟)
H-share exchange	:	The Stock Exchange of Hong Kong Limited
Stock short name	:	BANK OF JIUJIANG
Stock code	:	6190
Unified social credit code	:	9136040070552834XQ
License number for financial business operations	:	B0348H336040001
Registered capital	:	RMB2,847,367,200
Registered address and office address	:	No. 619 Changhong Avenue, Lianxi District, Jiujiang, Jiangxi Province, China (Postal code: 332000)
Principal place of business in Hong Kong	:	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong
Contact details	:	Tel: +86(792)7783000-1101 Fax: +86(792)8325019 Email: dshbgs6190@jjccb.com Website: www.jjccb.com Customer service hotline: +86 95316
PRC auditor	:	KPMG Huazhen LLP
International auditor	:	KPMG
PRC legal advisor	:	JunHe LLP (北京市君合律師事務所)
Hong Kong (PRC) legal advisor	:	Clifford Chance
H-share registrar and transfer office	:	Computershare Hong Kong Investor Services Limited
Domestic share depository	:	China Securities Depository and Clearing Corporation Limited (CSDC)
HKEXnews website of the Hong Kong Stock Exchange for publication of this report	:	www.hkexnews.hk

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

Company Profile

2. ABOUT US

Approved by Wuhan Branch of the People's Bank of China for the establishment, Bank of Jiujiang Co., Ltd. ("**Bank of Jiujiang**" or the "**Bank**") was a regional commercial bank incorporated in November 2000 from eight urban credit cooperatives in Jiujiang City. In October 2008, the Bank officially changed its name to Bank of Jiujiang Co., Ltd. On July 10, 2018, Bank of Jiujiang was listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6190).

Since its establishment, the staff of Bank of Jiujiang, with unwavering faith, persistent pursuit, selfless dedication, and the mindset that success only comes through hard work, have endured great hardships in order to realize the achievements that Bank of Jiujiang has today. Meanwhile, the Bank consistently optimized its shareholder structure and successively introduced strategic investors such as Industrial Bank and Beijing Automotive Group to enhance its brand image. In addition, the Bank has successively received numerous recognitions including "National Advanced Grassroots Party Organization" and "National May Day Labour Award".

As of the end of the reporting period, Bank of Jiujiang (including controlled county banks) has 5,773 full-time employees, with an average age of 30.34. Among them, 5,024 had undergraduate degrees or graduated from junior colleges, accounting for 87.03%, while 743 had master's degrees (and above), accounting for 12.87%. The Bank operates its business through the head office, 13 branches and 263 sub-branches, and has successively initiated the establishment of 20 county banks such as Xiushui Jiuyin and Zhongshan Xiaolan. As a city commercial bank, Bank of Jiujiang was the first to realize the full coverage of cities with districts in Jiangxi Province.

3. MAJOR AWARDS FOR 2024 AND UP TO THE DATE OF THIS ANNUAL REPORT

In January 2024, the China National Clearing Center held the 2023 Digital Supply Chain Financial Service Platform Operation Conference to commend institutions and individuals who have made outstanding contributions to the construction and operation of the platform. The Bank was recognized as the "Excellent Participating Institution Award in 2023".

In January 2024, the Bank received the Letter of China UnionPay Jiangxi Branch on Commending the Advanced Unit and Excellent Individual of UnionPay Cooperation in 2023. The Bank won various honors, such as "Mobile Payment Promotion Award in 2023", "Business Innovation Award in 2023" and "Consumption Promotion Award by Assisting Business to Benefit the People in 2023" by virtue of the outstanding performance in mobile payment and credit card business.

In January 2024, the RFID compound smart safe box program, remote counter construction program and risk management workbench (Fengxiangtai (風象台)) of the Bank was awarded the "Scenario Finance Innovation Excellent Case Award", "Product Innovation Excellent Case Award" and "Risk Management Innovation Excellent Case Award", respectively, at the "2023 City Financial Service Excellent Case Selection" activity held by the City Commercial Banks Clearing Co., Ltd.

In January 2024, the People's Bank of China announced the winners of the "2022 Fintech Development Award", and the "New Generation Online Industrial Financial Platform" project declared by the Bank was awarded the "Third Prize of 2022 Fintech Development Award", and the Bank was the only city commercial bank in the five provinces in central China that was awarded this honor.

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In January 2024, China Central Depository & Clearing Co., Ltd. announced the 2023 CDC member business development quality election results, and the Bank was awarded the title of the “2023 Top 100 Proprietary Dealer”.

In January 2024, the Export-Import Bank of China announced the list of 2023 excellent organizations and individuals of domestic RMB financial bond underwriting and market-making groups, and the Bank was awarded two institutional awards including “Excellent Underwriter” and “Excellent Market Maker” of the 2023 RMB financial bond underwriting and market making groups.

In January 2024, China Foreign Exchange Trade System & National Interbank Funding Center issued the Announcement on the Results of Selected Outstanding High-quality Development of Business of the Interbank RMB Market Members for 2023 《2023年度銀行間本幣市場成員業務高質量發展評價結果的公告》. The Bank was awarded two awards including “Annual Market Influence Institution” and “Market Innovation Business Institution”.

In April 2024, the Bank won the third prize in the individual category of the “Safeguarding Jiangxi” Financial Intelligence Clue Analysis Competition hosted by Jiangxi Branch of the People’s Bank of China and the Jiangxi Provincial Party Committee’s National Security Office.

In May 2024, the Bank was awarded both outstanding collective and outstanding individual commendations in the Notification on Praising Outstanding Collectives and Individuals for Combating and Controlling Money Laundering Crimes in Jiangxi Province in 2023 《關於表揚2023年江西省打擊治理洗錢違法犯罪成績突出集體和個人的通報》 jointly issued by 10 departments including the People’s Bank of China Jiangxi Branch and the Jiangxi Provincial Public Security Department.

In May 2024, the Bank was awarded the “Jiefu Award – Banking Risk Management Award – Outstanding Lending Management Organization”.

In June 2024, the “Yili Tianxia • 2023 Jiangxi Social Responsibility Enterprises (Entrepreneurs)” Jiujiang Sub-list Conference was held, and the Bank was awarded the title of “2023 Jiujiang Social Responsibility Enterprise”.

In June 2024, after evaluation by Beijing National Institute of Financial Standardization Co., Ltd. and the China Banking Association, the Bank’s enterprise standard Q/BOJJ006-2023 “Jiujiang Bank Digital Confirmation Service Specification” was awarded the 2023 Enterprise Standard “Pacesetter” Certificate.

In July 2024, the “5th Future Transaction Banking International Summit 2024”, jointly hosted by the Asian Financial Federation, Shanghai Pudong International Finance Institute, Shanghai Big Data Alliance, and Yangtze Delta Fintech Institute, was held in Shanghai. The Bank was awarded the “Best Industrial Finance Innovation Bank”.

In July 2024, the Bank was invited to attend the 12th Small and Medium Bank Development Summit Forum 2024, hosted by Modern Bankers Journal and held in Beijing. The Bank was awarded the “Best Digital Finance Small and Medium Bank”.

In July 2024, the Bank’s mobile risk information broadcasting platform – Fenglingniao was awarded the “Outstanding Digital Risk Control Case Award” in the “Fifth Financial Data Intelligence Solution Award, Financial Institutions Digital Intelligent Transformation Excellent Cases Selection”.

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In September 2024, at the “2024 China Institutional Investor Forum” organized by China Fund, the Bank’s “Rixin Yueyi Monthly Dividend No. 6” open net worth wealth management product was awarded the “Outstanding Fixed Income Wealth Management Product” award in the 6th China Banking Wealth Management Yinghua Demonstration Case.

In October 2024, at the “7th Industry Blockchain Conference” and the “6th Industry Chain and Supply Chain Digital Economy Conference” jointly organized by the China Federation of Logistics & Purchasing and the People’s Government of Jing’an District, Shanghai, the Bank was awarded the “2024 Top 50 Industrial Digital Finance Enterprises”.

In October 2024, in the “2024 China Asset Management and Wealth Management Industry Development Conference and the Fourth ‘Golden Reputation Award’ Awarding Ceremony” hosted by PYSTANDARD, the Bank was awarded the “Excellent Asset Management Urban Commercial Bank” and “Excellent Wealth Management Urban Commercial Bank” awards.

In October 2024, the People’s Bank of China announced the winners of the “2023 Fintech Development Award”, and the “Implementation of Digital Intelligent Financial Brain Platform in Small and Medium Banks” project declared by the Bank was awarded the “Third Prize of 2023 Fintech Development Award”.

In November 2024, the Bank received a certificate issued by The 2024 Banker Financial Innovation Forum and The Chinese Banker, the “Case of Focusing on Industry Digital Scenarios and Supporting the Transformation, Upgrading and Innovation of Regional Industry” submitted by the Bank was awarded the “2024 The Banker Annual Outstanding Case of Fintech Product Innovation”.

In November 2024, at the “China Asset Management Forum – 2024 Eastmoney Conference” organized by Eastmoney.com, the Bank was awarded the “Growing City Commercial Bank of the Year” award.

In December 2024, at the “2024 City Financial Service Excellent Case Selection Activity” hosted by the City Commercial Banks Clearing Co., Ltd., the project “Intelligent Farm Project Promoting High-Quality Transformation of Beef Cattle Farming Industry” and the project “Industry Finance Comprehensive Service Platform” submitted by the Bank were awarded the “Scenario Finance Innovation Excellent Case”.

In December 2024, the Bank received a certificate issued by the Organizing Committee of the China Industry Digital Finance Annual Conference and the Judging Committee of the China Industry Digital Finance Industry Benchmark Enterprise Awards, the Bank was awarded the 9th China Industry Digital Finance Industry Benchmark Enterprise Award - “Best Industry Digital Finance Product Innovation Award”.

In December 2024, the Bank’s early warning system for credit risks and intelligent risk control platform were selected as Excellent Cases of Innovative Risk Management (“風險管理創新優秀案例”) in the event entitled “2024 Excellent Case Selection of Urban Financial Services” (“2024年度城市金融服務優秀案例評選”) by the City Commercial Banks Clearing Co., Ltd.

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In December 2024, two audit cases of the Bank were on the list of examples showcased in the case presentation entitled “High-Quality Audit Practices Facilitating Sound Governance of Organizations” (“高質量審計成果促進組織完善治理”) by the Jiangxi Branch of the China Institute of Internal Audit.

In December 2024, the Bank’s project of “Digital Carbon Reduction Financing” (“數碳融”), which assists the electroceramics companies in Luxi County in their green transformation, was awarded the second prize as a Superb Green Finance Project (“綠色金融優秀項目”) among 99 candidates in the 2024 Selection and Presentation of Superb Projects for Jiangxi Regional Financial Reform, an event held by Jiangxi Branch of the People’s Bank of China, the Federation of Trade Unions in Jiangxi Province, Jiangxi Provincial Bureau of Local Financial Regulation, and Jiangxi Society for Finance and Banking.

In January 2025, China Central Depository & Clearing Co., Ltd. announced its 2024 selection results based on CDC members’ business development quality, and the Bank was awarded the title of the “2024 Top 100 Proprietary Dealer”. The Bank has won such appellation for seven consecutive years since 2018.

In January 2025, the Export-Import Bank of China announced the list of 2024 excellent organizations and individuals of domestic RMB financial bond underwriting and market-making groups, and the Bank was awarded two institutional awards including “Excellent Underwriter” and “Excellent Market Maker” of the 2024 RMB financial bond underwriting and market making groups. The Bank has been the recipient of such titles for six consecutive years since 2019.

In February 2025, China Foreign Exchange Trade System & National Interbank Funding Center issued the Announcement on the Results of Selected Outstanding High-quality Development of Business of the Interbank RMB Market Members for 2024 《2024年度銀行間本幣市場成員業務高質量發展評價結果的公告》. The Bank was awarded two awards including “Annual Market Influence Institution” and “Market Innovation Business Institution”. The Bank has won such recognition related to the interbank market for seven consecutive years since 2018.

In February 2025, the Bank was awarded “2024 Jiujiang Role Model for Green Finance” (“九江市2024年度綠色金融工作先進單位”) by the Jiujiang Branch of the People’s Bank of China.

Accounting Data and Financial Indicator Highlights

The financial information of the Bank and its subsidiaries (hereinafter collectively referred to as the “Group”) set forth in this annual report is prepared on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”) and expressed in Renminbi (“RMB”) unless otherwise stated.

	For the year ended December 31,				
	2024	2023	2022	2021	2020
	(All amounts expressed in millions of RMB except percentages, unless otherwise stated)				
Results of operations					
Net interest income	9,170.6	8,289.0	8,593.6	8,456.5	7,861.2
Net fee and commission income	847.1	972.2	841.7	692.8	624.0
Operating income	10,388.4	10,358.4	10,869.9	10,347.5	10,191.6
Operating expenses	(3,634.3)	(3,407.1)	(3,275.2)	(3,091.5)	(2,885.7)
Impairment losses on assets	(6,040.3)	(6,105.7)	(5,601.5)	(5,264.9)	(5,178.5)
Profit before taxation	715.7	855.1	2,001.5	1,998.4	2,137.6
Net profit for the year	761.5	745.4	1,680.4	1,784.8	1,709.5
Net profit for the year attributable to shareholders of the Bank	744.4	723.6	1,615.1	1,728.6	1,672.9
Calculated on a per share basis (RMB)					
Net assets per share attributable to the Bank's shareholders ⁽¹⁾	12.20	11.65	11.89	11.50	10.79
Basic earnings per share ⁽²⁾	0.14	0.15	0.53	0.72	0.69
Diluted earnings per share ⁽²⁾	0.14	0.15	0.53	0.72	0.69
	For the year ended December 31,				
	2024	2023	2022	2021	2020
	(All amounts expressed in millions of RMB except percentages, unless otherwise stated)				
Profitability indicators (%)					
Return on average total assets ⁽³⁾	0.15	0.15	0.36	0.41	0.44
Return on average equity ⁽⁴⁾	1.22	1.28	4.52	6.48	6.58
Net interest spread ⁽⁵⁾	1.85	1.72	1.93	1.92	2.22
Net interest margin ⁽⁶⁾	1.92	1.76	1.91	2.00	2.18
Net fee and commission income to operating income	8.15	9.39	7.74	6.70	6.12
Cost-to-income ratio ⁽⁷⁾	33.68	31.56	28.91	28.57	27.28
Capital adequacy indicators (%)					
Core tier-one capital adequacy ratio ⁽⁸⁾	9.44	8.64	7.93	8.28	9.02
Tier-one capital adequacy ratio ⁽⁸⁾	11.97	11.07	10.61	11.08	9.02
Capital adequacy ratio ⁽⁸⁾	13.17	12.01	12.62	13.21	10.71
Total equity to total assets	8.24	8.13	7.59	7.67	6.40

Accounting Data and Financial Indicator Highlights

	As of December 31,				
	2024	2023	2022	2021	2020
	(All amounts expressed in millions of RMB except percentages, unless otherwise stated)				

Asset quality indicators (%)

Non-performing loan ratio ⁽⁹⁾	2.19	2.09	1.82	1.41	1.55
General allowance ratio ⁽¹⁰⁾	154.25	153.82	173.01	214.66	165.97
Allowance-to-loan ratio ⁽¹¹⁾	3.37	3.21	3.14	3.02	2.58

Volume indicators

Total assets	516,458.6	503,849.2	479,703.5	461,503.0	415,794.1
Including: Net loans and advances to customers	311,947.8	293,410.2	271,535.2	242,938.4	205,658.2
Total liabilities	473,925.7	462,892.7	443,287.3	426,089.8	389,164.6
Including: Customer deposits	386,963.5	370,733.0	377,340.0	344,851.1	313,804.7
Share capital	2,847.4	2,847.4	2,407.4	2,407.4	2,407.4
Equity attributable to equity holders of the Bank	41,747.1	40,156.5	35,627.6	34,683.9	25,976.2
Non-controlling interests	785.8	800.0	788.6	729.3	653.3
Total equity	42,532.9	40,956.5	36,416.2	35,413.2	26,629.5
Net capital base ⁽⁸⁾	47,075.0	44,579.4	42,594.0	42,530.5	31,323.3

	As of December 31,				
	2024	2023	2022	2021	2020
	(All amounts expressed in millions of RMB except percentages, unless otherwise stated)				

Other financial indicators (%)

Leverage ratio ⁽¹²⁾	7.06	7.12	6.53	6.75	5.70
Liquidity ratio ⁽¹³⁾	67.57	56.40	63.69	81.42	72.65
Liquidity coverage ⁽¹⁴⁾	394.39	448.64	267.97	426.31	327.77
Loan to deposit ratio	82.91	81.36	73.98	72.41	67.06
Ratio of loans and advances to single top customer ⁽¹⁵⁾	0.89	0.99	0.64	0.88	1.04
Ratio of loans and advances to top 10 single customers ⁽¹⁵⁾	4.14	4.55	4.24	4.82	5.84

Accounting Data and Financial Indicator Highlights

Notes:

- (1) Shareholders' equity attributable to the Bank after deducting other equity instruments at the end of the year, divided by total number of ordinary share capital at the end of the year.
- (2) Represents the ratio of net profit attributable to the Bank's shareholders, after deduction of the dividend on perpetual bonds paid during the year, to the weighted average ordinary share capital.
- (3) Represents the ratio of net profit for the year to the average balance of total assets at the beginning and end of the period.
- (4) Calculated in accordance with the requirements of the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings per Share (2010 Revision) (《公開發行證券公司信息披露編製規則第9號 – 淨資產收益率和每股收益的計算和披露》(2010年修訂)) issued by the CSRC; Represents the ratio of net profit attributable to the Bank's shareholders, after deduction of the dividend on perpetual bonds paid during the year, to the weighted average balance attributable to the Bank's shareholders' equity after deducting other equity instruments during the year.
- (5) Calculated as the difference between the average yield on total interest-earning assets and the average interest rate of total interest-bearing liabilities, and based on daily average interest-earning assets and interest-bearing liabilities.
- (6) Calculated by dividing net interest income by average interest-earning assets, and based on daily average interest-earning assets.
- (7) Calculated by dividing operating expenses, excluding tax and surcharges, by operating income.
- (8) Calculated in accordance with the relevant regulations of the national financial regulatory institution.
- (9) Calculated by dividing total non-performing loans by gross loans to customers.
- (10) Calculated by dividing allowance for impairment losses on loans (excluding accrued interest) by total non-performing loans.
- (11) Calculated by dividing allowance for impairment losses on loans (excluding accrued interest) by gross loans to customers.
- (12) Calculated by dividing tier-one net capital by in-sheet balance and off-sheet balance of capital (after adjustment) according to the regulatory standards.
- (13) Calculated by dividing current assets by current liabilities according to the regulatory standards.
- (14) Calculated by dividing qualified high-quality current assets by net cash outflows in the next 30 days according to the regulatory standards.
- (15) Ratio of loans and advances to single top customer and ratio of loans and advances to top 10 single customers were recalculated according to the regulatory standards and based on the audited data.

Message from the Board of Directors

In 2024, the Bank of Jiujiang has always adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Guided by the general principle of seeking progress while maintaining stability and centered on the goal of “leading the road, striving to pioneer, and making smart moves”, we advanced our transformation, refined operational management, and comprehensively enhanced strategic execution capabilities. With a focus on excelling in the “Five Priorities”, we continuously fulfilled the strategy of optimizing structure, saving capital, promoting compliance, controlling non-performing loans and stabilizing growth, steadily promoted operational transformation and risk management, achieving coordinated improvements in quality, structure, and efficiency while supporting the real economy.

Over the past year, we have prioritized party building as a driver of development, leading to a steady enhancement of our overall strength. We strengthened party organization efforts in a comprehensive way, deepened the integration of party building with business operations, and focused on establishing the “Jiujiu Hongyin (九久紅銀)” brand as a flagship of our party-building initiatives. This has garnered recognition through awards such as “Top 10 Party-building Brands of Municipal Units (市直單位十佳黨建品牌)” and “Excellent Organization for Party-building Work in 2023 (2023年度機關黨建工作優秀單位)”. We consistently emphasized strict discipline as the foundational element of the corporate culture of the Bank of Jiujiang, diligently implementing party discipline education. Additionally, we promoted the establishment of the “Three No-Corruption (三不腐)” system mechanism under which our employees and business partners “dare not corrupt, cannot corrupt, and do not desire to corrupt” and the cultivation of “Integrity and Trustworthiness, Righteous Profits, Prudent Stewardship, Innovation with Purpose and Rule of Law (五要五不)”, enabling a gradually deeper rooting of the Chinese-characteristic financial culture within the organization. With risk prevention and control at the core, we comprehensively restructured our credit risk management systems and mechanisms, refined our risk management framework, and boosted digital risk control initiatives. These efforts have continuously improved the precision and digitalization of our risk management efforts. During the reporting period, the Bank has maintained a stable operation scale, with total assets remaining above RMB500 billion and loans exceeding RMB300 billion. Our net interest margin and net profit margin demonstrated strong resilience, while performance indicators such as operating income and net profit maintained steady growth.

Over the past year, we have upheld our financial mission, resulting in the successful implementation of the “Five Major Articles”. **Empowering technology enterprises with targeted financial services:** Tailoring financial services to technology enterprises, we issued a total of RMB18.801 billion in loans to qualified high-tech companies, representing an increase of 15.27% compared to the end of the previous year. **Leading the way in green finance:** We introduced transformative financial products such as “Carbon-Efficient Loan”, “Digital and Carbon Integration”, “Copper Loan”, and “Photovoltaic Loan” to promote the green transformation of the real economy. The balance of green loans reached RMB40.624 billion, with an average growth rate of over 30% over the past five years. **Enhancing the reach and quality of inclusive finance:** We aligned closely with policy directives to accurately support agriculture, rural areas, and farmers. We optimized products like “Easy Farming Loan – Rural Achiever Loan (易農貸 – 鄉村能人貸)”, realize the operation of all procedures including application, file submission, approval, signature, lending and renewal online. **Providing caring elderly financial services:** We actively supported the issuance and application of the social security cards across the province by offering features such as “inter-bank card swapping” and online reissuance. We upgraded intelligent terminals, launched the “Care Version” of mobile banking, and established elderly-friendly service stations to provide doorstep services suitable for seniors. **Achieving breakthroughs in digital financial innovation:** We took the lead in Jiangxi Province by launching the “Digital Transformation Loan”, supporting the digital transformation of local manufacturing enterprises. We advanced AI large model ecosystem development, and established the full-stack independent innovation technology platform “Brain of Bank of Jiujiang”, which has already been deployed in over 30 business scenarios. Additionally, we completed the construction of the “Financial Cloud”, and optimized risk management systems such as Fenglingniao and Fengxiangtai (風象台), thereby significantly enhancing fundamental resource support capabilities and digital risk control levels.

Message from the Board of Directors

Over the past year, we have refocused on the essence of finance, achieving simultaneous enhancements in quality and efficiency of serving the real economy. As a legal entity bank rooted and grown in Jiangxi, the Bank of Jiujiang has gained a deep understanding of the political and people-centric nature of financial work, consistently upheld the market positioning of “serving the local economy, small and medium enterprises, and urban and rural residents” and actively promoted coordinated development in harmony with the construction of a prosperous Jiangxi. **Serving the local economy:** During the reporting period, the Bank of Jiujiang prioritized the allocation of financial resources within the province, providing high-quality financial services to support Jiangxi’s high-quality development. Loans issued in Jiangxi totaled RMB270.745 billion, representing an increase of 8.1% compared to the end of the previous year and accounting for 84.4% of the whole Bank’s total loan portfolio. **Serving small and medium enterprises:** In support of the “1269 Action Plan of Jiangxi Province” for modernizing key manufacturing industry chains, the Bank of Jiujiang intensified credit support in key sectors including manufacturing, private enterprises, and micro and small businesses; 88.2% of corporate loans were extended to small and micro enterprises. **Serving urban and rural residents:** By boosting consumer finance and creating innovative consumption scenarios, the Bank of Jiujiang tapped into the consumption potential to meet residents’ demand for high-value purchases across life sectors such as automobiles, home renovations, and trade-in programs. Focusing on consumption hotspots, we established a system of special offers across various scenarios, such as travel, dining, tourism, shopping, and movie viewing.

As the year 2025 marks the conclusion of the “14th Five-Year Plan” and the deployment phase for the development objectives of the “15th Five-Year Plan”, the Bank of Jiujiang will continue to dedicate itself to promoting financial development tailored to China’s unique context, enhancing its role as a leading local financial institution, and focusing on the fundamental mission of serving the real economy, thereby providing financial support to facilitate Chinese-style modernization in Jiangxi Province.

Management Discussion and Analysis

1. PAST ECONOMIC AND POLITICAL SCENARIOS

2024 marks the 75th anniversary of the founding of New China. Faced with the complex and severe situation of increasing external pressure and internal difficulties, under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, people of all ethnic groups across the country worked hard and overcame difficulties. The overall economy was generally stable with some progress. The main goals and tasks for economic and social development in 2024 were accomplished. Steady progress was made in the pursuit of high-quality development. New quality productive forces were developed steadily. New and solid advances were made in the Chinese-style modernization. In 2024, the GDP reached RMB134.91 trillion, representing an increase of 5.0% compared to last year.

In 2024, the whole province of Jiangxi adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the CPC and the Second and Third Plenary Sessions of the 20th CPC Central Committee, as well as the important speech delivered by General Secretary Xi Jinping during his visit to Jiangxi, and comprehensively followed the decisions and arrangements of the CPC Central Committee and the State Council and the work requirements of the Jiangxi Provincial Party Committee. With the celebration of the 75th anniversary of the founding of New China as a driving force, and with the “Year of Implementation” activities as a starting point, Jiangxi Province coordinated various tasks such as stabilizing growth, promoting reform, benefiting people’s livelihood, preventing risks, and maintaining stability. The overall goals and tasks for economic and social development for the whole year were generally accomplished. High-quality development was steadily promoted, and the chapter of Chinese-style modernization in Jiangxi was further enriched.

2024 is the first full year that the National Financial Regulatory Administration fully performed its duties. It resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council, coordinated the promotion of risk prevention, supervision and development, and the regulatory work reached a new level. The risks of small and medium-sized financial institutions were significantly reduced. The coordination mechanism for urban real estate financing was effective, supporting in resolving local government debt risks. The institutional reform was successfully completed. The “four-level vertical management” regulatory framework was formally formed, and solid steps were taken in laying the foundation for regulatory supervision. It stepped up its efforts to implement a package of incremental policies to stabilize growth, helping the economy to rebound and improve.

In 2024, the People’s Bank of China and the State Administration of Foreign Exchange thoroughly implemented the spirit of the 20th National Congress of the CPC, the Second and Third Plenary Sessions of the 20th CPC Central Committee, and the Central Economic Work Conference, resolutely followed the decisions and arrangements of the CPC Central Committee and the State Council, effectively performed their macro-control and financial management duties, enhanced counter-cyclical adjustments, improved policy precision, supported the recovery of the real economy and the stable operation of financial markets, continued to deepen financial supply-side structural reforms, deeply participated in international financial governance cooperation, effectively strengthened financial management services, steadily implemented institutional reform tasks, and further promoted the comprehensive and strict governance of the Party, so as to reach a new level in various works.

Management Discussion and Analysis

2. OPERATION OVERVIEW

In 2024, the Group closely followed the working theme of “firmly implementing transformation, fine-tuning operation and management, and comprehensively enhancing strategic execution”. The Group has firmly positioned itself as a bank dedicated to “serving the local economy, small and medium enterprises, and urban and rural residents”, thus seeking progress while maintaining stability in the overall operation and management. The Group realized operating income of RMB10,388 million and net profit of RMB762 million.

3. INCOME STATEMENT ANALYSIS

For the year ended December 31, 2024, the Group achieved a net profit of RMB762 million. During the reporting period, the Group continued to implement the national decisions and arrangements on reducing fees and making interest concessions, actively introduced measures to benefit enterprises and the people, further reduced the operating costs of the real economy and the burden on financial consumers.

	For the year ended December 31, 20242023 (All amounts expressed in millions of RMB except percentages, unless otherwise stated)	
Interest income	19,211.8	19,573.8
Interest expense	(10,041.2)	(11,284.8)
Net interest income	9,170.6	8,289.0
Fee and commission income	1,005.2	1,105.2
Fee and commission expense	(158.1)	(133.0)
Net fee and commission income	847.1	972.2
Net gains arising from financial investments	341.2	910.1
Other operating income	29.5	187.1
Operating income	10,388.4	10,358.4
Operating expenses	(3,634.3)	(3,407.1)
Impairment losses on assets	(6,040.3)	(6,105.7)
Share of profits of associates	1.9	9.5
Profit before taxation	715.7	855.1
Income tax	45.8	(109.7)
Net profit for the year	761.5	745.4
Net profit for the year attributable to:		
Equity shareholders of the Bank	744.4	723.6
Non-controlling interests	17.1	21.8

Management Discussion and Analysis

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

For the year ended December 31, 2024, the Group achieved a net interest income of RMB9,171 million, representing a year-on-year increase of RMB882 million or 10.6%. This was mainly due to the decrease in interest expenses on interest-bearing liabilities.

For the year ended December 31, 2024, the average balance of interest-earning assets and interest-bearing liabilities, the interest income and expenses of these assets and liabilities, and the average yield of interest-earning assets and the average interest rate of interest-bearing liabilities of the Group are as follows:

	For the year ended December 31,					
	Average balance	2024 Interest income/expense	Average yield/interest rate (%) ⁽¹⁾	Average balance	2023 Interest income/expense	Average yield/interest rate (%) ⁽¹⁾
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>						
Interest-earning assets						
Loans and advances to customers	305,270.1	14,328.6	4.69	286,513.4	13,960.9	4.87
Financial investments ⁽²⁾	123,417.6	4,068.0	3.30	132,888.7	4,778.9	3.60
Financial assets held under resale agreements	20,906.3	381.0	1.82	19,866.7	358.1	1.80
Balances with the central bank ⁽³⁾	26,104.0	389.6	1.49	28,703.0	432.3	1.51
Deposits with banks and other financial institutions ⁽⁴⁾	2,895.2	44.6	1.54	3,423.8	43.6	1.27
Total interest-earning assets	478,593.2	19,211.8	4.01	471,395.6	19,573.8	4.15
Interest-bearing liabilities						
Customer deposits	363,356.7	7,803.7	2.15	362,867.3	9,162.8	2.53
Deposits from banks and other financial institutions ⁽⁵⁾	12,241.9	309.8	2.53	31,238.4	608.9	1.95
Financial assets sold under repurchase agreements	21,528.5	366.0	1.70	23,592.1	369.7	1.57
Debt securities issued ⁽⁶⁾	42,517.5	992.5	2.33	25,709.3	665.1	2.59
Borrowings from the central bank	25,575.2	559.9	2.19	20,101.2	466.1	2.32
Lease liabilities	292.2	9.3	3.18	316.8	12.2	3.85
Total interest-bearing liabilities	465,512.0	10,041.2	2.16	463,825.1	11,284.8	2.43
Net interest income		9,170.6			8,289.0	
Net interest spread (%)⁽⁷⁾		1.85			1.72	
Net interest margin (%)⁽⁸⁾		1.92			1.76	

Notes:

(1) Calculated by dividing interest income/expense by average balance.

(2) Consists of the financial investments measured at amortised cost and at fair value through other comprehensive income.

Management Discussion and Analysis

- (3) Consists primarily of mandatory reserve deposits and surplus reserve deposits.
- (4) Consists of deposits with banks and other financial institutions and placements with banks and other financial institutions.
- (5) Consists of deposits from banks and other financial institutions and placements from banks and other financial institutions.
- (6) Consists of tier-two capital bonds issued and interbank negotiable certificates of deposit.
- (7) Calculated as the difference between the average yield on total interest-earning assets and the average interest rate of total interest-bearing liabilities.
- (8) Calculated by dividing net interest income by the daily average balance of total interest-earning assets.

The following table sets forth the changes in interest income and interest expenses of the Group due to changes in scale and interest rates during the period indicated. The change in scale is measured by the change in the average balance of interest-earning assets and interest-bearing liabilities, while the change in interest rates is measured by the change in the average interest rates of interest-earning assets and interest-bearing liabilities. The combined effect of changes in scale and interest rates is included in interest rate changes.

For the year ended December 31, Changes in 2024 vs. 2023 Reasons of increase/(decrease)			
	Scale ⁽¹⁾	Rate ⁽²⁾	Net increase/ decrease ⁽³⁾
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>			
Interest-earning assets			
Loans and advances to customers	917.2	(549.5)	367.7
Financial investments	(340.6)	(370.3)	(710.9)
Financial assets held under resale agreements	18.7	4.2	22.9
Balances with the central bank ⁽⁴⁾	(37.5)	(5.2)	(42.7)
Deposits with banks and other financial institutions ⁽⁵⁾	(6.8)	7.8	1.0
Change in interest income	551.0	(913.0)	(362.0)
Interest-bearing liabilities			
Customer deposits	21.7	(1,380.8)	(1,359.1)
Deposits from banks and other financial institutions ⁽⁶⁾	(370.1)	71.0	(299.1)
Financial assets sold under repurchase agreements	(31.7)	28.0	(3.7)
Debt securities issued ⁽⁷⁾	437.9	(110.5)	327.4
Borrowings from the central bank	127.0	(33.2)	93.8
Lease liabilities	(0.9)	(2.0)	(2.9)
Change in interest expense	183.9	(1,427.5)	(1,243.6)
Change in net interest income	367.1	514.5	881.6

Management Discussion and Analysis

Notes:

- (1) Represents the average balance of the reporting period deducting the average balance of the previous period, multiplied by the average yield/interest rate of the previous period.
- (2) Represents the average yield/interest rate of the reporting period deducting the average yield/interest rate of the previous period multiplied by the average balance for the reporting period.
- (3) Represents interest income/expense during the reporting period deducting interest income/expense from the previous period.
- (4) Consists primarily of mandatory reserve deposits and surplus reserve deposits.
- (5) Consists of deposits with banks and other financial institutions and placements with banks and other financial institutions.
- (6) Consists of deposits from banks and other financial institutions and placements from banks and other financial institutions.
- (7) Consists of tier-two capital bonds issued and interbank negotiable certificates of deposit.

3.2 Interest income

In 2024, the Group continued to carry out and implement the national decisions and arrangements on reducing fees and making interest concessions, actively introduced measures to benefit enterprises and the people, further reduced the operating costs of the real economy and the burden on financial consumers and strived to improve the quality and efficiency of financial services. For the year ended December 31, 2024, the Group achieved interest income of RMB19,212 million, representing a year-on-year decrease of RMB362 million or 1.8%. The decrease in interest income was mainly due to the decrease in the average asset yield of interest-earning assets, partially offset by an increase in the average balances. During the reporting period, the increase in the average balance of interest-earning assets was mainly due to the increase in the loans originated by the Group in line with the business development; the decrease in the average asset yield was mainly due to the decreased profitability of loans and advances to customers and financial investment business as a result of the advancement of interest rate marketization and the downward trend of the macro market interest rate, and the fact that the Group actively implemented various national policies on reducing fees and making interest concessions.

3.2.1 Interest income from loans and advances to customers

For the year ended December 31, 2024, interest income from the Group's loans and advances to customers was RMB14,329 million, representing a year-on-year increase of RMB368 million or 2.6%.

The following table sets forth the average balance, interest income and average yield of various components of loans and advances to customers of the Group in the periods indicated.

	For the year ended December 31,					
	Average balance	2024 Interest income	Average yield (%)	Average balance	2023 Interest income	Average yield (%)
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>						
Corporate loans and advances	190,842.9	9,559.6	5.01	166,026.6	8,559.0	5.16
Retail loans and advances	89,777.1	4,395.4	4.90	93,796.8	4,847.8	5.17
Discounted bills	24,650.1	373.6	1.52	26,690.0	554.1	2.08
Total	305,270.1	14,328.6	4.69	286,513.4	13,960.9	4.87

Management Discussion and Analysis

3.2.2 Interest income from financial investments

For the year ended December 31, 2024, interest income from financial investments of the Group amounted to RMB4,068 million, representing a year-on-year decrease of RMB711 million or 14.9%, mainly due to the Group adopting a prudent financial investment strategy by reducing non-standard investments and appropriately increasing low-risk investments such as government bonds, which resulted in a decreased average balance and interest yield on financial investment and a decreased interest income correspondingly.

3.2.3 Interest income from financial assets held under resale agreements

For the year ended December 31, 2024, interest income from financial assets held under resale agreements of the Group amounted to RMB381 million, representing a year-on-year increase of RMB23 million or 6.4%, mainly due to the increase in the average balance of financial assets held under resale agreements and the increase in the average asset yield.

3.2.4 Interest income from balances with the central bank

For the year ended December 31, 2024, interest income from balances with the central bank of the Group was RMB390 million, representing a year-on-year decrease of RMB43 million or 9.9%, mainly due to the decrease in the average balance of the Group's reserves in the central bank.

3.2.5 Interest income from deposits with banks and other financial institutions

For the year ended December 31, 2024, the interest income from deposits with banks and other financial institutions of the Group was RMB45 million, remaining flat with last year.

3.3 Interest expense

For the year ended December 31, 2024, the interest expense of the Group amounted to RMB10,041 million, representing a year-on-year decrease of RMB1,244 million or 11.0%, mainly due to a decrease in the interest expense on customer deposits as a result of the decreased average interest rate of customer deposits.

Management Discussion and Analysis

3.3.1 Interest expense on customer deposits

For the year ended December 31, 2024, interest expense on customer deposits of the Group amounted to RMB7,804 million, representing a year-on-year decrease of RMB1,359 million or 14.8%, mainly due to the decrease in the average interest rate of customer deposits, partially offset by the increase in the average balance of customer deposits. The decrease in the average interest rate of customer deposits was mainly because the Group reduced the nominal interest rate for deposits and the interest rate for deposit products according to the market conditions of banks; the increase in the average balance of customer deposits was mainly due to the overall growth in the scale of the deposit business as a result of progressive customer expansion by the Group.

The following table sets forth the average balance, interest expense and average interest rate for each component of the Group's customer deposits in the periods indicated.

	For the year ended December 31,					
	2024			2023		
	Average balance	Interest expense	Average interest rate (%)	Average balance	Interest expense	Average interest rate (%)
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>						
Corporate deposits						
Demand	87,622.1	1,009.7	1.15	115,556.1	1,923.0	1.66
Time	61,967.5	1,526.1	2.46	52,554.7	1,629.0	3.10
Pledged deposits	31,408.4	442.2	1.41	33,410.3	544.3	1.63
Subtotal	180,998.0	2,978.0	1.65	201,521.1	4,096.3	2.03
Personal deposits						
Demand	25,388.5	46.5	0.18	25,039.7	93.8	0.37
Time	154,919.7	4,716.2	3.04	134,131.7	4,909.6	3.66
Subtotal	180,308.2	4,762.7	2.64	159,171.4	5,003.4	3.14
Convertible negotiated deposits	2,000.0	63.0	3.15	2,000.0	63.0	3.15
Others	50.5	0.0	0.00	174.8	0.1	0.06
Total customer deposits	363,356.7	7,803.7	2.15	362,867.3	9,162.8	2.53

Management Discussion and Analysis

3.3.2 Interest expense on deposits from banks and other financial institutions

For the year ended December 31, 2024, interest expense on deposits from banks and other financial institutions of the Group was RMB310 million, representing a year-on-year decrease of RMB299 million or 49.1%, mainly due to the decrease in the average balance of deposits from banks and other financial institutions.

3.3.3 Interest expense on financial assets sold under repurchase agreements

For the year ended December 31, 2024, interest expense on financial assets sold under repurchase agreements of the Group amounted to RMB366 million, which is basically the same as the same period last year.

3.3.4 Interest expense from debt securities issued

For the year ended December 31, 2024, interest expense from the issued debt securities of the Group amounted to RMB993 million, representing a year-on-year increase of RMB327 million or 49.2%, mainly due to the increase in the average balance of the Group's debt securities issued this year.

3.3.5 Interest expense on borrowings from the central bank

For the year ended December 31, 2024, interest expense on borrowings from the central bank of the Group amounted to RMB560 million, representing a year-on-year increase of RMB94 million or 20.1%, mainly due to the increases in the average balance of borrowings from the central bank of the Group.

Management Discussion and Analysis

3.4 Non-interest income

3.4.1 Net fee and commission income

For the year ended December 31, 2024, the net fee and commission income of the Group amounted to RMB847 million, representing a year-on-year decrease of RMB125 million or 12.9%, mainly attributable to the decline in wealth management fees.

The following table sets forth the amount, amount of change and percentage of change in each component of net fee and commission income of the Group in the period indicated.

	For the year ended December 31,			
	2024	2023	Amount of change	Percentage of change (%)
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Fee and commission income				
Settlement and clearing fees	290.2	296.6	(6.4)	(2.2)
Credit commitments and financial guarantees fees	257.9	271.7	(13.8)	(5.1)
Agency service fees	197.7	204.0	(6.3)	(3.1)
Wealth management fees	175.9	237.4	(61.5)	(25.9)
Bank card fees	76.0	86.4	(10.4)	(12.0)
Transaction and consultancy fees	7.5	9.1	(1.6)	(17.6)
Subtotal	1,005.2	1,105.2	(100.0)	(9.0)
Fee and commission expense				
Transaction fees	(81.5)	(76.3)	(5.2)	6.8
Settlement fees	(65.8)	(50.6)	(15.2)	30.0
Others	(10.8)	(6.1)	(4.7)	77.0
Subtotal	(158.1)	(133.0)	(25.1)	18.9
Net fee and commission income	847.1	972.2	(125.1)	(12.9)

For the year ended December 31, 2024, settlement and clearing fees income of the Group amounted to RMB290 million, which is basically the same as the same period last year.

For the year ended December 31, 2024, credit commitments and financial guarantees fees income of the Group amounted to RMB258 million, representing a year-on-year decrease of RMB14 million or 5.1%, mainly attributable to the decrease in the Group's irrevocable loan commitment business for the year.

For the year ended December 31, 2024, agency service fees income of the Group amounted to RMB198 million, which is basically the same as the same period last year.

For the year ended December 31, 2024, the wealth management fees income of the Group amounted to RMB176 million, representing a year-on-year decrease of RMB62 million or 25.9%, mainly due to the decrease in the scale of the Group's wealth management business.

Management Discussion and Analysis

3.4.2 Net gains arising from financial investments

For the year ended December 31, 2024, net gains arising from financial investments of the Group reached RMB341 million, representing a year-on-year decrease of RMB569 million or 62.5%, mainly due to the decrease in non-standard investments such as trusts for the year.

3.5 Operating expenses

For the year ended December 31, 2024, operating expenses of the Group amounted to RMB3,634 million, representing a year-on-year increase of RMB227 million or 6.7%, which was in line with the overall growth of the business scale of the Group.

The following table sets forth the amount, amount of change and percentage of changes for each component of operating expenses of the Group in the period indicated.

	For the year ended December 31,			
	2024	2023	Amount of change	Percentage of change (%)
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>			
Staff costs	2,092.3	1,925.5	166.8	8.7
General and administrative expenses	834.6	796.4	38.2	4.8
Depreciation and amortization (excluding investment properties)	466.5	439.2	27.3	6.2
Tax and surcharges	135.9	138.1	(2.2)	(1.6)
Depreciation on right-of-use assets	105.0	107.9	(2.9)	(2.7)
Total operating expenses	3,634.3	3,407.1	227.2	6.7

For the year ended December 31, 2024, general and administrative expenses of the Group were RMB835 million, representing a year-on-year increase of RMB38 million or 4.8%, which was moderately in line with its business development and management of the Group.

For the year ended December 31, 2024, depreciation and amortization (excluding investment properties) of the Group amounted to RMB467 million, representing a year-on-year increase of RMB27 million or 6.2%. This is primarily due to changes in intangible assets, property and equipment of the Group.

For the year ended December 31, 2024, the tax and surcharges of the Group were RMB136 million, which basically kept flat with that of last year.

Management Discussion and Analysis

3.6 Impairment losses on assets

For the year ended December 31, 2024, the Group's impairment losses on assets were RMB6,040 million.

The following table sets forth the amount and their changes for each component of impairment losses on assets of the Group in the period indicated.

	For the year ended December 31,		
	2024	2023	Amount of change
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>		
Loans and advances to customers at amortised cost	4,992.6	4,814.9	177.7
Loans and advances to customers at FVOCI	(7.8)	5.1	(12.9)
Financial investments measured at amortised cost	866.2	1,299.0	(432.8)
Financial investments measured at FVOCI	(0.3)	(1.9)	1.6
Other ⁽¹⁾	189.6	(11.4)	201.0
Total impairment losses on assets	6,040.3	6,105.7	(65.4)

Note:

- (1) Consists of placements with banks and other financial institutions, deposits with banks and other financial institutions, financial assets held under resale agreements, interests receivable, other receivables, repossessed assets, credit commitments and financial guarantees.

3.7 Income tax

The following table sets forth the amount, amount of change and percentage of change for each component of income tax of the Group in the period indicated.

	For the year ended December 31,		
	2024	2023	Amount of change
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>		
			Percentage of change (%)
Current income tax	375.6	375.1	0.5
Tax filing differences	192.9	(421.8)	614.7
Deferred tax	(614.3)	156.4	(770.7)
Total income tax	(45.8)	109.7	(155.5)

Management Discussion and Analysis

4. ANALYSIS OF MAJOR FINANCIAL POSITION ITEMS

4.1 Assets

As of December 31, 2024, total assets of the Group were RMB516,459 million, representing an increase of RMB12,609 million or 2.5% as compared to the end of last year, mainly due to the increases in: (i) loans and advances to customers; and (ii) financial investments.

The following table sets forth, as at the dates indicated, the amount of each component of assets of the Group and the percentage of total assets.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>			
Gross loans and advances to customers	320,834.7	62.2	301,624.3	59.9
Accrued interest on loans and advances to customers	1,921.2	0.4	1,466.1	0.3
Less: Allowances for impairment losses	(10,808.1)	(2.1)	(9,680.2)	(1.9)
Net loans and advances to customers	311,947.8	60.5	293,410.2	58.3
Financial investments, net	150,796.4	29.2	145,948.9	29.0
Cash and balances with the central bank	26,580.4	5.1	33,302.5	6.6
Deposits with banks and other financial institutions	1,191.8	0.2	2,223.9	0.4
Placements with banks and other financial institutions	1,044.5	0.2	70.9	0.0
Financial assets held under resale agreements	9,456.3	1.8	14,346.2	2.8
Interests in associates	142.4	0.0	142.0	0.0
Other assets ⁽¹⁾	15,299.0	3.0	14,404.6	2.9
Total assets	516,458.6	100.0	503,849.2	100.0

Note:

(1) Consists of property and equipment, right-of-use assets, deferred tax assets and others.

Management Discussion and Analysis

4.1.1 Loans and advances to customers

As of December 31, 2024, the gross loans and advances to customers of the Group amounted to RMB320,835 million, representing an increase of RMB19,210 million or 6.4% as compared to the end of last year. Such increase in the gross loans and advances to customers of the Group is primarily due to: (i) the stable growth in our corporate loans; and (ii) the increase in the bills discount business.

The following table sets forth, as at the dates indicated, the distribution of loans and advances to customers of the Group by business type.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Corporate loans and advances	199,244.3	62.1	182,283.2	60.4
Retail loans and advances	89,391.0	27.9	97,719.9	32.4
Discounted bills	32,199.4	10.0	21,621.2	7.2
Gross loans and advances to customers	320,834.7	100.0	301,624.3	100.0

(1) Corporate loans and advances

As of December 31, 2024, the gross corporate loans and advances of the Group amounted to RMB199,244 million, representing an increase of RMB16,961 million or 9.3% as compared to the end of last year. The increase in the gross corporate loans and advances was mainly due to the fact that the Group actively expanded the corporate credit grant to support the real economy.

The following table sets forth, as at the dates indicated, the distribution of corporate loans and advances of the Group by product type.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Working capital loans	109,807.8	55.2	101,372.9	55.5
Fixed asset loans	62,059.6	31.1	55,688.0	30.6
Trade finance loans	21,359.8	10.7	20,024.9	11.0
Others	6,017.1	3.0	5,197.4	2.9
Total corporate loans and advances	199,244.3	100.0	182,283.2	100.0

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the distribution of corporate loans and advances of the Group by size of corporate banking customers.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Large enterprise ⁽¹⁾	22,116.7	11.1	21,226.2	11.6
Medium enterprise ⁽¹⁾	49,420.0	24.8	50,121.4	27.5
Small enterprise ⁽¹⁾	98,490.1	49.4	87,467.6	48.0
Micro enterprise ⁽¹⁾	27,870.0	14.0	21,421.9	11.8
Others ⁽²⁾	1,347.5	0.7	2,046.1	1.1
Total corporate loans and advances	199,244.3	100.0	182,283.2	100.0

Notes:

(1) Classified in accordance with the classification criteria stipulated in the Classification Standards of Small and Medium Enterprises.

(2) Primarily includes the public institutions in the PRC.

(2) Retail loans and advances

As of December 31, 2024, total retail loans and advances of the Group amounted to RMB89,391 million.

The following table sets forth, as at the dates indicated, the distribution of retail loans and advances of the Group by product type.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Residential mortgage loans	29,472.6	33.0	32,751.4	33.5
Personal loans for business	35,139.5	39.3	37,829.8	38.7
Personal loans for consumption	18,858.3	21.1	21,283.3	21.8
Credit card	5,920.6	6.6	5,855.4	6.0
Total retail loans and advances	89,391.0	100.0	97,719.9	100.0

Management Discussion and Analysis

(3) Discounted bills

As of December 31, 2024, discounted bills of the Group were RMB32,199 million, representing an increase of RMB10,578 million or 48.9% as compared to the end of last year, mainly attributable to the Group's proactive adjustment of its discounted bills business strategy and increased its marketing efforts.

4.1.2 Financial investments

As of December 31, 2024, the total financial investments of the Group were RMB156,363 million, representing an increase of RMB5,737 million or 3.8% as compared to the end of last year, primarily due to the increase in debt securities held by the Group.

The following table sets out the distribution of the Group's financial investments by investment intention as at the dates indicated.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Financial investments at fair value through profit or loss	36,725.4	23.5	27,956.6	18.6
Financial investments at fair value through other comprehensive income	45,414.1	29.0	41,226.6	27.4
Financial investments measured at amortised cost	74,223.7	47.5	81,443.5	54.0
Total financial investments	156,363.2	100.0	150,626.7	100.0

Management Discussion and Analysis

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

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>			
Debt securities				
Debt securities issued by government	64,879.0	41.5	62,509.7	41.5
Debt securities issued by policy banks	31,101.4	19.9	28,701.4	19.1
Debt securities issued by general corporates	12,600.1	8.1	15,121.7	10.0
Debt securities issued by commercial banks	9,150.6	5.9	3,424.8	2.3
Subtotal	117,731.1	75.4	109,757.6	72.9
Non-standard investment				
Trust beneficiary rights and asset management plans	15,916.7	10.2	19,091.4	12.7
Other investments at fair value through profit or loss	2,771.6	1.8	3,695.0	2.5
Subtotal	18,688.3	12.0	22,786.4	15.2
Other financial investments				
Fund investments	16,110.8	10.3	13,604.0	9.0
Equity investments	1,917.4	1.2	1,570.7	1.0
Subtotal	18,028.2	11.5	15,174.7	10.0
Accrued interest	1,915.6	1.1	2,908.0	1.9
Total financial investments	156,363.2	100.0	150,626.7	100.0
Less: Allowances for impairment losses	(5,566.8)		(4,677.8)	
Financial investments, net	150,796.4		145,948.9	

Management Discussion and Analysis

4.1.3 Other Components of the Group's Assets

Other components of the Group's assets mainly include: (i) cash and balances with the central bank; (ii) deposits with banks and other financial institutions; (iii) placements with banks and other financial institutions; and (iv) financial assets held under resale agreements.

As of December 31, 2024, the total amount of cash and balances with the central bank was RMB26,580 million, representing a decrease of RMB6,722 million or 20.2% as compared to the end of last year, mainly due to the reduction in the deposit reserve ratio.

As of December 31, 2024, the total amount of deposits with banks and other financial institutions was RMB1,192 million, representing a decrease of RMB1,032 million or 46.4% as compared to the end of last year, mainly due to the adjustment of deposits with banks and other financial institutions by the Group based on the requirements of operation and management.

As of December 31, 2024, the total amount of placements with banks and other financial institutions was RMB1,045 million, representing an increase of RMB974 million as compared to the end of last year, mainly due to the increase of placements with banks and other financial institutions by the Group based on the requirements of operation and management.

As of December 31, 2024, the total amount of financial assets held under resale agreements of the Group was RMB9,456 million, representing a decrease of RMB4,890 million or 34.1% as compared to the end of last year, mainly due to the decrease in financial assets held under resale agreements by the Group based on the requirements of operation and management.

4.2 Liabilities

As of December 31, 2024, the total liabilities of the Group were RMB473,926 million, representing an increase of RMB11,033 million or 2.4% as compared to the end of last year.

The following table sets forth, as at the dates indicated, the amount of each component of total liabilities of the Group and the percentage of total liabilities.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>			
Borrowings from the central bank	22,443.6	4.7	28,106.6	6.1
Customer deposits	386,963.5	81.6	370,733.0	80.1
Deposits from banks and other financial institutions	8,973.2	1.9	13,088.7	2.8
Placements from banks and other financial institutions	2,301.4	0.5	4,592.1	1.0
Financial assets sold under repurchase agreements	1,734.4	0.4	4,970.3	1.1
Debt securities issued	47,336.6	10.0	37,182.7	8.0
Other liabilities ⁽¹⁾	4,173.0	0.9	4,219.3	0.9
Total liabilities	473,925.7	100.0	462,892.7	100.0

Note:

(1) Consisted of income tax payable, lease liabilities, deferred tax liabilities, provisions, salaries payable, other tax payables, payables to external companies, etc.

Management Discussion and Analysis

4.2.1 Customer deposits

As of December 31, 2024, the Group recorded total customer deposits of RMB386,964 million, of which time deposits accounted for 60.2% and demand deposits accounted for 29.1%.

The following table sets forth, as at the dates indicated, the distribution of the customer deposits by product type of the Group.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Demand deposits				
Corporate customers	86,070.5	22.2	103,392.6	27.9
Individual customers	26,754.9	6.9	26,711.8	7.2
Subtotal	112,825.4	29.1	130,104.4	35.1
Time deposits				
Corporate customers	66,779.0	17.3	56,847.0	15.3
Individual customers	165,848.1	42.9	137,877.8	37.2
Subtotal	232,627.1	60.2	194,724.8	52.5
Pledged deposits	30,644.3	7.9	33,335.8	9.0
Convertible negotiated deposits	2,000.0	0.5	2,000.0	0.5
Other deposits⁽¹⁾	50.6	0.0	107.5	0.1
Accrued interest	8,816.1	2.3	10,460.5	2.8
Total customer deposits	386,963.5	100.0	370,733.0	100.0

Note:

(1) Consists primarily of funds deposited with us for remittance and temporary deposits.

Management Discussion and Analysis

4.2.2 Deposits from banks and other financial institutions

As of December 31, 2024, the Group's deposits from banks and other financial institutions was RMB8,973 million, representing a decrease of RMB4,116 million or 31.4% as compared to the end of last year, mainly due to the Group's strategic adjustment to the interbank liabilities structure portfolio and proper decrease in deposits from banks and other financial institutions.

4.2.3 Borrowings from the central bank

As of December 31, 2024, the Group's borrowings from the central bank was RMB22,444 million, representing a decrease of RMB5,663 million or 20.1% as compared to the end of last year. The decrease was primarily due to the fact that the Group appropriately decreased medium-term lending facilities out of its operation and management needs.

4.2.4 Financial assets sold under repurchase agreements

As of December 31, 2024, the Group's financial assets sold under repurchase agreements were valued at RMB1,734 million, representing a decrease of RMB3,236 million or 65.1% as compared to the end of last year. The decrease was primarily due to the Group's adjustment by selling bonds and bills for repurchase out of the Group's operation and management needs.

4.2.5 Debt securities issued

As of December 31, 2024, the Group's debt securities issued were RMB47,337 million, representing an increase of RMB10,154 million or 27.3% as compared to the end of last year, which was primarily due to the Group's enhancement of the active management on interbank liabilities and increase in the issuance size of interbank negotiable certificates of deposit.

4.3 Equity

As of December 31, 2024, the total equity of the Group was RMB42,533 million, representing an increase of RMB1,576 million or 3.8% as compared to the end of last year. As of December 31, 2024, the equity attributable to equity holders of the Bank was RMB41,747 million, representing an increase of RMB1,591 million or 4.0% as compared to the end of last year.

Management Discussion and Analysis

The following table sets forth the amounts of the various components of the Group's equity and their percentages of total amounts as of the dates indicated.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>			
Share capital	2,847.4	6.7	2,847.4	7.0
Other equity instruments	6,997.8	16.5	6,997.8	17.1
Share premium	11,646.7	27.4	11,639.1	28.4
Surplus reserve	4,615.0	10.9	4,615.0	11.3
General reserve	5,838.5	13.7	5,525.6	13.5
Investment revaluation reserve	1,862.4	4.4	516.9	1.3
Retained earnings	7,939.3	18.6	8,014.7	19.4
Equity attributable to equity holders of the Bank	41,747.1	98.2	40,156.5	98.0
Non-controlling interests	785.8	1.8	800.0	2.0
Total equity	42,532.9	100.0	40,956.5	100.0

5. OFF-BALANCE SHEET COMMITMENTS

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

	As of December 31, 2024	As of December 31, 2023
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>	
Credit commitments		
Acceptances	55,850.0	55,371.8
Guarantees and letters of guarantees	34,604.0	16,089.1
Letters of credit	21,289.9	19,857.3
Unused credit card commitments	6,601.6	12,956.2
Irrevocable loan commitments	–	80.5
Total	118,345.5	104,354.9

As of December 31, 2024, the Group's off-balance sheet commitments were RMB118,346 million, representing an increase of RMB13,991 million or 13.4% as compared to the end of last year, which was mainly due to the increase in guarantees and letters of guarantees. For details on off-balance sheet commitments, please refer to "Contingent liabilities and commitments" set out in Note 41 to the financial statements of this annual report.

Management Discussion and Analysis

6. LOAN QUALITY ANALYSIS

As of December 31, 2024, the gross loans and advances to customers of the Group was RMB320,835 million, representing an increase of RMB19,210 million or 6.4% as compared to the end of last year.

6.1 Distribution of loans by five-category loan classification

The following table sets forth, as at the dates indicated, the distribution of loans and advances to customers of the Group categorized by five-category loan classification.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Normal	294,466.0	91.78	284,200.0	94.22
Special mention	19,356.7	6.03	11,120.2	3.69
Substandard	2,188.1	0.68	1,343.5	0.45
Doubtful	1,730.5	0.54	1,372.0	0.45
Loss	3,093.4	0.97	3,588.6	1.19
Gross loans and advances to customers	320,834.7	100.00	301,624.3	100.00
Non-performing loan ratio (%) ⁽¹⁾		2.19		2.09

Note:

(1) Non-performing loan ratio is calculated by dividing the total non-performing loans by the gross loans and advances to customers.

Based on the five-category loan classification system, the Group's non-performing loans are classified into substandard loans, doubtful loans and loss loans.

As of the end of the reporting period, the Group's total normal and special mention loans amounted to RMB313,823 million, accounting for 97.81%; the total non-performing loans amounted to RMB7,012 million, the non-performing loan ratio was 2.19%.

Management Discussion and Analysis

6.2 Distribution of loans and non-performing loans classified by business type

The following table sets forth, as at the dates indicated, the distribution of loans and non-performing loans of the Group by business type.

	As of December 31, 2024			As of December 31, 2023		
	Amount	% of total Amount (%)	Non – performing loan amount	Amount	% of total Amount (%)	Non – performing loan amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>						
Corporate loans and advances	199,244.3	62.1	4,348.4	182,283.2	60.4	4,503.7
Retail loans and advances	89,391.0	27.9	2,663.6	97,719.9	32.4	1,800.4
Discounted bills	32,199.4	10.0	-	21,621.2	7.2	-
Gross loans and advances to customers	320,834.7	100.0	7,012.0	301,624.3	100.0	6,304.1

As of December 31, 2024, the corporate loans and advances of the Group amounted to RMB199,244 million; the non-performing loan of corporate loans and advances amounted to RMB4,348 million; the retail loans and advances of the Group amounted to RMB89,391 million; the non-performing loan of retail loans and advances amounted to RMB2,664 million.

6.3 Distribution of loans classified by industry

The following table sets forth, as at the dates indicated, the distribution of loans of the Group by industry.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total Amount (%)	Amount	% of total Amount (%)
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Manufacturing	51,792.5	16.1	43,638.0	14.5
Wholesale and retail	33,838.3	10.6	28,040.7	9.3
Leasing and commercial services	27,297.1	8.5	23,842.4	7.9
Real estate	22,206.1	6.9	24,427.8	8.1
Construction	20,988.3	6.5	21,068.4	7.0
Water conservancy, environment and public utility management	11,086.2	3.5	12,099.0	4.0
Agriculture, forestry, animal husbandry and fishery	6,935.4	2.2	5,419.2	1.8
Education	5,646.0	1.8	6,107.9	2.0
Health and social work	3,655.4	1.1	4,174.6	1.4
Mining	3,264.6	1.0	2,768.6	0.9
other	12,534.4	3.9	10,696.6	3.5
Total corporate loans and advances	199,244.3	62.1	182,283.2	60.4
Total retail loans and advances	89,391.0	27.9	97,719.9	32.4
Discounted bills	32,199.4	10.0	21,621.2	7.2
Gross loans and advances to customers	320,834.7	100.0	301,624.3	100.0

Management Discussion and Analysis

As of December 31, 2024, the top three industries with the biggest percentage of the Group's corporate loans and advances are manufacturing, wholesale and retail, leasing and commercial services. Among them, the amount of loans and advances to manufacturing increased by RMB8,155 million or 18.7% as compared to the end of last year; the amount of loans and advances to the wholesale and retail increased by RMB5,798 million or 20.7% as compared to the end of last year; the amount of loans and advances to the leasing and commercial services increased by RMB3,455 million or 14.5% as compared to the end of last year.

6.4 Distribution of loans and non-performing loans classified by guarantee type

The following table sets forth, as at the dates indicated, the distribution of loans and non-performing loans of the Group by guarantee type.

	As of December 31, 2024			As of December 31, 2023		
	Amount	% of total amount (%)	Non-performing loan amount	Amount	% of total amount (%)	Non-performing loan amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>						
Guaranteed loans	107,801.2	33.6	1,222.1	98,183.5	32.6	1,171.7
Collateralized loans	94,000.2	29.3	3,822.4	98,967.2	32.8	3,449.5
Pledged loans	69,742.0	21.7	645.7	55,506.6	18.4	785.7
Unsecured loans	49,291.3	15.4	1,321.8	48,967.0	16.2	897.2
Total	320,834.7	100.0	7,012.0	301,624.3	100.0	6,304.1

As of December 31, 2024, the Group's loans and advances to customers were mainly guaranteed loans and collateralized loans, accounted for 33.6% and 29.3% of the gross loans and advances to customers, respectively. As of December 31, 2024, the Group's non-performing loans of collateralized loans, guaranteed loans and unsecured loans were RMB3,822 million, RMB1,222 million and RMB1,322 million, respectively; the non-performing loans of pledged loans was RMB646 million.

Management Discussion and Analysis

6.5 Distribution of loans classified by region

The following table sets forth, as at the dates indicated, the distribution of loans of the Group by region.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount (%)	Amount	% of total amount (%)
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Jiangxi Province	270,745.3	84.4	250,428.6	83.0
Including: Jiujiang City	103,895.3	32.4	95,669.3	31.7
Guangdong Province	23,474.3	7.3	24,869.0	8.3
Anhui Province	16,682.0	5.2	16,115.4	5.3
Others ⁽¹⁾	9,933.1	3.1	10,211.3	3.4
Total	320,834.7	100.0	301,624.3	100.0

Note:

- (1) Mainly includes the provinces and cities where the controlled county banks of the Group are located such as Beijing, Shandong Province and Jiangsu Province.

As of December 31, 2024, the Group's loan released in Jiangxi Province amounted to RMB270,745 million, representing an increase of RMB20,317 million or 8.1% as compared to the end of last year, accounting for 84.4% of gross loans and advances to customers of the Group. Among which, the Group's loan released in Jiujiang City amounted to RMB103,895 million, representing an increase of RMB8,226 million or 8.6% as compared to the end of last year.

6.6 Borrower concentration

As of December 31, 2024, the Group's loan balance to any single borrower did not exceed 10% of the Group's net capital.

As of December 31, 2024, the Group's loan balance to the largest single borrower amounted to RMB2,848 million, representing 0.89% of the Group's total loans and accounting for 6.05% of the Group's net capital; the Group's loan balances to the ten largest single borrowers amounted to RMB13,264 million, representing 4.14% of the Group's total loans and accounting for 28.18% of the Group's net capital, all of which met the regulatory requirements.

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the Group's loan balances to the ten largest single borrowers (excluding group borrowers).

		As of December 31, 2024		
Industry		Loan balance	% of total loans	% of net capital
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Borrower A	Manufacturing	2,848.0	0.89	6.05
Borrower B	Manufacturing	1,713.8	0.53	3.64
Borrower C	Health and social work	1,499.4	0.47	3.19
Borrower D	Manufacturing	1,437.0	0.45	3.05
Borrower E	Real estate	1,077.0	0.34	2.29
Borrower F	Water conservancy, environment and public utility management	1,000.0	0.31	2.12
Borrower G	Real estate	961.8	0.30	2.04
Borrower H	Leasing and business services	950.0	0.30	2.02
Borrower I	Real estate	930.7	0.29	1.98
Borrower J	Leasing and business services	846.0	0.26	1.80
Total		13,263.7	4.14	28.18

6.7 Large risk exposure management

In accordance with the Administrative Measures for the Large Risk Exposure of Commercial Banks and other relevant regulatory requirements, the Group carried out various work on the management of large risk exposure in an orderly manner, further improved the management system of large risk exposure, and regularly reported large risk exposure indicators and relevant management work to regulatory authorities, strengthened the limit management of large risk exposure, and continuously enhanced the management on large risk exposure.

Management Discussion and Analysis

6.8 Overdue loans

The following table sets forth, as at the dates indicated, the distribution of the Group's loans and advances to customers by overdue period.

	As of December 31, 2024		As of December 31, 2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Current loans	311,438.5	97.1	295,249.6	97.9
Overdue loans ⁽¹⁾				
Up to 3 months (inclusive)	3,495.4	1.1	1,156.9	0.4
3 months to 1 year (inclusive)	3,105.6	1.0	2,793.7	0.9
1 to 3 years (inclusive)	2,537.4	0.7	2,031.6	0.7
Over 3 years	257.8	0.1	392.5	0.1
Subtotal	9,396.2	2.9	6,374.7	2.1
Gross loans and advances to customers	320,834.7	100.0	301,624.3	100.0

Note:

(1) Represents the gross principal amount of the loans on which principal or interest is overdue.

As of December 31, 2024, the gross overdue loans amounted to RMB9,396 million; overdue loans accounted for 2.9% of gross loans and advances to customers.

6.9 Changes in allowance for impairment losses on loans

The Group has performed impairment accounting and recognised loss allowance based on expected credit losses. If the credit risk of a financial instrument, is low at the end of the reporting period or has not increased significantly since initial recognition, the Group measures its loss allowance based on the amount of the next 12-month expected credit losses. For other financial instruments, the Group measures its loss allowance based on amounts of lifetime expected credit losses.

The Group re-measures expected credit losses at the end of each reporting period. In addition, the Group regularly reviews a number of key parameters and assumptions involved in the process of determining impairment allowance based on the expected credit loss model, including division of loss stages, probability of default, loss given default, default risk exposure, discount rate, forward-looking adjustment and other adjustment factors.

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the movements in the allowance for impairment losses on loans of the Group.

	As of December 31, 2024	As of December 31, 2023
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>		
Opening balance	9,680.2	8,761.7
Provision for the year	4,992.6	4,814.9
Write-offs and transfer out for the year	(4,179.0)	(4,146.4)
Recoveries of write-offs for the year	314.3	250.0
Closing balance	10,808.1	9,680.2

As of December 31, 2024, the Group's allowance for impairment losses on loans amounted to RMB10,808 million.

7. SEGMENT REPORTING

7.1 By geographical region

The following table sets forth, for the periods indicated, the Group's operating income by various geographical regions and shares in the total operating income.

	For the year ended December 31, 2024		2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Jiangxi Province	9,120.0	87.8	9,370.9	90.5
Guangdong Province	646.2	6.2	463.1	4.5
Anhui Province	437.2	4.2	349.6	3.4
Other areas ⁽¹⁾	185.0	1.8	174.8	1.6
Total operating income	10,388.4	100.0	10,358.4	100.0

Note:

- (1) Mainly includes the controlled county banks of the Group where they are located in the provinces and cities such as Beijing, Shandong Province and Jiangsu Province.

Management Discussion and Analysis

7.2 By business segment

The following table sets forth, for the periods indicated, the operating income of the Group by business segments and shares in the total operating income.

	For the year ended December 31, 2024		2023	
	Amount	% of total amount	Amount	% of total amount
<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>				
Corporate banking	6,427.8	61.9	5,874.0	56.7
Retail banking	2,651.4	25.5	2,687.5	25.9
Financial market business	1,729.1	16.6	2,044.4	19.7
Unallocated ⁽¹⁾	(419.9)	(4.0)	(247.5)	(2.3)
Total operating income	10,388.4	100.0	10,358.4	100.0

Note:

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

8. ANALYSIS OF CAPITAL ADEQUACY RATIO AND LEVERAGE RATIO

8.1 Capital adequacy ratio

The Group continued to optimise its business structure and strengthen its capital management. As of December 31, 2024, the Group's capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 13.17%, 11.97% and 9.44%, respectively, which met the requirements of the Regulation Governing Capital of Commercial Banks.

Management Discussion and Analysis

The capital adequacy ratio calculated by the Group in accordance with the Regulation Governing Capital of Commercial Banks is as follows:

	As of December 31, 2024	As of December 31, 2023
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>	
Core tier-one capital	35,276.2	33,505.5
Deductions of core tier-one capital	(1,543.5)	(1,437.8)
Net core tier-one capital	33,732.7	32,067.7
Other tier-one capital	9,062.7	9,044.1
Net tier-one capital	42,795.4	41,111.8
Tier-two capital	4,279.6	3,467.6
Net capital base	47,075.0	44,579.4
Total risk-weighted assets	357,514.5	371,264.0
Core tier-one capital adequacy ratio (%)	9.44	8.64
Tier-one capital adequacy ratio (%)	11.97	11.07
Capital adequacy ratio (%)	13.17	12.01

8.2 Leverage ratio

The leverage ratio of commercial banks shall not be lower than 4% in accordance with the requirements in Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised). As of December 31, 2024, the Group's leverage ratio, calculated in accordance with Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised), was 7.06%, which meets the regulatory requirement.

Item	As of December 31, 2024	As of December 31, 2023
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>	
Net tier-one capital	42,795.4	41,111.8
Adjusted balance of on-balance and off-balance sheet assets	606,233.4	577,189.4
Leverage ratio	7.06%	7.12%

Management Discussion and Analysis

9. BUSINESS OPERATIONS

9.1 Corporate financing business

Adhering to the gist of macro policies, the Bank gave full play to the driving role of financial institutions and increased the lending for key areas to serve the high-quality development of the real economy. Following the operation philosophy of “customer first”, the Bank worked diligently to expand its customer base, enhance customer quality, and continuously consolidate the foundation for serving corporate customers.

Strengthening accountability and persisting in serving the real economy without slackness. The Bank adhered to the guidance of party building, and increased credit issuance to small and micro enterprises and manufacturing industry through strengthening assessment and guidance, implementing preferential policies for funds transfer pricing (FTP), and optimizing business processes. Firstly, the loans to the manufacturing sector grew significantly. As at the end of the reporting period, the Group’s manufacturing loans amounted to RMB51,793 million, representing an increase of RMB8,155 million or 18.7% as compared to the end of last year in terms of audited data. Secondly, the “two increases” corporate loans increased steadily. As of the end of 2024, the Bank’s balance of the “two increases” corporate loans amounted to RMB34,242 million, representing an increase of 25.6%. The number of accounts receiving the “two increases” corporate loans was 8,286, representing an increase of 1,830 accounts as compared to the end of last year.

Cultivating strong customer relationships and continuing to consolidate the foundation of corporate customers. As at the end of the reporting period, the number of corporate deposit customers and corporate loan customers of the Bank was 110,100 and 11,000, respectively, representing increases of 14,600 and 2,146, or 15.24% and 24.28%, respectively, as compared to the end of last year. Firstly, the Bank strengthened the hierarchical operation of the corporate customer group, improved the quality and effectiveness of strategic customer service, enhanced the three-tiered marketing collaboration among the head office, branches and sub-branches, and dynamically tracked the progress of business implementation. Additionally, the Bank improved its operational capabilities for small and medium-sized corporate customers and developed strategies that include precise marketing lists and supporting marketing programs based on both internal and external data. Secondly, the Bank innovated its corporate business model and process by launching version 2.0 of Easy Working Capital Loans designed to optimize the process of lending to private small and micro-enterprises with single-account loan amounts of less than RMB10 million, which is capable of utilizing big data analysis and financial technology to optimize and upgrade the process, enabling same-day applications, approvals, and lending at the fastest possible speed. Since the trial operation in 2024, a total of 539 customers have participated, resulting in cumulative loans of RMB717 million as of the end of 2024.

Driving by digital intelligence, the Bank advanced the digital transformation of its corporate banking services. First, the Bank enhanced its digital transformation by promoting online corporate banking operations. After establishing the online credit approval process, contracts for 86% of business types are now available for online signing, and 80% of the Bank’s mainstream credit business can be processed online. Second, the Bank optimized its customer relationship management system and implemented a new model of digital operation and management for corporate clients by digitizing its marketing processes and offering digital advertising platforms, which enhanced management visualization for both the head office and local branches.

Management Discussion and Analysis

Investment Banking Business

The Bank took capital saving as the transformation strategy and made use of the tool of investment banking to improve quality, reduce cost and increase efficiency, and laid a solid foundation for the development of asset-light business.

Based on the direct financing market, the Bank expanded the financing channels for enterprises and introduced innovative products. Deeply involved in the local direct financing market in Jiangxi, the Bank actively expanded into the Hefei and Guangzhou markets to provide enterprises with a diverse range of financing options, contributing to the ongoing optimization of the regional financing structure. As the lead underwriter, the Bank successfully issued the country's first targeted asset-backed note for intellectual property based on bank guarantee model and launched its inaugural "Frequent Issuance Program (FIP)", which simplified the issuance process for high-quality enterprises.

The Bank steadily promoted the special bond consultancy services and conducted the chain marketing of special bonds, continuously enhancing its market share and service depth. Since the launch of local government special bond consultancy services in 2022, the Bank has gained widespread recognition from customers for its professional capabilities, contributing to a steady increase in its market share. The Bank has successfully introduced its special bond consultancy services across seven cities and 33 counties within Jiangxi Province and conducted in-depth closed-loop marketing for special bonds in Jiujiang and Pingxiang, yielding positive outcomes.

9.2 Retail banking business

The Bank embraced a development concept focused on "putting people at the center", aligned its strategies with the market positioning of "serving the local economy, small and medium enterprises, and urban and rural residents" as a city commercial bank, and concentrated its efforts on "Five Major Articles": technology finance, green finance, inclusive finance, elderly care finance, and digital finance. By flexibly utilizing its financial resources, the Bank reinforced financial support for key areas and constantly enhanced the quality and efficiency of its services.

Strengthening resource allocation and adhering to the fundamental purpose of serving the real economy. The Bank strengthened the guidance of party building, actively explored the path of transformation, and regarded financial services for the real economy as its fundamental purpose. To enhance the financing environment for micro and small business owners, as well as individual entrepreneurs, the Bank implemented a range of measures, including optimizing product services, making innovation in business models, enriching product supply, strengthening technological empowerment, and proactively reducing fees and surrendering part of profits. The Bank also promoted standardized marketing strategies for different customer groups, facilitating bulk customer acquisition for inclusive small and micro businesses, and continually expanding the depth and breadth of its inclusive financial services.

Management Discussion and Analysis

Consolidating the cornerstone of deposits and driving high-quality development of wealth management. Adhering to the principle of anchoring the Bank with deposits, the Bank intensified savings marketing, consistently increasing both the scale of deposits and the advantages of its customer group operations. It developed a customer-focused service system and established a sustainable wealth rights activity framework that encompasses “basic rights + value-added rights + premium rights” across the customer lifecycle. Apart from setting up publicity areas that cater specifically to new citizen customers and elderly customers, the Bank offered personalized service plans tailored to meet their diverse and multi-layered financial needs.

Accelerating channel building and creating a new mode of government-bank cooperation. Centering around the customers, the Bank fulfilled its social responsibility as a financial institution by meeting customers’ diverse needs in various real-life scenarios. Through a collaborative approach involving “government funding, platform support, and enterprise participation”, the Bank effectively harnessed the collective strengths of various market players to stimulate consumption recovery and unlock potential, thereby fostering economic growth. Furthermore, it actively supported the provincial efforts for social security card issuance and application by streamlining processes for “inter-bank card swapping” and introducing an online feature for social security card renewal, thereby significantly improving card issuance efficiency.

Consumer Finance Business

In 2024, in line with policies aimed at fostering domestic economic circulation and stimulating consumption, the Bank concentrated on innovative scenarios to uncover consumer potential and support local economic growth.

Building a multi-tiered consumer credit system with a customer-centric approach. By integrating its consumer credit product lines and continually refining its product matrix, the Bank placed particular emphasis on developing key products, such as the “New Enjoyment Loan (新享贷)”, to establish a consumer credit system that caters to specific customer groups, including those involved with housing provident funds, social security contributions, and individual income tax.

Focusing on scenario-based finance and striving to realize a better quality of life for the public. For the automotive sector, the Bank developed an integrated service model called the “Automotive Ecosystem”, which encompasses the entire automotive process, from purchasing and leasing to parking, refueling and charging. This model aims to advance the development of automotive finance in a comprehensive manner. Additionally, the Bank offered installment products for home renovations and parking spaces to meet residents’ large-sum consumption needs, helping them achieve a high-quality lifestyle.

Enhancing benefit activities and promoting refined customer engagement. Following the theme: “an ideal life is infinitely beautiful”, the Bank created a system of special offers across various scenarios, such as travel, dining, tourism, shopping, and movie viewing, in close alignment with consumption hotspots, and also initiated distinctive themed events like “Travel Season” and “Food Festival”, driving growth in both consumption volume and expenditure throughout the year and revitalizing its brand. Leveraging big data, the Bank implemented personalized marketing and services to increase cardholders’ sense of engagement and gain.

Management Discussion and Analysis

9.3 Financial market business

In 2024, the financial market business continued to follow the guidance of macro policies, and firmly implemented regulatory requirements, thus achieving high-quality and stable development.

Continuously optimizing the business structure. Aligned with its strategic direction, the Bank continuously transformed towards a standardized business model. As of the end of the reporting period, the non-standard business in the investment sector decreased orderly, while the standardized business grew steadily.

Constantly improving market image. The Bank has for seven consecutive years been awarded the “Annual Market Influence Institution” and “Market Innovation Business Institution” by the China Foreign Exchange Trade System, and the “Top 100 Proprietary Dealer” by China Central Depository & Clearing Co., Ltd. It has been awarded the “Outstanding General Repo Business Participant (優秀通用回購業務參與機構)” by the China Foreign Exchange Trade System for the first time, making it the only award-winning institution in Jiangxi Province. For the sixth consecutive year, the Bank was honored as “Excellent Underwriter” and “Excellent Market Maker” in the underwriting of financial bonds of The Export-Import Bank of China, along with its first “Award for Promoting Coordinated Regional Development”. Furthermore, it has been awarded as the “Excellent Underwriter” and the “Excellent Market Maker” of financial bond underwriting by the Agricultural Development Bank of China for four consecutive years, and received its first honor as a “Practitioner in Assisting with Sannong Issues (agriculture, rural areas and farmers)”.

Wealth Management Business

Changes and innovations were prioritized to facilitate business expansion. In 2024, the Bank concentrated on its primary responsibilities and businesses. With a pragmatic approach, the Bank actively responded to regulatory changes and consistently promoted business transformation through righteous and innovative thinking. It strictly adhered to regulatory requirements, continuously strengthened its compliance efforts, optimized product management in a comprehensive manner, and steadily enhanced its investment research capabilities, ensuring that its wealth management business operated in a robust and compliant manner.

Management Discussion and Analysis

Emphasis was placed on enhancing customer service and deepening service quality. In 2024, the Bank gained deeper insights into customer needs and worked towards significantly improving the customer experience. By developing customer group models and leveraging data analysis, the Bank was able to swiftly identify customer requirements, refine service models, and enhance customer experience. It also conducted an analysis of wealth management customer groups using a representative sample of customers from across the entire bank, and revised its existing wealth management products based on the findings of this analysis to proactively address customers' concerns.

Efforts were made to promote smooth transformation while Jiuying brand continued to win new awards. In 2024, the Bank's wealth management business received the Golden Honor Awards of PY Standard for "Excellent Asset Management Urban Commercial Bank" and the "Growing City Commercial Bank of the Year (年度成長城市商業銀行)" award at the China Asset Management Forum – 2024 Eastmoney Conference (中國資產管理論壇•2024東方財富風雲際會). Additionally, "Rixinyueyi Monthly Dividend No. 6 (日鑫月溢月月分紅6號)", an open-ended net value wealth management product, was recognized as an "Outstanding Fixed Income Wealth Management Product (優秀固收類理財產品)" at the 6th Yinghua Prize for Wealth Management Model Case for the China Banking Industry by China Fund News (中國基金報第六屆中國銀行業理財英華示範案例). These accolades highlight the Bank's comprehensive wealth management capabilities, which have been acknowledged by both the market and customers.

9.4 Industrial finance business

In 2024, the Bank's industrial finance business continued to strengthen the management level focusing on six major modules of business innovation, marketing empowerment, risk control and compliance, digital transformation, ecological construction and industry-college-institute cooperation, and achieved significant results. As of the end of the reporting period, the credit balance of the Bank's industrial finance business was RMB56,845 million, representing a net increase of RMB7,958 million or 16.28% from the beginning of the year.

Continuously promoting business innovation. Focusing on two major modules of industrial finance and supply chain finance, the Bank launched N-type products, including the smart series and special industry loan series, covering four major scenarios: prepayment, receivables, inventory and portfolio. This forms a product business system of "2+4+N". At present, the Bank has developed special industrial financial service solutions for 27 industrial scenarios, such as non-ferrous, iron, steel, sand and gravel, providing end-to-end chain services that deeply meet the diverse business needs of industrial customers.

Comprehensively improving marketing empowerment. In 2024, the Bank effectively promoted industrial finance marketing empowerment through various formats such as seminars and training sessions. These covered program analysis, industry analysis, risk management, and other core aspects of industrial finance. Meanwhile, tailored business solutions were designed based on the industrial and business characteristics of branches. Throughout the year, the Bank achieved full coverage of marketing empowerment for industrial finance business across branches, sub-branches directly administered by the Bank and specialty sub-branches, and completed more than 30 industrial finance seminars at branch level.

Management Discussion and Analysis

Prudently perfecting risk control and compliance. Adhering to the core control logic of various industrial finance scenarios, the Bank has established a six-in-one smart risk control system. This system is built on the development strategy of “professional team building, clear control plans, structured review mechanisms, standardized cross-examination, normalization of the three realities principles, and a digital control platform”.

Conducting digital transformation to improve quality and efficiency. The Bank made significant progress in building the integrated industrial finance platform. The first phase of the platform was successfully launched in January this year, featuring customer application, loan disbursement, asset pool function, automatic repayment, and signature migration functions. By the end of 2024, relying on the integrated service platform of industrial finance, the total amount of credit granted exceeded RMB42,280 million. The Bank actively aligned with multi-level industrial digitization policies, being the first in the province to launch a specialized digital transformation credit scheme, “Digital Transformation Loan,” which has been successfully implemented in the copper industry chain in Yingtan. The Bank also initiated preliminary construction plans for the platform for the copper industry in Yingtan, the platform for tungsten and rare earth industries in Ganzhou, the De'an textile industry platform, and the Xiushui mold industry platform, significantly enhancing the Bank's industrial digital support capabilities.

Making multi-point linkage in ecosystem building. The Bank deepened cooperation with regulatory bodies, industry players, and infrastructure providers to build a robust and competitive industrial ecosystem. The Bank completed regulatory cooperation admissions with leading industry players like Minnong Yuncang (民農雲倉) and Jiangxi Supply and Marketing (江西省供銷), integrated cloud warehouse non-ferrous metals with the National Center of Quality Supervision and Inspection for Tungsten and Rare Earth Products, and prospectively cooperated with companies like Conch Group in the “Chain Leader” scenario and achieved data connection, significantly enhancing the Bank's industrial service capabilities.

Deepening integration of “enterprises, universities and research institutions”. The Bank conducted internal and external cooperation to enhance business leadership and brand influence. In 2024, the Bank was invited to participate in the “11th Industry Digitalization and Supply Chain Finance Innovation Forum 2024”, the “5th Future Transaction Banking International Summit 2024” and other cutting-edge industry seminars, receiving the “Outstanding Financial Institution Award”, “Best Industrial Finance Innovation Bank” and other honors, which significantly enhanced the brand value of Jiuyin industrial finance. The Bank was one of only five city commercial banks nationwide invited to the 2024 Annual Working Meeting of the Documentation Center Working Group of the ICC China Banking Commission, gaining market recognition in the professional field.

Management Discussion and Analysis

9.5 Specialty business

Inclusive Financial Business

As of the end of the reporting period, the Bank followed the objective of “taking the lead, competing for the first place and performing well” and was dedicated to fully, accurately and comprehensively implementing the new development philosophy based on the requirements of high-quality development. Throughout the year, it achieved steady growth in inclusive loans for small and micro enterprises, significantly enhancing its inclusive financial service. It deeply embraced the political and people-oriented aspects of financial work, firmly adhered to its positioning of “serving the local economy, small and medium enterprises, and urban and rural residents”, defined the working mechanism featuring “specialized service team, dedicated resource guarantee, specialized business process and professional service plan (四專)”, and developed a service model based on the principle of thoroughly inspecting what needs inspection, collecting what needs to be collected, acting on what needs to be addressed, managing what needs management, and assisting where assistance is required (五應五盡). Moreover, the Bank engaged in the “Visit to Tens of Thousands of Enterprises (千企萬戶大走訪)” initiative and sped up the implementation of a coordinated financing mechanism for small and micro enterprises.

Launching inclusive products that are convenient and efficient. In order to support the development of rural industries and farmers’ entrepreneurship, the Bank continued to optimize the “Easy Farming Loan – Rural Achiever Loan (易農貸 – 鄉村能人貸)” credit products and roll out online service functions such as loan renewal and rollover without full repayment of the principal, mainly targeting planters, farmers, agricultural products processing traders, township mom-and-pop stores and other customer groups, thereby realizing the operation of all procedures including application, file submission, approval, signature, lending and renewal online.

Green Financial Business

Increasing the release of green credit to drive the development of the green economy. Focusing on key green industries and important green projects, thorough research was conducted, and the Bank has introduced its first-ever Green Credit Policy of Bank of Jiujiang 2024, which promoted the steady growth of the Bank’s green loans. As of the end of the reporting period, according to the People’s Bank of China’s green loan statistical standards, the balance of green loans of the Bank amounted to RMB40,624 million, with an average growth rate of over 30% over the past five years. This effectively served the real economy and promoted green transformation.

Aiming towards the carbon peak and carbon neutrality goals and serving key areas of carbon emission reduction. Approved by the People’s Bank of China as one of the first institutions to expand the carbon emission reduction support tool, as of the end of the reporting period, the Bank has supported the implementation of 11 carbon emission reduction projects in five municipal district cities which are Jiujiang, Shangrao, Pingxiang, Ganzhou and Xinyu. These efforts have contributed to the Bank’s cumulative allocation of RMB405 million in carbon emission reduction loans, resulting in an annual cumulative reduction of 82,200 tons of carbon dioxide equivalents.

Management Discussion and Analysis

Creating transformational financial products and supporting the green transformation of enterprises. The Bank launched special financial products for transformation, namely “Carbon-Efficient Loan”, “Digital and Carbon Integration” and “Copper Loan”, in Jiujiang, Pingxiang and Yingtan, pilot cities of transformation finance in Jiangxi. This innovatively linked loan pricing with the carbon emission performance of enterprises, supporting small and medium-sized industrial enterprises in reducing carbon emissions in their production structures. Aiming at industrial and commercial distributed photovoltaic, the Bank launched a special green financial product “Photovoltaic Loan” to support the construction of distributed photovoltaic power stations and to promote carbon reduction in energy consumption structure.

Fostering multi-party collaboration to advance sustainable development. As the first corporate bank in the province to join the Jiangxi New Energy Industry Association, the Bank actively cooperated with the Association to promote the growth and enhancement of Jiangxi’s new energy sector. As the sole financial institution assisting in organizing the 2024 “Government-Bank-Enterprise” Matchmaking Conference on Jiujiang Financial Support for Green and Low-Carbon Transformation (2024 年九江市金融支持綠色低碳轉型“政銀企”對接會), the Bank was dedicated to addressing the green transformation needs of the real economy. It was invited to participate in the inclusive finance reform exchange meeting and the promotion meeting for financial support of high-quality development in the Yangtze River Economic Belt, organized by the Research Bureau of the People’s Bank of China, and was the only financial institution presenting on the topic of “Financial Support for Green, Low-Carbon, and High-Quality Development of the Yangtze River Economic Belt (金融支持長江經濟帶綠色低碳高質量發展)”. Other international conferences it attended by invitation included the 15th Summer Davos, the Climate Business Forum: Asia Pacific, and the Meeting of the UK-China Working Group on Sustainable Disclosure for Financial Institutions, where the Bank shared “its experience” in green finance, furthering its commitment to sustainable development.

Automobile Finance Business

Significant achievement in strategic transformation and deepening layout to drive growth. The Bank promoted the strategic transformation from “remote area to local area, off-balance sheet to on-balance sheet, high risk to low risk, supply chain to scenario”, deepening the automobile market, focusing on exploring the field of vehicle circulation and operation, and laying out scenario services such as centralized purchasing, online car-hailing, and urban logistics distribution. The proportion of local automobile industry customers increased by 13.44%, the balance of auto loans grew by 24.96% year-on-year, and more than RMB3.4 billion was invested in the automobile scenario.

Technological empowerment to service quality and efficiency and improve customer satisfaction. Based on customers, the Bank created a service model of “scenario + product + technology”, to develop a scenario, form a set of standards, and serve a group of customers. Through technological empowerment such as electronic contract signing, dealer automatic scoring and online scenario system, the Bank has served more than 1,100 customers in the automotive industry in 2024, with billing of more than 13,000 transactions, handling vehicle entry and exit warehousing for more than 220,000 times. The Bank launched “online discount” to meet the needs of automobile manufacturers, providing one-stop service of “issuance of bank bills + discount” for automobile manufacturers and dealers. Online discount had billing of more than RMB1.3 billion, effectively improving customer operation convenience and cash liquidity, to gain customer satisfaction.

Management Discussion and Analysis

Focusing on dynamic transaction data and consolidating the effectiveness of risk management.

Based on business logic, the Bank built the “business data, external data and regulatory data”, and introduced the whole process risk management to enhance the risk early warning function. By penetrating business scenarios, the Bank refined ten monitoring indicators to maximize early prediction of risks. At the same time, the Bank continued to promote the risk management model of “transforming our passivity into the initiative”, took the initiative to prevent risks, and used RPA technology to optimize the efficiency of risk management.

Trading and Financial Business

In 2024, the Bank’s trading and financial business focused on “three excellence and one enhancement (三優一強化)”: excellent products, excellent services and excellent efficiency, and enhanced policy execution, comprehensively targeting the real economy with sustained growth and resilience.

“Practical” policy execution and key areas focus. In 2024, the cross-border RMB settlement scale of the Bank in Jiangxi Province reached RMB4,290 million. Current account and direct investment cross-border RMB settlement volume reached RMB4,282 million, accounting for 55.38% of the total RMB and foreign currency volume.

“Precise” credit allocation and diverse needs focus. The Bank deepened layout in key areas, with the scale of trading and financial business in manufacturing remaining stable and trading and financial business in inclusive micro and small enterprises growing by 49.26% year-on-year. The Bank effectively aligned with the real economy’s demands, leveraging an integrated settlement and financing approach, the Bank developed a “1+N” financial solution, serving over 1,600 enterprises in the upstream and downstream of the industrial chain, with steadily improving coordination capabilities.

“Refined” transformation and development and accumulative strength for prudent operation.

Aligning with the main line of prudent operation, the Bank optimized the structure of its assets and liabilities and increased investment in on-balance sheet business. The interest income of trading and financial business increased by 3.74% year-on-year, showing the “achievement” of transformation. With a focus on customer group management, as of the end of 2024, the Bank had 2,777 effective customers of trading and financial business, representing a net increase of 543 compared with the beginning of the year, including 438 effective customers of international business and 2,339 effective customers of domestic business, reflecting the “quality improvement” of management.

Management Discussion and Analysis

Bill Business

In 2024, the Bank, by focusing on the concept of “bill business returning to the origin for serving the real economy”, actively explored the scenario application mode of the bill industry, deeply excavated the inherent value of bills, and fully supported the industrial transformation and upgrading and construction of the modern industrial system to drive the development of the real economy.

Strengthening customer service and improving the financing system. Based on customers, the Bank focused on corporate bill financing services with the basic strategy of “secondary market transaction servicing primary market”. In response to the actual business, the Bank improved its approval process and upgraded the agreement text to meet customer needs and enhance their business experience. In 2024, the Bank’s discount business served more than 1,500 customers.

Focusing on embedding processes and enhancing risk control. The Bank promoted embedding key due diligence points and realizing the automation and intelligence of bank acceptance bill business and bill credit enhancement business reports. We implemented contract and invoice management function to further ensure business authenticity and compliance. Through embedding information disclosure system, we realized the automatic check of the blacklist within the billing system and strengthened the credit risk management and control for billing operations.

Strengthening theoretical research to support business development. The Bank published bill books, summarized business experience and explored development direction through historical review. Academic conferences were held to discuss hot market topics such as the development of the bill market and the construction of a financial power, review and development of the bill market on the 75th anniversary of the founding of New China, using theory to guide practice to support business development.

9.6 Construction of Digital Bank of Jiujiang

During the reporting period, the Bank accelerated the construction of digital Bank of Jiujiang and promoted its digital capabilities in various fields. The Bank continued to improve the level of financial technology, accelerated the application of new technologies, and deepened technological empowerment. We continued to enhance our ability to support science and technology and further enhanced our soft power in science and technology.

Management Discussion and Analysis

Deepening technological empowerment

In terms of deepening the integration of industry and technology, we continue to increase investment in scientific and technological resources, and realize the deep collaboration between technology and business by assigning scientific and technological staff to the business departments. In 2024, the Bank focused on key breakthroughs in the five core areas of industrial digital finance, digital transformation of personal financial services, digital operation service system, digital financial service ecology, and digital risk control capacity building, effectively supporting the rapid expansion and high-quality development of businesses and comprehensively promoting digital capabilities.

In terms of the application of new technologies, the Bank has been planning the ecological construction of AI Large Language Model since 2023. Based on the domestic open-source large language model and combined with the framework of cutting-edge technologies, we have built a full-stack independent innovation technology platform “Brain of Bank of Jiujiang”. The platform has learned 23,000 FAQs and more than 1,300 articles, thus building up the Bank’s high-quality knowledge base. The platform has been widely used across the Bank, with the number of users exceeding 6,500 and more than 30 business scenarios deployed. It further promoted the intelligent transformation of the Bank’s products and services, marketing, risk prevention and control, operation management and other business areas, and injected new forces into the high-quality development of Bank of Jiujiang.

Enhancing technological support

The completion of the construction of the “Financial Cloud” in 2024 has strengthened the Bank’s capacity to flexibly expand its infrastructure resources and enhanced its ability to swiftly support business needs. Constantly exploring technological innovation based on business scenarios, the Bank has been awarded five software copyright registration certificates. The Bank continuously strengthened the all-round security defense system, actively participated in various competitions and selections and won honors, including the second prize and excellent organization award in “Jiangxi Silver Cup” financial industry network security attack and defense competition, as well as the team second prize, team third prize and excellent organization award in “Tiangong Cup” network security skills competition.

9.7 Subsidiaries business

The Bank, as the lead sponsor, established 20 Jiuyin County Banks, among which 18 county banks were consolidated and controlled. For details of Jiuyin County Banks, please refer to “Information on Directors, Supervisors, Senior Management, Staff and Institution – 9. Basic Information of Institutions under the Bank” and Note 46 to the financial statements of this annual report. In 2024, Jiuyin County Banks continue to adhere to the business policy of “localization, fostering distinctive strengths, penetrating into county-level markets, avoiding blind expansion, maintaining profitable position, and securing sustainable growth”, uphold the market concept of “focusing on agriculture, rural areas and farmers to serve small and micro enterprises”, actively implement the rural revitalization strategy and strive to carry out inclusive finance, thus effectively playing the leading role in providing financial services in rural areas.

Management Discussion and Analysis

As at the end of the reporting period, the total assets of the controlled county banks of the Bank amounted to RMB17,020 million, the total loans (including discounted bills) amounted to RMB9,883 million, and the balance of deposits amounted to RMB14,423 million; the total assets of the county banks in which the Bank has shareholdings are RMB5,064 million, the total loans (including discounted bills) amounted to RMB3,581 million, and the balance of deposits amounted to RMB4,280 million.

The Bank, as the lead sponsoring bank of Jiuyin County Banks, will continue to guide all county banks to adhere to original aspirations, strengthen beliefs, clarify direction, and press ahead resolutely. While helping county banks do their work well, the Bank will focus on “three sound managements and two good practices (三個管好、兩個做好)”, actively perform its duties as the lead bank, and fully support Jiuyin County Banks in embarking on the high-quality development course towards “small but beautiful”, “small but professional” and “small but excellent” banking institutions with unique products.

10. DEVELOPMENT STRATEGY

2025 is a critical year for further deepening reform and promoting Chinese-style modernization, as well as the concluding year of the 14th Five-Year Plan. In 2025, the working theme of the Bank is to expand the customer base, enhance the comprehensive contribution of customers, continuously strengthen capacity building, and foster the core competitiveness of the Bank of Jiujiang.

Party building will always guide the development of the Bank. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank will thoroughly implement the spirit of the 20th National Congress of the CPC, the Second and Third Plenary Sessions of the 20th CPC Central Committee, the Central Economic Work Conference, and the Central Financial Work Conference, and fully implement the spirit of the important speeches made by General Secretary Xi Jinping during his inspection trip to Jiangxi Province. The Bank will earnestly implement the work plans proposed at the Seventh Plenary Session of the 15th Provincial Party Committee of Jiangxi Province, the Economic Work Conference of the Provincial Party Committee of Jiangxi Province and the Eighth Plenary Session of the 12th Municipal Party Committee of Jiujiang. The Bank will continue to invest efforts in the “five priorities”, provide in-depth services for the construction of a modernized industrial system in Jiangxi and the high-standard and high-quality construction of Jiujiang as an important node city of the Yangtze River Economic Belt.

The Bank, as an urban commercial bank, will always adhere to the market positioning of “three services”. It will further promote the strategy of “optimizing structure, saving capital, promoting compliance, controlling nonperforming loans and stabilizing growth”, adhere to the concept of industrial finance based on economic cycles, and implement the strategy of inclusive finance with downward expansion in lower tier markets and the strategy of industrial finance with differentiated characteristics. The Bank will proactively integrate its business development into regional development and take initiative to support the development of the regional economy, so as to align its development with local development. To amplify integrated operation, the Bank will enhance capacity building, and strive to develop a mechanism featuring “customers driving frontline staff, frontline staff driving front office, and front office driving middle office and back office”, so as to comprehensively enhance the Bank of Jiujiang’s ability to serve customers.

Management Discussion and Analysis

11. RISK MANAGEMENT

11.1 Risk management structure

The risk management organization structure of the Bank consists of the Board and its sub-committees, senior management and its sub-committees and significant risk sector composed of functional departments, risk directors and risk managers, which is a top-to-bottom and bank-wide risk management structure.

The Board is the Bank's highest decision-making body for risk management, and is responsible for establishing and maintaining an effective risk management system and assumes the ultimate responsibilities in respect of comprehensive risk management. The Risk Management Committee under the Board assists the Board in reviewing the Bank's risk strategy, risk appetite, risk limits, risk management policies and major risk management systems and reports. The Board of Supervisors assumes the supervisory responsibility for the comprehensive risk management of the Bank, overseeing the performance of the Board and senior management in risk management and urging corrective actions. Senior management and its sub-committees formulate and implement corresponding risk management strategies in accordance with the risk management objectives of the Board, and provide and secure resources to implement specific risk management work. The significant risk sector, consisting of the Risk Management Department, Credit Extension Department and Risk Asset Management Department of the head office, integrates resources and collaborates to carry out the integrated management of major risks within the Bank. Risk managers are assigned to branches, important business lines, centers and departments, subject to the management and assessment of the head office, to carry out risk management of their institutions.

The Risk Management Department of the Bank is the lead management department for credit risk, market risk and information technology risk, and is the centralized management department for other risks, while the Planning and Finance Department, Legal and Compliance Department and General Management Department are the lead management departments for other risks.

Management Discussion and Analysis

11.2 Credit risk management

Credit risk refers to the risk of losses due to the default of the debtors or counterparties or the reduction in their credit ratings and performance capabilities. The credit risks of the Bank mainly distributed among loans, investments, guarantees, commitments and other on – and off-balance sheet credit risk exposures.

The credit risk management organization system of the Bank is composed of the Board of Directors, senior management, Risk Management Department, Audit Department and Credit Risk-taking Department, etc., thus forming a credit risk management structure characterized by centralized and unified management and hierarchical authorization and implementation. The Board is the Bank's highest decision-making body for credit risk management, which undertakes the ultimate responsibility of credit risk management. The Risk Management Committee subordinate to the Board is responsible for deliberating on the strategic planning of credit risk management, major policies and risk capital allocation schemes, evaluating their implementation and effect, making recommendations to the Board and reviewing major credit risk management matters as authorized by the Board. Senior management is the Bank's highest decision-making panel for daily credit risk management, which is responsible for fully organizing the implementation of credit risk management strategies and risk appetite approved by the Board, putting into practice credit risk management policies, procedures and measures, and undertaking the credit risk arising from business operation. Risk Management Department is the Bank's leading department for credit risk management, which is responsible for formulating and organizing the implementation of basic policies, systems, measures, procedures and risk evaluation criteria for credit risk management. Credit Extension Department is responsible for implementing risk management of credit extension. The competent department of each line is responsible for their respective credit extension business, as well as inspection and supervision over the implementation and execution of the Bank's credit risk-related system. Audit Department is responsible for the independent review and evaluation of the Bank's credit risk management system, including but not limited to auditing the effectiveness of credit risk management measures and system operation.

In 2024, the Bank comprehensively promoted the reconstruction of the credit risk management system and mechanism, comprehensively improved the credit risk management level, and made every effort to deepen the 902 projects of widening the field and improvement of quality and efficiency, and continuously improved the sophistication and digitalization of risk management and credit management.

1. Guide credit resources to focus on key industries guided by national policies and optimize the credit structure. The Bank invested more credit resources in key national strategic areas such as advanced manufacturing, technological innovation, and green development of micro, small and medium-sized enterprises, and invested efforts in technology finance, green finance, inclusive finance, elderly care finance, and digital finance. At the same time, the Bank continued to optimize the credit strategies for real estate and government financing platforms to guide the steady development of the business.

Management Discussion and Analysis

2. Continue to improve the risk management system and enhance full-process risk management capabilities. The Bank built and optimized the credit risk monitoring system and post-risk supervision management system, established and improved the early warning and handling mechanism, strengthened the responsibility for potential risk management, carried out credit risk investigation on a regular basis, and improved the quality and efficiency of post-loan management; the Bank further promoted the construction of digital risk control, continuously increased the linkage, sharing and application of risk information, gradually promoted the standardization and onlineization of the entire risk management process, and created a new risk management pattern of joint prevention and control.
3. Increase efforts in risk mitigation and resolve existing risks in a prudent and orderly manner. The Bank deeply practiced the working concept of “seeking benefits from risk assets”, adhered to the “goal-oriented, problem-oriented, result-oriented, and responsibility-oriented” approach, implemented the management requirements of “due diligence on each account, value assessment on each account, responsibility evaluation on each account, and formulation of disposal plans on each account”, consolidated the foundation of non-performing asset management, and strengthened process control. The Bank continued to improve the full-process management of non-performing credit business, connecting the front-end business system, collateral system, early warning system, collection system, etc., to realize the collection of business life cycle information, and at the same time push the generated data to the front end (pre-loan and loan) for reuse, forming a closed loop of risk management ecology.

11.3 Market risk management

Market risk refers to the risk of losses to the Bank’s on – and off-balance sheet activities arising from unfavorable movements in market prices (interest rates, exchange rates, stock prices and commodity prices). According to the Bank’s asset allocation, the market risks faced by the Bank are mainly interest rate risk and exchange rate risk, including trading books and bank books.

According to its asset scale, business nature and business complexity, the Bank has established an appropriate market risk management system and classification rule of book, and has clarified the responsibilities of the Board, senior management and relevant departments under the market risk governance framework. By setting the hypothetical conditions of the stress test and applying the relevant models, we separately measure the potential losses that may be caused by asset of trading books and bank books under light, medium and severe scenarios, and use system tools to measure relevant market risk indicators such as VAR value, PVB, duration and modified duration, in an effort to objectively reflect the level of the market risk undertaken by the Bank and effectively manage and control the market risks of the Bank.

1. Optimize the quota management indicator system. The Bank optimized the market risk system management module, strengthened the monitoring of market risk limit indicators, and had risk compliance managers track market conditions on a daily basis, optimized market risk scenario analysis, and used market risk scenario analysis to improve the stress testing system.

Management Discussion and Analysis

2. Improve market risk management policies and procedures. The Bank combined the internal special audit reports on market risks to improve stress testing and market risk management related content, and further clarified the market risk management process, specific market risk management content and management methods.
3. Dynamically adjust market risk exposure levels. The Bank fully balanced the relationship between risk and return based on market conditions and the market risk conditions borne by the Bank's positions, dynamically adjusted total bond exposure and bond maturity structure, and periodically adjusted the duration of bond holdings.
4. Continue to monitor and report on market risks. The Bank analyzed the current risk characteristics and risk exposure of its businesses, prepared market risk analysis reports, provided relevant management suggestions based on market changes, and improved the effectiveness and timeliness of market risk monitoring.

11.4 Country risk management

The country risk refers to the risks that make debtors of a country or region unable or refuse to pay debts of banking financial institutions, that make the commercial presence of the banking financial institutions in that country or region suffer losses, or that make banking financial institutions suffer other losses due to political, economic and social changes and events in a country or region.

In strict compliance with the regulatory requirements, the Bank established a country risk management system that was compatible with the strategic objectives of the Bank, and the scale of exposure and complexity of the country risks, and integrated country risk management into the comprehensive risk management system, so as to regularly monitor the operation of country risk limits and business management.

11.5 Operational risk management

Operational risk refers to risk of losses caused by problems existing in internal procedures, employees or information technology systems, as well as external incidents.

Our Bank has set up a good operational risk governance organizational structure composed of the Party Committee, the Board of Directors, the Board of Supervisors, the senior management and three lines of defense. The Board is our Bank's highest decision-making body regarding operational risk management. The Board of Supervisors is responsible for supervising the performance of duties by the Board of Directors and the senior management. The senior management is responsible for implementing operational risk management strategies, overall policies and systems approved by the Board of Directors, as well as continuously establishing and improving the three lines of defense for operational risk, and improving the operational risk management system that is appropriate for the scope of business, risk characteristics, scale of operation and regulatory requirements.

Management Discussion and Analysis

During the reporting period, the Bank strengthened its operational risk management mainly through the following measures:

1. Constantly improve the structure of governance and control. The Bank has incorporated operational risk management into the comprehensive risk management system, took the new capital regulations and the new regulations on operational risk as an opportunity, orderly promoted the adaptive transformation and implementation of the Bank's operational risk management system, improved the operational risk management policies, and further clarified the structure and responsibilities of the three defense lines for operational risk. The Bank has developed a three-year strategic plan for operational risk management, and formulated the appetite, limits and strategies of annual operational risk, and issued a series of risk management documents such as operational risk appetite statements to improve the risk appetite and its transmission mechanism, so as to control operational risk within a tolerable range.
2. Strengthen the use of management tools and methodologies. The Bank has enhanced the monitoring of key risk indicators (KRI). The Bank conducts annual re-inspections and regularly monitors key operational risk indicators, covering multiple key lines such as operation and management, credit card, risk, technology, financial planning, human resources, compliance, and auditing, and accurately identifies the changes in operational risk in various areas based on the area and frequency of indicator abnormality. The Bank has strengthened the Risk and Control Self-Assessment (RCSA). The Bank regularly conducts an operational risk assessment, which evaluates the effectiveness of the Bank's operational risk management and control based on inherent risks, control measures and remaining risks; and strengthens the pre-identification and assessment of operational risks in response to "Four News" and other significant changes. The Bank has enhanced the identification and management of loss data collection (LDC). The Bank optimizes the operational risk loss event management process, continuously updates the operational risk loss event database and carries out identification, collection, confirmation and dynamic management of operational risk loss data on a regular basis.
3. Optimize and improve management processes and mechanisms. Optimize the related system functions. Launch the measurement system of risk-weighted asset (RWA) system, realize the functions of operational risk capital measurement system, optimize the functions of internal control compliance and operational risk management system, and strengthen the application of the system. Strengthen full process control. Strengthen the key process control, continuously sort out the compliance key points and promote the embedment in the process of compliance key points, and strengthen the rigid control of risks; carry out remediation in key areas, and strengthen on-site inspection and troubleshooting of operational risks; promote the implementation of key projects, and continue to promote the progress of online operation. Improve various management mechanisms. Improve the training mechanism for operational risks and incorporate the operational risk training into the compliance training system; improve the operational risk assessment mechanism, combining the process-based assessment with outcome-based assessment of operational risks, and incorporating it into the comprehensive risk management assessment system; establish a sound mechanism for information communication, regularly link and share information on internal control, compliance, case prevention (employee behavior), business continuity, information technology, legal risks, outsourcing, etc., to achieve joint prevention and control.

Management Discussion and Analysis

11.6 Liquidity risk management

Liquidity risk refers to the risk of failure of commercial banks to acquire sufficient funds in a timely manner at a reasonable cost to pay off debts due or meet liquidity demands in line with the expansion of business operations. The objective of the Bank's liquidity management is to ensure sufficient fund positions to meet requirements for solvency obligations and business liquidation funds in a timely manner.

The organizational structure for liquidity risk management of the Bank consists of a decision-making system, an executive system and a supervision system. The decision-making system includes the Board of Directors and the Risk Management Committee under the Board of Directors; the executive system includes senior management and its Asset and Liability Management Committee, Risk Classification Committee and other relevant business management departments; the supervision system includes the Board of Supervisors and the Audit Department. The Board of Directors is our Bank's highest decision-making body regarding liquidity risk management, which undertakes the ultimate responsibility for liquidity risk management. The Board of Supervisors supervises and evaluates the performance of the Board of Directors and senior management in liquidity risk management. The senior management is fully responsible for the organization and implementation of the Bank's liquidity risk management. As a comprehensive risk management functional department, the risk management department of the Head Office takes the lead in coordinating liquidity risk management, formulates risk appetite, limits management programme and risk management strategies annually, drafts risk management reports, and reports to senior management. The planning and finance department of the Head Office is the executive department of the Bank's liquidity risk management, and is primarily responsible for the management of the daily fund position, while the Capital Operation Centre and other departments (lines) in the Head Office are the executive departments of the Bank's liquidity risk management, and are responsible for coordinating the implementation of liquidity risk management. The Audit Department performs independent audits and supervisions on our Bank's liquidity risk management activities.

During the reporting period, the Bank managed liquidity risk mainly through the following measures. Firstly, the Bank improved its liquidity risk management system, to maintain its normal operating order and the sustainable development of various businesses. Secondly, the Bank strengthened the day-to-day capital position management, optimized the requirements for day-to-day capital position control system, improved the experience of customer clearing and considered the control of liquidity risk so as to enhance the effectiveness of liquidity management. Thirdly, the Bank strengthened liquidity risk monitoring and control, enhanced the monitoring and early warning of deposits and withdrawals and liquidity risk limit indicators, effectively implemented liquidity emergency drills, conducted liquidity stress tests and assessments on a quarterly basis, and strengthened the application of stress test results in the balance sheet plans. Fourthly, the Bank optimized the allocation of assets and liabilities, strengthened the balanced management of the balance sheet plans and liquidity risk, paid attention to the management of the maturity and structure of assets and liabilities, and maintained a safe and reasonable level of maturity mismatch. Fifthly, the Bank continued to optimize systems and reports related to liquidity risk management and improved the refinement of liquidity management.

Management Discussion and Analysis

As of the end of the reporting period, the Group's liquidity ratio, the net stable capital ratio and liquidity coverage ratio were 67.57%, 132.47% and 394.39%, respectively. Among them, the balance of high-quality liquid assets was RMB60,020 million and the net cash outflow in the next 30 days was RMB15,218 million.

Items	As of December 31, 2024	As of December 31, 2023
	<i>(All amounts expressed in millions of RMB except percentages, unless otherwise stated)</i>	
Net stable capital ratio	132.47%	127.03%
Available stable capital	376,500.56	341,784.06
Required stable capital	284,212.57	269,050.29

11.7 Compliance risk management

Compliance risk refers to the potential that a financial institution or its employees could face criminal, administrative, or civil liability, as well as property damage, reputational harm, and other negative consequences due to violations of compliance regulations. This may result from the institution's operational and management practices or the actions of its employees in fulfilling their responsibilities.

The Bank has established a compliance management organizational structure consisting of the Party Committee, the Board of Directors, the Board of Supervisors, senior management, the Legal and Compliance Department, the Audit Department, business line departments and branches. The Board of Directors is ultimately responsible for the compliance of commercial bank's business activities. The Board of Directors and its Compliance Management Committee are responsible for daily supervision of compliance risk management. The Board of Supervisors is responsible for supervising the performance of compliance management responsibilities of the Board of Directors and senior management. The senior management is responsible for effectively managing compliance risks and continuously establishing and improving compliance risk management system suitable for operation scope, organizational structure and business scale.

During the reporting period, the Bank managed compliance risk through the following measures:

1. Implementing regulatory opinions. Adhering to the business policy of "promoting compliance", the Bank has continued to improve the long-term mechanism for the implementation of supervisory opinions, and effectively implemented the four process management processes, namely decomposition and transmission, process supervision, result verification, and evaluation and handling. The Bank has consolidated the responsibility of management through continuous follow-up, rolling account closure, appraisal and supervision, which effectively improved the internal control and compliance as well as the operation management capability and level of the whole Bank.

Management Discussion and Analysis

2. Regulating the management of administrative penalties. The Bank adhered to the principle of responsibility must be answerable, accountability must be strict and default of responsibility must be penalized, implemented the system of economic accountability for administrative penalties, established a long-term rectification mechanism for administrative penalties, continuously analyzed the underlying causes of problems in depth, consolidated the main responsibility of the Head Office for management and control, and promoted underlying cause rectification based on the principle of targeting accurately and learning from mistakes to prevent recurrence. The Bank disseminated and warned of major violations, and provided compliance tips and recommendations on business operation and management of the whole Bank, so as to ensure high-quality and stable development.
3. Improving the quality and efficiency of compliance management efforts. Taking a risk-based approach, the Bank formulated a bank-wide compliance management plan on an annual basis, took risk prevention as the starting point, focused on key areas and key businesses, made full use of the off-site monitoring mechanism and compliance reminder mechanism, pre-controlled compliance risks, promoted timely and effective rectification of compliance risk and inadequacies in internal control, and further highlighted the early detection, early warning and early resolution of outstanding problems. For the purpose of risk prevention, the Bank steadily promoted the embedding of compliance points into the system process, and further strengthened the rigid control of various compliance risks. It also established compliance risk monitoring indicators, optimized the list of compliance risks, measured the possibility and impact of compliance risks according to the risk matrix, carried out compliance risk assessments, and improved the level of compliance management.
4. Improving the institutional management mechanism. The Bank adhered to the system first with the principles of internal and external compliance, integrity, applicability, and simplification, strengthened the review of system compliance, regularly carried out post-system evaluation and system planning, conducted a rolling assessment of the system issued for more than three years, and put forward problems in the system and compliance opinions.
5. Strengthening the compliance management of the whole process. The Bank adhered to the whole process control, established a legal and compliance review mechanism in terms of pre-event, pre-reviewed the use of the seal, external information release, non-format contracts, large-scale investment business, related party transactions, and new products, and organized a series of compliance training. In terms of during-event, the Bank improved the internal control compliance and operational risk management system, optimized the employee behavior monitoring model, issued compliance risk reminders and compliance risk reminders bulletin, and implemented during-event monitoring and early warning; in terms of post-event, with the aim of root cause management and systematic control, we will conduct traceability analysis of major risk issues such as cases, administrative penalties, and consumer insurance complaints from the whole chain, process, and link of mechanism, system, process, operation, etc., and run through the working paths of internal control evaluation, operational risk assessment and product evaluation to put forward improvement suggestions and promote rectification, thus strengthening the compliance management of the whole process.

Management Discussion and Analysis

11.8 Money laundering risk management

The risk of money laundering refers to the likelihood or probability of an act or process where the criminals or lawbreakers use various means to cover up or conceal the source and nature of illegal funds and turn them into legitimate funds in the process of establishing business relationships with customers, selling financial products and providing financial services by commercial banks.

The Bank has established and improved the anti-money laundering organizational structure in which the Board of Directors, the Board of Supervisors, the senior management, the business departments, the functional departments and branches perform their own responsibilities and implement management at different levels. The Special Committee of Anti-Money Laundering of the Head Office is the leading and decision-making body of the Bank's anti-money laundering work. The President serves as the chairperson, the bank leaders in charge of anti-money laundering and major business lines serve as the vice chairpersons, and the heads of relevant departments (offices) of the Head Office are members of the Special Committee. The Special Committee of Anti-Money Laundering has an Anti-Money Laundering Work Office, and the Legal and Compliance Department (Anti-Money Laundering Center) of the Anti-Money Laundering Work Office takes the lead in handling specific affairs.

During the reporting period, the Bank reinforced the capability to manage money laundering risk mainly through the following measures:

1. Strengthen risk alert and actively fulfill anti-money laundering reporting obligations. In 2024, the Bank continuously submitted high-value transaction reports and suspicious transaction reports through the "Data Receiving Platform for High-Value Transaction and Suspicious Transaction Reports from Banking Industry" (銀行業大額交易和可疑交易報告數據接收平台) of the Anti-money Laundering Monitoring and Analyzing Center of the People's Bank of China, and transferred valuable clues to the local branches of the People's Bank of China and public security organs in the first place, and the effectiveness of the Bank in combating and controlling money laundering crimes was recognized by the regulatory authorities. In June 2024, in the Notification on Praising Outstanding Collectives and Individuals for Combating and Controlling Money Laundering Crimes in Jiangxi Province in 2023 《關於表揚 2023 年江西省打擊治理洗錢違法犯罪成績突出集體和個人的通報》 jointly issued by 11 ministries and commissions including the People's Bank of China Jiangxi Branch, the Legal and Compliance Department of the Bank and the Compliance Department of the Pingxiang Branch were rated as outstanding collectives, and the anti-money laundering staff of many branches were rated as outstanding individuals. During transaction monitoring, the Bank proactively discovered new criminal methods of money laundering using electronic commercial acceptance bills and completed the Risk Warning on Money Laundering of Electronic Commercial Acceptance Bills 《關於電子商業承兌匯票的洗錢風險提示》, which was also the first risk warning to reveal this type of money laundering method and was fully recognized by China Anti-money Laundering Monitoring and Analyzing Center.

Management Discussion and Analysis

2. Upgrade system functions and strengthen the support capabilities of anti-money laundering, and anti-fraud system support capability. In 2024, the Bank placed greater emphasis on the interoperability of the anti-money laundering system, anti-fraud system and business system. In order to better implement the requirements of anti-money laundering and anti-fraud list management, the Bank upgraded the list verification strategy for major business systems. At the same time, through a comprehensive self-inspection, the Bank organized business lines to conduct supporting self-inspections and improvements on other business systems to ensure that the business system met all anti-money laundering requirements, achieved improved technical defense capabilities, and further reduced the risk of money laundering and fraud.
3. Safeguard the interests of the public, and firmly improve the quality and effectiveness of anti – telecommunications network fraud efforts. Firmly focusing on the fundamental interests of the people, the Bank steadily conducted and promoted the administration efforts of the “funding chain” of telecommunications network fraud and cross-border gambling to cut off the transfer chain of fraudulent funds of criminals, and carried out police-bank cooperation to intercept fraudulent funds by blocking abnormal account openings, to comprehensively improve the effectiveness of anti-crime and administration efforts. In 2024, the Bank’s branches and sub-branches rejected 269 abnormal account openings and 199 telecom frauds, carried out 337 police-bank cooperations, and intercepted more than RMB19.40 million in illegal funds.
4. Strengthen publicity and training, enhance the capability of performance of its duties of the employees, and strengthen the public’s awareness of anti-money laundering. Focusing on the key point of the anti-money laundering, the Bank has developed a detailed and accurate antimoney laundering training program to continually optimize and enrich teaching courseware, expand lecturer team, take anti-money laundering courses as the required courses of the employees in different positions such as senior management, new employees, tellers, account managers, and to reach all the businesses and all the employees with anti-money laundering requirements through conducting training with different themes for the employees from different business lines and different positions, so as to ensure the steady improvement on anti-money laundering awareness of the Bank. The Bank mobilized the outlets of the Bank to continuously innovate publicity forms through a combination of regular publicity and special centralized publicity, and actively hosted the First “Jiuyin Cup” Anti-fraud Short Video Competition (第一屆“九銀杯”反詐短視頻大賽) sponsored by the Propaganda Department of the Jiujiang Municipal Party Committee of the Communist Party of China and the Jiujiang Public Security Bureau. The Bank mobilized the public to participate widely and organized internal branches and sub-branches within the Bank to respond actively. The two works submitted by the Bank performed outstandingly and won the first prize and the excellent prize in the competition. Among them, the first prize work was adopted by the National Anti-Fraud Center’s video account, and more than 600,000 people attended these anti-money laundering publicity activities throughout the year.

Management Discussion and Analysis

11.9 Information technology risk management

Information technology risk refers to any operational, legal and reputational risk arising from natural factors, human factors, technical bugs and management defects in connection with the application of information technologies by the banks.

The Bank has set up an information technology risk management organizational structure composed of the Board of Directors, the senior management and the Information Technology Management Committee under it, and the implementation level. The information technology risk management framework of our Bank, under the leadership of our Board of Directors and our senior management, is based on the three lines of defense. The effective pre-event, during-event and post-event risk prevention systems have been jointly ameliorated.

1. Strengthen the training of information technology risk awareness across the Bank. We organize publicity and training on information security, risk and network security, privacy data and data security, enable employees to fully understand the relevant risk management requirements.
2. Continuously conduct technology risk assessment and monitoring. We conduct comprehensive risk assessments in technology, effectively identify information technology risk points, form a special assessment report and submit to the Information Technology Management Committee and the Board of Directors for consideration, as well as enhance problem analysis and rectification implementation.
3. Strengthen the security prevention and control for key information systems. We prioritize information security management and strengthen its refined management by focusing on Internet application systems. In 2024, penetration testing and crowd-sourced testing were conducted on selected critical information systems to identify potential risk points, and no data breaches occurred in key information systems.
4. Continuously strengthen the risk management of information technology outsourcing. We strengthen the management of science and technology outsourcing service providers, continuously optimize the work evaluation model of key service providers, enhance the ability to assess and supervise the quality of services supplied, and regularly hold management meetings of outsourcing service providers and carry out service capability evaluations.
5. Improve business continuity management across the entire Bank. We comprehensively set up a business continuity management system, continuously expand the scope of business continuity emergency plans and drills, strengthen the management of the whole process of drill plans and summaries, and establish a long-term mechanism for business continuity management across the entire bank. In addition, we have obtained the certification for the Business Continuity Management System. Our business continuity management aligns with international standards in ten major areas including system, policies and risk response.

Management Discussion and Analysis

11.10 Reputational risk management

Reputational risk refers to the risk that interested parties, the public and the media have a negative evaluation of the Bank due to the Bank's institutional behaviors, employee behaviors or external events, which damages the Bank's brand value, is harmful to the Bank's normal operation and even affects market and social stability.

The Bank attaches great importance to reputational risk management. We continuously improve our political stance, enhance risk awareness, and incorporate reputational risk management into our comprehensive risk management system. We conduct 365 days x 24 hours continuous reputational risk monitoring and regularly carry out reputational risk hazard inspections, while formulating emergency plans for reputational risk events based on identified risks and hazards, pushing the reputational risk management defense line forward, with the aim to prevent public opinion incidents from the source, continuously reduce potential reputational risks, and promote the Bank's sustained and steady operation.

In the next stage of reputational risk management, the Bank will continue to improve various systems and processes for reputational risk management, continue to implement 24/7 public opinion dynamic monitoring, increase efforts to investigate reputational risks, strengthen reputational risk training, improve the "all-staff, full-process, grid-based" management system, and continuously enhance the Bank's reputational risk management capabilities, further strengthen positive publicity and guidance, build a more harmonious and stable external public opinion environment, and consolidate, maintain and enhance the Bank's good brand image.

11.11 Strategic risk management

Strategic risk refers to the risk caused by improper operation policies of a commercial bank or changes in the external operation environment.

Our Bank's strategic risk management goals are to set up and improve the strategic risk management system to systematically identify and evaluate potential risks in our Bank's existing strategic plans and adopt scientific decision-making approaches and risk management measures to minimize or avoid substantial losses at a maximum level.

Management Discussion and Analysis

Our Bank establishes a well-rounded strategic risk management organizational structure composed of the Board of Directors and the Strategy Committee under it, the senior management, strategy management functional departments of the Head Office and other related functional departments. During the reporting period, the Bank proactively strengthened strategic risk management: firstly, sorted rules, established systems, and implemented strategic risk systems. Our Bank executed the Management Measures for Strategy and Operation Planning of Bank of Jiujiang strictly, and proactively launched strategic risk management to identify strategic management risks. Secondly, improved systems and carried out strategic closed-loop management. The Bank balanced short-term financial goals and long-term sustainable development goals, strengthened the integration of strategy and daily operation and management, built a strategic management system of goal setting – measure implementation – implementation evaluation – feedback and improvement, and played a role in the strategic adjustment. At the same time, our Bank did well in strategic research, promoted strategy implementation, and improved the strategic leadership. Thirdly, strengthened the performance of duties and management over strategic risks. Our Bank clarified full-time strategic management personnel, continuously strengthened the performance of functions such as strategic planning, strategic monitoring and strategic execution, further improved the design of strategic systems and processes, and improved the efficiency of strategy implementation. Fourthly, broke down tasks and promoted strategy implementation. The Bank formulated and decomposed its strategic objectives in the form of three-year medium-term and long-term plans and annual business plans, strengthened the overall strategic deployment, formulated practical step-by-step implementation plans, and accelerated the establishment and improvement of effective strategy implementation management mechanisms to effectively guarantee the smooth achievement of development strategy objectives.

By the end of 2024, our Bank's overall strategic risk level remained stable and under control, indicating our effective management over strategic risks.

Next, in terms of strategy formulation, the Bank plans to further increase the retrospective analysis to accurately estimate its own competitiveness, the strength of its competitors and the various opportunities and threats in the external environment, highlight differentiation and specialization, and enhance its core competitiveness. In terms of strategy implementation, the Bank will refine the decomposition of strategic objectives, transform strategy into controllable objectives, measurable indicators and implementable programs, and ensure that the plan is implemented on time and in accordance with quality by adopting measures such as task decomposition, time decomposition, and department or position decomposition. In terms of strategy supervision, the Bank will strengthen the monitoring of the implementation process, closely track and monitor the strategy implementation process, and continuously improve the incentive mechanism closely linked to the completion of the strategic objectives to encourage the advanced and spur the backward. In terms of guarantee mechanism, the Bank will strengthen the strategy publication and implementation, improve resource guarantee, further strengthen strategy publication and implementation and the professional staffing of the Strategic Planning Department, condensate heart cohesion and promote the orderly development of strategic management work.

Changes in Share Capital and Information on Shareholders

1. CHANGES IN SHARE CAPITAL

As of December 31, 2024, the Bank's total number of issued shares was 2,847,367,200, including 2,365,000,000 Domestic Shares and 482,367,200 H Shares.

During the reporting period, there were no changes in share capital of the Bank.

Class of shares	As at December 31, 2024		Changes in shares during the reporting period (share)	As at December 31, 2023	
	Number of shares (share)	Proportions (%)		Number of shares (share)	Proportions (%)
Domestic state-owned shares	1,389,528,436	48.80	13,230,000	1,376,298,436	48.34
Domestic social legal person shares	949,835,583	33.36	(13,219,857)	963,055,440	33.82
Domestic natural person shares	25,635,981	0.90	(10,143)	25,646,124	0.90
Overseas listed shares (H Shares)	482,367,200	16.94	0	482,367,200	16.94
Total number of ordinary shares	2,847,367,200	100.00		2,847,367,200	100.00

2. PARTICULARS OF SHAREHOLDERS

2.1 Total number of shareholders of Domestic Shares as at the end of the reporting period

As at December 31, 2024, the Bank had 699 domestic shareholders in total, including 44 state-owned shareholders, 54 social legal person shareholders and 601 natural person shareholders.

Changes in Share Capital and Information on Shareholders

2.2 Top 10 shareholders of non-overseas listed Domestic Shares

As at December 31, 2024, the shareholdings of the top 10 shareholders who directly held non-overseas listed Domestic Shares of the Bank are as follows:

Name of shareholders	Class of shares	Number of shares held as at the end of the reporting period (share)	Approximate percentage of total issued share capital of the Bank by the end of reporting period (%)
Jiujiang Finance Bureau	Domestic Shares	366,020,000	12.85
Beijing Automotive Group Co., Ltd.	Domestic Shares	366,020,000	12.85
Industrial Bank Co., Ltd.	Domestic Shares	294,400,000	10.34
Fangda Carbon New Material Co., Ltd.	Domestic Shares	136,070,000	4.78
Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd.	Domestic Shares	95,840,000	3.37
Ruichang State-Owned Investment Holding Group Co., Ltd.	Domestic Shares	89,760,000	3.15
Junhe (Xiamen) Holdings Co., Ltd.	Domestic Shares	86,653,080	3.04
Jiangxi Baoshen Industrial Co., Ltd.	Domestic Shares	84,792,010	2.98
Nanchang County Cultural Tourism Investment Co., Ltd.	Domestic Shares	57,040,000	2.00
Wuning Urban Investment Group Co., Ltd. ⁽²⁾	Domestic Shares	56,392,500	1.98
Total		1,632,987,590	57.35 ⁽¹⁾

Notes:

- (1) The inconsistency between the sum of the numbers in this table and the total figures is due to rounding.
- (2) During the reporting period, Wuning Urban Investment Group Co., Ltd. acquired 56,392,500 Domestic Shares, accounting for 1.98% of the Bank's total issued share capital.

Changes in Share Capital and Information on Shareholders

2.3 Interests and short positions of substantial shareholders in shares and underlying shares under Hong Kong laws and regulations

As at December 31, 2024, so far as is known to the Bank and the Directors, and taking into account the disclosed interests of shareholders on the HKEXnews website of Hong Kong Stock Exchange (<https://di.hkex.com.hk>), substantial shareholders of the Bank and other persons (other than Directors, Supervisors and chief executive officers of the Bank) who had interests and short positions in the Shares and underlying Shares of the Bank which were required to notify the Bank or the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Bank under Section 336 of the SFO were as follows:

Name of shareholders	Class of shares	Number of shares (share)	Nature of interest	Approximate percentage of shareholding in the relevant class of share (%)	Approximate percentage of total share capital of the Bank (%)
Jiujiang Finance Bureau ⁽²⁾	Domestic Shares	366,020,000 (L) ⁽³⁾	Beneficial Owner	15.48	12.85
Beijing Automotive Group Co., Ltd. ⁽³⁾	Domestic Shares	366,020,000 (L) ⁽³⁾	Beneficial Owner	15.48	12.85
Industrial Bank Co., Ltd. ⁽⁴⁾	Domestic Shares	294,400,000 (L) ⁽³⁾	Beneficial Owner	12.45	10.34
Foresea Life Insurance Co., Ltd.	H Shares	104,666,400 (L) ⁽³⁾	Beneficial Owner	21.70	3.68
Taiping Assets Management (HK) Company Limited	H Shares	104,666,400 (L) ⁽³⁾	Investment Manager	21.70	3.68
Hopson Development International Limited ⁽⁵⁾	H Shares	20,000,000 (L) ⁽³⁾	Beneficial Owner	4.15	0.70
Hopeson Holdings Limited ⁽⁵⁾	H Shares	46,037,600 (L) ⁽³⁾	Beneficial Owner	9.54	1.62
Tai Fung Bank Limited ⁽⁶⁾	H Shares	46,037,600 (L) ⁽³⁾	Security interest in shares	9.54	1.62
R&F Properties (HK) Company Limited ⁽⁷⁾	H Shares	63,591,000 (L) ⁽³⁾	Beneficial Owner	13.18	2.23
Harbor Sure (HK) Investments Limited ⁽⁸⁾	H Shares	63,591,000 (L) ⁽³⁾	Security interest in shares	13.18	2.23
Success Cypress Limited ⁽⁹⁾	H Shares	43,998,600 (L) ⁽³⁾	Beneficial Owner	9.12	1.55
Rong De Investments Limited ⁽¹⁰⁾	H Shares	33,308,200 (L) ⁽³⁾	Beneficial Owner	6.91	1.17
CHINA INTERNATIONAL MINERALS PTE. LTD.	H Shares	29,620,000 (L) ⁽³⁾	Beneficial Owner	6.14	1.04
China International Mining United Co., Limited	H Shares	29,620,000 (L) ⁽³⁾	Beneficial Owner	6.14	1.04
East System Investments Limited	H Shares	28,603,000 (L) ⁽³⁾	Beneficial Owner	5.93	1.00

Changes in Share Capital and Information on Shareholders

Notes:

- (1) The letter “L” denotes the person’s long position in the shares.
- (2) Jiujiang Finance Bureau, an official organ as legal person, holds a total of 366.02 million Domestic Shares of the Bank, accounting for 12.85% of the Bank’s total issued share capital as at the end of the reporting period. The bureau’s legal representative is Wu Zexun. Besides, Jiujiang Finance Bureau indirectly holds 40.00 million Domestic Shares of the Bank through Jiujiang City Financial Enterprise Financial Services Co., Ltd. In accordance with the forms for filing disclosure of interests submitted on August 20, 2019, Jiujiang Finance Bureau and Jiujiang State-owned Assets Management Co., Ltd. have acted in concert or without contradictory since January 1, 2016, the Bank’s Domestic Shares held by Jiujiang State-owned Assets Management Co., Ltd. amounted to 43,454,831 shares. Therefore, Jiujiang Finance Bureau controls an aggregate of approximately 15.78% of the total issued share capital of the Bank.
- (3) Beijing Automotive Group Co., Ltd. (“**BAIC Group**”) holds 366.02 million Domestic Shares of the Bank, accounting for 12.85% of the Bank’s total issued share capital as at the end of the reporting period. BAIC Group was founded in 1958, the legal representative of which is Zhang Jianyong, the controlling shareholder is Beijing State-owned Capital Operation and Management Company Limited, the actual controller and ultimate beneficiary is the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality, and there are no parties acting in concert. BAIC Group is headquartered in Beijing and is one of leading automotive groups in China and a Fortune 500 Company.
- (4) Industrial Bank Co., Ltd. (“**Industrial Bank**”) holds 294.40 million Domestic Shares of the Bank, accounting for 10.34% of the Bank’s total issued share capital as at the end of the reporting period. Industrial Bank was founded in August 1988, with Lu Jiajin as its legal representative, no controlling shareholders, parties acting in concert or actual controllers, and the ultimate beneficiary is the Industrial Bank. Industrial Bank is headquartered in Fuzhou City, Fujian province, which is one of the first joint-stock commercial banks approved by the State Council and the People’s Bank of China. Industrial Bank was officially listed on Shanghai Stock Exchange on February 5, 2007 (stock code: 601166) and ranks among the Top 20 banks in the world.
- (5) Hopson Holdings Limited is a company incorporated in Hong Kong and a wholly-owned subsidiary of Hopson Development International Limited (a company incorporated in the British Virgin Islands). Hopson Development International Limited is a wholly-owned subsidiary of Hopson Development Holdings Limited (a company incorporated in the Bermuda Islands), which is held by Sounda Properties Limited (a company incorporated in the British Virgin Islands) as to 53.75%. Sounda Properties Limited is wholly owned by Chu Mang Yee. Chu Mang Yee holds equity interests in 66.0376 million H Shares of the Bank through Hopson Holdings Limited and Hopson Development International Limited, of which 46.0376 million H shares are held through Hopson Holdings Limited and the remaining 20.00 million H shares are held through Hopson Development International Limited.
- (6) Tai Fung Bank Limited is a company incorporated in Macau and is owned by Bank of China Limited as to 50.31%. Bank of China Limited is owned by Central Huijin Investment Ltd. as to 64.02%.
- (7) R&F Properties (HK) Company Limited is a company incorporated in Hong Kong and a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd. (stock code: 2777). It is principally engaged in investment business.

Changes in Share Capital and Information on Shareholders

- (8) Harbor Sure (HK) Investments Limited is a company incorporated in Hong Kong and is wholly owned by ABCI Investment Management Limited (a company incorporated in the British Virgin Islands); ABCI Investment Management Limited is wholly owned by ABC International Holdings Limited (a company incorporated in Hong Kong); ABC International Holdings Limited is wholly owned by Agricultural Bank of China Limited (a company incorporated in the PRC), Agricultural Bank of China Limited is owned as to 35.29% and 40.03% by Ministry of Finance of the People's Republic of China and Central Huijin Investment Ltd., respectively.
- (9) Success Cypress Limited is a company incorporated in the British Virgin Islands and is ultimately held by Tan Huichuan, Tan Mei, Tan Haocheng and Tan Yuehua as to 43%, 7%, 25% and 25%, respectively. It is principally engaged in investment business. Guangzhou Jinxiu Dadi Property Development Company Limited ("**Guangzhou Jinxiu Dadi**") is held by Tan Huichuan as to 90%; Guangdong Nimble Real Estate (Group) Co., Ltd. ("**Guangzhou Nimble**") is a wholly-owned subsidiary of Guangzhou Jinxiu Dadi; Guangzhou Nimble held 90% of Guangzhou Jinxiu Investment Company Limited ("**Guangzhou Jinxiu Investment**") which is held by Tan Huichuan as to 10%; Guangzhou Jinxiu Investment held 50% of Zhaoqing Tiancheng Property Co., Ltd. ("**Zhaoqing Tiancheng**"); Faithful Edge Limited is a wholly-owned subsidiary of Zhaoqing Tiancheng; and Success Cypress Limited is a wholly-owned subsidiary of Faithful Edge Limited and the beneficial owner of the Bank.
- (10) Rong De Investments Limited is a company incorporated in the British Virgin Islands and is owned as to 36%, 34.06% and 29.94% by Liao Tengjia, Chu Hing Tsung and Zhu Muzhi, respectively. It is principally engaged in investment business.

2.4 The controlling shareholders of the Bank

As of the end of the reporting period, the Bank had no controlling shareholders.

2.5 Shareholders holding 5% (inclusive) or more of the Bank's shares

For details, please refer to the section 2.3 "Interests and short positions of substantial shareholders in shares and underlying shares under Hong Kong laws and regulations" in this chapter.

Changes in Share Capital and Information on Shareholders

2.6 Other substantial domestic shareholders

According to the Interim Measures for the Equity Management of Commercial Banks, substantial shareholders of a commercial bank mean shareholders who hold or control 5% or more shares or voting rights of the commercial bank, or who hold less than 5% of total capital or total shares of the commercial bank but have significant influence on the business management of the commercial bank. The significant influence mentioned above includes but not limited to dispatching directors, supervisors or senior management of a commercial bank.

Other than Jiujiang Finance Bureau, Beijing Automotive Group Co., Ltd. and Industrial Bank Co., Ltd., Fangda Carbon New Material Co., Ltd. (“**Fangda Carbon**”) together with its related company, Jiangxi PXSteel Industrial Co. Ltd. hold more than 5% of total shares of the Bank and Fangda Carbon has dispatched director to the Bank, and is therefore a substantial domestic shareholder of the Bank; substantial domestic shareholder of the Bank who hold less than 5% of total shares of the Bank but dispatched supervisor to the Bank is Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd. (“**Foshan Gaoming Jindun**”).

Fangda Carbon New Material Co., Ltd.

Fangda Carbon holds approximately 136.07 million Domestic Shares of the Bank, which are social legal person shares, accounting for 4.78% of the Bank's total issued share capital as of the end of the reporting period. In addition, Jiangxi PXSteel Industrial Co. Ltd., a related company of Fangda Carbon holds 35.00 million Domestic Shares of the Bank. Therefore, Fangda Carbon controls an aggregate of 6.01% of the ordinary shares of the total issued share capital of the Bank. As of the end of the reporting period, Fangda Carbon and its related party did not pledge the equity of the Bank.

Founded in January 1999, Fangda Carbon, with a registration place in Lanzhou City, Gansu province and a total of RMB4,026 million registered capital, is mainly engaged in research and development and sale of carbon products and is a leading enterprise of the National Science and Technology Development and Innovation Base. Fangda Carbon's legal representative is Ma Zhuo and its controlling shareholder is Liaoning Fangda Group Industrial Co., Ltd. The actual controller and ultimate beneficiary is Fang Wei. Fangda Carbon was officially listed on Shanghai Stock Exchange on August 30, 2002 (stock code: 600516).

Changes in Share Capital and Information on Shareholders

Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd.

Foshan Gaoming Jindun holds 95.84 million Domestic Shares of the Bank, which are social legal person shares, accounting for 3.37% of the Bank's total issued share capital as of the end of the reporting period. As of the end of the reporting period, Foshan Gaoming Jindun did not pledge the equity of the Bank.

Foshan Gaoming Jindun, with Luo Hanmin as its legal representative, was established in 2000 with a registration place in Foshan city, Guangdong province. It has a total of RMB300 million registered capital. The controlling shareholder, the actual controller and the ultimate beneficiary is Wu Jialing. Foshan Gaoming Jindun has no concert parties. Foshan Gaoming Jindun is mainly engaged in deposit receipt and deposit books printing, R&D and sales, and is the earliest plant in China to apply hot stamping to magnetic stripes of deposit books. It is also a member of "China Trade Association for Anti-counterfeiting", one of the "Top 100 Printing Enterprises in Guangdong Province", and a "Garden-like Organization in Foshan City".

2.7 Related parties of substantial domestic shareholders during the reporting period

No.	Name of substantial shareholders	Related parties of substantial shareholders and their concert parties (if any)
1	Jiujiang Finance Bureau	Jiujiang State-owned Financing Guarantee Co., Ltd., Jiujiang Dingxin Industrial Co., Ltd., etc.
2	Beijing Automotive Group Co., Ltd.	Jiangxi Changhe Automobile Co., Ltd., Guangzhou Haoxiuyang Technology Co., Ltd. (廣州好修養科技有限公司), Cangzhou Economic Development Zone and Xingye Industrial Park Co., Ltd. (滄州經濟開發區興業產業園有限責任公司), Beijing Beiqi Pengyuan Automobile Sales & Service Co., Ltd., etc.
3	Industrial Bank Co., Ltd.	CIB Fund Management Co., Ltd., China Industrial International Trust Limited, Industrial Consumer Finance Co., Ltd., Ciit Asset Management Co., Ltd., Industrial Wealth Asset Management Co., Ltd., and Industrial Futures Co., Ltd., etc.
4	Fangda Carbon New Material Co., Ltd.	Liaoning Fangda Group Industrial Co., Ltd., Jiangxi Fangda Steel Group Co., Ltd., Pingxiang Fangda Renewable Resources Development Co., Ltd. (萍鄉方大再生資源開發有限責任公司), Pingxiang Pinggang Anyuan Steel Co., Ltd., Jiujiang Ping Gang Steel Co., Ltd., etc.
5	Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd.	Foshan Gaoming Standard Spectrum Garden Co., Ltd., and Guigang Hengfu Real Estate Co., Ltd., etc.

Changes in Share Capital and Information on Shareholders

2.8 Related party transactions between the Bank and the substantial domestic shareholders and their controlling shareholders, actual controllers, related parties, parties acting in concert and ultimate beneficiaries thereof in the reporting period

(I) Credit related party transactions

Unit: in millions of RMB

No.	Name of shareholders	Credit balance	The controlling shareholders of the corporation	Credit balance	Actual controllers	Credit balance	Parties acting in concert	Credit balance	Ultimate beneficiary	Credit balance	Related party with related transaction(s)	Credit balance	Total
1	Jiuliang Finance Bureau	-	-	-	-	-	-	-	-	-	Jiuliang State-owned Financing Guarantee Co., Ltd.	33.03	43.03
2	Beijing Automotive Group Co., Ltd.	-	Beijing State-owned Capital Operation and Management Company Limited	-	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	-	-	-	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	-	Jiuliang Dingxin Industrial Co., Ltd., Jiangxi Changhe Automobile Co., Ltd., Guangzhou Haoxiwang Technology Co., Ltd. (廣州好修養科技有限公司), Cangzhou Economic Development Zone and Xingye Industrial Park Co., Ltd. (滄州經濟開發區興業美達園有限公司), Beijing Beiqi Pengyuan Automobile Sales & Service Co., Ltd., Beijing Automobile Sales Co., Ltd., Zhenjiang BAC Penglong Car Sales & Service Co., Ltd., Shanghai Penglong Xingyuan Car Sales & Service Co., Ltd. Hangzhou Branch Wuhan Penglong Xingyuan Car Sales & Service Co., Ltd. Changsha Branch	10.00 400.00 118.72 25.50 62.46 266.91 8.97 9.08 3.40	895.04
3	Industrial Bank Co., Ltd.	283.85	-	-	-	-	-	-	-	-	-	-	283.85
4	Fangda Carbon New Material Co., Ltd.	-	Liaoning Fangda Group Industrial Co., Ltd.	580.00	Fang Wei	-	-	-	Industrial Bank Co., Ltd. Fang Wei	-	Jiangxi Fangda Steel Group Co., Ltd.	2,255.00	4,611.23
5	Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd.	-	Wu Jialing	-	Wu Jialing	-	-	-	Wu Jialing	-	Pingxiang Fangda Renewable Resources Development Co., Ltd. (萍鄉方大再生資源開發有限公司) Pingxiang Pinggang Anyuan Steel Co., Ltd. Jiuliang Ping Gang Steel Co., Ltd.	276.25 1,000.00 499.98	-
Total		283.85		580.00		-	-	-		-		4,969.30	5,833.15

Changes in Share Capital and Information on Shareholders

(II) Related party transactions regarding transfer of assets

The amount of general related party transactions regarding the transfer of assets was RMB7.5 million, with a total of 1 transaction, which was a real estate lease transaction.

(III) Related party transactions regarding services

None.

(IV) Related party transactions regarding deposits and other categories

Unit: in millions of RMB

No.	Name of shareholders	Deposit amount	The controlling shareholders of the corporation	Deposit amount	Actual controllers	Deposit amount	Parties acting in concert	Deposit amount	Ultimate beneficiary	Deposit amount	Related party with related transactions	Deposit amount	Total
1	Jiuliang Finance Bureau	750.00	-	-	-	-	-	-	-	-	-	-	750.00
2	Beijing Automotive Group Co., Ltd.	-	Beijing State-owned Capital Operation and Management Company Limited	-	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	-	-	-	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality	-	BAIC Motor Corporation Limited	100.00	100.00
3	Industrial Bank Co., Ltd.	1,100.00	-	-	-	-	-	-	Industrial Bank Co., Ltd.	-	CIB Fund Management Co., Ltd.	500.00	1,600.00
4	Fangda Carbon New Material Co., Ltd.	-	Liaoning Fangda Group Industrial Co., Ltd.	-	Fang Wei	-	-	-	Fang Wei	-	Jiuliang Ping Gang Steel Co., Ltd. Jiangxi Fangda Steel Group Co., Ltd. Jiangxi Iron and Steel Group Enterprise Investment Co., Ltd. (江西方大鋼鐵集團企業投資有限公司) Pingxiang Pinggang Anyuan Steel Co., Ltd.	953.79 542.86 6,450.00 220.00	10,438.26
											Luyun No. 6 Tianjin Leasing Co., Ltd. (德雲六號天津租賃有限公司) Pingxiang Fangda Building Materials Distribution Co., Ltd. (萍鄉方大建材配送有限公司) Benxi Tongcheng Iron Selection Co., Ltd. (本溪同成鐵選有限公司) Fangda Special Steel Technology Co., Ltd. (方大特鋼科技股份有限公司) Jiangxi Fangda Steel International Trading Co., Ltd. (江西方大鋼鐵國際貿易有限公司) Ningbo Fangda Seagull Trading Co., Ltd. (寧波方大海鷗貿易有限公司)	26.23 50.00 59.38 1,336.00 600.00 200.00	
Total		1,850.00		-	-	-	-	-	-	-	-	11,038.26	12,888.26

Note:

The data of credit related party transactions is the balance as at the end of December 2024 (after deducting the amount of pledged deposits provided by the related party at the time of credit granting and the amount of pledged bank certificates of deposit and treasury bonds); the data of related party transactions regarding deposit is the aggregate amount incurred in 2024, excluding the related party transactions exempted from consideration and disclosure as stipulated in Article 57 of the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions.

Changes in Share Capital and Information on Shareholders

2.9 Pledge of equity in the Bank by substantial domestic shareholders

As of the end of the reporting period, the substantial shareholders (including the largest shareholder) of the Bank did not pledge equity in the Bank.

2.10 Nomination of Directors and Supervisors by the shareholders

- (1) Jiujiang Finance Bureau nominated Mr. LUO Feng as a Director of the Bank;
- (2) Beijing Automotive Group Co., Ltd. nominated Mr. SHI Zhishan as a Director of the Bank;
- (3) Industrial Bank Co., Ltd. nominated Ms. ZHOU Miao as a Director of the Bank;
- (4) Fangda Carbon New Material Co., Ltd. nominated Mr. LIU Yinan as a Director of the Bank; and
- (5) Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd. nominated Ms. CHEN Zhiying as a Supervisor of the Bank.

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

As of the end of the reporting period, the number of pledged shares of the Bank did not exceed 20% of the issued share capital.

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

- (1) As of December 31, 2024, the Bank has 89,789,518 pledged shares that were involved in frozen; no pledged shares were involved in judicial auctions.
- (2) According to the Articles of Association, when the number of shares pledged by a shareholder reaches or exceeds 50% of the total shares held by him/her in the Bank, the voting rights of such shareholder at the Shareholders' General Meeting and the voting rights of the Directors nominated by such shareholder at the meetings of the Board of Directors shall be restricted. As of the end of the reporting period, the voting rights represented by total 151,075,508 shares held by ordinary shareholders of the Bank were restricted, accounting for 5.31% of the total shares of the Bank.

Information on Directors, Supervisors, Senior Management, Staff and Institution

1. CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors

Name (former name, if any)	Gender	Age	Position	Terms of the seventh session of the Board	Number of shares held as at December 31, 2024 (share)	Class of shares
ZHOU Shixin	Male	53	Executive Director and Chairman of the Board of Directors	September 2023-June 2026	Nil	
XIAO Jing	Male	48	Executive Director, Vice Chairman of the Board of Directors and President	June 2023-June 2026	70,000	Domestic Shares
YUAN Delei	Male	46	Executive Director, Vice President and Risk Director	June 2023-June 2026	Nil	
LUO Feng	Male	53	Non-executive Director	September 2023-June 2026	Nil	
SHI Zhishan	Male	46	Non-executive Director	June 2023-June 2026	Nil	
ZHOU Miao	Female	53	Non-executive Director	September 2023-June 2026	Nil	
LIU Yinan	Male	47	Non-executive Director	September 2023-June 2026	Nil	
WANG Wanqiu	Female	53	Independent Non-executive Director	September 2023-June 2026	Nil	
ZHANG Yonghong	Male	57	Independent Non-executive Director	September 2023-June 2026	Nil	
TIAN Li	Male	56	Independent Non-executive Director	September 2023-June 2026	Nil	
GUO Jiequn	Male	54	Independent Non-executive Director	September 2023-June 2026	Nil	

Information on Directors, Supervisors, Senior Management, Staff and Institution

Supervisors

Name (former name, if any)	Gender	Age	Position	Terms of the seventh session of the Board of Supervisors	Number of shares held as at December 31, 2024 (share)	Class of shares
YU Menglin	Female	52	Employee Representative Supervisor	June 2023-June 2026	121,400	Domestic Shares
LIAO Jingwen	Female	39	Employee Representative Supervisor	June 2023-June 2026	14,000	Domestic Shares
CHEN Zhiying	Female	57	Shareholder Supervisor	June 2023-June 2026	Nil	
TANG Xiaofeng	Male	61	External Supervisor	June 2023-June 2026	Nil	
CHUA Alvin Cheng-Hock	Male	66	External Supervisor	June 2023-June 2026	Nil	

Senior Management

Name (former name, if any)	Gender	Age	Position	Number of shares held as at December 31, 2024 (share)	Class of shares
XIAO Jing	Male	48	Executive Director, Vice Chairman and President	70,000	Domestic Shares
XIE Haiyang	Male	41	Vice President	Nil	
YUAN Delei	Male	46	Executive Director, Vice President and Risk Director	Nil	
Du Zhongwen	Male	47	Vice President	88,410	Domestic Shares
HUANG Chaoyang	Male	55	Assistant to President	500,000	Domestic Shares
QI Yongwen	Male	54	Director of Retail Banking	249,900	Domestic Shares
LI Guoquan	Male	55	Chief Accountant	Nil	
CHENG Zhong	Male	49	Chief Information Officer	Nil	

Information on Directors, Supervisors, Senior Management, Staff and Institution

2. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Upon the consideration and approval at the eighth meeting of the seventh session of the Board on January 26, 2024, the Board resolved to terminate Ms. Wang Li's position as the secretary of the Board due to retirement.

Upon the consideration and approval at the thirteenth meeting of the seventh session of the Board held on June 27, 2024, the Board resolved to terminate Mr. Xu Cao and Mr. Wang Yuanxin's positions as Assistants to President due to early retirement.

Upon the consideration and approval at the fifteenth meeting of the seventh session of the Board held on October 31, 2024, and approved by the Jiangxi Bureau of National Financial Regulatory Administration (Gan Jin Jian Fu [2025] No. 15) on January 27, 2025, Mr. Du Zhongwen was appointed as a Vice President of the Bank.

Upon the consideration and approval at the eighteenth meeting of the seventh session of the Board held on March 31, 2025, the Board resolved to terminate Mr. Cai Jianhong's position as Compliance Director due to early retirement.

During the reporting period and up to the date of this annual report, except for the above-mentioned, there were no changes of other Directors, Supervisors and senior management of the Bank.

Information on Directors, Supervisors, Senior Management, Staff and Institution

3. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

3.1 Directors

Mr. ZHOU Shixin (周時辛), aged 53, is the secretary of the Party committee and Chairman of the Bank.

Mr. ZHOU started his career in July 1995. He has held various positions in Agricultural Bank of China (whose H shares and A shares are listed on the Hong Kong Stock Exchange (stock code: 01288) and Shanghai Stock Exchange (stock code: 601288) respectively), and successively served as associate chief officer of personnel division (Organization Department of the Party committee) of Jiangxi Branch; the Party committee member and vice president of Zhangshu Sub-branch; the Secretary of the Party committee and president of Jing'an Sub-branch; the chief officer of personnel division (Organization Department of the Party committee), the deputy general manager of E-banking Department, general manager of the credit management department and general manager of the corporate business department of Jiangxi Branch; and Secretary of the Party committee and president of Shangrao Branch. Mr. ZHOU joined the Bank in May 2023, and has served as the Secretary of the Party committee and Chairman of the Bank since May 2023 and September 2023, respectively.

Mr. ZHOU is a senior economist. He received a bachelor's degree in Economic Information Management.

Mr. XIAO Jing (肖璟), aged 48, is the deputy secretary of the Party committee, vice chairman and the president of the Bank.

Mr. XIAO started his career in July 1999. He has held various positions in the software development center of Industrial and Commercial Bank of China Limited (whose H shares and A shares are listed on the Hong Kong Stock Exchange (stock code: 01398) and Shanghai Stock Exchange (stock code: 601398) respectively), and successively served as the deputy manager of the second division of the technology department; the deputy manager of the second division of the system department; the manager of the second division of the system department; the senior technical deputy manager of the system department; the senior technical deputy manager of the technology department; the senior technical manager, the deputy general manager, the deputy general manager (person-in-charge) and the general manager of the Guangzhou first development division, respectively. Mr. XIAO joined the Bank in April 2014, and has successively served as the chief information officer, a Party committee member, vice president and a deputy secretary of the Party committee, the president (in an acting capacity) of the Bank. He is a deputy secretary of the Party committee, vice chairman and the president of the Bank.

Mr. XIAO is a senior engineer, a senior economist and is qualified as an internal auditor. He was also accredited as a Financial Risk Manager by the Global Association of Risk Professionals. Mr. XIAO obtained a bachelor's degree in engineering, majoring in management information systems and an MBA degree.

Information on Directors, Supervisors, Senior Management, Staff and Institution

Mr. YUAN Delei (袁德磊), aged 46, is a member of the Party Committee, executive Director, the vice president and the risk director of the Bank.

Mr. YUAN started his career in July 2003. He has held various positions in Industrial and Commercial Bank of China Limited, and successively served as the deputy chief, chief and the deputy general manager of Legal Affairs Department of Anhui Branch; a member of the Party Committee and Vice President of the Anhui Chizhou Branch; the deputy general manager of Legal Affairs Department and the deputy general manager of Credit and Investment Management Department of the Anhui Branch. Mr. YUAN joined the Bank in November 2019, and has served as the general manager of Risk Management Department and the risk director of the Bank. He is a member of the Party Committee, executive Director, the vice president and the risk director of the Bank.

Mr. YUAN is a mid-level economist. He obtained a bachelor's degree in economics in international trade, a master's degree in law in Marxist Theory and Ideological and Political Education, and a doctorate's degree in management in Management Science and Engineering.

Non-executive Directors

Mr. LUO Feng (羅峰), aged 53, is a non-executive Director of the Bank.

Mr. LUO started his career in December 1991. He has served as a cadre of Jiujiang Finance Bureau; deputy chief of the State-owned Assets Foundation Division; chief of the State-owned Assets Foundation Division, chief of Social Security Division and chief accountant of Jiujiang Finance Bureau. He is a party member and deputy director of Jiujiang Finance Bureau; and part-time vice chairman of the Municipal Federation of Trade Unions of Jiujiang. Mr. LUO is a non-executive Director of the Bank since September 2023.

Mr. LUO graduated from the Logistical Engineering University of the Chinese People's Liberation Army (currently known as the PLA Army Service Academy) in July 2000, majoring in accounting computerization.

Mr. SHI Zhishan (史志山), aged 46, is a non-executive Director of the Bank.

Mr. SHI started his career in June 2005. He has successively served as a project manager, appraisal manager and other roles in China Consultants of Accounting and Financial Management Co., Ltd. (中華財務會計諮詢有限公司), Beijing Zhongxing Xinshiji Accountant Office (北京中興新世紀會計事務所有限公司) and Beijing Zhongtianhua Asset Appraisal Co., Ltd. (北京中天華資產評估有限責任公司). He joined BAIC Group (北汽集團) in November 2008, and successively served as a senior manager, an assistant to the head, the deputy head of capital operation department of BAIC Group; the deputy general manager, general manager, the Party Committee Secretary and executive director of BAIC Group Industrial Investment Co., Ltd. (北京汽車集團產業投資有限公司). He is the vice general manager of BAIC Group. Mr. SHI has served as the non-executive Director of the Bank since November 2021.

Mr. SHI is a registered asset valuer. He graduated from Central University of Finance and Economics in 2010 and obtained an MBA degree.

Information on Directors, Supervisors, Senior Management, Staff and Institution

Ms. ZHOU Miao (周苗), aged 53, is a non-executive Director of the Bank.

Ms. ZHOU started her career in July 1993, worked for Fuzhou Branch of Xiamen International Bank Co., Ltd. Ms. ZHOU joined Industrial Bank Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 601166) in June 1995, and successively served as the staff member of the International Business Department; the deputy director and director of International Settlement Division of Business Department of the Head Office; the general manager of the International Business Department of Fuzhou Branch; the director of Accounting and Settlement Department of the Head Office; the director of Legal and Compliance Department of the Head Office; the assistant general manager and deputy general manager of Trade Finance Department of the Head Office; the deputy general manager of Corporate Financial Risk Management Department of the Head Office; the deputy general manager of the Special Assets Operation Department of the Head Office; the deputy general manager of the Interbank Finance Department of the Head Office; the general manager of the Bank Cooperation Center of the Head Office; and currently an inspector of the Bank Cooperation Center of Industrial Bank Co., Ltd. and a Director of Industrial Digital Financial Services (Shanghai) Co., Ltd. Ms. ZHOU has served as the non-executive Director of the Bank since September 2023.

Ms. ZHOU is an economist. She graduated from the Central Institute of Finance and Economics (currently known as the Central University of Finance and Economics) with obtaining an undergraduate degree, majoring in international finance, in June 1993.

Mr. LIU Yinan (劉一男), aged 47, serving as the non-executive Director of the Bank.

Mr. LIU successively worked in Vitek Technology Limited, D&S Media Group, BlueFocus Intelligent Communications Group Co., Ltd. (listed on Shenzhen Stock Exchange, stock code: 300058), China Forestry Exchange, Sun Life Everbright Life Insurance Co., Ltd., China Fortune Financial Group Limited (listed on the Hong Kong Stock Exchange, stock code: 00290) and other companies, serving as the director, the vice president, the president and other positions. Mr. LIU currently serves as the deputy party committee secretary, the executive Director and executive president of Liaoning Fangda Group Industrial Co., Ltd. He also serves as a director of HNA Aviation Group Co., Ltd., Jiangxi Fangda Steel Group Co., Ltd., Tianjin Yishang Group Co., Ltd. (天津一商集團有限公司), a director and general manager of Hainan Fangda Aviation Development Co., Ltd. (海南方大航空發展有限公司), and the chairman of Shanghai Fangda Investment Management Co., Ltd. (上海方大投資管理有限責任公司). Mr. LIU has served as the non-executive Director of the Bank since September 2023.

Mr. LIU is a professorate senior engineer of the People's Republic of China. He obtained a bachelor's degree in engineering from Northeastern University, majoring in computer science and technology, in July 2000. He obtained a doctorate's degree in electrical engineering from the University of Rhode Island in May 2004.

Information on Directors, Supervisors, Senior Management, Staff and Institution

Independent non-executive Directors

Ms. WANG Wanqiu (王宛秋), aged 53, is an independent non-executive Director of the Bank.

Ms. WANG has successively served as a lecturer, associate professor and professor at the School of Economics and Management of Beijing University of Technology since July 1997. Ms. WANG has served as an independent non-executive Director of the Bank since September 2023.

Ms. WANG obtained a doctorate's degree in management from Beijing University of Technology, majoring in management science and engineering, in June 2009.

Mr. ZHANG Yonghong (張永宏), aged 57, is an independent non-executive Director of the Bank.

Mr. ZHANG has successively worked in China Merchants Bank Co., Ltd. (whose H shares and A shares are listed on the Hong Kong Stock Exchange (stock code: 03968) and Shanghai Stock Exchange (stock code: 600036) respectively), Ping An Bank Co., Ltd. (whose A shares are listed on Shenzhen Stock Exchange, stock code: 000001), China Guangfa Bank Co., Ltd. (formerly known as Guangdong Development Bank Co., Ltd.), Bank of Hunan Corporation Limited (formerly known as Huarong Xiangjiang Bank Corporation Limited), China Huarong Financial Leasing Co., Ltd. and Huarong Qianhai Wealth Management Co., Ltd. and held positions as financial senior management. Mr. ZHANG is currently the president of Shenzhen Qianjinyuan Management Consulting Training Co., Ltd. and deputy director of the Strategy Committee of the Association of National Small and Medium-sized Banks, and has served as an independent director of Bank of Dongguan Co., Ltd. since February 2025. Mr. ZHANG has more than 30 years of working experience in economic and financial industry, with extensive experience in several fields and multi-level financial business management in banking, financial lease, wealth management and financial training. Mr. ZHANG has served as an independent non-executive Director of the Bank since September 2023.

Mr. ZHANG is a senior banking expert and a senior economist. He obtained a doctorate's degree from Wuhan University.

Information on Directors, Supervisors, Senior Management, Staff and Institution

Mr. TIAN Li (田力), aged 56, is an independent non-executive Director of the Bank.

Mr. TIAN has successively served as the senior manager, the executive director, the head and other positions of financial institutions such as JP Morgan Chase & Co., BOC International Holdings Limited and ABN AMRO BANK, and concurrently served as the director of Deyang Bank, the independent director of Great Wall West China Bank; the independent director of China Industrial International Trust Limited. Mr. TIAN has served as the chairman and president of International Financial Resources and Services Limited, the chairman and president of Niujin International Holdings Inc. (紐金國際控股公司) (New York), the chairman of Windsor School, and concurrently served as a director of Shanghai Tuhong Investment Management Co., Ltd. (上海圖鴻投資管理有限公司), the executive director of Shanghai Hui Sheng Equity Investment Management Limited (上海惠盛股權投資管理有限公司), the CEO of New York Institute of Finance, the executive director of NYIF Information Technology Development Co., Ltd. In addition, Mr. TIAN has served as the independent non-executive director of China Industrial Securities International Financial Group Limited (listed on the Hong Kong Stock Exchange, stock code: 06058) since July 2016. Mr. TIAN has served as an independent non-executive Director of the Bank since September 2023.

Mr. TIAN obtained a bachelor's degree in engineering from the People's Liberation Army Institute of Engineering Corps (currently known as Army Engineering University of PLA), majoring in civil air defense construction and structure engineering, in July 1990, a master's degree of science from Cleveland State University, the United States, majoring in civil engineering, in August 1996, and a master's degree in business administration from Duke University, the United States, in May 1999.

Mr. GUO Jiequn (郭傑群), aged 54, is an independent non-executive Director of the Bank.

Mr. GUO has successively served as an analyst, vice president, director, general manager, managing director and general manager of Asia Pacific and other roles in Corning Incorporated in the United States, Fannie Mae in the United States, Credit Suisse Investment Bank in the United States, Saier Asset Management Company in the United States, Interactive Data Corp in the United States and Zais Group (hedge fund) in the United States and other companies. Mr. GUO is currently the director of the China Centre of MIT Global SCALE Network, the president, professor and the doctoral supervisor of Ningbo China Institute for Supply Chain Innovation and served concurrently as a researcher of Center for MIT CTL and a researcher of Center for Green Finance Research of Tsinghua University. Mr. GUO has served as the external Supervisor of the Bank from May 2017 to June 2023, and has served as an independent non-executive Director of the Bank since September 2023.

Mr. GUO graduated from the Department of Mathematics of Beijing Normal University (北京師範大學) in July 1992 and obtained a bachelor's degree in science from the same university at the same time. He obtained a doctorate's degree from Indiana University in the United States, majoring in economics, in May 2001.

Information on Directors, Supervisors, Senior Management, Staff and Institution

3.2 Supervisors

Ms. YU Menglin (余夢林), aged 52, is an employee representative Supervisor of the Bank.

Ms. YU started her career in September 1991. Ms. YU joined Jiujiang Ronghe Urban Credit Cooperative in February 1994. Since November 2000, she has successively served as the director of planning and finance department of Guanghua Sub-branch, the customer manager of Baishuihu Sub-branch, the assistant to the president of Baishuihu Sub-branch, the deputy general manager of risk management department of Yichun Branch, the deputy general manager of the credit approval department of the Head Office, the deputy general manager of the credit approval department of the Head Office (person-in-charge), deputy general manager of the compliance department of the Head Office, the deputy general manager of the mass work department of the Head Office (person-in-charge), and deputy director of the party and mass work department (party committee office) (person-in-charge). Ms. YU has retired in February 2025 due to age.

Ms. YU is a senior economist. She graduated from Jiangnan University with a major in business administration on July 20, 2016.

Ms. LIAO Jingwen (廖靜文), aged 39, is an employee representative Supervisor of the Bank.

Ms. LIAO started her career and joined the Bank in August 2006. Ms. LIAO has successively served as a teller at the banking business department, human resources commissioner of the human resources department, an assistant to the general manager of the human resources department of the Bank, the deputy general manager of the county bank management department and general manager of the human resources department under the county bank management department of the Bank, a member of the Party Committee of the credit center of the small enterprises and deputy director of the Party Committee Inspection Office of the Head Office. Ms. LIAO also served as the chairperson of the board of directors of Xiushui Jiuyin County Bank LLC. Ms. Liao has served as deputy director of the party and mass work department (party committee office) of the Bank since July 2024.

Ms. LIAO is a level-one human resources manager, and an IPMA-CP. She graduated from Zhongnan University of Economics and Law (中南財經政法大學) in June 2006, majoring in labor and social security.

Ms. CHEN Zhiying (陳芷穎), aged 57, is a shareholder Supervisor of the Bank.

Ms. CHEN served as a staff member and the deputy director of the information confidentiality office of the Office of Guangdong Branch of Industrial and Commercial Bank of China Limited from 1989 to 2013. She has successively served as the secretary to the chairman of the board of directors and deputy general manager of Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd. since 2013. Ms. CHEN has served as a shareholder Supervisor of the Bank since June 2023.

Ms. CHEN graduated from China Central Radio and TV University (中央廣播電視大學), majoring in finance, in November 2002.

Information on Directors, Supervisors, Senior Management, Staff and Institution

Mr. TANG Xiaofeng (湯曉峰), aged 61, is an external Supervisor of the Bank.

Mr. TANG started his career in September 1984. He has held various positions in China Construction Bank Corporation (whose H shares and A shares are listed on the Hong Kong Stock Exchange (stock code: 00939) and Shanghai Stock Exchange (stock code: 601939) respectively) since December 1990. He has successively served as a credit clerk and engineer in a trust and investment corporation, the chief of legal affairs division, deputy general manager of legal affairs department, the general manager of legal affairs department/internal control and compliance department of Jiangxi Branch of China Construction Bank Corporation, and a senior expert in Jiangxi Branch of China Construction Bank Corporation. He also served as the director of legal affairs department of Jiangxi Dejian Corporation, a member of Jiangxi Lawyers Association, the director of the Public Lawyer and Corporate Lawyer Working Committee, the head (person-in-charge) of the right protection department of China Banking Association, director of the office of the legal affairs commission of China Banking Association and an expert of the legal experts' pool of China Banking Association. He is a member of the management talent pool of China banking industry of China Banking Association. Mr. TANG has served as an external Supervisor of the Bank since June 2023.

Mr. TANG is a senior economist. He obtained his qualification as a lawyer in the People's Republic of China in 1992 and a master's degree in Business Administration from University of Poitiers in France in March 2003.

Mr. CHUA Alvin Cheng-Hock (蔡清福), aged 66, is an external Supervisor of the Bank.

Mr. CHUA has been the managing director and global head of the sales sector, trading and research of securities and fixed-income products of BOC International Holdings Limited from June 2014 to September 2022. Mr. CHUA served as an independent non-executive director of China Guangfa Bank Co., Ltd. from April 2014 to June 2020, and has served as the independent non-executive Director of the Bank from August 2017 to June 2023. He has also been a part-time professor of Lingnan (University) College, Sun Yat-sen University (中山大學嶺南(大學)學院) from April 2014 to March 2024. Mr. CHUA has been a co-founder and managing partner of Yuanbo Global Consulting Co., Ltd. (圓博全球諮詢顧問公司) since September 2022. Mr. CHUA has served as an independent non-executive director of AEON Insurance Asset Management Co., Ltd. (Shanghai) (百年保險資產管理公司(上海)) since March 2021, an independent non-executive director of TPV Technology Co., Ltd. (冠捷電子科技股份有限公司) since June 2021, and an external Supervisor of the Bank since June 2023.

Mr. CHUA obtained a bachelor's degree in business administration from The University of Texas at Austin in May 1981, and obtained an MBA degree from The University of Chicago in June 1987.

Information on Directors, Supervisors, Senior Management, Staff and Institution

3.3 Senior Management

For the biographical details of Mr. XIAO Jing and Mr. YUAN Delei, please refer to “3.1 Directors” in this chapter.

Mr. XIE Haiyang (謝海洋), aged 41, is the Party Committee Member and the Vice President of the Bank.

Mr. XIE started his career in August 2009. He has successively served as the assistant to the general manager of the Bank’s office, the assistant to the general manager and the deputy general manager of the Human Resources Department, the Party Committee Secretary and President of Hefei Branch, the Party Committee Secretary and the President of Nanchang Branch of the Bank. He now serves as the Party Committee Member and the Vice President of the Bank.

Mr. XIE received a doctorate’s degree in Economy.

Mr. Du Zhongwen (杜中文), aged 47, is a member of the Party Committee and Vice President of the Bank.

Mr. DU started his career in August 1998. He has successively served as the deputy director of the office of Gongqing Branch (共青支行) of Agricultural Bank of China. Mr. DU joined the Bank in November 2006 and has successively served as the vice president of Yongxiu Branch (永修支行), general manager of the third department of the key customer center, chairman and president of Guixi Jiuyin Rural Bank (貴溪九銀村鎮銀), secretary of the Party Committee and president of Fuzhou Branch, general manager of the retail banking department, general manager of the credit card center and general manager of the direct banking business department, and general manager of the corporate financial management department. Mr. DU is currently a member of the Party Committee and Vice President of the Bank.

Mr. DU obtained a master’s degree in International Business Administration.

Mr. HUANG Chaoyang (黃朝陽), aged 55, is an assistant to the president of the Bank.

Mr. HUANG started his career in August 1991. He has successively served as a clerk and deputy section head of the De’an County Sub-branch of PBOC. Mr. HUANG joined the Bank in June 2001. He has successively served as the general manager of the planning and finance department, the president of the Hefei Branch of the Bank, the Board secretary, compliance director, an assistant to the president of the Bank, and has also served as the Party Committee Secretary and the Chairman of Zhongshan Xiaolan County Bank.

Mr. HUANG is a senior economist and a Certified Public Accountant in China. He obtained a bachelor’s degree in refined chemical engineering and an MBA degree.

Mr. QI Yongwen (齊永文), aged 54, is the director of retail banking of the Bank.

Mr. QI started his career in September 1992. He served as a software engineer of the computer department of the Jiujiang Branch of China Construction Bank. Mr. QI joined the Bank in January 2001. He has successively served as deputy general manager of the technology department, the general manager of the information technology department, information director, assistant to the president of the Bank and president of the Guangzhou Branch, and the president of Shangrao Branch of the Bank. Mr. QI now serves as the director of retail banking of the Bank.

Mr. QI obtained a bachelor’s degree of science in computer applications and an MBA degree.

Information on Directors, Supervisors, Senior Management, Staff and Institution

Mr. LI Guoquan (李國全), aged 55, is the chief accountant of the Bank and the general manager of the planning and finance department of the head office.

Mr. LI started his career in September 1989. He successively served as the head of the finance department of Xinxiang Foreign Trade Company; the director of the suburb office and the head of the deposit and remittance section of the Xinxiang Sub-branch of Bank of China; the manager of the finance and accounting department of Xinxiang Sub-branch, the vice president of the sub-branch under Zhengzhou Branch and the general manager of the planning and finance department of Jinan Branch of China Guangfa Bank; the general manager of the planning and finance department and the director of the risk office of the board of directors of Bank of Zhengzhou, etc. Mr. LI joined the Bank in December 2019, and currently serves as the chief accountant of the Bank and the general manager of the planning and finance department of the head office.

Mr. LI is a senior accountant and holds the chief financial officer (CFO) certificate issued by the China Associate of Chief Financial Officers and the ICPA certificate issued by IPA. He obtained a bachelor's degree of economics in financing and an equivalent education level as a master postgraduate qualification in enterprise management.

Mr. CHENG Zhong (程中), aged 49, is the chief information officer of the Bank and the general manager of the digital banking department of the head office.

Mr. CHENG started his career in July 1999. He successively served as the assistant to the manager of the second division of the technology department, the deputy manager of the second division of the system department, technical manager of the system department, senior technical deputy manager and senior technical manager of the technology department, deputy general manager and general manager of the Guangzhou first development division in the software development center of Industrial and Commercial Bank of China; the general manager of the information technology department and the person in charge of the preparation of a financial technology subsidiary in Bank of Changsha, etc. Mr. CHENG Zhong joined the Bank in June 2022 and served as the general manager of the information technology department of the Bank. He currently serves as the chief information officer of the Bank and the general manager of the digital banking department of the head office.

Mr. CHENG obtained a bachelor's degree in computer science and technology and a master's degree in software engineering.

4. COMPANY SECRETARY

Mr. WONG Wai Chiu is the company secretary, the authorized representative and service of process agent of the Bank.

Mr. WONG is the associate director of SWCS Corporate Services Group (Hong Kong) Limited. He has over 30 years of professional services and senior management experience including acting as the chief financial officer, company secretary, information technology director and law enforcement officer in the areas of finance, accounting, regulatory compliance and enforcement, internal control, corporate governance, company secretarial work, trust and forensics accounting in multi-national banking, insurance, securities and information technology corporations and listed companies in Hong Kong as well as government departments and the Hong Kong Stock Exchange. He is a fellow member of The Hong Kong Chartered Governance Institute, a fellow member of the Chartered Governance Institute, a member of CPA Australia, an Australian Certified Practising Accountant, a member of the Hong Kong Trustee Association and a certified trust practitioner. He possesses a Bachelor degree of Social Science with Honours in Accounting from the University of Hong Kong, various master's degrees and diploma in law, alternate dispute resolution, corporate governance and information technology from renowned universities of the U.K., Australia and Hong Kong.

Information on Directors, Supervisors, Senior Management, Staff and Institution

5. POSITIONS HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN COUNTY BANK

Mr. HUANG Chaoyang, Assistant to President of the Bank, serves as a director of the board of directors of Zhongshan Xiaolan County Bank Co., Ltd.

6. INFORMATION ON EMPLOYEES

6.1 Composition of personnel

By department/function

	As at December 31, 2024	
	Number of staff	Percentage of total (%)
Corporate banking	1,048	18.15
Retail inclusive banking	1,691	29.29
Financial market business	39	0.68
Finance and accounting	460	7.97
Risk management, internal control and audit	327	5.66
Legal and compliance, human resources and information technology	476	8.24
Customer service manager	890	15.42
Jiuyin county bank	655	11.35
Management	82	1.42
Others	105	1.82
Total	5,773	100.00

By age

	As at December 31, 2024	
	Number of staff	Percentage of total (%)
Aged below 30	3,282	56.85
Aged 31-40	2,230	38.63
Aged 41-50	223	3.86
Aged over 50	38	0.66
Total	5,773	100.00

Information on Directors, Supervisors, Senior Management, Staff and Institution

By education level

	As at December 31, 2024	
	Number of staff	Percentage of total (%)
Master's degree and above	743	12.87
Undergraduate and junior college	5,024	87.03
Others	6	0.10
Total	5,773	100.00

6.2 Staff training plan

Upholding the good vision of “building a brand bank and establishing a century-aged shop” and adhering to the training concept of “condensing wisdom, inheriting culture, empowering growth and supporting development”, taking the annual business target as the guide, the Bank carried out planned, targeted and practical training, continuously improved the capabilities of employees, earnestly conducted learning empowerment, built a learning organization, so as to promote the high-quality sustainable development of the Bank.

The Bank promoted the development concept of “Digital Jiuyin”, continued to carry out online training, and fully utilized the online platform of “Jiuyin Yixue (九銀易學)” to enhance the overall quality and professional standards of the whole Bank. During the reporting period, the online training was well received by employees across the Bank, with a total of 5,764 employees participating, the total learning hours reached 429,998 hours, with the average online training hours per capita reached 74.6 hours.

The Bank continued to promote the construction of a closed-loop empowerment system characterized by “knowledge extraction, combination of training and application, and promoting learning through examinations”, adhered to the fundamental principle of “apply knowledge through practice, unify knowing and doing”, continued to optimize the fundamental work of nurturing people, to encourage employees to become professional, expertised and career-oriented managers. The Bank carried out training in a hierarchical, with pre-training surveys and analyses and training supervision throughout the year, to promote the overall growth of employees and drive the Bank to move forward steadily. The Bank actively explored new training methods in conjunction with line departments, improved the quality and efficiency of training through the combination of theory and practice, and consolidated the level of business, to form a hierarchical grid-based empowerment system for all positions. The Bank focused on training of the “new recruits, new transferees and new promotions” to ensure that they are equipped with the appropriate competencies for their positions. During the reporting period, a total of 68 internal training sessions were conducted, covering 4,443 attendees, and a total training duration of 492 days, with a post-training evaluation satisfaction rate of 96.6%.

Information on Directors, Supervisors, Senior Management, Staff and Institution

6.3 Employee gender

As of the end of the reporting period, the percentage of male and female employees (including senior management) is 46.09% and 53.91%, respectively. The Bank fully respects the individual differences of talents, created a professional, inclusive and diverse working atmosphere in working space, and is committed to providing equal opportunities for all employees. The Bank considered it kept a balance of the gender ratio of existing employees (including senior management). The Bank is expected to continue to maintain the gender diversity at the employee (including senior management) level in a reasonable manner.

6.4 Remuneration policies

(I) Remuneration management structure and decision-making procedures

In order to standardize the remuneration management of the Bank, improve the remuneration management mechanism of the Bank, and establish a scientific remuneration management structure and decision-making procedures, the Bank has established a remuneration management structure formed by the Board of Directors, the Nomination and Remuneration Committee under the Board, and Performance Appraisal Committee.

There is a Nomination and Remuneration Committee under the Board of Directors of the Bank, which is mainly responsible for reviewing the remuneration management system and policies of the Bank; formulates remuneration plans for Directors and the senior management, and provides suggestions to the Board on remuneration plans and supervises the implementation of remuneration plans. The Nomination and Remuneration Committee under the Board of the Bank was composed of a chairman and two members.

There is a Performance Appraisal Committee thereunder internally in the Bank, which is mainly responsible for organizing, promoting and coordinating the performance appraisal work of the Bank. The Performance Appraisal Committee is composed of the chairman, the vice-chairman and the members.

(II) Balance of remuneration and performance, standard of risk adjustment

The Bank followed the guiding ideology of “Performance-driven” to implement a remuneration mechanism as both an incentive and constraint to employees. The remuneration is directly linked to performances and contributions to the Bank and is evaluated by EVA of each branch and net operating income. The remuneration adjustments of the Bank are based on operational performance and other factors, including the completion of risk cost control indicators, including at least capital adequacy ratio, non-performing loan ratio, general allowance ratio, case risk ratio, leverage ratio, etc.

Information on Directors, Supervisors, Senior Management, Staff and Institution

(III) **Deferred payment remuneration, non-cash remuneration and deduction system**

In order to ensure full effectiveness of remuneration in the banks' risk management and control and to establish a scientific and reasonable incentive and restraint mechanism, in accordance with relevant laws and regulations such as the Supervisory Guidelines on Sound Compensation in Commercial Banks, the Bank established a deferred payment management system of the remuneration for employees, and strictly implemented the remuneration deferred payment system that associated performance remuneration of key employees to business risk exposure. Exposure shall be subject to corresponding recourse and rebate system. During deferred payment period, in case of significant risk losses exposure in respect of the responsibilities, the Bank will cease the deferred payment of the responsible personnel and could recover the performance salary already paid. For any exposed extraordinary risk losses in respect of the responsibilities, the Bank has implemented the recourse and rebate work according to the relevant performance-based remuneration recourse and rebate system.

(IV) **Contributions to the defined contribution schemes**

The contributions that the Bank contributes to the defined contribution schemes are recognized as expenses when incurred, and will not be deducted by forfeited contributions of employees who left the scheme prior to vesting fully in such contributions. Hence, there is no such an issue that forfeited contributions may be used by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

(V) **Remuneration policies, formulation and filing of annual remuneration plans and assessment of the completion of economic, risk and social responsibility indicators**

In order to enhance our competitive advantages and stimulate the enthusiasm of employees, the remuneration management of the Bank adheres to the principle of efficiency, fairness, performance and business orientation. The remuneration system of the personnel consists of basic salary, post salary, performance salary and allowances and benefits. The basic salary is the Bank's guaranteed compensation to ensure the daily life of the personnel; the post salary is the incentive compensation approved by the Bank based on the performance of the personnel on the post; the performance salary is a reward compensation determined by the Bank based on the performance of personnel; the allowances are the compensatory compensation determined for the personnel's special effort and labor consumption; and the benefits reflect the indirect compensation of the Bank's care for the personnel. The diversified and sound remuneration system effectively meets the needs of personnel's life and career development, enhances staff cohesion and centripetal force, and promotes the Bank's high-quality and sustainable development.

Information on Directors, Supervisors, Senior Management, Staff and Institution

7. BASIC INFORMATION OF INSTITUTIONS UNDER THE BANK

As of the end of the reporting period, the Bank operated the business through the head office, 13 branches and 263 sub-branches which consisted of 177 traditional sub-branches, 78 community sub-branches and 8 small and micro enterprises sub-branches. The branch network of the Bank is primarily located in Jiangxi Province, and also covers Guangzhou, Guangdong Province and Hefei, Anhui Province. The Bank realized the full coverage of branches in districts and cities within Jiangxi Province, and the coverage rate of outlets in counties within Jiangxi Province reached 100%. In addition, the Bank established 20 Jiuyin County banks, among which 18 county banks were consolidated and controlled as of the end of the reporting period.

Status of the branches of the Bank as of the end of the reporting period is set out below:

District	Name of institution	Operating address	Remark	Number
Jiangxi Province	Head Office	Bank of Jiujiang Mansion, No. 619 Changhong Avenue, Jiujiang, Jiangxi Province	1 head office, 40 traditional sub-branches, 16 community sub-branches	57
	Nanchang Branch	No. 1398 Hongguzhong Avenue, Nanchang, Jiangxi Province	1 branch, 11 traditional sub-branches, 19 community sub-branches, 1 small and micro enterprises sub-branch	32
	Ganjiang New Area Branch	No. 528 Shuanggang West Street, Jingkai District, Nanchang, Jiangxi Province	1 branch, 1 traditional sub-branch, 1 community sub-branch	3
	Ji'an Branch	New 196 Jinggangshan Avenue, Ji'an, Jiangxi Province	1 branch, 15 traditional sub-branches, 4 community sub-branches, 3 small and micro enterprises sub-branches	23
	Ganzhou Branch	Building 5, Shenghui City Center, Ganxian Road, Zhanggong District, Ganzhou, Jiangxi Province	1 branch, 20 traditional sub-branches, 12 community sub-branches, 2 small and micro enterprises sub-branches	35
	Fuzhou Branch	No. 1250 Gandong Avenue, Fuzhou, Jiangxi Province	1 branch, 12 traditional sub-branches, 8 community sub-branches	21
	Yichun Branch	No. 587 Luzhou North Road, Yiyang New District, Yichun, Jiangxi Province	1 branch, 18 traditional sub-branches, 2 community sub-branches, 1 small and micro enterprises sub-branch	22

Information on Directors, Supervisors, Senior Management, Staff and Institution

District	Name of institution	Operating address	Remark	Number
	Shangrao Branch	No. 5, Fenghuang West Avenue, Guangxin District, Shangrao, Jiangxi Province	1 branch, 13 traditional sub-branches, 6 community sub-branches	20
	Jingdezhen Branch	Bank of Jiujiang Mansion, Zijing Road, Jingdezhen, Jiangxi Province	1 branch, 7 traditional sub-branches, 4 community sub-branches	12
	Pingxiang Branch	Building 1, Financial Complex, No. 619 Xuanhe Road, Pingxiang Economic and Technological Development Zone, Pingxiang, Jiangxi Province	1 branch, 6 traditional sub-branches, 2 community sub-branches	9
	Xinyu Branch	No. 720 Xianlai East Avenue, Xinyu City, Jiangxi Province	1 branch, 4 traditional sub-branches, 2 community sub-branches	7
	Yingtian Branch	No. 619, Wangbu Road, Xinjiang New Area, Yingtian, Jiangxi Province	1 branch, 4 traditional sub-branches, 1 small and micro enterprises sub-branch	6
Guangdong Province	Guangzhou Branch	Room 101, Room 201 and 29-38/F, No. 35 Chunxi 2nd Street, Tianhe District, Guangzhou, Guangdong Province	1 branch, 13 traditional sub-branches, 1 community sub-branch	15
Anhui Province	Hefei Branch	Office Building A, Jiaqiao International Plaza, Intersection of Maanshan Road and South Second Ring Road (Southwest), Baohe District, Hefei, Anhui Province	1 branch, 13 traditional sub-branches, 1 community sub-branch	15
				277

Information on Directors, Supervisors, Senior Management, Staff and Institution

Status of the controlled county banks of the Bank as of the end of the reporting period is set out below:

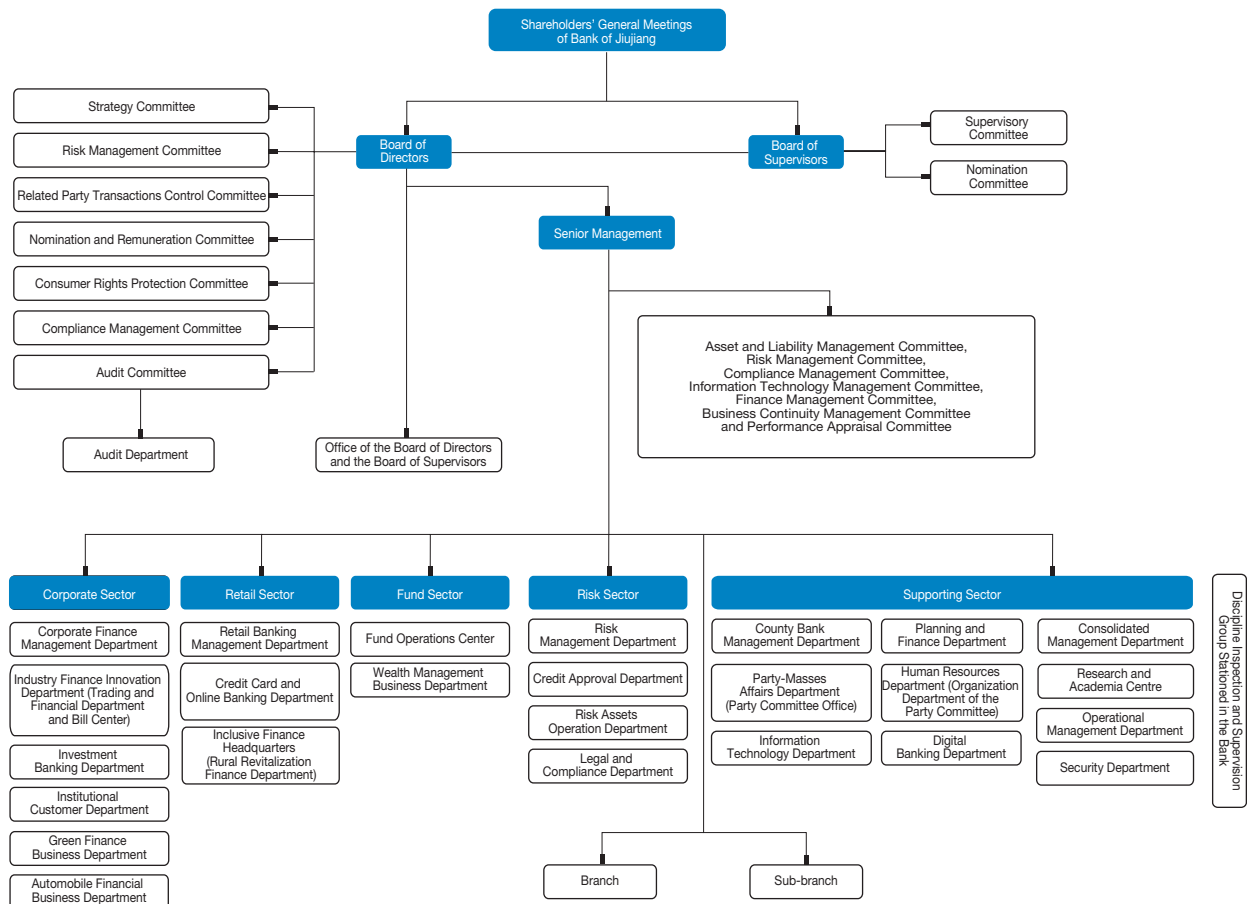
Name	Operating address
Beijing Daxing Jiuyin County Bank Co., Ltd.	No. 3, No. 18 Yard, Xinrong North Street, Xihongmen Town, Daxing District, Beijing
Rizhao Jiuyin County Bank Co., Ltd.	No. 619 Lanshan West Road, Lanshan District, Rizhao, Shandong Province
Nanjing Liuhe Jiuyin County Bank Co., Ltd.	No. 103, 105, Taishan Road, Xiongzhou Street, Liuhe District, Nanjing
Xiushui Jiuyin County Bank LLC.	No. 123 Valley Avenue, Xiushui County, Jiangxi Province
Jinggangshan Jiuyin County Bank LLC.	Jinggangshan Jiuyin County Bank Building, No. 11 Yingshanhong Road, Xincheng District, Jinggangshan, Jiangxi Province
Nanchang Changdong Jiuyin County Bank Co., Ltd.	Rooms 130 and 201, Commercial Building 38#, Greenland Metropolis, No. 2977 Ziyang Avenue, High-tech Zone, Nanchang, Jiangxi Province
Pengze Jiuyin County Bank Co., Ltd.	No. 1172 Longcheng Avenue, Pengze County, Jiujiang, Jiangxi Province
Ruichang Jiuyin County Bank Co., Ltd.	No. 1-46 Jianshe Road, Ruichang, Jiangxi Province
Zixi Jiuyin County Bank Co., Ltd.	No. 1-18 Bund International, Binjiang Road, Zixi County, Fuzhou, Jiangxi Province
Chongren Jiuyin County Bank Co., Ltd.	No. 8 Xianfu West Road, Chongren County, Fuzhou, Jiangxi Province
Fenxi Jiuyin County Bank Co., Ltd.	No. 83 Qianshan East Road, Fenxi County, Xinyu, Jiangxi Province
Fengxin Jiuyin County Bank Co., Ltd.	No. 619 Yingxing North Avenue, Fengxin County, Yichun, Jiangxi Province
Jing'an Jiuyin County Bank Co., Ltd.	Tower A, Yikun Building, Dongfang West Road, Shuangxi Town, Jing'an County, Yichun, Jiangxi Province
Jingdezhen Changjiang Jiuyin County Bank Co., Ltd.	No. 1268 Porcelain Avenue, Changjiang District, Jingdezhen, Jiangxi Province
Tonggu Jiuyin County Bank Co., Ltd.	No. 2 Dingjiang West Road, Tonggu County, Yichun, Jiangxi Province
Lushan Jiuyin Yishu County Bank Co., Ltd.	No. 86 Xiufeng Avenue South, Lushan, Jiujiang, Jiangxi Province
Hukou Jiuyin County Bank Co., Ltd.	No. 29 Sanli Avenue, Shuangzhong Town, Hukou County, Jiujiang, Jiangxi Province
Duchang Jiuyin County Bank Co., Ltd.	No. 99 Dongfeng Avenue, Duchang County, Jiujiang, Jiangxi Province

Status of the county banks in which the Bank has shareholdings as of the end of the reporting period is set out below:

Name	Operating address
Zhongshan Xiaolan County Bank Co., Ltd.	Rooms 101, 102, 103, 201, 202, 203, Block 2, No. 10 Shengping Middle Road, Xiaolan Town, Zhongshan, Guangdong Province
Guixi Jiuyin County Bank Co., Ltd.	No. 31 Xinjiang Road, Guixi, Yingtan, Jiangxi Province

Corporate Governance Report

1. ORGANIZATIONAL AND MANAGEMENT CHART



Corporate Governance Report

2. OVERVIEW OF CORPORATE GOVERNANCE

The Bank is committed to improving corporate governance in accordance with domestic and overseas laws and regulations and setting up a corporate governance framework with coordination, continuously improving the corporate governance mechanism, and consistently enhancing the effectiveness of corporate governance so as to promote the steady development of the Bank's business with high-quality corporate governance.

During the reporting period, the Bank continued to strengthen the quality and efficiency of corporate governance. Firstly, the Bank continuously strengthened the Party's leadership, always seriously implemented the requirements of the two "Consistencies", integrated the strengthening of the Party's leadership throughout the entire process of reform, development, and management, and incorporated the Party building into all aspects of corporate governance. Secondly, the Bank perfected its corporate governance system, completed the revision of the systems for the whole process of corporate governance centered on the Company's Articles of Association, supported by the rules of procedure for the three meetings (the Board of Directors, Board of Supervisors and Shareholders' General Meeting) and backed by the working rules of the special committees, effectively ensuring the consistency of the Bank's corporate governance system with higher-level regulatory systems. Thirdly, the Bank optimized the organization of meetings of the Board of Directors and Board of Supervisors. In the year, the Bank updated and improved the matters that need to be submitted to the Board of Directors and Board of Supervisors, optimized the mechanism of the Board of Directors, ensuring "full communication before the meeting and full discussion during the meeting". Fourthly, the Company enriched the forms of duty performance by Directors and Supervisors. In the year, the Bank fully leveraged the expertise of the Directors and Supervisors to conduct activities related to job performance in key areas such as the Bank's strategic planning, compliance management, risk control, and business transformation, through lectures, research, seminars, etc. Moreover, the Bank provided abundant resources for Directors and Supervisors to perform duties by sending monthly reports of the Board of Directors and Board of Supervisors, updates on the implementation of suggestions from Directors and Supervisors, and regulatory documents, etc.

The Bank adopts the principles and code provisions set out in the Corporate Governance Code as our corporate governance code and the benchmark for corporate governance. The Bank has fulfilled the requirements of the Regulations Governing Commercial Banks and Corporate Governance in the PRC and has established a good corporate governance system.

During the reporting period, the Bank convened Shareholders' General Meetings, in accordance with the laws. The Board of Directors and Board of Supervisors fully performed their functions of strategic decision-making and supervision. Meanwhile, Directors and Supervisors performed their duties in an earnest manner, and the management actively implemented the decisions made at Shareholders' General Meetings and by Board of Directors and Board of Supervisors. The Bank achieved steady progress in various undertakings, effectively safeguarding the interests of all shareholders and stakeholders.

During the reporting period, the Bank strictly complied with the provisions in Part 2 of the Corporate Governance Code in Appendix C1 to the Listing Rules and, where appropriate, adopted the proposed best practices. To the knowledge of our Directors, there is no information showing that the Bank failed to comply with the provisions contained in Part 2 of the Corporate Governance Code during the reporting period.

Corporate Governance Report

3. **HOLDING OF SHAREHOLDERS' GENERAL MEETINGS DURING THE REPORTING PERIOD**

In 2024, the Bank held the 2023 annual general meeting in Jiujiang, Jiangxi Province. Details are set out as follows:

On June 28, 2024, the Bank held the 2023 annual general meeting, which considered and approved the 2023 Report of the Board of Directors, 2023 Report of the Board of Supervisors, 2023 Annual Report, 2023 Final Financial Accounts, 2024 Financial Budget Plan and other proposals.

The above shareholders' general meeting was convened in accordance with the procedures required by the relevant laws and regulations. For the attendance, major agenda and voting of the shareholders' general meeting, please refer to the announcement of the voting results of the 2023 annual general meeting dated June 28, 2024 published by the Bank on the website of the Hong Kong Stock Exchange and the Bank.

For the attendance rate of Directors at shareholders' general meeting, please refer to section 4.9 in this chapter.

Corporate Governance Report

4 BOARD OF DIRECTORS

4.1 Operation of Board of Directors

The Board meetings of the Bank can be divided into regular meetings and interim meetings and take the forms of on-site meetings and written signature. Meetings such as conference calls and video conferences that feature real-time discussions and full exchanges are deemed as on-site meetings. The Board holds at least one regular meeting every quarter and at least four meetings every year. Pursuant to the Bank's Articles of Association, the Bank would notify all Directors and Supervisors in writing at least 14 days before the regular meeting. For interim Board meetings, the Bank would notify all Directors and Supervisors 5 days before the meeting.

A sound communication and reporting mechanism has been set up between Directors and senior management. The senior management is responsible for providing sufficient, complete and reliable data to the Board and each relevant special committee of the Board. All Directors have the right to access the documents and relevant data regarding the Board. Directors can seek professional advice where appropriate based on reasonable requests at the expense of the Bank. At Board meetings, all Directors are free to voice their opinions and important decisions shall be made after in-depth discussions. If a Director has a material interest in proposed matters for discussion by the Board, he or she shall abstain from voting on the relevant proposal(s), and such Director will not be counted in the quorum of voting for such proposal(s).

Minutes shall be taken of the Board meetings and the Directors attending the meeting shall have the right to require that an explanatory record be made in the minutes of the proceedings of the Board of the speeches made by them at such meetings. If a Director has different opinions on the minutes of the meeting, he/she may attach an explanation when signing. Minutes of the Board meetings shall be kept in the Bank's archives for a permanent period.

The Board is also responsible for formulating corporate governance policies of the Bank, and performing its duties in accordance with Code A.2.1 set out in Part 2 of the Corporate Governance Code, formulating and reviewing the Bank's policies and corporate governance practices, reviewing and monitoring training and continuous professional development of Directors, Supervisors and the senior management, reviewing and monitoring the Bank's compliance with the policies and practices as stipulated in laws and regulatory provisions, and reviewing the Bank's compliance with the Code and disclosures within the Corporate Governance Report.

4.2 Members of Board of Directors

As at the end of the reporting period, the Board consisted of 11 Directors, including 3 executive Directors, namely Mr. ZHOU Shixin (Chairman), Mr. XIAO Jing (Vice Chairman) and Mr. YUAN Delei, 4 non-executive Directors, namely Mr. LUO Feng, Mr. SHI Zhishan, Ms. ZHOU Miao and Mr. LIU Yinan, as well as 4 independent non-executive Directors, namely Ms. WANG Wanqiu, Mr. ZHANG Yonghong, Mr. TIAN Li, Mr. GUO Jiequn.

Corporate Governance Report

Directors of the Bank (including non-executive Directors) are elected for a three-year term and can be re-elected upon expiry of term. Independent non-executive Directors can serve for a term of not more than six years on an accumulative basis in the same commercial bank.

4.3 Changes in and Remuneration of Members of Board of Directors

Please refer to the section headed “Information on Directors, Supervisors, Senior Management, Staff and Institution”, and Note 14 to the Financial Statements of this annual report for changes in and remuneration of Directors.

4.4 Board Diversity Policy

The Bank believes that the diversity of Board members can positively bolster the Bank’s performance. The Bank treats the increasing diversity at the Board level as a key contributor to sustainable development and fulfilment of our strategic goals as well as maintaining a sound corporate governance level.

The Bank seeks diversity of members from multiple perspectives during establishment of the Board, including but not limited to gender, location, expertise, skill, knowledge and education background. We put equal stress on integrity and ability for all appointments by the Board and fully take into account the benefits of member diversity during candidate selection under objective conditions. Selecting the members of the Board is based on a diversity of criteria, including but not limited to gender, location, expertise, skill, knowledge and education background.

The Nomination and Remuneration Committee of the Bank will review this policy when appropriate to ensure its effectiveness. The Nomination and Remuneration Committee will discuss any required revisions and then put forward the opinions on revisions to the Board for approval. During the reporting period, the Board has reviewed the implementation of the Board diversity policy, and considered such policy is appropriate and effective.

The Bank seeks diversity of members from multiple perspectives in designing the composition of the Board, including gender, age, cultural and education background, as well as professional experience. As at the publish date of this annual report, the Board consists of 11 Directors, of whom two are female; four are aged 40 to 49, seven are aged 50 to 59. Directors are with an extensive background in fields such as finance, accounting, audit, economics and management, while some of them have multiple professional backgrounds.

Since there are two female members of the Board of Directors, the composition of the Board of Directors satisfies the requirement regarding the gender diversity of members of the Board of Directors as set out in the Listing Rules as well as the Board diversity policy of the Bank. The Bank values the importance and benefits of the gender diversity of members of the Board of Directors. The Board diversity policy of the Bank ensures that the Board of Directors has alternative potential successors to continue the existing gender diversity of the Board of Directors.

For details of the staff composition of the Bank, please refer to the section headed “Information on Directors, Supervisors, Senior Management, Staff and Institution” in this annual report.

Corporate Governance Report

4.5 Mechanism to Ensure Independent Views and Opinions are Available to the Board of Directors

Directors are free to express their views at the Board meetings, and major decisions are made only after detailed discussion. Directors may also engage independent professional institutions at the Bank's expense after going through due procedures, if they think it necessary to get independent professional opinions. If any Director has interests in a proposal to be considered by the Board, he or she should recuse and abstain from discussion and voting on the relevant proposal, and will not be counted in the quorum of the relevant proposal. In addition, independent non-executive Directors shall give objective, fair and independent opinions on the matters discussed by the Bank. Independent non-executive Directors of the Bank do not hold any position in the Bank other than Directors, and neither they have relationship with the Bank and its substantial shareholders that may affect their independent and objective judgment, nor have any business or financial interest in the Bank and its subsidiaries. Therefore, the participation of independent non-executive Directors also ensures a strong and sufficient independent element on the Board.

During the reporting period, the Board has reviewed the implementation of the aforesaid mechanism, and considered such mechanism is appropriate and effective.

4.6 Duties and Powers of the Board of Directors

As the Bank's decision-making body, the Board is accountable to the Shareholders' General Meetings and shall perform the following duties and powers:

- (1) to convene Shareholders' General Meetings and to report on its duty performance to shareholders at the shareholders' general meetings;
- (2) to implement the resolutions of the Shareholders' General Meetings;
- (3) to listen to and consider the work reports of our president;
- (4) to decide on our operational plans and investment plans;
- (5) to formulate our annual financial budgets, final accounts, profit distribution plans and plans for recovery of losses;
- (6) to formulate proposals for material acquisitions, acquisition of shares of the Bank, merger, separation, dissolution, liquidation or change in corporate structure;
- (7) to formulate proposals on increases or reductions of our registered capital, proposals on issuance of bonds or other securities, listing plans as well as investment plan for funds raised, and to supervise the implementation thereof;
- (8) to decide on the establishment of our internal management departments;
- (9) to determine the appointment or dismissal of senior management, decide on matters relating to its remuneration, rewards and imposition, and supervise the performance of duties by senior management;

Corporate Governance Report

- (10) to establish our basic management system;
- (11) to formulate amendment plans for the Articles of Association, formulate rules of procedure for shareholders' general Meeting and rules of procedure for Board meetings, and consider and approve the working rules of special committees of the Board;
- (12) to consider and approve our compliance policies and supervise their implementation, and take ultimate responsibility for the compliance of our operating activities;
- (13) to formulate measures for increasing our capital adequacy ratio when it is lower than the statutory standard;
- (14) to decide on matters such as external investment, asset acquisition, asset disposal and write-off, pledge of assets, external guarantees, entrusted wealth management, related party transactions and data governance within the scope of authorization granted by the Shareholders' General Meetings;
- (15) to disclose information of the Bank and take ultimate responsibility for the completeness and accuracy of our systems of accounting and financial reporting, and formulate relevant procedures and systems to ensure that our statistics continue to conform with the regulatory requirements;
- (16) to propose to the Shareholders' General Meetings the appointment or change of appointment of the accounting firms auditing the Bank, and to give an explanation to the Shareholders' General Meetings on the non-standard audit opinions of certified public accountant on our financial report;
- (17) to exercise any other power and duties prescribed by the applicable laws, administrative requirements, regulations and rules governing securities of the place where the shares of the Bank are listed and the Articles of Association as well as any other power and duties conferred by our Shareholders' General Meetings.

In addition, the Board shall also pay particular attention to the following when performing its duties:

- (1) to formulate the Bank's business development strategies and supervise the implementation thereof;
- (2) to formulate the Bank's risk tolerance, risk management and internal control policies, and assume ultimate responsibilities of comprehensive risk management;
- (3) to formulate internal control policies, to ensure the establishment and implementation of a fully effective internal control system, which guarantees the Bank operates prudently within the legal and policy framework;
- (4) to formulate capital plans and assume ultimate responsibility for capital or solvency management;
- (5) to regularly evaluate and improve the corporate governance structure, internal control and risk management system of the Bank;
- (6) to manage the information disclosure matters of the Bank and bear the ultimate liability of the authenticity, accuracy, completeness, and timeliness of the Bank's accounting and financial report;

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- (7) to supervise and ensure that senior management effectively performs its management responsibilities, in particular compliance management, risk management and internal control management;
- (8) to safeguard the legitimate rights and interests of the financial consumers and other stakeholders;
- (9) to establish a mechanism for identifying, reviewing and managing the conflicts of interest between the Bank and its shareholders, especially substantial shareholders;
- (10) to assume management responsibility for shareholder affairs;
- (11) to formulate the Bank's data strategy, approve or authorize the approval of major issues in relation to data governance, urge senior management to improve the effectiveness of data governance, and assume ultimate responsibility for data governance;
- (12) to be responsible for considering and reviewing the Bank's anti-money laundering and counter terrorist financing policies, supervise the implementation of anti-money laundering and counter terrorist financing policies, and be ultimately responsible for the Bank's anti-money laundering and counter terrorist financing work;
- (13) to take the ultimate responsibility for Internet loan risk management;
- (14) to undertake the primary responsibility for green finance, determine the green finance development strategy of the Bank, approve the green finance targets set by and the green finance reports submitted by senior management, designate a special committee to be responsible for green finance work, and supervise and evaluate the implementation of the Bank's green finance development strategy.

4.7 Responsibilities of Directors

During the reporting period, the Directors of the Bank continuously focused on the Bank's operational management, attended Board meetings on time, thoroughly reviewed the matters considered by the Board of Directors, expressed opinions independently, professionally, and objectively, and made independent votes based on prudent judgment; effectively supervised the senior management's implementation of resolutions from the Shareholders' General Meeting and the Board of Directors, actively participated in meetings and training organized by the Bank and regulatory authorities, understood the rights and obligations of Directors, familiarized themselves with relevant laws, regulations, and regulatory requirements, and maintained the professional knowledge and capabilities necessary to fulfill their responsibilities. When performing their duties, the Directors complied with laws, regulations, regulatory requirements, and the Bank's Articles of Association, adhered to high standards of professional ethics, considered the legitimate rights and interests of stakeholders, acted responsibly towards the Bank and all shareholders, and treated all shareholders fairly, and ensured that they dedicated sufficient time and efforts to their responsibilities. The number of days for duty performance by independent Directors met regulatory requirements.

Directors have confirmed that they are responsible for the Bank's financial statements for the year ended December 31, 2024. Directors are responsible for overseeing the financial reports for each accounting period so that the financial reports truly and fairly reflect the Bank's operation conditions. In preparing the financial statements for the year ended December 31, 2024, Directors have selected the applicable accounting policies and applied them consistently, and have made prudent and reasonable judgments. With the assistance of accounting and finance personnel, Directors ensure that the Bank prepares financial statements in accordance with statutory requirements and applicable financial reporting standards.

Corporate Governance Report

4.8 Board Meetings and Attendance of Directors

During the reporting period, the Bank held a total of 10 Board meetings which considered and approved 108 resolutions.

Particulars of convening of Board meetings

Meeting	Date	Form
The 8th Meeting of the seventh session of the Board	January 26, 2024	On-site meeting
The 9th Meeting of the seventh session of the Board	March 18, 2024	On-site meeting
The 10th Meeting of the seventh session of the Board	March 28, 2024	On-site meeting
The 11th Meeting of the seventh session of the Board	April 29, 2024	Written signature
The 12th Meeting of the seventh session of the Board	May 27, 2024	On-site meeting
The 13th Meeting of the seventh session of the Board	June 27, 2024	On-site meeting
The 14th Meeting of the seventh session of the Board	August 30, 2024	On-site meeting
The 15th Meeting of the seventh session of the Board	October 31, 2024	On-site meeting
The 16th Meeting of the seventh session of the Board	December 20, 2024	Written signature
The 17th Meeting of the seventh session of the Board	December 30, 2024	On-site meeting

Particulars of attendance of Directors at Board meetings

Members of Board of Directors	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person of Board meetings	Rate of attendance of Board meetings
ZHOU Shixin	10	10	0	100%	100%
XIAO Jing	10	10	0	100%	100%
YUAN Delei	10	10	0	100%	100%
LUO Feng	10	10	0	100%	100%
SHI Zhishan	10	10	0	100%	100%
ZHOU Miao	10	10	0	100%	100%
LIU Yinan	10	10	0	100%	100%
WANG Wanqiu	10	10	0	100%	100%
ZHANG Yonghong	10	10	0	100%	100%
TIAN Li	10	10	0	100%	100%
GUO Jiequn	10	10	0	100%	100%

Corporate Governance Report

4.9 Attendance at General Meetings during the Reporting Period

During the reporting period, the Bank held a total of one general meeting. The specific participation details are as follows:

At the 2023 annual general meeting, Mr. ZHOU Shixin as Chairman of the Board, Ms. WANG Wanqiu, Mr. ZHANG Yonghong, Mr. TIAN Li and Mr. GUO Jiequn as independent non-executive Directors, attended the meeting, while the remaining Directors were unable to attend due to other official business.

4.10 Performance of Independent Non-executive Directors

The Board currently has four independent non-executive Directors, and the qualification, number and proportion of independent non-executive Directors comply with the relevant provisions set forth by the National Financial Regulatory Administration and the Listing Rules. None of our independent non-executive Directors are involved in any circumstances incurring questionable independence as stipulated in Rule 3.13 of the Listing Rules. The Bank has received the annual letters of confirmation from each independent non-executive Director with regard to their independence as stipulated in Rule 3.13 of the Listing Rules. Therefore, the Bank considered that all independent non-executive Directors are in compliance with the independence requirements as set out in the Listing Rules. The Audit Committee, Nomination and Remuneration Committee under the Board of the Bank are all composed of independent non-executive Directors. Independent non-executive Directors are dominant in number and act as chairpersons in the Related Party Transactions Control Committee.

During the reporting period, the Bank's independent non-executive Directors adhered to objective, independent, and prudent procedural principles, effectively leveraged their expertise and extensive industry experience in areas such as financial analysis and banking management, and actively participated in various duty fulfillment activities from the perspective of safeguarding the interests of investors and all relevant stakeholders. They positively offered recommendations and suggestions regarding the matters discussed by the Board of Directors, especially the review of significant issues, and provided independent opinions on important matters such as profit distribution plans, appointment and dismissal of senior management, and significant related transactions, thereby enhancing the level of scientific decision-making by the Board of Directors.

Corporate Governance Report

5. SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS

There were seven special committees under the Board of the Bank, namely Audit Committee, Related Party Transactions Control Committee, Risk Management Committee, Nomination and Remuneration Committee, Strategy Committee, Consumer Rights Protection Committee and Compliance Management Committee.

5.1 Audit Committee

During the reporting period, the Audit Committee under the Board of the Bank was composed of three independent non-executive Directors, the details of the composition are set out below:

	Chairperson	Member
Member of the Audit Committee under the Board	GUO Jiequn	WANG Wanqiu TIAN Li

The primary responsibilities of the Audit Committee are:

- (I) to review the financial and accounting policies and practices, financial position and financial reporting procedures of the Bank;
- (II) to review the important regulations related to internal audit and submit to the Board of Directors for approval;
- (III) to review and approve medium and long-term audit plans and annual audit plans, and to guide, assess and evaluate internal audit work;

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- (IV) to review internal audit related reports and report to the Board of Directors, including:
 - (1) to listen to the audit reports on capital adequacy management and implementation of internal capital adequacy assessment procedures;
 - (2) to examine the risks and compliance of the Bank, review the internal audit report on overall risk management, and to review the internal audit report on liquidity risk, market risk, operational risk, information technology risk and country risk;
 - (3) to review the special audit report on the formulation and implementation of the remuneration system;
 - (4) to review special audit report of ongoing operational management of the Bank;
 - (5) to review special audit report on related transactions;
 - (6) to review internal audit report on risk classification systems, procedures and implementation;
 - (7) to review other internal audit report in accordance with laws, regulations and regulatory requirements.
- (V) to supervise the internal audit of the Bank, to produce semi-annually audit reports to the Board and to improve the effectiveness of internal audit;
- (VI) to review the effectiveness of internal audit, quality of external audit and transparency of information disclosure in the implementation of expected credit loss method;
- (VII) to be responsible for the annual audit of the Bank, to monitor the completeness of the Bank's financial statements, annual reports and accounts and semi-annual reports, to review significant opinions on financial reporting contained in the financial statements and reports, and to produce a conclusive report on the truthfulness, accuracy, completeness and timeliness of information on the audited financial report to the Board for review; the Audit Committee shall review the following items prior to submitting related statements and reports to the Board:
 - (1) any modifications to the accounting policies and practices;
 - (2) any information involving important judgments;
 - (3) major adjustments arising from auditing;
 - (4) assumptions and any qualified opinions on corporate continuing operations;
 - (5) compliance with accounting principles;
 - (6) compliance with listing rules, laws and regulations in relation to financial reporting;

Members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Bank's external auditors; the Audit Committee shall consider the major or unusual items which are reflected or need to be reflected in such reports and accounts, and it should give due consideration to any matters that have been raised by staff responsible for accounting and financial reporting, compliance officer or auditors of the Bank;

Corporate Governance Report

- (VIII) to deal with all matters in relation to external auditors:
- (1) to comment on the appointment, reappointment and removal of external auditors to the Board, approve the remuneration and terms of appointment for external auditors, and handle any issues pertaining to the resignation or dismissal of the auditor;
 - (2) the Audit Committee shall discuss with auditors the nature and scope of auditing and related responsibilities for declaration prior to the commencement of auditing, as well as review and monitor the independence and objectivity of external auditors and the effectiveness of auditing procedures in accordance with applicable standards;
 - (3) to formulate and implement policies with regard to external auditors' provision of non-auditing services. For the purpose of the Terms of Reference, "external auditors" include any organization under the same control, ownership or administration rights as the company in charge of auditing, or any organization that enables any third party with reasonable access to all related information to conclude, under reasonable circumstances, that the organization is a part of the company in charge of auditing, either in the local or international business. The Audit Committee shall report any issues requiring actions or improvements to the Board and table proposals;
 - (4) to act as the chief representative between the Bank and external auditors and be responsible for supervising the relationship between the two.
- (IX) to review the financial control, risk management and internal control system of the Bank, including:
- (1) to exchange ideas with the management with regard to risk management and internal control system to ensure that the management has fulfilled their duties and set up an effective system. Such exchanges should cover the resources available for accounting and financial reporting of the Bank, the competence of employees in terms of qualification and experience, and the sufficiency of training courses received by employees and related budget;
 - (2) to initiate or as appointed by the Board to conduct research on the key findings in relation to the risk management and internal control matters as well as the management's response to the findings;
 - (3) to ensure the coordination between internal and external auditors if the Bank has an internal auditing process in place, as well as the resources availability for and the appropriateness of the internal auditing process, and review and supervise its effectiveness;
 - (4) to examine the Auditing Description Letter submitted by external auditors to the management, and management's responses to any significant doubts raised by the auditor regarding accounting records, financial accounts or control system;
 - (5) to ensure the Board timely responds to the issues highlighted in the Auditing Description Letter submitted by external auditors to the management;
 - (6) to report to the Board;

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- (7) to review the following arrangements set by the Bank: the employees of the Bank can secretly raise concerns regarding possible misconduct in financial reporting, internal control or other aspects. The Audit Committee shall make appropriate arrangements to allow the Bank to conduct independent and fair investigations on such issues and take proper actions;
- (X) to deal with other matters authorized by the Board, and stipulated in the Articles of Association and regulatory provisions.

During the reporting period, the Audit Committee convened a total of eight meetings and considered and approved the “Proposal in relation to the Deliberating and Approving on the 2023 China Accounting Standards for Business Enterprises and International Financial Reporting Standards Financial Statements and Audit Reports of Bank of Jiujiang Co., Ltd.”, the “Proposal in relation to the Engagement of 2024 Accounting Firms”, the “Proposal relation to the Consideration and Review of the 2024 Interim Results and Interim Report of Bank of Jiujiang Co., Ltd.” and other proposals. In addition, the Audit Committee organized two meetings with auditors of our Bank to discuss audit issues.

Particulars of attendance of members at the Audit Committee meetings during the reporting period are set out as below:

Member of the Audit Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
GUO Jiequn	8	8	0	100%
WANG Wanqiu	8	8	0	100%
TIAN Li	8	8	0	100%

5.2 Related Party Transactions Control Committee

During the reporting period, the Related Party Transactions Control Committee under the Board of the Bank was composed of one executive Director and two independent non-executive Directors, the details of the composition are set out below:

	Chairperson	Member
Member of the Related Party Transactions Control Committee under the Board	ZHANG Yonghong	YUAN Delei GUO Jiequn

The primary responsibilities of the Related Party Transactions Control Committee are as follows:

- (1) to review major related party transactions and submit to the Board of Directors for approval;
- (2) to receive filings of general related party transactions;

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- (3) to review annually the special report on the overall situation of related party transactions and submit to the Board of Directors for approval;
- (4) to supervise the management of related party information file, the control of related party transactions, accountability for related party transactions, and the execution of the related party transaction control system of the Bank, review the quarterly reports on related party transactions and report the same to the Board;
- (5) to review the related party transaction control system of the Bank, and submit to the Board of Directors for approval;
- (6) to deal with other matters authorized by the Board, and stipulated in the Articles of Association and regulatory provisions.

During the reporting period, the Related Party Transactions Control Committee convened a total of seven meetings, and considered and approved the “Proposal in relation to the Consideration of the 2023 Related Party Transactions Report of Bank of Jiujiang Co., Ltd.”, the “Proposal in relation to the Consideration of the Estimated Amount of the Related Party Transactions of Related Legal Person Deposits of Bank of Jiujiang Co., Ltd. for the Year 2024” and other proposals.

Particulars of attendance of members at the Related Party Transactions Control Committee meetings during the reporting period are set out as below:

Member of the Related Party Transactions Control Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
ZHANG Yonghong	7	7	0	100%
YUAN Delei	7	7	0	100%
GUO Jiequn	7	7	0	100%

5.3 Risk Management Committee

During the reporting period, the Risk Management Committee under the Board of the Bank was composed of one executive Director and two independent non-executive Directors, the details of the composition are set out below:

	Chairperson	Member
Member of the Risk Management Committee under the Board	XIAO Jing	TIAN Li ZHANG Yonghong

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The primary responsibilities of the Risk Management Committee are as follows:

- (1) to review bank-wide risk management policies and procedures based on our overall strategies, and submit to the Board of Directors for approval;
- (2) to supervise the senior management to carry out comprehensive risk management, consider the comprehensive risk report of the Bank, supervise and evaluate the control of, and implementation of measures against credit risk, liquidity risk, market risk, information technology risk, reputational risk, environmental social and governance risk, country risk and other risks, so as to ensure the effective execution of the risk management system and procedures, and report to the Board. Specifically, the specific responsibilities for the market risk, liquidity risk and reputational risk include:
 - (1) to urge senior management to undertake necessary measures to identify, measure, monitor and control market risk, obtain periodic reports associated with nature and level of market risk, monitor and evaluate the comprehensiveness and effectiveness of market risk management, and performance of senior management under market risk management;
 - (2) to continuously pay attention to liquidity risk profile, regularly obtain liquidity risk reports, and timely learn about liquidity risk level, management status and material changes thereof; monitor the senior management to undertake effective management and control of liquidity risk;
 - (3) to supervise the senior management for daily reputational risk management and periodically hear reports in respect of reputational risk management. Where reputation events result in significant losses to the body and the industry, significant market fluctuations, systemic risks or affect the stability of the social and economic order, the Risk Management Committee under the Board of Directors shall submit corresponding reports to the Board of Directors;
- (3) to review the risk management policies, risk appetite and risk limit of the Bank, and submit to the Board of Directors for approval;
- (4) to supervise the senior management to effectively manage the stress test, review stress test reports that have material impact upon the review and approval of the senior management, understand the key assumptions of stress test, pay attention to the results of stress test and its impact, review the subsequent major improvement measures, understand the risk mitigation effects of the improvement measures, and consider the results of stress test when determining the Bank's risk preference and risk management objectives;
- (5) to supervise the senior management to fully implement the management system related to the implementation of the expected credit loss method, review and approve the important policies, important models and key parameters related to the implementation of the expected credit loss method, and listen to reports on the management of the expected credit loss method;
- (6) to review recovery and disposal plans and submit to the Board of Directors for approval;
- (7) to deal with other matters authorized by the Board, and stipulated in the Articles of Association and regulatory provisions.

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During the reporting period, the Risk Management Committee convened a total of nine meetings, and considered and approved the “Proposal in relation to the Consideration of the Overall Risk Management Report of Bank of Jiujiang for the Year 2023”, the “Proposal in relation to the Consideration of the Report on the Risk Appetite and Limit Runs of Bank of Jiujiang for 2023”, the “Proposal in relation to the Consideration of the Risk Preference, Risk Limits and Risk Strategy for 2024” and other proposals:

Particulars of attendance of members at the Risk Management Committee meetings during the reporting period are set out as below:

Member of the Risk Management Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
XIAO Jing	9	9	0	100%
TIAN Li	9	9	0	100%
ZHANG Yonghong	9	9	0	100%

5.4 Nomination and Remuneration Committee

During the reporting period, the Nomination and Remuneration Committee under the Board of our Bank was composed of three independent non-executive Directors, the details of the composition are set out below:

	Chairperson	Member
Member of the Nomination and Remuneration Committee under the Board	TIAN Li	ZHANG Yonghong GUO Jiequn

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The primary responsibilities of the Nomination and Remuneration Committee are:

- (1) to develop the procedures and standards for the appointment of Directors and senior management, identify the persons who may serve as Directors, select and nominate such persons for appointment as Directors or to make recommendations thereon to the Board;
- (2) to conduct a preliminary assessment of the qualifications of Directors and senior management, and make recommendations thereon to the Board;
- (3) to review the compensation management system and policies of the Bank and submit them to the Board for review;
- (4) to develop remuneration plans for Directors and senior management and make recommendations on remuneration plans to the Board, also supervise the implementation of remuneration plans;
- (5) to review the performance evaluation system and indicator system;
- (6) to preliminarily review the annual summary of performance-based resource deductions and mid- and long-term incentive payments, also submit to the Board of Directors for review;
- (7) to review the performance evaluation methods of Directors and senior management, and the performance evaluation reports carried out and formed in accordance with the performance evaluation methods, and submit to the Board for review;
- (8) to review at least once a year the structure, size and composition (including such aspects as education background, skills, knowledge and experience) of the Board of Directors and make recommendations on any proposed changes to the Board of Directors to complement the corporate strategies of the Bank;
- (9) to assess the independence of independent Directors;
- (10) to make recommendations to the Board of Directors on the appointment or re-appointment and succession planning for Directors (in particular, the Chairman and the Chief Executive Officer);
- (11) to make recommendations to the Board of Directors on the Bank's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (12) to review and approve recommendations on remuneration of the senior management in line with the corporate directions and objectives charted by the Board of Directors;
- (13) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions for other positions within the Group;
- (14) to review and approve compensation payable to executive Directors and senior management for their loss or termination of office or appointment to ensure such compensation conforms with contractual terms and is fair, reasonable and not excessive in case of any inconformity;
- (15) to review and approve compensation arrangements relating to dismissal or removal of related Directors for misconduct to ensure such arrangements conform with contractual terms and are reasonable and appropriate in case of any inconformity;

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- (16) to ensure that no Director or any of his associates is involved in determining his own remuneration;
- (17) the re-election arrangement of the Board shall be commenced before the expiration of terms of office of Directors to ensure the terms of office of Directors are in compliance with laws, regulations and the Articles of Association; and
- (18) to deal with other matters authorized by the Board and stipulated in the Articles of Association and regulatory provisions.

Director Nomination Policy:

The nomination and election of Directors and Supervisors in the Articles of Association of the Bank shall follow the ways and procedures below:

- (1) Candidates for Directors and Supervisors who are not staff representatives shall be nominated by the Nomination and Remuneration Committee of the Board or Nomination Committee of the Board of Supervisors respectively, and the number of such persons to be elected shall be within the number of persons of the Board of Directors and the Board of Supervisors stipulated in these Articles. Shareholders individually or in aggregate holding 3% or more of the Bank's total issued voting shares may propose candidates for Directors to the Board or candidates for Supervisors to the Board of Supervisors;

The same shareholder and his/her/its associates shall not nominate a candidate for a Director and another candidate for a Supervisor at the shareholders' general meeting; if the candidate for a Director (or Supervisor) nominated by such shareholder and his/her/its associates is appointed as a Director (or Supervisor), the shareholder shall not nominate any candidate for Supervisor (or Director) prior to the expiry of the term of office or change of such person.

The number of Directors (or Supervisors) nominated by any same shareholder and his/her/its associates in principle shall not exceed one third of the total number of the members of the Board (or Board of Supervisors). Such shareholder and his/her/its associates shall only nominate one candidate for independent Director or external Supervisor, and shall not nominate candidates for both independent Director and external Supervisor.

- (2) The Nomination and Remuneration Committee of the Board and the Nomination Committee of the Board of Supervisors shall conduct preliminary assessment of the qualifications and conditions of the candidates for Directors and Supervisors respectively and/or propose the candidates passing such assessment to the Board, Board of Supervisors for consideration respectively; and propose them to the shareholders' general meeting by way of written resolutions after they are considered and approved by the Board and/or Board of Supervisors;
- (3) The candidates for Directors and Supervisors shall, before the convening of the shareholders' general meeting, make written undertakings, express their consent to their nomination, confirm the truthfulness and completeness of their publicly disclosed data and undertake that they will duly perform their duties upon election;
- (4) The Board shall disclose the details of the Director candidates to the shareholders in accordance with the laws, administrative regulations and the Articles of Association before the shareholders' general meeting to ensure that shareholders will have adequate understanding of the candidates when they cast their votes;

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- (5) Voting on each candidate for Directors and Supervisors shall be carried out at the shareholders' general meeting separately;
- (6) When an additional Director or Supervisor is temporarily nominated, the Nomination and Remuneration Committee of the Board, the Nomination Committee of the Board of Supervisors or the shareholders satisfying the conditions for making such nomination may propose a candidate to the Board or the Board of Supervisors for consideration, and to the shareholders' general meeting for election or replacement.

The Bank seeks diversity of members from multiple perspectives during establishment of the Board, including but not limited to gender, location, expertise, skills, knowledge and education background. We put equal stress on integrity and ability for all appointments by the Board and fully take into account the benefits of member diversity during candidate selection under objective conditions. The Nomination and Remuneration Committee of the Board is responsible for reviewing the structure, number and composition of the Board, making recommendations to the Board on the size and composition of the Board in accordance with the Bank's strategic planning, business development and shareholding structure, studying and reviewing the selection criteria, nomination and appointment procedures of Directors, and making proposals to the Board for consideration and approval by the Directors.

During the reporting period, the Nomination and Remuneration Committee convened a total of seven meetings, and considered and approved the "Proposal on Amendments of Relevant Measures of Remuneration Management", the "Proposal in relation to the Consideration of the 2023 Evaluation Report on the Performance of Duties of Directors and Senior Management from the Board of Directors of Bank of Jiujiang Co., Ltd.", the "Proposal in relation to the Consideration of the Mid-and Long-term Incentive Payments of Bank of Jiujiang for the Year 2024" and the "Proposal in relation to the Consideration of the Annual Bonus Distribution Measures of Bank of Jiujiang's Employees" and other proposals.

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Particulars of attendance of members at the Nomination and Remuneration Committee meetings during the reporting period are set out as below:

Member of the Nomination and Remuneration Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
TIAN Li	7	7	0	100%
ZHANG Yonghong	7	7	0	100%
GUO Jiequn	7	7	0	100%

5.5 Strategy Committee

During the reporting period, the Strategy Committee under the Board of our Bank was composed of one executive Director and two non-executive Directors, the details of the composition are set out below:

	Chairperson	Member
Member of the Strategy Committee under the Board	ZHOU Shixin	LUO Feng SHI Zhishan

The primary responsibilities of the Strategy Committee are as follows:

- (1) to formulate preliminary proposals for the Bank in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof, and submit to the Board of Directors for review;
- (2) to formulate preliminary development strategies and special strategic plans, supervise the implementation of the strategies and submit the relevant strategic plans and reports to the Board of Directors for review;

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- (3) to formulate preliminary proposals for material acquisitions, acquisition of shares of the Bank, or merger, division, dissolution, liquidation or transformation of the Bank, and submit to the Board of Directors for review;
- (4) to consider matters of external investment, acquisition and disposal of assets that should be submitted to the Board of Directors for review, in accordance with laws and regulations, regulatory requirements and the Articles of Association;
- (5) to consider the annual financial budgets, final accounts, profit distribution plans and plans for recovery of losses, and submit to the Board of Directors for review;
- (6) to consider the establishment of internal management departments, major corporate restructuring and adjustment proposals and institutional development plans, and submit to the Board of Directors for review;
- (7) to consider the capital adequacy ratio management plans, capital adequacy ratio management reports and internal capital adequacy assessment reports, and submit to the Board of Directors for review;
- (8) to regularly evaluate the corporate governance of the Bank, and submit to the Board of Directors;
- (9) to be responsible for green finance and supervise and evaluate the implementation of the Bank's green finance development strategy;
- (10) to review reports in relation to data governance;
- (11) to deal with other matters authorized by the Board and stipulated in the Articles of Association and regulatory provisions.

During the reporting period, the Strategy Committee convened a total of seven meetings, and considered and approved the "Proposal in relation to the Consideration of the Report of the Board of Bank of Jiujiang Co., Ltd. for the Year 2023", the "Proposal in relation to the Consideration of the 2023 Work Report of the President of Bank of Jiujiang Co., Ltd.", the "Proposal in relation to the Consideration of the 2023 Evaluation Report of Shareholders of Bank of Jiujiang Co., Ltd." and other proposals.

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Particulars of attendance of members at the Strategy Committee meetings during the reporting period are set out as below:

Member of the Strategy Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
ZHOU Shixin	7	7	0	100%
LUO Feng	7	7	0	100%
SHI Zhishan	7	7	0	100%

5.6 Consumer Rights Protection Committee

During the reporting period, the Consumer Rights Protection Committee under the Board of the Bank was composed of one executive Director, one non-executive Director and one independent non-executive Director, the details of the composition are set out below:

	Chairperson	Member
Member of Consumer Rights Protection Committee under the Board	YUAN Delei	LIU Yinan WANG Wanqiu

The primary responsibilities of the Consumer Rights Protection Committee include:

- (1) to formulate strategies, policies and objectives for the protection of consumer rights and interests related to the Bank, and to urge senior management to effectively perform and implement the relevant work;
- (2) to provide guidance and supervision on the establishment and improvement of the management system for the protection of consumer rights and interests;
- (3) to supervise and evaluate the comprehensiveness, timeliness and effectiveness of the Bank's protection of consumer rights and interests and the relevant performance of the senior management;

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- (4) to regularly receive special reports from senior management on the development of protection of consumer rights and interests of the Bank, to review the relevant special reports on protection of consumer rights and interests, to submit the relevant special reports to the Board, and to consider the relevant work as an important part of information disclosure;
- (5) to urge the senior management and the relevant departments to promptly and effectively rectify various issues identified in the audit and to supervise the implementation of such rectification as specified in the report;
- (6) to consider other significant issues related to protection of consumer rights and interests; and
- (7) to exercise other matters prescribed by the law, regulations, rules, regulatory documents, regulations and rules governing securities of the place where the shares of the Bank are listed, the Articles of Association and any other matters authorized by the Board.

During the reporting period, the Consumer Rights Protection Committee convened a total of two meetings, and considered and approved the “Proposal in relation to the Consideration of the Consumer Rights Protection Work Report of Bank of Jiujiang for the Year 2023” and the “Proposal in relation to the Consideration of the Consumer Rights Protection Work Report of Bank of Jiujiang for the First Half of 2024” and other proposals.

Particulars of attendance of members at the Consumer Rights Protection Committee meetings during the reporting period are set out as below:

Member of the Consumer Rights Protection Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
YUAN Delei	2	2	0	100%
LIU Yinan	2	2	0	100%
WANG Wanqiu	2	2	0	100%

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5.7 Compliance Management Committee

During the reporting period, the Compliance Management Committee under the Board of the Bank was composed of one executive Director, one non-executive Director and one independent non-executive Director, the details of the composition are set out below:

	Chairperson	Member
Member of the Compliance Management Committee under the Board	ZHOU Miao	YUAN Delei LIU Yinan

The primary responsibilities of the Compliance Management Committee include:

- (1) to pursue the values of honesty and integrity, and to foster a compliance culture with lawful business operation and a behavior management culture of employees who shall conduct in accordance with the law and be honest and trustworthy;
- (2) to be well informed of the implementation of the compliance policy and its existing problems, and to promptly submit relevant opinions and suggestions to the Board or the senior management to oversee the effective implementation of the compliance policy;
- (3) to provide guidance and suggestions on the establishment and improvement of the compliance management mechanism and system;
- (4) to review the compliance risk management report submitted by the senior management and evaluate the effectiveness of the Bank in managing its compliance risks, so as to ensure that conformity defects can be resolved in a timely and effective manner;
- (5) to review the internal control assessment report submitted by the senior management and evaluate the adequacy and effectiveness of the internal control of the Bank;
- (6) to review anti-money laundering policies, anti-money laundering work plan and work report submitted by the senior management, as well as the internal control system related to anti-money laundering, and provide relevant advice and suggestions to the Board or senior management in a timely manner;
- (7) to review the operational risk reports submitted by the senior management, to fully understand the overall operation risk management of the Bank, and to assess the effectiveness of the Bank's operational risk management;
- (8) to review the development strategies of new products business and risk management policies of the Bank;
- (9) to review the compliance review report in relation to substantial investments submitted by the senior management, to evaluate the effectiveness of the pre-compliance review mechanism of substantial investments, and to review and make decisions on the change of the mechanism;
- (10) to review general policy for the case prevention, to issue the general requirements for case prevention;

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- (11) to review the working report on incident prevention and to promote the establishment of case prevention systems;
- (12) to specify the duties and scope of authorization of senior management regarding case prevention, so as to ensure that senior management has adopted necessary measures for the effective monitoring, alerting and handling of crises;
- (13) to assess the effectiveness of case prevention of the Bank, and to ensure the effective review and supervision of case prevention by the internal audit functions;
- (14) to review the code of conduct formulated by the Bank and detailed rules thereof, and to supervise the senior management in conducting behavior management of employees; and
- (15) other matters required by laws, regulations, rules, regulatory documents, rules governing securities of the place where the shares of the Bank are listed, the Articles of Association or authorized by the Board of Directors.

During the reporting period, the Compliance Management Committee convened a total of five meetings, and deliberated on and adopted the “Proposals of Deliberating on the 2023 Self-assessment Report of Internal control of Bank of Jiujiang and the Internal Control Assurance Report of Bank of Jiujiang Co., Ltd.”, the “Proposals of Deliberating on the 2023 Anti-Money Laundering Work Report and 2024 Work Plan of Bank of Jiujiang”, the “Proposal of Deliberating on the 2023 Employee Behavior Assessment Report of Bank of Jiujiang”, the “Proposal of Deliberating on the 2023 Report on the Implementation of the Regulatory Opinions of Bank of Jiujiang” and other proposals.

Particulars of attendance of members at the Compliance Management Committee meetings during the reporting period are set out as below:

Member of the Compliance Management Committee under the Board	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
ZHOU Miao	5	5	0	100%
YUAN Delei	5	5	0	100%
LIU Yinan	5	5	0	100%

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6. BOARD OF SUPERVISORS

As the supervisory authority of the Bank, the Board of Supervisors of the Bank is accountable to the Shareholders' General Meetings, overseeing the legality of our Bank's financial activities as well as the duty performance of Directors, presidents and other senior management personnel to safeguard the legitimate rights and interests of our Bank and the Shareholders.

6.1 Composition of the Board of Supervisors

The Board of Supervisors was composed of five Supervisors, including two employee Supervisors, namely Ms. LIAO Jingwen and Ms. YU Menglin, two external Supervisors, namely Mr. CHUA Alvin Cheng-Hock and Mr. TANG Xiaofeng, as well as one Shareholder Supervisor, namely Ms. CHEN Zhiying. The structure of the members of the Board of Supervisors is reasonable, with sufficient expertise and independence, which is able to ensure that the Board of Supervisors exert the supervisory functions effectively.

Supervisors of our Bank are elected for a three-year term and can be re-elected upon expiry of the said term. External Supervisors are elected for a three-year term and can serve as an external Supervisor of the Bank for consecutive terms, but not more than 6 years on an accumulative basis.

During the reporting period, the Board of Supervisors performed duties in an earnest manner, oversaw the conduct of our Directors and senior management in performing their duties, reviewed and supervised our financial activities, risk management and internal control and other circumstances.

6.2 Changes in Members of the Board of Supervisors

Please refer to "Information on Directors, Supervisors, Senior Management, Staff and Institution" of this annual report for changes in Supervisors.

6.3 Duties and Powers of the Board of Supervisors

The Board of Supervisors shall perform the following duties and powers:

- (1) to carry out review and give written review opinions on the regular reports on our Bank prepared by the Board;
- (2) to oversee the conduct of our Directors and senior management in performing their duties and propose removal of our Directors and senior management in the event of their non-compliance with the laws, administrative regulations, the Articles of Association or resolutions passed by the Shareholders' General Meetings;
- (3) to be responsible for the supervision of comprehensive risk management; supervise and review the performance of duties of the Board and senior management in respect of risk management and urge for rectification; and include supervision and inspection results in the work report of the Board of Supervisors;

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- (4) to be responsible for supervision of internal control and management; supervise the efforts of the Board and senior management in improving the internal control mechanism; supervise the performance of internal control duties by the Board and the senior management;
- (5) to order rectification of the conduct of the Directors and the senior management which are prejudicial to the interests of our Bank;
- (6) to propose the convening of extraordinary general meeting and to convene and preside over Shareholders' General Meetings when the Board fails to perform the duty of convening and presiding over Shareholders' General Meetings under the Company Law;
- (7) to submit proposals to the Shareholders' General Meetings;
- (8) to file legal proceedings against our Directors and senior management in accordance with the regulation of the Article 151 of the Company Law;
- (9) to verify financial information including financial reports, operation reports and profit distribution plans to be proposed by the Board to the Shareholders' General Meetings, and engage certified accountants or practicing auditors to assist in the re-examination in the name of our Bank if problems are identified;
- (10) to guide the internal audit department of the Bank in independently performing audit and supervisory functions, and to effectively implement business management and work assessment on internal audit department;
- (11) to review and supervise our financial activities;
- (12) to make enquiries to our Directors, chairman of the Board and senior management;
- (13) to exercise other duties and powers stipulated by applicable laws, administrative requirements, regulations and rules governing securities of the place where the shares of our Bank are listed or the Articles of Association.

In performing its duties, the Board of Supervisors should also pay attention to the following:

- (1) to supervise the Board of Directors in establishing steady business philosophy and value criterion and formulating development strategies in line with the Bank's actual conditions;
- (2) to regularly assess the scientificity, rationality and effectiveness of the development strategies formulated by the Board, and issue assessment reports;
- (3) to supervise and examine the Bank's business decisions, risk management and internal control, and urge relevant rectifications when necessary;

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- (4) to supervise the procedures for recruiting Directors;
- (5) to appraise the duty performance of Directors, Supervisors and senior management officers from a comprehensive perspective;
- (6) to ensure the implementation of the remuneration management systems throughout the Bank and the scientificity and rationality of remuneration plans for senior management;
- (7) to regularly inform the national financial regulatory institution of the latest developments of the Bank;
- (8) to supervise and evaluate the performance of duty of the Board and senior management in data governance;
- (9) to supervise and evaluate the performance of duty of the Board and senior management in the money laundering risk management;
- (10) to supervise the performance of duty of the Board and senior management in the consumer rights protection work.

6.4 Operation of the Board of Supervisors

Through various means such as convening meetings of the Board of Supervisors and the Special Committees to consider and approve resolutions and listen to reports, conducting regular business investigations and research and proposing suggestions, attending general meetings, and being present at Board meetings and important meetings of the Bank, the Board of Supervisors supervised and appraised the discharge of duties by the Board and senior management and its members, oversaw the financial activities, risk management and internal controls of the Bank, gave their recommendations after supervising and continuously monitored the implementation of various recommendations by the Bank.

During the reporting period, the Board of Supervisors arranged and implemented the 2023 duty performance appraisal for the Board, Directors, senior management and its members, and Supervisors, and provided feedback to the Board and the senior management.

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6.5 Meetings of the Board of Supervisors and Attendance of Supervisors

In 2024, our Bank held a total of 5 meetings of the Board of Supervisors at which 25 proposals were considered and approved and 44 reports were debriefed or reviewed.

Particulars of the convening of the Board of Supervisors meetings

Meeting	Date	Form
The 6th meeting of the seventh session of the Board of Supervisors	March 28, 2024	On-site meeting
The 7th meeting of the seventh session of the Board of Supervisors	April 29, 2024	On-site meeting
The 8th meeting of the seventh session of the Board of Supervisors	May 27, 2024	On-site meeting
The 9th meeting of the seventh session of the Board of Supervisors	August 30, 2024	On-site meeting
The 10th meeting of the seventh session of the Board of Supervisors	December 20, 2024	On-site meeting

Particulars of attendance of Supervisors at Board of Supervisors meetings

Members of the Board of Supervisors	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person	Rate of attendance
CHUA Alvin Cheng-Hock	5	4	1	80%	100%
TANG Xiaofeng	5	5	0	100%	100%
CHEN Zhiying	5	5	0	100%	100%
LIAO Jingwen	5	5	0	100%	100%
YU Menglin	5	5	0	100%	100%

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6.6 Attendance at Shareholders' General Meetings during the Reporting Period

During the reporting period, our Bank held a total of one Shareholders' General Meeting. The Board of Supervisors designated representatives to attend the meeting who carried out on-site supervision on the compliance and legality of the reviewed proposals, meeting procedures and voting process.

6.7 Attendance at the Board Meetings and Senior Management Meetings during the Reporting Period

During the reporting period, the Board of Supervisors designated representatives to be present at on-site meetings of the Board held by the Bank, and supervised the legality and compliance of procedures of convening the Board meeting and voting, as well as the attendance, speech and voting of Directors. The Board of Supervisors also sent representatives to attend important business management meetings and oversaw senior management's execution of resolutions by the Board and the launch of operational management activities.

6.8 Special Committees under the Board of Supervisors

6.8.1 Nomination Committee

The composition of the Nomination Committee under the Board of Supervisors of the Bank during the reporting period is set out below:

	Chairperson	Member
Member of the Nomination Committee under the Board of Supervisors	CHUA Alvin Cheng-Hock	CHEN Zhiying LIAO Jingwen

The primary responsibilities of the Nomination Committee include:

- (1) to lay down procedures and standards concerning the election and appointment of Supervisors, conduct a preliminary review on the qualifications of candidates for Supervisors, and put forward proposals to the Board of Supervisors;
- (2) to supervise the recruiting procedures of Directors and independent Directors;
- (3) to appraise the duty performance of Directors, Supervisors and senior management from a comprehensive perspective and report to the Board of Supervisors;
- (4) to supervise the scientificity and rationality of the remuneration management systems and policies throughout the Bank and remuneration plans for senior management;
- (5) to deal with other matters as authorized by the Board of Supervisors.

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During the reporting period, the Nomination Committee convened a total of five meetings, and considered and approved the “2023 Evaluation Report on the Performance of Duties of Supervisors of Bank of Jiujiang Co., Ltd.”, “2023 Evaluation Report on the Performance of Duties of Directors and Senior Management from the Board of Supervisors of Bank of Jiujiang Co., Ltd.” and “2023 Report on the Remuneration Management Implementation of Bank of Jiujiang Co., Ltd.” and other proposals.

Member of the Nomination Committee under the Board of Supervisors	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
CHUA Alvin Cheng-Hock	5	5	0	100%
CHEN Zhiying	5	5	0	100%
LIAO Jingwen	5	5	0	100%

6.8.2 Supervisory Committee

The composition of the Supervisory Committee of the Bank’s Board of Supervisors during the reporting period is shown in the table below:

	Chairperson	Member
Member of the Supervisory Committee under the Board of Supervisors	TANG Xiaofeng	LIAO Jingwen YU Menglin

The primary responsibilities of the Supervisory Committee include:

- (1) to draw up supervisory plans for our financial activities and carry out relevant examinations;
- (2) to supervise the Board of Directors to establish steady business philosophies, value criteria and to formulate development strategies in line with the actual situations of the Bank;
- (3) to supervise and examine the operation decisions, risk management and internal control of the Bank;
- (4) to deal with other matters authorized by the Board of Supervisors.

During the reporting period, the Supervisory Committee convened a total of three meetings, and considered and approved the “Report on Compliance Management of Bank of Jiujiang Co., Ltd.”,

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“Board of Supervisors’ Report on Risk Management of Off-balance Sheet of Bank of Jiujiang Co., Ltd.” and other proposals.

Member of the Supervisory Committee under the Board of Supervisors	Expected attendance	Attendance in person	Attendance by proxy	Rate of attendance in person
TANG Xiaofeng	3	3	0	100%
LIAO Jingwen	3	3	0	100%
YU Menglin	3	3	0	100%

7. TRAINING AND STUDIES UNDERTAKEN BY DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

The Directors of the Bank confirm that they have complied with Code Provision C.1.4 set out in the Part 2 of the Corporate Governance Code. In 2024, all of the Directors (Mr. ZHOU Shixin, Mr. XIAO Jing, Mr. YUAN Delei, Mr. LUO Feng, Mr. SHI Zhishan, Ms. ZHOU Miao, Mr. LIU Yinan, Ms. WANG Wanqiu, Mr. ZHANG Yonghong, Mr. TIAN Li and Mr. GUO Jiequn) and Supervisors continued to enhance their knowledge and skills and enhance the capability of performance of their duties by attending meetings, conducting research seminars, and reviewing relevant materials.

During the reporting period, Directors and Supervisors participated in the training on “Interpretation of the New Company Law – Focus on Corporate Governance of Commercial Banks and Responsibilities of Directors, Supervisors and Senior Management organized by the Bank in conjunction with an external law firm; attended the strategic retreat organized by the Bank and listened to the report on the operation and management of the Bank, risk management and regulatory policies; and conducted on-site investigation at some of the branches.

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8. SENIOR MANAGEMENT

Serving as the executive body of the Bank, the senior management is accountable to the Board and is subject to the supervision of the Board of Supervisors. Powers and authorities of the senior management and the Board of Directors are divided in strict compliance with the Articles of Association. Our Bank practices a president accountability system under the leadership of the Board. Our Bank has one president and several vice presidents. Directors can hold concurrent posts as president, vice president or other executives. Such appointments shall be made by the Board after the candidates pass the qualification reviews by the national financial regulatory institution.

The president of the Bank shall be accountable to the Board and exercise the following powers:

- (1) to be in charge of the operation and management of our Bank, organize and implement the resolutions of the Board and report his/her work to the Board;
- (2) to submit the operation plans and investment proposals to the Board and organize and implement the same upon approval of the Board;
- (3) to draft the plans for the establishment of the internal management departments of our Bank and decide on matters in accordance with the authorization of the Board, other than those which shall be determined by the Shareholders' General Meetings or the Board, in respect of the establishment of internal management departments and branches and sub-branches of our Bank;
- (4) to propose the annual financial budget, final account and profit distribution plan of our Bank;
- (5) to formulate the basic management system of our Bank;
- (6) to formulate the specific management system of our Bank;
- (7) to recommend to the Board the appointment or dismissal of the vice president, chief financial officer and other senior management of our Bank;
- (8) to determine the appointment or dismissal of persons in charge of all of our internal functional departments and branches and sub-branches other than those required to be appointed or dismissed by the Board;
- (9) to be responsible for the operation of comprehensive risk management and execute relevant resolutions of the Board; establish an operational management system in line with the comprehensive risk management; specify risk management responsibilities among functional departments in charge of comprehensive risk management, business departments and other departments; and establish an operation mechanism that facilitates coordination and maintains balance effectively among departments;
- (10) to establish a system of mechanisms, procedures and methods in accordance with the acceptable risk level determined by the Board and take relevant risk control measures; be responsible for establishing and improving internal organizational structure to ensure that all internal control functions are performed effectively; carry out tests and assessments regarding the adequacy and effectiveness of the internal control mechanism;

Corporate Governance Report

- (11) to formulate clear execution and accountability mechanisms to ensure full conveyance and effective implementation of risk management strategies, risk appetite and risk limits; formulate risk management policies and procedures and carry out regular assessment and report assessment results of our comprehensive risks and different major risk management conditions to the Board; monitor the non-compliance issues in respect of risk appetite and risk limits as well as violation of risk management policies and procedures and carry out corresponding rectification based on the authorization of the Board;
- (12) to authorize other senior management, different internal functional departments and persons in charge of branches and sub-branches to carry out operation and management activities;
- (13) to adopt emergency measures when any material emergency (such as a run on the Bank) arises and promptly report them to the national financial regulatory institution, the Board and the Board of Supervisors;
- (14) to perform other functions and powers stipulated by laws, administrative regulations, rules and the Articles of Association or conferred by the Board. The president and vice presidents of the Bank shall be present at Board meetings, and if he is not a Director, shall not have any voting right at the meetings.

In addition, the senior management is also responsible for offering full explanations and documents for financial and other materials submitted to the Board, providing updates to the members of the Board on a monthly basis which contain fair and eligible assessments on the performance, financial status and prospect of the Bank, with content enough to enable Directors to perform their functions and powers as stipulated in Rule 3.08 and Chapter 13 of the Listing Rules.

8.1 Chairman and President

In line with the recommendations under the Listing Rules, the roles and responsibilities of the Chairman and President of the Bank are taken up by different persons, and their respective responsibilities are clearly defined in the Articles of Association.

Mr. ZHOU Shixin is the secretary of the Party committee of the Bank and Chairman of the Bank, and presides over the overall work of Bank of Jiujiang. Mr. XIAO Jing acts as the deputy secretary of the Party committee of the Bank and President of the Bank, and presides over the work of the senior management.

Corporate Governance Report

9. SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct for securities transactions of the Bank by all Directors and Supervisors. The Bank has also put in place guidelines in respect of dealings in securities of the Bank, which terms are no less exacting than those of the Model Code, for the relevant employees (as defined in the Listing Rules). Having made specific enquiries to all Directors and Supervisors regarding their compliance with the Model Code, each of the Directors and Supervisors confirmed that those standards as provided thereunder have been complied with for the year ended December 31, 2024. Having made specific enquiries to the relevant employees regarding their compliance with the guidelines of dealing in securities of the Bank, the Bank is not aware of any incompliance with the guidelines.

10. FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS AMONG DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There are no relationships among each of the Directors, Supervisors and senior management of the Bank, including financial, business, family or other material relationships.

The Bank has purchased insurance for our Directors, Supervisors and senior management against the legal liabilities arising from duty performance, and such insurance policies are governed by PRC laws.

11. COMPANY SECRETARY

Mr. WONG Wai Chiu is currently the company secretary, authorized representative and service of process agent of the Bank. Mr. XIAO Jing, the President of the Bank, acted as the primary internal contact person of the Bank.

During the reporting period, Mr. WONG Wai Chiu, the company secretary of the Bank, has received not less than 15 hours of related professional training in accordance with the requirements in Rule 3.29 of the Listing Rules.

12. COMMUNICATIONS WITH SHAREHOLDERS

12.1 Investor Relations

The Bank values communications and connections with shareholders. We have actively launched a diversity of activities for shareholders to strengthen contacts with shareholders and enhance mutual understanding and exchanges, as well as actively provide feedback to shareholders' requests. For enquiries to the Board, shareholders may contact our Office of the Board of Directors and the Board of Supervisors, the contact information is as follows:

Address: No. 619 Changhong Avenue, Jiujiang, Jiangxi Province, China
Tel: +86(792)7783000-1101
Fax: +86(792)8325019
Email: dshbgs6190@jjccb.com

Corporate Governance Report

12.2 Information Disclosure

The Board and the senior management of the Bank place great importance on information disclosure. They rely on good corporate governance and internal controls to ensure investors obtain information in a timely and accurate manner.

In accordance with the requirements of the Listing Rules, “Measures for the Information Disclosure of Commercial Banks” and “Measures for the Information Disclosure of Bank of Jiujiang Co., Ltd.”, the Bank continuously improved the timeliness, accuracy and completeness of the information to be disclosed. During the reporting period, the Bank published related announcements from time to time on the website of the Hong Kong Stock Exchange in accordance with the Listing Rules and provided a full version of the relevant reports on our website for review by the investors and stakeholders.

12.3 Communication Policy

The Bank attaches great importance to the management of investor relations. The Bank formulated a sound shareholder communication policy, and regularly reviewed the policy to ensure that the policy is effective and complies with current laws and other regulations.

The Company has established a number of channels for maintaining an ongoing dialogue with shareholders as follows:

- (1) financial reports (interim reports and annual reports), announcements, circulars and other corporate publications are available on the Bank’s website (www.jjccb.com) and HKEXnews website (www.hkexnews.hk);
- (2) corporate information is made available on the Bank’s website; while the Articles of Association and relevant articles of the Bank are published on the websites of the Hong Kong Stock Exchange and the Bank;
- (3) the Bank regularly held seminars for medium and small shareholders and met with shareholders/investors;
- (4) the annual general meeting and the extraordinary general meeting provide a forum for shareholders to make comments and exchange views with the Directors and senior management;
- (5) the share registrars serve shareholders in respect of share registration, dividend payment, change of shareholders’ particulars and related matters; and
- (6) the Bank understands the importance of protecting the privacy of shareholders. Except as required by laws, the Bank will not disclose shareholder information without the consent of shareholders.

Upon reviewing the different communication channels with shareholders, the Board is of the view that the above shareholder communication policy has been properly implemented and effective during the year.

Corporate Governance Report

13. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the latest requirements of relevant laws, regulations and other normative documents and in light of the actual situation of the Bank, the Bank amended several provisions in the Articles of Association. Such amendments have been approved by the Bank's Board of Directors and at the general meeting of Shareholders, and have been approved by the Jiangxi Bureau of National Financial Regulatory Administration. The amended Articles of Association will take effect on July 15, 2024. For details of such amendments, please refer to the Bank's circulars dated January 16, 2023, June 13, 2023 and September 8, 2023 and the announcement dated July 18, 2024.

14. SHAREHOLDERS' RIGHTS

14.1 Convening of Shareholders' General Meetings

In accordance with related laws, regulations and the Articles of Association of the Bank, Shareholders individually or in aggregate holding 10% or more of the Bank's shares shall have the right to request the Board to convene an extraordinary general meeting or a class shareholders' general meeting, which shall follow the procedures as below:

- (1) Two or more Shareholders holding an aggregate of 10% or more of shares carrying voting rights at such meetings to be convened can sign one or several written requests in the same format and content requesting the Board to convene an extraordinary general meeting or a class shareholders' general meeting, which specify the matters to be discussed at the meeting. Upon receipt of the said written requests, the Board shall convene an extraordinary general meeting or a class shareholders' general meeting as soon as possible. The aforementioned shareholdings shall be calculated based on the number of shares held at the close of the date of written requests or on the previous trading day (where the date of written requests is not a trading day).
- (2) Where the Board fails to give the notice to convene the meeting within 30 days upon the receipt of the said written requests, the Shareholders making such requests may convene a meeting within four months upon the receipt of the said requests by the Board. Such meeting shall be convened in the same manner, as nearly as possible, as the meetings convened by the Board.

Corporate Governance Report

14.2 Submitting Proposals to the Shareholders' General Meetings

Pursuant to the provisions of the Company Law, Shareholder(s) holding individually or in aggregate more than 1% of our Bank's voting shares may submit proposals to the Bank.

According to the Articles of Association of the Bank, the above Shareholder(s) may prepare interim proposals in written form to the convener 10 days prior to the Shareholders' General Meetings. The convener shall dispatch a supplementary notice of the Shareholders' General Meetings to announce the content of interim proposals within two days upon receipt of the proposals.

15. PROFIT DISTRIBUTION POLICIES

The profit distribution policy of the Bank shall focus on generating reasonable returns on investment made by investors. Continuity and stability shall be maintained with the profit distribution policy, which is conducive to the long-term development of the Bank. The Bank shall distribute dividends in the profit-making year. The Bank's profit distribution shall neither exceed the range of the accumulated distributable profits nor harm the sustainable operation capability of the Bank. The Board, the Board of Supervisors and the shareholders' general meeting of the Bank shall fully consider the opinions of independent Directors and public investors in the decision-making and demonstration process of the profit distribution policy.

- (1) the Bank distributes dividends in cash or shares, or cash-and-shares, but mainly in cash;
- (2) if the net cash flow from operating activities in the current year is negative, the Bank may pay no cash dividends;
- (3) generally, dividends are paid annually, and the Board of the Bank may also propose interim dividend distribution based on the Company's demand for funds;
- (4) if the Bank needs to adjust its profit distribution policy according to its production and operation conditions, investment plans and long-term development needs, it shall seek consent from more than two thirds of all independent Directors and submit such adjustments to the shareholders' general meeting for deliberation after consideration by the Board and the Board of Supervisors of the Bank;
- (5) the Bank shall formulate or adjust the plan of dividend returns to shareholders within the scope of the aforesaid profit distribution policy based on its own actual conditions;
- (6) the profit distribution plan of the Bank shall be submitted to the shareholders' general meeting for deliberation and approval after deliberation by the Board and the Board of Supervisors; the Bank shall listen to the opinion of public investors when deliberating on the proposals for profit distribution policies and profit distribution plans at the shareholders' general meeting.

Corporate Governance Report

16. EXTERNAL AUDITORS AND AUDITOR EMOLUMENTS

The Board meeting held on March 28, 2024 and the 2023 Annual General Meeting held on June 28, 2024 considered and approved the resolution of the Bank to continue to appoint KPMG Huazhen LLP and KPMG (collectively “KPMG”) as its domestic and overseas auditors, respectively. In 2024, the Bank paid KPMG a total of RMB7.70 million for its services, including RMB4.57 million for audit services and RMB3.13 million for non-audit services. Non-audit service fees include RMB2.59 million for consulting services on new capital regulations, RMB0.44 million for assurance services and RMB0.10 million for other consulting services.

The Board and the Audit Committee under the Board are unanimously in agreement with regard to the selection and appointment of external auditors of the Bank. The Bank has not changed its external auditor in any of the past three years.

17. CORPORATE CULTURE

The Bank has always adhered to the construction of corporate culture since its inception on November 18, 2000. The Bank formulated the Bank of Jiujiang Corporate Culture Manual and continued to amend and improve it.

Our vision: Creating a branded bank and building a century-old store

Our mission: To create maximum value for our customers and optimal positions for our employees

Our core values: Customer centricity, compliance, integrity, hard work, self-criticism, carefulness and well-being

Our spirits: Unity, integrity, perseverance and creativity

Our principles: To act in good conscience, follow rules and value talents

18. RISK MANAGEMENT AND INTERNAL CONTROL

During the reporting period, the Bank continued to strengthen its risk management system and effectively responded to the challenges of credit risk, market risk, operational risk and liquidity risk by improving its governance structure and optimising its risk strategies. In our daily operations, we have been continuously improving our overall risk management standards through various measures, including setting up a risk management structure to ensure the integration of efficient management and all-round support. We have been formulating and implementing effective risk management plans, improving our risk management mechanism and the risk identification and control technical competency. With the help of an effective incentive and accountability system, we have improved our assessment and supervision efficiency, while strengthening and refining our risk management methodologies and measures.

Corporate Governance Report

During the reporting period, centering on five elements of internal control and with the Basic System of Internal Control of Bank of Jiujiang Co., Ltd. as the outline system, the Bank established a relatively scientific, complete, reasonable and tight internal control system with the aim of improving risk control capability and customer service capability, promoting sustainable development, and continuously and effectively upgrading and improving internal control. In terms of internal control environment, we established the enterprise culture of “with internal control and compliance as our top priorities”, adhered to the business philosophy of “with the risk as the core”, optimised our organizational structure and established an internal control governance and organizational structure with a reasonable division of labor, clear responsibilities and clear reporting relationships, consisting of the Party Committee, the Board of Directors, the Board of Supervisors, the Shareholder’s general meeting and the senior management (四會一層), functional department of internal control management, audit department and business department. In terms of risk assessment, we established a relatively sound system for comprehensive risk management, concentrated on the 902 projects of widening the field and improvement of quality, conducted the reconstruction of credit risk management system and mechanism and efficient to effectively identify, monitor, measure, evaluate and control various risks and keep the risks within tolerable limits. In terms of control measures, the Bank has thoroughly implemented the three-year action plan to promote and cultivate the “Integrity and Trustworthiness, Righteous Profits, Prudent Stewardship, Innovation with Purpose and Rule of Law (五要五不)” financial culture with Chinese characteristics, continuously pushed forward the standardization of the entire credit process, continuously pushed forward the export of key compliance points and the embedding of the process, and vigorously implemented the digital transformation, so as to solidify the foundation of internal control and compliance. The Bank also integrated various control measures to implement effective control over various businesses and matters, and the scope of internal control basically covers all management and business processes. In terms of information and communication, the information system was relatively complete, the internal and external data indicator system was relatively sound. The Bank has developed a sound overseeing working mechanism to put the integrated operation into practice and to establish a long-term mechanism for implementing supervisory opinions, and the information exchange and communication among the three lines of defense were relatively smooth and effective. In terms of internal supervision, the Bank focused on inspection and evaluation, mainly carried out the inspection on the compliance of internal control, evaluation on the internal control and supervision and evaluation of the audit department, gave more priority to the “four-in-one” supervision (namely the inspection of the compliance department, the audit department, discipline inspection committee and Office of the Board of Directors and the Board of Supervisors), effectively corrected problems found and basically formed an internal control mechanism featuring beforehand risk prevention, in-progress control and post-event supervision and correction in place.

The Bank dynamically adjusts the internal control evaluation system on an annual basis, conducts internal control evaluation from design defects at the head office level and operation defects at the branch level, and evaluates the level of internal control defects and the effectiveness of internal control of each branch in a fair and objective manner through negative correction of the result indicators based on a combination of qualitative and quantitative methods, and enhances the application of the evaluation results of internal control. Normally, the Bank conducts internal control special evaluations in a timely manner according to important business, major risks and important management matters, and urges to improve systems, optimise processes and upgrade systems based on the evaluation results to promote further improvement of internal control management.

Corporate Governance Report

The Bank conducts internal control evaluation on an annual basis from design defects at the head office level and implementation defects at the branch level, and evaluates the level of internal control defects and the effectiveness of internal control of each branch in a fair and objective manner through negative correction of the result indicators, and enhances the application of the evaluation results of internal control. Normally, the Bank conducts internal control special evaluations in a timely manner according to important business, major risks and important management matters, and urges to improve systems, optimise processes and upgrade systems based on the evaluation results to promote further improvement of internal control management.

The Board of the Bank assumes ultimate responsibilities for comprehensive risk management, including performing duties such as the establishment of risk culture, the formulation of risk management policies, and the setting of risk appetite, risk tolerance and risk limit; formulates risk management and internal control policies and reviews the effectiveness of annual risk management and internal control at least once a year; ensures the establishment and implementation of a fully effective internal control system, which guarantees the Bank operates prudently within the legal and policy framework; and assumes responsibilities regarding the risk management and internal control system of the Bank, which aims to manage rather than eliminate the risk of failing to achieve business goals, and can only provide reasonable and not absolute assurance against material misstatements or losses.

The Board of Supervisors is responsible for the supervision of risk management and internal control, supervising and reviewing the performance of duties of the Board and senior management in respect of risk management and urge for rectification; supervising the efforts of the Board and senior management in improving the internal control mechanism and the performance of internal control duties.

For the year ended December 31, 2024, the Board completed the annual review and evaluation of the effectiveness of the Group's internal control and risk management system. The evaluation covers all of the Group's key internal control environment, including financial, operational and compliance as well as risk management functions. Upon receiving relevant reports on the effectiveness of the internal control and risk management system of the senior management of the Bank, the Board considered that the operations of the risk management and internal control systems of the Group were adequate and effective on the whole, and there were no material matters that need to be brought to attention during the year. During the reporting period, the Bank has not implemented any changes to its internal control and risk management systems.

Corporate Governance Report

19. INTERNAL AUDIT

Effective internal audit is of vital importance for ensuring sustainable development of the Bank's business operation. The Bank has established a vertical and independent internal audit organizational structure and sticks to the principles of independence and objectivity throughout the internal audit work. Meanwhile, the Board of Directors of the Bank has an Audit Committee which is responsible for reviewing the important regulations and reports related to internal audit and more, as well as approving medium-to long-term audit plans and annual audit plans.

The objectives of our internal audit are the review, evaluation and improvement of our business operations, risk management, internal control and compliance and corporate governance by combination of the on-site audit and off-site audit through independent and objective supervision, evaluation and advisory activities in a systematic and standardized manner, so as to promote our steady operation and value enhancement. The Bank has established an unobstructed problem-sharing bridge to accurately connect with various business lines, branches and management departments to strengthen audit guidance and rectification supervision; and strengthened the Bank's risk prevention and operational control capabilities through audit reminders and regular release of rectification status.

20. INSIDE INFORMATION MANAGEMENT

The Board is responsible for disclosing information about the Bank and takes ultimate responsibility for the authenticity, accuracy, integrity and timeliness of the accounting report and financial report. The Board is responsible for the implementation of information disclosure while the Board secretary is responsible for coordinating and organizing the specific matters related to the information disclosure of the Bank.

To ensure confidentiality of the inside information, safeguard the fairness in information disclosure and protect the legal rights of investors, the Bank enacted the "Measures for Information Disclosure Management in Bank of Jiujiang Co., Ltd." and "Management Measures on Information Insiders of Bank of Jiujiang Co., Ltd." based on domestic and overseas laws, regulations and other regulatory documents such as the Company Law of the PRC, the Securities Law of the PRC, Corporate Governance Guidelines for Banking and Insurance Institutions, Measures for the Information Disclosure of Commercial Banks, and the Listing Rules.

The Bank makes information disclosure and manages inside information in strict compliance with the regulatory requirements and specifies the principles, contents, management and procedures for information disclosure in the "Measures for Information Disclosure Management in Bank of Jiujiang Co., Ltd." and "Management Measures on Information Insiders of Bank of Jiujiang Co., Ltd.", which also provide specific regulations for the coverage, insider limits and the security management of inside information as well as punishment for divulging inside information, etc.

During the reporting period, the Bank not only stringently complied with the regulatory requirements of domestic and overseas regulators, but also intensified its management rules and enhanced the security measures of its inside information as well as disclosed relevant information timely according to requirements.

Report of the Board of Directors

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Bank is principally engaged in absorbing public deposits; granting short-term, medium-term and long-term loans; handling domestic and overseas settlements; handling bill acceptance, settlement and discounting; issuing financial bonds; acting as an agent to issue, settle and underwrite government bonds; trading of government bonds and financial bonds; inter-bank placement; providing letters of credit services and guarantee; acting as an agent on inward and outward payments, acting as insurance agent; providing safe-box service; selling of securities investment funds and other business approved by the authorities (save as the above items as specified by the government, a licence is required for operation in the event of an administrative permit involved). During the reporting period, the Bank operated in accordance with law and the decision-making procedures were in compliance with relevant laws, regulations as well as the Articles of Association.

Further discussion and analysis of the business review required by the Fifth Schedule of the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) is set out in “Accounting Data and Financial Indicator Highlights” and “Management Discussion and Analysis” of this annual report. The principal risks faced by the Bank are set out in the section headed “Management Discussion and Analysis – Risk Management”. This discussion forms part of the “Report of the Board of Directors”.

2. ANNUAL GENERAL MEETING AND DIVIDENDS

2.1 Annual General Meeting

The Bank will publish the date for convening the 2024 annual general meeting and the period for closure of the register of members in order to determine shareholders’ entitlement to attend and vote at the said meeting, and release the notice and circular of the 2024 annual general meeting of the Bank and proxy form in due course.

2.2 Dividends

Shareholders of the Bank have considered and approved the 2023 Profit Distribution Plan of the Bank at the 2023 annual general meeting held on June 28, 2024. The final dividend for 2023 was RMB0.6 (tax inclusive) per ten shares, totaling RMB170.84 million (tax inclusive). The dividend was paid to the Domestic Shareholders and the H Shareholders whose names appeared on the register of members of the Bank on July 11, 2024. The above dividends paid were denominated in Renminbi and will be paid to Domestic Shareholders in Renminbi and H Shareholders in Hong Kong dollars. Calculation of the exchange rate for dividends payable in Hong Kong dollars was based on the central parity rate of the average exchange rate of the Renminbi to Hong Kong dollars, i.e. HK\$1.00 = RMB0.912496, as announced by the People’s Bank of China on the five working days prior to June 28, 2024, the date of declaration of the dividend at the 2023 annual general meeting (inclusive). The above dividend was paid to the Domestic Shareholders and the H Shareholders of the Bank on July 19, 2024.

The Board of Directors of the Bank recommends a cash dividend of RMB0.57 (tax inclusive) per ten shares for the year ended December 31, 2024, totaling approximately RMB162 million (tax inclusive), accounting for 21.80% of consolidated net profit attributable to ordinary shareholders of the Bank. The proposal will be submitted to the 2024 annual general meeting for approval, and if approved, the cash dividends for the year ended December 31, 2024 is expected to be paid to Shareholders on Thursday, July 31, 2025. If there are any changes in the above dates, the Bank will make a further announcement. The above proposed dividends payable are denominated in Renminbi and will be paid to Domestic Shareholders in Renminbi and H Shareholders in Hong Kong dollars. Calculation of the exchange rate for dividends payable in Hong Kong dollars will be based on the central parity rate of the average exchange rate of the Renminbi to Hong Kong dollars in the interbank foreign exchange market as announced by the People’s Bank of China on the five working days preceding the date of declaration of the dividend at the 2024 annual general meeting (inclusive).

Report of the Board of Directors

3. TAX ON DIVIDEND

Withholding of Enterprise Income Tax for Overseas Non-PRC Resident Enterprise

Pursuant to the applicable provisions of the “Enterprise Income Tax Law of the People’s Republic of China” and its implementation regulations and the “Circular of the State Administration of Taxation on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares” (Guo Shui Han [2008] No. 897), when the Bank distributes the final dividend to H share non-PRC resident enterprise shareholders (including H shares registered in the name of HKSCC Nominees Limited), it will withhold and pay enterprise income tax at a rate of 10%. If the relevant non-resident enterprise shareholders are the actual beneficial owners who meet the requirements of the tax protocol (arrangement), the Bank will apply on behalf of the beneficial owners for them to enjoy the relevant treatments of the tax agreement in accordance with the Tax Agreement Announcement. Shareholders who meet the requirements shall submit to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited, the written entrustment and all the application materials required by the Tax Agreement Announcement in a timely manner. Such materials shall be submitted to the competent tax authority for review by the Bank, and the Bank will then assist in the refund of extra tax withheld upon approval.

Withholding of Individual Income Tax for Overseas Non-PRC Resident Individual Shareholders

According to the applicable provisions of the “Individual Income Tax Law of the PRC” and its implementation regulations, the State Taxation Administration Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) and the Announcement of the State Administration of Taxation in relation to the Administrative Measures for Non-resident Taxpayers Claiming Tax Treaty Benefits (SAT Announcement [2019] No. 35) (“Tax Agreement Announcement”), the Bank will withhold and pay individual income tax for H Shareholders in accordance with the following arrangements:

The Bank will withhold and pay individual income tax at a rate of 10% for H share individual shareholders from Hong Kong or Macau or other countries (regions) with a tax rate of 10% with China as specified by the Tax Agreement when the final dividend is paid;

The Bank will withhold and pay individual income tax at a rate of 10% tentatively for H share individual shareholders from countries (regions) with a tax rate lower than 10% with China as specified by the Tax Agreement when the final dividend is paid. If the relevant H share individual shareholder intends to apply for a refund of the extra withholding tax, the Bank will apply on behalf of the shareholders for enjoying the relevant treatments of the tax agreement in accordance with the Tax Agreement Announcement. Shareholders who meet the requirements shall submit to the Bank’s H Share Registrar, Computershare Hong Kong Investor Services Limited, the written entrustment and all the application materials required by the Tax Agreement Announcement in a timely manner. It shall be submitted to the competent tax authority for review by the Bank, and the Bank will then assist in the refund of extra tax withheld upon approval;

The Bank will withhold and pay individual income tax at a rate in accordance with the effective tax rate as stipulated in the relevant tax agreement for H share individual shareholders from countries (regions) with a tax rate higher than 10% but lower than 20% with China as specified by the Tax Agreement for them when the final dividend is paid;

Report of the Board of Directors

The Bank will withhold and pay individual income tax at a rate of 20% for H share individual shareholders from countries (regions) with a tax rate of 20% with China as specified by the Tax Agreement or with no tax agreement with China or other circumstances when the final dividend is paid.

The Bank will generally withhold and pay individual income tax for H Shareholders in accordance with the above arrangements. However, the Bank will handle the application in compliance with specific requirements by the taxation authorities.

4. SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS

For details of the share capital and the substantial shareholders of the Bank, please see “Changes in Share Capital and Information on Shareholders – 1. Changes in Share Capital and 2. Particulars of Shareholders” in this annual report.

5. DEBT SECURITIES ISSUED

Details of the debt securities issued by the Bank for the year ended December 31, 2024 are set out in Note 31 to the financial statements of this annual report.

6. RESERVES AND DISTRIBUTABLE RESERVES

Details of the changes of the reserves of the Bank for the year ended December 31, 2024 are set out in the consolidated statement of changes in equity within the financial statements of this annual report.

7. PROPERTY AND EQUIPMENT

Details of the changes of the property and equipment of the Bank for the year ended December 31, 2024 are set out in Note 23 to the financial statements of this annual report.

8. CONNECTED TRANSACTIONS

The Bank provides commercial banking services and products to the public in the PRC in the ordinary course of its banking business, including connected persons of the Bank such as shareholders, Directors, Supervisors, the President and their respective associates. Under the Listing Rules, these transactions are conducted by the Bank in the ordinary course of its banking business on normal commercial terms and are exempt from the reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Bank has reviewed all the connected transactions and confirmed compliance with the requirements of Chapter 14A of the Listing Rules.

The definition of connected persons in Chapter 14A of the Listing Rules differs from the definition of related parties under IAS and the IASB's interpretation thereof. Certain related party transactions set out in Note 40 to the financial statements also constitute connected transactions or continuing connected transactions as defined in the Listing Rules, but none of them constitutes discloseable connected transactions as defined in the Listing Rules.

9. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Please refer to “Information on Directors, Supervisors, Senior Management, Staff and Institution” of this annual report for biographical details of current Directors, Supervisors and senior management and changes in Directors, Supervisors and senior management during the reporting period.

Report of the Board of Directors

10. CONFIRMATION OF THEIR INDEPENDENCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The Bank has received an annual confirmation letter from each of the independent non-executive Directors regarding their independence in accordance with the requirements of the Listing Rules. It considers that all independent non-executive Directors are in compliance with the relevant guidelines set out in Rule 3.13 of the Listing Rules, and that they are independent persons.

Independent non-executive Directors do not have business and financial interests, nor do they hold any management positions in the Bank. All current non-executive Directors and independent non-executive Directors are selected through election for a term of 3 years. They are eligible for re-election at the expiry of the term of 3 years, independent non-executive Directors can serve for a term of not more than 6 years on an accumulative basis in the Bank.

11. INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESSES WITH THE BANK

During the reporting period, no Directors, Supervisors and their associates have any competing interests in any business that competes, or may compete, directly or indirectly, with the business of the Bank.

12. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The Bank provided remuneration to executive Directors, senior management, etc. in accordance with the Performance Remuneration Appraisal Plan for Senior Management of the Bank of Jiujiang Co., Ltd. The Bank provided remuneration to independent non-executive Directors in accordance with the Allowance System for the Independent Directors of the Bank of Jiujiang Co., Ltd., and provided remuneration to external Supervisors in accordance with the Allowance System for the External Supervisors of the Bank of Jiujiang Co., Ltd. The non-executive Directors and Shareholder Supervisor of the Bank do not receive any compensation from the Bank. The remuneration standard of other Supervisors was implemented in accordance with relevant measures of the Bank.

Details of the emoluments of Directors, Supervisors, senior management and five highest paid individuals of the Bank are set out in Note 14 to the Financial Statements in this annual report. During the reporting period, the total remuneration for employees whose positions have significant impact on risks of the Bank amounted to RMB66.46 million.

13. RETIREMENT BENEFITS

Details of the retirement benefits provided by the Bank to employees are set out in Note 33(1) to the Financial Statements in this annual report.

14. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

During the reporting period, the Directors and Supervisors did not enter into any service contract with the Bank that cannot be terminated by the Bank within one year without payment of compensation (other than statutory compensation).

Report of the Board of Directors

15. PERMITTED INDEMNITY PROVISIONS

Pursuant to Code Provision C.1.8 set out in Part 2 of the Corporate Governance Code, the Bank should purchase appropriate insurance covering potential legal proceedings against the Bank's Directors. In order to comply with the code provisions, the Bank has purchased appropriate liability insurance for Directors to provide indemnity for their liability arising in the business in 2024.

Save as disclosed above, at any time during the reporting period and as of the date of this annual report, there was no permitted indemnity provision in favour of any Directors or Supervisors (whether by the Bank or by other means) or directors or supervisors from the Bank's associated corporations (if formulated by the Bank) as beneficiaries.

16. FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS BETWEEN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

17. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As of the end of the reporting period, the Directors, Supervisors and chief executives of the Bank who had interests and short positions in the Shares, underlying Shares and debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Bank under Section 352 of the SFO, or 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 and the Model Code were as follows:

Interests in the Shares of the Bank (Long Positions)

Name	Position(s)	Class of shares	Nature of interest	Number of shares (share)	Approximate percentage of total issued share capital of the relevant class of the Bank (%)	Approximate percentage of total issued share capital of the Bank (%)
XIAO Jing	Executive Director, Vice Chairman and President	Domestic Shares	Beneficial Owner	70,000	0.00	0.00
YU Menglin	Employee Representative Supervisor	Domestic Shares	Beneficial Owner	121,410	0.00	0.00
LIAO Jingwen	Employee Representative Supervisor	Domestic Shares	Beneficial Owner	14,000	0.00	0.00

Report of the Board of Directors

Interests in Associated Corporations (Long Positions)

Name	Position(s)	Associated corporation	Nature of interest	Number of shares (share)	Approximate percentage of share capital (%)
XIAO Jing	Executive Director, Vice Chairman and President	Pengze Jiuyin County Bank Co., Ltd. (彭澤九銀村鎮銀行股份有限公司) ⁽¹⁾	Beneficial Owner	75,000	0.15
		Ruichang Jiuyin County Bank Co., Ltd. (瑞昌九銀村鎮銀行股份有限公司) ⁽²⁾	Beneficial Owner	75,000	0.15
		Chongren Jiuyin County Bank Co., Ltd. (崇仁九銀村鎮銀行股份有限公司) ⁽³⁾	Beneficial Owner	120,000	0.30
		Fenxi Jiuyin County Bank Co., Ltd. (分宜九銀村鎮銀行股份有限公司) ⁽⁴⁾	Beneficial Owner	150,000	0.30
YU Menglin	Employee Representative Supervisor	Pengze Jiuyin County Bank Co., Ltd. (彭澤九銀村鎮銀行股份有限公司) ⁽¹⁾	Beneficial Owner	50,000	0.10
		Ruichang Jiuyin County Bank Co., Ltd. (瑞昌九銀村鎮銀行股份有限公司) ⁽²⁾	Beneficial Owner	50,000	0.10
		Chongren Jiuyin County Bank Co., Ltd. (崇仁九銀村鎮銀行股份有限公司) ⁽³⁾	Beneficial Owner	40,000	0.10
		Fenxi Jiuyin County Bank Co., Ltd. (分宜九銀村鎮銀行股份有限公司) ⁽⁴⁾	Beneficial Owner	75,000	0.15
LIAO Jingwen	Employee Representative Supervisor	Pengze Jiuyin County Bank Co., Ltd. (彭澤九銀村鎮銀行股份有限公司) ⁽¹⁾	Beneficial Owner	75,000	0.15
		Ruichang Jiuyin County Bank Co., Ltd. (瑞昌九銀村鎮銀行股份有限公司) ⁽²⁾	Beneficial Owner	175,000	0.35
		Chongren Jiuyin County Bank Co., Ltd. (崇仁九銀村鎮銀行股份有限公司) ⁽³⁾	Beneficial Owner	80,000	0.20
		Fenxi Jiuyin County Bank Co., Ltd. (分宜九銀村鎮銀行股份有限公司) ⁽⁴⁾	Beneficial Owner	50,000	0.10

Notes:

- (1) The Bank holds 35.00% of equity and 53.65% of voting rights of Pengze Jiuyin County Bank Co., Ltd. (彭澤九銀村鎮銀行股份有限公司), a subsidiary of the Bank.
- (2) The Bank holds 35.00% of equity and 53.30% of voting rights of Ruichang Jiuyin County Bank Co., Ltd. (瑞昌九銀村鎮銀行股份有限公司), a subsidiary of the Bank.
- (3) The Bank holds 35.00% of equity and 54.00% of voting rights of Chongren Jiuyin County Bank Co., Ltd. (崇仁九銀村鎮銀行股份有限公司) a subsidiary of the Bank.
- (4) The Bank holds 35.00% of equity and 54.80% of voting rights of Fenxi Jiuyin County Bank Co., Ltd. (分宜九銀村鎮銀行股份有限公司), a subsidiary of the Bank.

Report of the Board of Directors

18. MATERIAL INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the reporting period, the Bank and its subsidiaries did not enter into any transactions, arrangements or material contracts in which the Directors or Supervisors (or their connected entities) directly or indirectly have material interests.

19. ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During the reporting period, the Bank did not grant any rights, or exercise any of these rights to enable Directors and Supervisors to obtain benefits in the acquisition of shares or bonds of the Bank or any other body corporate.

20. MANAGEMENT CONTRACT

Except for the service contracts with the Bank's management, the Bank did not enter into any other contract with any individual, company or body corporate to manage or deal with the entire part or any significant part of any business of the Bank.

21. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE BANK

During the reporting period, the Bank or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Bank (including sale of treasury shares). As of the end of the reporting period, the Bank or any of its subsidiaries did not hold treasury shares.

Report of the Board of Directors

22. PRE-EMPTIVE RIGHTS AND SHARE OPTION

There are no relevant laws of mainland China and the provisions in the Articles of Association for granting the Bank's shareholders with the pre-emptive rights and share option. The Articles of Association stipulates that after being considered and approved at the general meeting and approved by the national financial regulatory institution, the capital may be increased by the following means: raise of new shares to non-specific investors; placement of new shares to its existing shareholders; distribution of new shares to its existing shareholders; conversion of funds in the capital reserve to share capital; other means stipulated by law and administrative regulations.

23. DONATION

The Bank made charitable and other donations totaling approximately RMB2.873 million for the year ended December 31, 2024.

24. EQUITY-LINKED AGREEMENT

In order to actively implement the government's special debt policy of RMB200 billion, enhance the Bank's capital strength and risk resistance level, the Bank carried out the convertible negotiated deposit business to replenish other tier-one capital. On June 25, 2021, the Bank held the 2020 Annual General Meeting, the first domestic shareholder class meeting of 2021 and the first H shareholders class meeting of 2021 to consider and approve the replenishment of other tier-one capital through a convertible negotiated deposit by the Bank.

On September 7, 2021, the Bank and Jiujiang Finance Bureau entered into an Agreement on Replenishing the "Convertible Negotiated Deposit" of Small and Medium-sized Banks' Capital with the Special Bonds (the "Agreement"). Pursuant to the Agreement, the Bank received special bonds of RMB2 billion through a convertible negotiated deposit, and all the funds were used to supplement other tier-one capital of the Bank. The interest rate of the convertible negotiated deposit was 3.11%, which matched with the corresponding local government special debt issuance interest rate and shall be mature in batches.

The parties agree that the conversion of the convertible negotiated deposit into the ordinary Shares of the Bank shall be subject to the following conditions:

- ① The core tier-one capital adequacy ratio of the Bank is lower than 5.125%;
- ② The class and number of the converted ordinary Shares and the shareholding structure of the Bank after the conversion shall satisfy the particular requirements of Hong Kong Stock Exchange for the Minimum Public Float, otherwise the conversion shall be terminated.

Report of the Board of Directors

If the above conditions are met, all or part of the convertible negotiated deposit placed in the Bank by Jiujiang Finance Bureau will be converted into the Shares of the Bank and will be held by the qualified and municipal level state-owned enterprises under the Stated-owned Assets Supervision and Administration Commission of Jiujiang (“Jiujiang SASAC”). The qualified and municipal level state-owned enterprises under Jiujiang SASAC will pay the corresponding considerations to Jiujiang Finance Bureau in respect of such Shares. The shareholding ratio of which will be determined based on the conversion price standards set out in the Agreement. When the core tier-one capital adequacy ratio of the Bank is lower than 5.125% while the above Condition 2 is not satisfied, Jiujiang Finance Bureau shall not convert the Shares in a mandatory manner.

The conversion price is determined on the basis of the higher value of average trading price of H ordinary Shares of the Bank for 20 trading days preceding the date of the Board resolution approving the convertible negotiated deposit (i.e. April 30, 2021) (the average trading price of H ordinary Shares of the Bank for the 20 preceding trading days = the total trading amount of H ordinary Shares of the Bank for the 20 preceding trading days/total trading volume of H ordinary Shares of the Bank for the 20 preceding trading days), which will be translated into the price of RMB with the central parity of the RMB against the Hong Kong dollars announced by State Administration of Foreign Exchange on the date of the Board resolution (the “Initial Conversion Price”), i.e. HK\$10.9, equivalent to approximately RMB9.08, and the net assets per Share attributable to the owners of the parent company based on the consolidated statement after asset and capital verification at the time of conversion of the convertible negotiated deposit. The closing price of H Shares of the Bank was HK\$10.98 on the signing date of the Agreement (i.e. September 7, 2021).

The convertible negotiated deposit can be converted to a maximum of 220,264,317 H Shares of the Bank (taking up approximately 8.38% of the enlarged total share capital of the Bank), with a par value of RMB1.00 per Share, provided that the conditions for conversion are satisfied. Based on that and the estimated lower conversion price of RMB9.08, the theoretical dilution effect is 0.061%. The Bank has complied with the theoretical dilution effect requirement in accordance with Rule 7.27B of Listing Rules at the time of entering into the Agreement and will also ensure to comply with the theoretical dilution effect requirement in accordance with Rule 7.27B of Listing Rules requirement at the time of completion of the convertible negotiated deposit.

As of the date of this annual report, the Bank has received a convertible negotiated deposit of RMB2 billion from Jiujiang Finance Bureau, all of which was used to supplement other tier-one capital of the Bank. Such deposit had not been converted into the Shares of the Bank. For details, please refer to the announcements of the Bank dated June 9, 2021, June 25, 2021 and September 7, 2021 as well as the supplemental circular of the Bank dated June 10, 2021.

Save for the above, during the reporting period, the Bank did not enter into or continue to keep any other equity-linked agreement.

Report of the Board of Directors

25. RELATIONSHIP WITH SUPPLIERS, EMPLOYEES AND CUSTOMERS

Employees are indispensable to the steady development of the Bank. They are also the perpetual driving force for the Bank's sustainable and healthy development. We are always keenly aware of the paramount importance of human resources and do our best to provide high-quality jobs and create a harmonious working place for our people.

Due to the nature of its business, the Bank doesn't have major suppliers, and the top five suppliers together account for less than 30% of the purchase volume.

For details about the Bank's relationship with suppliers, employees and customers, please refer to the Environmental, Social and Governance Report issued by the Bank.

26. PUBLIC FLOAT

When it applied for the listing of its H Shares, the Bank applied to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has granted the Bank a waiver that the minimum public float requirement under Rule 8.08(1) of the Hong Kong Listing Rules be reduced and the minimum percentage of the H Shares from time to time held by the public to be the higher of (a) 15.15% of the total issued share capital of the Bank (assuming the over-allotment option is not exercised); or (b) such percentage of H Shares of the Bank to be held by the public after the exercise of the over-allotment option.

Immediately after the partial exercise of the over-allotment option and as of the date of this annual report, based on the public information available to the Bank and to the knowledge of the Directors, the number of H Shares in public hands represents approximately 16.94% of the total issued share capital of the Bank, which satisfies the minimum percentage prescribed in the conditions imposed in the waiver granted by the Hong Kong Stock Exchange from strict compliance with Rule 8.08(1) of the Hong Kong Listing Rules.

27. CORPORATE GOVERNANCE

The Bank is committed to maintaining a high level of corporate governance. Please refer to the "Corporate Governance Report" of this annual report.

28. MAJOR DEPOSITORS AND BORROWERS

The Bank does not rely heavily on any single major depositor or borrower. At the end of the reporting period, the deposit balances of the Bank's top five corporate depositors and the loan balances of the Bank's top five borrowers accounted for less than 30% of the Bank's total deposits and total customer loans and advances.

Report of the Board of Directors

29. AUDITORS

For information about the auditors of the Bank, please refer to the section headed “Corporate Governance Report – External Auditors and Auditor Emoluments” of this annual report.

30. CONSUMER RIGHTS PROTECTION

(I) Strengthening the system concept to consolidate the mechanisms

Firstly, the Bank continued to improve the development of its systems and mechanisms.

The Bank established an internal control system for consumer rights protection consisting of “one overarching management method + multi-dimensional special management systems + several product implementation details”, and revised the Bank of Jiujiang’s Rules for the Evaluation of Consumer Rights Protection to better implement the responsibilities of institutions at all levels and treat the resolution of consumer disputes as a “hard constraint” for the operation of branches.

Secondly, the Bank carried out special actions to strengthen the foundation and reduce the amount of complaints. The Bank developed a work plan for “Strengthening Consumer Protection Complaint Reduction”, clarified the work requirements such as “responsibilities of top leader”, “first inquiry responsibility system”, and “issue consultation mechanism”, and conducted inspections of disputes involving “hotspots, difficult points, blocking points”, and “pain points” in services, promoting a significant decrease in the number of complaints throughout the year. In 2024, the Bank received a total of 529 complaints, representing a year-on-year decrease of 15.5%. In terms of the distribution of complaints by service area, the complaints were mainly focused on loan business (265 cases), debit card business (96 cases), and credit card business (71 cases), with a total of 432 complaints from the three main service areas, accounting for 81.66% of total complaints. Regarding the regional distribution, complaints were primarily concentrated in branches in Jiujiang, Guangzhou, Nanchang and other regions.

(II) Ensuring governance at source to promote diversified resolution

Firstly, the Bank enhanced “Rapid Dispute Resolution” through diversified approaches. According to the principles of unified standards and practical accessibility, the Bank established a multifunctional Rapid Dispute Resolution Center that integrates product inquiries, handling of public complaints, and resolution of conflicts and disputes. By equipping it with a complaint hotline, arranging dedicated consumer protection personnel, and improving supporting mechanisms, the Bank further solidified the guarantees for diversified dispute resolution, and gradually shifted consumer protection work from the “backstage” to the “foreground”.

Secondly, the Bank enforced a strict time frame for handling “Consumer Protection Complaints”.

A clear timeline for dispute resolution was set for the whole bank, namely, “the initial response within three hours by the first handler, resolution by the handling team within eight hours, and resolution by the branch within twenty-four hours”, speeding up dispute resolution by 48 hours and effectively mobilizing the complaint handling team to ensure that disputes are resolved at the grassroots level and handled within the Bank.

Report of the Board of Directors

Thirdly, the Bank adhered to “Root Cause Investigation” for corrective actions. The Bank established a regular analysis and review mechanism for complaints to deeply analyze their causes and implemented targeted long-term governance measures such as improving mechanisms, optimizing products, and enhancing management. For significant complaints, leaders in charge of relevant branches will personally advance the resolution process and coordinate different lines and institutions for joint handling to eliminate delays and repeated offenses.

(III) Carrying out consumer protection review to implement control at source

The Bank developed the Implementation Rules for Consumer Rights Protection Review of New Products and Services of Bank of Jiujiang, taking consumer protection reviews as a proactive tool for risk prevention. By moving the risk assessment point forward, the Bank aimed to deepen and refine the consumer protection review work, and conducted a comprehensive consumer protection assessment of the Bank’s products and business rules, agreement terms, promotional materials, and externally released information to control consumer protection risks from the source.

(IV) Deepening financial services for the public and strengthening consumer protection publicity

By taking the Bailudong Financial Education Demonstration Base as the main base for propaganda and education, the Bank carried out activities such as “Executives Discussing Consumer Protection”, “Financial Market Day”, “Consumer Safety First with UnionPay”, and the “Bank of Jiujiang Cup’ Anti-Fraud Short Video Competition” by creating promotional materials, providing financial risk alerts, and centralizing outreach campaigns, to create a strong atmosphere for financial propaganda.

31. ENVIRONMENTAL AND SOCIAL POLICY

As a listed bank emerging from the “red land”, the Bank insists on taking green finance as the core, advancing through exploration and developing in advance, constantly providing new ideas and methods for “transforming the ecological environment advantages into the economic and social development advantages and turning the lucid waters and lush mountains into invaluable assets”, and fully supporting the philosophy of ecological civilization construction.

Taking advantage of the policy advantage that Ganjiang New District in Jiangxi Province was approved as the first batch of green financial reform and innovation pilot zones in China, the Bank took the lead in establishing the first “Green Finance Division” in Jiangxi Province on August 9, 2017, led the development of green business with Party building, included the development of green finance as the “secretarial project” in the Party building assessment of the Bank, and incentivized the branches to increase green credit investment; the Bank promoted capacity enhancement through knowledge penetration, carried out special training on green finance, and established a branch-specific tracking service mechanism to provide an effective handhold for the expansion of the green finance business; and the Bank promoted the implementation of business through special support policies. Focusing on the key areas of carbon emission reduction, the Bank defined special internal fund transfer pricing and other support policies to promote business implementation. The Bank made full efforts in system construction, business promotion, product innovation, exchanges and cooperation to fully support the high-quality development of green finance in Jiangxi Province.

For details about the Bank’s environmental and social policies and their performance, please refer to the Environmental, Social and Governance Report published by the Bank simultaneously with this annual report.

Report of the Board of Directors

32. REVIEW OF ANNUAL RESULTS

The Audit Committee of the Bank has reviewed the Bank's annual results of 2024, and the financial statements for the year ended December 31, 2024 prepared in accordance with International Financial Reporting Standards.

33. OTHER MATTERS

As far as the Board of Directors is aware, the Bank has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Bank. At the same time, the Bank is committed to the long-term sustainable development of the environment and community where we operate. The Bank acted in an environmentally responsible manner and tried its best to comply with the laws and regulations concerning environmental protection and took effective measures to make effective use of resources, save energy and reduce waste.

As of the date of this annual report, the Bank is not aware of any Shareholder who has waived or agreed to waive any arrangement related to dividends. As of the date of this annual report, none of our Directors of the Bank has waived or agreed to waive arrangement related to remuneration.

The Bank will publish the Environmental, Social and Governance Report during the reporting period in accordance with the related requirement of Appendix C2 Environmental, Social and Governance Reporting Guide of the Listing Rules.

By Order of the Board

ZHOU Shixin

Chairman

Jiujiang, PRC March 31, 2025

Report of the Board of Supervisors

1. SUMMARY OF THE MAJOR WORK

1.1 Insist on standardized and independent operation, and conduct meeting supervision in an efficient and orderly manner

During the reporting period, in strict accordance with laws, regulations, regulatory requirements, and the Articles of Associations, the Board of Supervisors diligently organized and convened meetings of the Board of Supervisors and its special committees, lawfully attended Shareholders' General Meetings and participated as a non-voting delegate in Board meetings and special committee meetings, paid close attention to the deliberation process of major decision-making matters, and supervised the convening procedure of Board meetings, and the compliance of all proposals in the interest of all shareholders and the Bank.

1.2 Strengthening supervisory functions and promoting loyalty and efficiency in duty performance

According to the requirements of the performance file of the Board of Directors, Board of Supervisors and senior management and performance evaluation system, and in conjunction with the supervision of daily performance, the Board of Supervisors carried out the evaluation of the performance of duties of the Board of Directors, senior management and their members for 2023 in an orderly manner, and engaged external third parties to verify the compliance of the performance evaluation work, and reported the performance evaluation results to the Shareholders' General Meeting and the regulatory authorities after being approved according to the procedures.

1.3 Insisting on diversifying supervision methods and giving full play to the functions of supervision

During the reporting period, the Board of Supervisors enhanced its supervisory efforts in key areas such as strategy execution, financial management, internal control, risk management, and implementation of regulatory opinions by organizing special supervisory inspections, reviewing reports, conducting thematic research, and holding discussions, put forward 32 supervision opinions and suggestions, and leveraged the supervisory opinion tracking process to promote the application of supervisory results, thereby enhancing the effectiveness of its supervision.

Report of the Board of Supervisors

2. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

2.1 Operation in compliance with laws and regulations

During the reporting period, the operation of the Bank was in accordance with the requirements of the Company Law, Commercial Banking Law as well as the Articles of Association, while the decision-making procedures were legal and valid. The Directors and senior management of the Bank were diligent in performing their duties and no acts in violation of laws, regulations and the Articles of Association or detrimental to the interests of the Bank and Shareholders were discovered when the Directors and senior management of the Bank performed their duties.

2.2 Actual circumstances of financial report

During the reporting period, the Bank's Supervisors conducted a detailed review of the Bank's annual report based on the principle of seeking truth from facts and the working attitude of being responsible to shareholders. The Board of Supervisors considered: the procedures for the preparation of the annual report by the Board of Directors were in compliance with laws, administrative regulations and rules and regulations. The annual financial report has been audited by KPMG Huazhen LLP and KPMG, which were hired by the Board of the Bank, and issued an audit report with unqualified opinion. The contents in this report reflect the actual situation of the Bank in a true, accurate and complete manner. It has no false representations, misleading statements or material omissions.

2.3 Related party transactions

During the reporting period, the Board of Supervisors supervised the Bank's related party transaction management and found no violation of the principle of fairness or damage to the Bank's interests.

2.4 Internal control

During the reporting period, the Board of Supervisors considered that the Bank had established a relatively comprehensive corporate governance structure, formulated relatively complete management systems relating to corporate governance and internal control, and was capable of improving the foregoing in accordance with the actual situation of the Bank and regulatory requirements. The internal control system of the Bank was carried out smoothly, in compliance with the relevant standard requirements of laws and regulations on the management of internal control system of the Bank. No major defects were found in the internal control system or its implementation.

2.5 Implementation of the resolutions of the Shareholders' General Meetings

During the reporting period, the Board of Supervisors had no objection to the resolutions submitted by the Board of Directors of the Bank at the Shareholders' General Meetings within 2024 for review, as well as supervised the implementation of the resolutions of the Shareholders' General Meetings, and was of the view that the Board was capable of earnestly implementing the relevant resolutions of the Shareholders' General Meetings, and did not take any action detrimental to the interests of Shareholders.

Important Events

1. ANNUAL GENERAL MEETING

The Bank will make further announcement in relation to details of the convening of the 2024 Annual General Meeting.

2. SIGNIFICANT INVESTMENT AND PLANS

During the reporting period, the Bank neither made any significant investment, nor had any concrete plans on significant investment or on acquiring significant capital assets or other businesses.

3. MATERIAL LAWSUITS, ARBITRATION MATTERS AND MATERIAL CASES

During the reporting period, there were no litigations or arbitrations which had a material impact on the operation activities of the Bank.

4. SIGNIFICANT CONTRACTS AND THEIR PERFORMANCE

During the reporting period, the Bank did not enter into significant contracts.

5. CREDIT RELATED PARTY TRANSACTIONS

The Bank carried out the related party transactions in strict compliance with the relevant requirements of the regulatory institutions and the Administrative Measures on Related Transactions of Bank of Jiujiang Co., Ltd. promulgated by the Bank.

In accordance with the relevant requirements of the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions, the Bank approved the related party transactions on commercial principles with terms no favourable than those offered to non-related parties for similar transactions. The terms of such transactions are fair and reasonable, and are in the interests of all shareholders and the Bank as a whole, which has no adverse impact on the operating results and financial conditions of the Bank.

As of the end of the reporting period, the balance of the credit related party transactions with legal persons related to the Bank was RMB5,833 million; the balance of credit related party transactions with natural persons was RMB176 million; the total balance of credit related party transactions was RMB6,009 million, accounting for 12.76% of the Bank's audited net capital as at the end of the reporting period, which met the regulatory requirements.

For details of the related party transactions with legal persons, please refer to the section 2.8 of "Changes in Share Capital and Information on Shareholders" in this annual report.

Important Events

6. SIGNIFICANT ASSETS PLEDGED

The Bank did not pledge any significant assets during the reporting period.

7. SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS AND BUSINESS COMBINATION

During the reporting period, the Bank was not involved in any significant acquisition and disposal of assets or business combination.

8. PUNISHMENT AGAINST THE BANK AND ITS DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the reporting period, the Bank, as well as its Directors, Supervisors or senior management of the Bank were neither under any investigation, administrative penalty or open criticism by the CSRC, nor under any public censure by the Hong Kong Stock Exchange or under any punishment by other regulatory authorities which had a material effect on the Bank's operation.

9. AUDIT ON ANNUAL FINANCIAL STATEMENTS

KPMG has conducted audit on the financial statements prepared in accordance with IFRS and disclosed in this annual report and issued the audit report with unqualified opinion. The annual report is reviewed and approved by the Audit Committee of the Board and the Board of the Bank.

10. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

From the end of the reporting period and as at the date of this annual report, no significant events have taken place that may affect the Bank.

Independent Auditor's Report

to the shareholders of Bank of Jiujiang Co., Ltd.

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

OPINION

We have audited the consolidated financial statements of Bank of Jiujiang Co., Ltd. (the "Bank") and its subsidiaries (the "Group") set out on pages 163 to 285, which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Independent Auditor’s Report

KEY AUDIT MATTERS (Continued)

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

Refer to Note 19 and Note 20 to the consolidated financial statements and the accounting policies in Note 2(7).

The Key Audit Matter	How the matter was addressed in our audit
<p>The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgement is involved in the selection of those parameters and the application of the assumptions.</p> <p>In particular, the determination of the expected credit loss model is heavily dependent on the external macro environment and the Group’s internal credit risk management strategy. The expected credit losses for corporate loans and advances and financial investments are derived from estimates including the historical losses, external credit grading and other adjustment factors. The expected credit losses for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.</p>	<p>Our audit procedures to assess loss allowances of loans and advances to customers and financial investments measured at amortised cost included the following:</p> <ul style="list-style-type: none">• understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and financial investments measured at amortised cost, the credit grading process and the measurement of loss allowances;• involving our internal financial risk management specialists to assess the appropriateness of the expected credit loss model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposures at default, discount rate, adjustments for forward-looking information and other management adjustments;

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

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

Refer to Note 19 and Note 20 to the consolidated financial statements and the accounting policies in Note 2(7).

The Key Audit Matter	How the matter was addressed in our audit
<p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of loss allowances as at the end of the reporting period.</p> <p>We identified the measurement of loss allowance for expected credit losses of loans and advances to customers and financial investments measured at amortised cost as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.</p>	<ul style="list-style-type: none">• assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original loan agreements, we compared the total balance of the loans and advances to customers and financial investments measured at amortised cost list used by management to assess the loss allowances with the general ledger, selecting samples and comparing individual loans and advances to customers and financial investments measured at amortised cost information with the underlying agreements and other related documentation to assess the accuracy of compilation of loans and advances to customers and financial investments measured at amortised cost list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources;• for selecting key parameters for forward – looking information adjustments, critically assessing management judgement used in input parameters. As part of these procedures, we challenged the reasons for modifications to estimates and input parameters compared with prior period and considered the consistency of judgement. We compared the macro-economic factors used in the models with market information to assess whether they were aligned with market and economic development;

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

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

Refer to Note 19 and Note 20 to the consolidated financial statements and the accounting policies in Note 2(7).

The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none">evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition. We checked loan overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' businesses on a sample basis;for selected samples of loans and advances to customers and financial investments measured at amortised cost that are credit-impaired, evaluating the timing and means of realisation of collateral, evaluating the forecast cash flows, challenging the viability of the Group's recovery plans, evaluating management's assessment of the value of any property collateral held by comparison with market prices and management's evaluation and evaluating other credit enhancements that are integral to the contract terms. We assessed the accuracy of the amount of credit loss allowance using the expected credit loss model based on the above work for a sample of loans and advances to customers and financial investments measured at amortised cost; andevaluating whether the disclosures on impairment of loans and advances to customers and financial investments measured at amortised cost comply with the disclosure requirements of the prevailing accounting standards.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

2. Consolidation of structured entities

Refer to Note 39 to the consolidated financial statements and the accounting policies in Note 2(26).

The Key Audit Matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.</p> <p>The Group may acquire or retain an ownership interest in, or act as a sponsor to, a structured entity, through issuing a wealth management product, or act as an investor to a structured entity through investing in an asset management plan, a trust plan, an asset-backed security or fund investments.</p> <p>In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and its ability to influence the Group's own returns from the entity. In certain circumstances the Group may be required to consolidate a structured entity even though it has no equity interest therein.</p> <p>We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement to determine whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position and relevant regulatory capital requirements could be significant.</p>	<p>Our audit procedures to assess the consolidation of structured entities included the following:</p> <ul style="list-style-type: none">• understanding and assessing the design and implementation of the key internal controls of financial reporting over consolidation of structured entities;• assessing the Group's analysis and conclusions on whether it controls structured entities by evaluating the Group's analysis on its power over structured entities, the magnitude and variability of variable returns from its involvement with structured entities. On a sample basis, inspecting the terms of the relevant contracts to assess whether the Group should consolidate a structured entity; and• evaluating whether the disclosures in the consolidated financial statements in relation to structured entities meet the requirements of the relevant accounting standards.

Independent Auditor's Report

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

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Choi Ching Hin.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

March 31, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
Interest income	4	19,211,831	19,573,765
Interest expense	4	(10,041,235)	(11,284,788)
Net interest income	4	9,170,596	8,288,977
Fee and commission income	5	1,005,189	1,105,163
Fee and commission expense	5	(158,138)	(132,961)
Net fee and commission income	5	847,051	972,202
Net gains arising from financial investments	6	341,221	910,192
Other income, gains or losses	7	29,551	187,077
Operating income		10,388,419	10,358,448
Operating expenses	8	(3,634,299)	(3,407,124)
Impairment losses on assets	9	(6,040,271)	(6,105,728)
Share of profits of associates		1,853	9,525
Profit before taxation		715,702	855,121
Income tax	10	45,823	(109,704)
Net profit for the year		761,525	745,417
Attributable to:			
Equity holders of the Bank		744,432	723,582
Non-controlling interests		17,093	21,835

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
Net profit for the year		761,525	745,417
Items that may be reclassified subsequently to profit or loss:			
– Financial assets at fair value through other comprehensive income: net movement in fair value		1,825,797	611,682
– Financial assets at fair value through other comprehensive income: net movement in impairment losses		(8,081)	3,197
– Income tax relating to items that may be reclassified to profit or loss		(454,429)	(153,720)
Other comprehensive income for the year, net of tax	11	1,363,287	461,159
Total comprehensive income for the year		2,124,812	1,206,576
Total comprehensive income for the year attributable to:			
Equity holders of the Bank		2,089,889	1,178,764
Non-controlling interests		34,923	27,812
Total comprehensive income for the year		2,124,812	1,206,576
Basic and diluted earnings per share (RMB yuan)	12	0.14	0.15

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Financial Position

As at December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at December 31 2024	2023
ASSETS			
Cash and balances with the central bank	15	26,580,373	33,302,531
Deposits with banks and other financial institutions	16	1,191,828	2,223,895
Placements with banks and other financial institutions	17	1,044,549	70,884
Financial assets held under resale agreements	18	9,456,338	14,346,187
Loans and advances to customers	19	311,947,817	293,410,239
Financial investments	20	150,796,439	145,948,869
Interest in associates	21	142,369	141,971
Right-of-use assets	22	279,367	289,012
Property and equipment	23	3,337,739	3,645,471
Deferred tax assets	24	4,681,333	4,520,103
Other assets	25	7,000,469	5,950,055
Total assets		516,458,621	503,849,217
LIABILITIES			
Borrowings from the central bank	26	22,443,623	28,106,605
Deposits from banks and other financial institutions	27	8,973,177	13,088,692
Placements from banks and other financial institutions	28	2,301,430	4,592,056
Financial assets sold under repurchase agreements	29	1,734,370	4,970,342
Customer deposits	30	386,963,452	370,733,048
Income tax payable		93,016	30,434
Debt securities issued	31	47,336,623	37,182,718
Lease liabilities	32	291,424	305,479
Provisions		187,988	490,795
Deferred tax liabilities	24	1,382	–
Other liabilities	33	3,599,198	3,392,538
Total liabilities		473,925,683	462,892,707

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Financial Position

As at December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at December 31 2024	2023
EQUITY			
Share capital	34	2,847,367	2,847,367
Other equity instruments	35	6,997,840	6,997,840
Reserves	36	31,901,913	30,311,272
Equity attributable to equity holders of the Bank		41,747,120	40,156,479
Non-controlling interests		785,818	800,031
Total equity		42,532,938	40,956,510
Total liabilities and equity		516,458,621	503,849,217

The financial statements have been approved by the Board of Directors of the Bank on March 31, 2025.

Zhou Shixin
CHAIRMAN

Xiao Jing
EXECUTIVE DIRECTOR

Li Guoquan
CHIEF ACCOUNTANT

Bank of Jiujiang Co., Ltd.
(Company Stamp)

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		Attributable to equity holders of the Bank								Non-controlling interests	Total
		Share capital	Other equity instruments	Share premium	Investment revaluation reserve	Surplus reserve	General reserve	Retained earnings	Subtotal		
Note											
As at January 1, 2024		2,847,367	6,997,840	11,639,129	516,903	4,615,043	5,525,566	8,014,631	40,156,479	800,031	40,956,510
Net profit for the year		-	-	-	-	-	-	744,432	744,432	17,093	761,525
Other comprehensive income for the year		-	-	-	1,345,457	-	-	-	1,345,457	17,830	1,363,287
Total comprehensive income for the year		-	-	-	1,345,457	-	-	744,432	2,089,889	34,923	2,124,812
Appropriation to surplus reserve	36(3)	-	-	-	-	-	-	-	-	-	-
Appropriation to general reserve	36(4)	-	-	-	-	-	312,887	(312,887)	-	-	-
Dividends paid to ordinary shareholders	13	-	-	-	-	-	-	(170,842)	(170,842)	-	(170,842)
Dividends paid to other equity instruments holders	13	-	-	-	-	-	-	(336,000)	(336,000)	-	(336,000)
Others		-	-	7,594	-	-	-	-	7,594	(49,136)	(41,542)
As at December 31, 2024		2,847,367	6,997,840	11,646,723	1,862,360	4,615,043	5,838,453	7,939,334	41,747,120	785,818	42,532,938

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended December 31, 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Attributable to equity holders of the Bank							Non-controlling interests	Total	
		Share capital	Other equity instruments	Share premium	Investment revaluation reserve	Surplus reserve	General reserve	Retained earnings			Subtotal
As at January 1, 2023		2,407,367	6,997,840	8,152,338	61,721	4,460,889	5,313,215	8,234,291	35,627,661	788,620	36,416,281
Net profit for the year		-	-	-	-	-	-	723,582	723,582	21,835	745,417
Other comprehensive income for the year		-	-	-	455,182	-	-	-	455,182	5,977	461,159
Total comprehensive income for the year		-	-	-	455,182	-	-	723,582	1,178,764	27,812	1,206,576
Capital invested by shareholders	34	440,000	-	3,486,791	-	-	-	-	3,926,791	-	3,926,791
Appropriation to surplus reserve	36(3)	-	-	-	-	154,154	-	(154,154)	-	-	-
Appropriation to general reserve	36(4)	-	-	-	-	-	212,351	(212,351)	-	-	-
Dividends paid to ordinary shareholders	13	-	-	-	-	-	-	(240,737)	(240,737)	-	(240,737)
Dividends paid to other equity instruments holders	13	-	-	-	-	-	-	(336,000)	(336,000)	-	(336,000)
Others		-	-	-	-	-	-	-	-	(16,401)	(16,401)
As at December 31, 2023		2,847,367	6,997,840	11,639,129	516,903	4,615,043	5,525,566	8,014,631	40,156,479	800,031	40,956,510

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities			
Profit before taxation		715,702	855,121
Adjustments for:			
Depreciation and amortisation		583,849	547,019
Impairment losses		6,040,271	6,105,728
Interest income arising from financial investments		(4,068,020)	(4,778,853)
Interest expense arising from debt securities issued		992,529	665,055
Interest expense arising from lease liabilities		9,271	12,226
Net gains arising from financial investments		(332,510)	(910,610)
Share of profits of associates		(1,853)	(9,525)
Losses on disposal of property and equipment and other assets		39,546	9,728
Unrealised exchange gains		(10,146)	(10,547)
Others		(37,034)	(139,677)
Operating cash flows before movements in working capital		3,931,605	2,345,665

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities (continued)			
Net decrease in balances with the central bank and deposits with banks and other financial institutions		3,381,139	3,191,033
Net decrease/(increase) in financial assets held under resale agreements		199,507	(199,507)
Net increase in bonds investment measured at fair value through profit or loss		(7,754,027)	(6,307,688)
Net increase in loans and advances to customers		(23,252,283)	(26,790,056)
Net (decrease)/increase in borrowings from the central bank		(5,577,000)	15,078,743
Net (decrease)/increase in deposits from banks and other financial institutions		(4,100,315)	965,262
Net decrease in placements from banks and other financial institutions		(2,281,624)	(1,557,096)
Net (decrease)/increase in financial assets sold under repurchase agreements		(3,235,135)	3,269,433
Net increase/(decrease) in customer deposits		17,874,207	(7,807,803)
Net increase in other operating assets		(1,122,396)	(469,978)
Net (decrease)/increase in other operating liabilities		(1,636,391)	2,049,340
Net cash used in operating activities before tax		(23,572,713)	(16,232,652)
Income tax paid		(505,872)	(791,775)
Net cash used in operating activities		(24,078,585)	(17,024,427)

The notes on pages 172 to 285 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	2024	2023
Cash flows from investing activities			
Cash received from disposal and redemption of financial investments		263,112,026	298,546,751
Cash received from disposal of property and equipment and other assets		82,781	32,709
Dividends received from associates		205	1,875
Net cash received from investment gains and interest		3,921,651	4,531,421
Cash paid for purchase of financial investments		(259,183,573)	(284,450,073)
Cash paid for purchase of property and equipment and other assets		(444,566)	(597,570)
Net cash generated from investing activities		7,488,524	18,065,113
Cash flows from financing activities			
Cash received from shares issued		–	3,926,791
Cash received from debt securities issued		70,731,376	52,697,288
Repayment of debt securities issued		(61,570,000)	(44,810,000)
Repayment of leases liabilities		(149,415)	(136,853)
Interest expenses paid for debt securities issued		–	(169,350)
Cash paid for acquisition of non-controlling interests		(33,000)	–
Dividends paid to ordinary shareholders		(174,760)	(256,383)
Dividends paid to other equity instruments holders		(336,000)	(336,000)
Net cash generated from financing activities		8,468,201	10,915,493
Net (decrease)/increase in cash and cash equivalents		(8,121,860)	11,956,179
Cash and cash equivalents at the beginning of the year		30,823,209	18,861,838
Effect of foreign exchange rate changes		6,813	5,192
Cash and cash equivalents at the end of the year	37	22,708,162	30,823,209
Net cash used in operating activities include:			
Interest received		14,301,139	14,473,001
Interest paid		(10,802,763)	(9,258,345)

The notes on pages 172 to 285 form part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

1 GENERAL INFORMATION

Bank of Jiujiang Co., Ltd. (hereinafter referred to as the “Bank”) is formerly known as Jiujiang Commercial Bank, a joint-stock commercial bank established on the basis of Jiujiang Urban Credit Cooperatives as approved by the People's Bank of China Wuhan Branch (Wuyinfu [1999] No. 300). The Bank formally changed its name to Bank of Jiujiang Co., Ltd. in October 2008.

The Bank is licensed as a financial institution by the former China Banking Regulatory Commission (the “former CBRC”, currently the National Financial Regulatory Administration, the “NFRA”) Jiangxi Province Bureau (No. B0348H336040001) and is registered as a business enterprise with the approval of Jiujiang Administration of Industry and Commerce of the People's Republic of China (the “PRC”) (No. 9136040070552834XQ). On July 10, 2018, the Bank was listed on Main Board of The Stock Exchange of Hong Kong Limited with the stock code of 6190.

The principal activities of the Bank and its subsidiaries (collectively, the “Group”) comprise public deposit taking, granting short-term, medium-term and long-term loans; handling domestic and overseas settlements; handling bill acceptance, settlement and discounting; issuing financial bonds; acting as agent to issue, settle and underwrite government bonds; trading of government bonds and financial bonds; inter-bank placement; providing letters of credit services and guarantees; acting as agent on inward and outward payments, acting as insurance agent; providing safe-box service; selling of securities investment funds and other business approved by the authorities (except for the above activities with special national regulations; those involving administrative licensing shall be operated with licenses).

2 MATERIAL ACCOUNTING POLICIES

(1) Statement of compliance

These financial statements have been prepared in accordance with the IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Material accounting policies adopted by the Group are disclosed below.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(2) Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2024 comprise the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

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

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

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

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2(27).

The financial statements are presented in RMB, rounded to the nearest thousand, which is the functional currency of the Group.

(3) Changes in accounting policies

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting year:

- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments add to the requirements explaining how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right-of-use it retains, including cases with variable lease payments in the leaseback. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group’s consolidated financial statements.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(3) Changes in accounting policies (Continued)

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* and Amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants*

The amendments to IAS 1 (2020) concern the requirements on determining if a liability is current or non-current. In particular, the amendments specify the condition of an entity to classify a liability as non-current requires that a right to defer settlement must exist at the end of the reporting period and have substance, and clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement.

The amendments also specify the classification of liabilities that will or may be settled by issuing an entity's own equity instruments. When a liability includes a counterparty conversion option that involves a transfer of the entity's own equity instruments, the classification of such liability is not affected only when the conversion option is recognised separately from the host liability as an equity component under IAS 32.

The amendments to IAS 1 (2022) specify that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, an entity is required to disclose information regarding the risk that the non-current liabilities subject to future covenants could become repayable within twelve months after the end of the reporting period.

The 2022 amendments defer the effective date of the 2020 amendments to annual reporting periods beginning on or after 1 January 2024. If an entity applies one of these two amendments for an earlier period, the other amendments should also be applied for that period.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce disclosure requirements to enhance transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior year have been prepared or presented in this financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting year.

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for the year ended December 31, 2024
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(4) Consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Bank and its subsidiaries (including the structured entities controlled by the Bank). Control exists when the investor has all of the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

A structured entity is one that is not designed to have voting or similar rights as a determining factor when determining its controlling party. The basis for the activities related to this entity is usually a contractual arrangement or other forms of arrangement.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Bank, the Bank makes necessary adjustments to the financial statements of the subsidiary based on the Bank's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

(5) Translation of foreign currencies

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

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

Notes to the Consolidated Financial Statements

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(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(5) Translation of foreign currencies (Continued)

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of financial assets measured at fair value through other comprehensive income, which are recognised in other comprehensive income.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-restricted balances with central bank, short-term deposits and placements with banks and other financial institutions, and highly liquid short-term investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(7).

(7) Financial instruments

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

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

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

(ii) Classification and subsequent measurement of financial assets

Classification of financial assets

The Group classifies financial assets into different categories upon initial recognition based on the business model for managing the financial assets and the contractual cash flow characteristics of financial assets:

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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(7) Financial instruments (Continued)

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

Classification of financial assets (Continued)

Financial assets may not be reclassified after initial recognition unless the Group changes the business model for managing the financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period after the business model changes.

Financial assets not designated as FVTPL that meet the following conditions are classified as financial assets measured at amortised cost:

- The purpose of the Group's business model for managing the financial assets is to receive contractual cash flows;
- The contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding.

The Group classifies financial assets not designated as FVTPL that meet the following conditions as financial assets at FVOCI:

- The purpose of the Group's business model for managing the financial assets is to receive contractual cash flows and to sell the financial assets;
- The contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding.

For equity investment not held for trading, the Group may irrevocably designate it as financial asset at FVOCI upon initial recognition. The designation is made on an individual basis and the investment is in line with the definition of the equity instrument from the issuer's perspective.

Except for the above-mentioned financial assets that are measured at amortised cost and at FVOCI, the Group classifies all other financial assets into financial assets at FVTPL. At the time of initial recognition, if the accounting mismatch can be eliminated or significantly reduced, the Group can irrevocably designate financial assets that should be measured at amortised cost or FVOCI as financial assets at FVTPL.

The business model for managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines whether the sources of cash flows for financial assets managed by the Group is contractual cash flows, the sale of financial assets or both. The Group determines the business model for managing financial assets based on objective facts and specific business objectives for the management of financial assets as determined by key management personnel.

Notes to the Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(7) Financial instruments (Continued)

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

Classification of financial assets (Continued)

The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specific dates are solely for payment of the principal and the interest based on the amount of principal outstanding. Of which, the principal is the fair value of the financial assets at initial recognition; the interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, and the consideration of other basic borrowing risks, costs and profits. In addition, the Group assesses the contractual terms that may result in a change in the time distribution or amount of contractual cash flows generated by the financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

Subsequent measurement of financial assets

- *Financial assets at FVTPL*
Subsequent to initial recognition, the financial assets are measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in profit or loss, unless the financial asset is part of a hedging relationship.
- *Financial assets measured at amortised cost*
Subsequent to initial recognition, the financial assets are measured at amortised cost using the effective interest method. Gains or losses arising from financial assets that are measured at amortised cost and are not a component of any hedges are recognised in profit or loss at the time of derecognition and amortisation using the effective interest method or recognition of impairment.
- *Financial assets at FVOCI*
Subsequent to initial recognition, the financial assets are measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and exchange gains or losses are recognised in profit or loss, and other gains or losses are included in other comprehensive income. At the time of derecognition, the cumulative gains or losses previously recognised in other comprehensive income are transferred to profit or loss.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(7) Financial instruments (Continued)

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

Subsequent measurement of financial assets (Continued)

- *Equity investments at FVOCI*
Subsequent to initial recognition, the financial assets are measured at fair value. Dividend income is recognised in profit or loss; other gains or losses are recognised in other comprehensive income. At the time of derecognition, the cumulative gains or losses previously included in other comprehensive income are transferred to retained earnings.

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

The Group classifies financial liabilities into financial liabilities at FVTPL and financial liabilities carried at amortised cost.

- *Financial liabilities at FVTPL*
Subsequent to initial recognition, the financial liabilities are measured at fair value. Any resulting gains or losses (including interest expenses), unless related to hedge accounting, are recognised in profit or loss.
- *Financial liabilities measured at amortised cost*
Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

(iv) **Impairment**

The Group recognises provision for expected credit loss (“ECL”) on:

- Financial assets measured at amortised cost;
- Debt instruments at FVOCI;
- Credit commitments;
- Financial guarantee contracts.

Other financial assets measured at fair value, including debt or equity securities at FVTPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(7) Financial instruments (Continued)

(iv) **Impairment** (Continued)

Measurement of ECLs

Expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group's method of measuring ECLs of financial instruments reflects the following elements: (i) unbiased weighted average probability determined by the results of evaluating a range of possible outcomes; (ii) time value of money; (iii) reasonable and evidence-based information about past events, current conditions, and future economic forecasts that are available at no additional cost or effort at the end of the reporting period.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life.

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

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

The Group's measurement of expected credit losses is described in Note 44(1).

Presentation of provision for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. For financial assets measured at amortised cost, provision is offset against their carrying amount in the balance sheet. The Group recognises provision for debt instruments at FVOCI in other comprehensive income and does not deduct the carrying amount of the financial assets.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(7) Financial instruments (Continued)

(iv) **Impairment** (Continued)

Write-off

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

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

(v) **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when the following conditions are met:

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

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

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

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

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(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(7) Financial instruments (Continued)

(vi) Offsetting

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

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

(8) Financial assets purchased under resale agreements and sold under repurchase agreements

The assets purchased under resale agreements are not recognised, and the payment is reported as a receivable in the balance sheet and is carried at amortised cost.

Financial assets sold under repurchase agreements continue to be recognised in the balance sheet and are measured in accordance with applicable accounting policies. The funds received are reported as liabilities in the balance sheet and are carried at amortised cost.

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

(9) Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(10) Long-term equity investments

(i) Investment in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 2(4).

In the Bank's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Bank recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period. The investments in subsidiaries are stated in the balance sheet at cost less impairment losses (see Note 2(16)).

(ii) Investments in associates

An associate is an enterprise over which the Group has significant influence.

A long-term equity investment in an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

Under the equity method:

Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(10) Long-term equity investments (Continued)

(ii) Investments in associates (Continued)

In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses resulting from transactions between the Group and its associates are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

For the impairment of the investments in associates, refer to Note 2(16).

(11) Property and equipment and construction in progress

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

Property and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 2(16)). Construction in progress is stated in the balance sheet at cost less impairment loss (Note 2(16)).

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

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

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2 MATERIAL ACCOUNTING POLICIES (Continued)

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

Any subsequent costs including the cost of replacing part of an item of property and equipment are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of property and equipment are recognised in profit or loss as incurred.

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

The cost of property and equipment are depreciated using the straight-line method over their estimated useful lives, after taking into account their estimated residual values and accumulated impairment losses (that is the cost of property and equipment (net of the estimated residual values) divided by the estimated useful lives). The estimated useful lives, estimated residual value rates and annual depreciation rates of each class of property and equipment are as follows:

Asset category	Estimated useful life	Estimated residual value rates	Annual depreciation rates
Premises	5 – 50 years	0 – 3%	1.94% – 20.00%
Electronic equipment	3 – 5 years	0 – 3%	19.40% – 33.33%
Motor vehicles	5 years	3%	19.40%
Furniture and fixtures	3 – 5 years	0 – 3%	19.40% – 33.33%
Leasehold improvements and others	1 – 10 years	0%	10.00% – 100.00%

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

(12) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(12) Investment properties (Continued)

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(13) Leases

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains lease and non-lease components, the Group has elected not to separate non-lease components from lease components and account for the lease and non – lease components as a single lease component.

Notes to the Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(13) Leases (Continued)

(i) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 2(16).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Each institution of the Group uses interest rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment as incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(13) Leases (Continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note 2(7). Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

Notes to the Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(14) Intangible assets and Land use rights

Intangible assets and land use rights are stated in the balance sheet at cost or share-based restructuring basis valuation less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(16)). The cost of intangible assets and land use rights less estimated residual value and accumulated impairment losses is amortised on a straight-line basis over the estimated useful lives.

The respective amortisation periods for such intangible assets and land use rights are as follows:

Land use rights	20 – 50 years
Softwares	1 – 10 years

(15) Repossessed assets

Repossessed assets are physical assets or property rights obtained by the Group from debtors, warrantors or third parties following the enforcement of its creditor's rights. The repossessed assets are initially recognised at fair value, and are subsequently measured at the lower of the carrying value and net realisable value. If the net realisable value is lower than the carrying value of the repossessed assets, the assets are written down to the net realisable value.

(16) Impairment of non-financial assets

The carrying amount of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

- Property and equipment;
- Construction in progress;
- Right-of-use assets;
- Intangible assets and Land use rights; and
- Investments in subsidiaries and associates.

If any indication that an asset may be impaired, the recoverable amount of the asset is estimated.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(16) Impairment of non-financial assets (Continued)

An asset group is composed of assets directly related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value less costs to sell and its present value of expected future cash flows. If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset; if it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the assets belong.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate, taking into account the expected future cash, useful life and discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount had no impairment loss been recognised. A reversal of an impairment loss is recognised in the consolidated income statement.

Notes to the Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(17) Employee benefits

(i) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. If the liability is not expected to be fully paid within 12 months after the end of the annual reporting period in which the employee provides the services, and the financial impact is significant, the liability is measured at the discounted amount.

(ii) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participates in a defined contribution basic pension insurance, unemployment insurance and annuity plans in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. The Group provides an annuity plan for eligible employees and makes contribution based on a certain percentage of the total salaries of the employees. The corresponding expenses incurred are recognised in profit or loss.

(iii) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(17) Employee benefits (Continued)

(iv) **Supplementary retirement benefits**

Early retirement benefits

According to the Group's policy on early retirement benefits, certain employees are entitled to take leave of absence and in return receive a certain level of staff salaries and related benefits from the Group. The salaries and benefit payments are made from the date of early retirement to the normal retirement date. The amounts of retirement benefits expense and present value of these liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, retirement benefit growth rates and other factors. Gains and losses arising from the changes in assumptions and amendments to pension plans are recognised in the income statement as they occur.

Retirement benefit annuity plan

In addition to the basic pension insurance scheme, employees and early retirees of the Group also participate in a defined contribution plan established by the Group (the "Annuity Plan"). The Group and its employees are required to contribute a certain percentage of the employees' previous year basic salaries to the Annuity Plan. The contribution is charged to the income statement when it incurs. The Group has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits.

Contributions to the defined contribution retirement plan are recognised as expenses when incurred, and there are no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(18) Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items that are recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable calculated at the applicable tax rate on the taxable income for the period, and any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset if the taxable entity has a legally enforceable right to set off them and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(18) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences being the differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be used.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss) and does not give rise to equal taxable and deductible temporary differences. The temporary difference arising from the initial recognition of goodwill does not give rise to deferred tax. And those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development do not give rise to deferred tax.

The group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

At the balance sheet date, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities using tax rates that are expected to be applied in the period when the asset is realised or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at the balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and liabilities are offset if all the following conditions are met:

- The taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- They relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities, simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(19) Financial guarantees, provisions and contingent liabilities

(i) Financial guarantees

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

The Group used the expected credit loss model to measure losses incurred because a specified debtor fails to make payment when due, and included them in provisions. Refer to Note 2(7)(iv) for details of the expected credit loss model.

(ii) Other provisions

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome;
- Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

Notes to the Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(20) Fiduciary activities

The Group acts in fiduciary activities as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

The Group enters into entrusted loan agreements with customers, whereby the customers provide funding (the “entrusted funds”) to the Group, and the Group grants loans to third parties (the “entrusted loans”) under instructions of the customers. As the Group does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, the entrusted loans and funds are recorded as off-balance sheet items at their principal amount. No provision for impairment loss is made for entrusted loans.

(21) Income recognition

Income is recognised when the Group satisfies the performance obligation in the contract which by transferring the control over relevant goods or services to the customers.

The following is the description of accounting policies regarding income from the Group’s principal activities.

(i) Interest income

Interest income for financial assets is recognised in profit or loss as it is incurred, based on the time for alienation of right to use capital and effective interest rates. Interest income includes the amortisation of any discount or premium or differences between the initial carrying amount of an interest-bearing asset and its amount at maturity calculated using the effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

Interest on the impaired assets is recognised using the rate of interest used to discount future cash flows for the purpose of measuring the related impairment loss.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(21) Income recognition (Continued)

(ii) Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. The fee and commission income recognised by the Group reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring promised services to customers, and income is recognised when its performance obligation in contracts is satisfied.

The Group recognises income over time by measuring the progress towards the complete satisfaction of a performance obligation, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The customer controls the service provided by the Group in the course of performance;
- The Group does not provide service with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date; or
- In other cases, the Group recognises revenue at a point in time at which a customer obtains control of the promised services.

(iii) Government grants

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iv) Other income

Other income is recognised on an accrual basis.

(22) Expense recognition

(i) Interest expenses

Interest expenses from financial liabilities are accrued on a time proportion basis with reference to the amortised cost and the applicable effective interest rate.

(ii) Other expenses

Other expenses are recognised on an accrual basis.

Notes to the Consolidated Financial Statements

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(23) Dividends

Dividends proposed in the profit appropriation plan which will be authorised and declared after the balance sheet date are not recognised as a liability at the balance sheet date but disclosed separately in the notes to the financial statements.

(24) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);
 - (c) Both entities are joint ventures of the same third party;
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (f) The entity is controlled or jointly controlled by a person identified in (i);
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (h) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(25) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance. Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

(26) Determination of control over investees

Management applies its judgement to determine whether the Group is acting as agent or principal in relation to the structured entities in which the Group acts as an asset manager. In assessing whether the Group is acting as agent, the Group considers factors such as scope of the asset manager's decision-making authority, rights held by other parties, remuneration to which it is entitled and exposure to variability of returns.

(27) Use of judgements and estimates

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on the assets and liabilities at the end of the reporting period. These estimates involve assumptions about cash flows and the discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to the assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

Except for accounting estimates relating to depreciation and amortisation of assets such as property and equipment and construction in progress, investment properties, intangible assets and land use rights, and other assets (see Note 2(11), Note 2(12) and Note 2(14)) and allowances for impairment losses of various types of assets (see Notes 16, 17, 18, 19, 20 and 25). Other material accounting estimates are as follows:

- (i) Note 24: Recognition of deferred tax assets;
- (ii) Note 39: Structured entities; and
- (iii) Note 45: Fair value of financial instruments.

Notes to the Consolidated Financial Statements

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3 SEGMENT ANALYSIS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors and relevant management committees (Chief Operating Decision Maker) for the purposes of allocating resources to segments and assessing their performance. The Group's chief operating decision maker reviews consolidated financial statements mainly based on operating segments for the purpose of allocating resources and performance assessment.

Measurement of segment assets and liabilities and segment income and results is based on the Group's accounting policies. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements as disclosed in Note 2.

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

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group provides a diversified range of banking and related financial services. The products and services offered to customers are organised into the following operating segments:

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit takings and other types of corporate intermediary services, except for those carried by subsidiaries of the Bank.

Retail banking

The retail banking segment provides financial products and services to individual customers. The products and services include personal loans, deposit products, card business, personal wealth management services and other types of personal intermediary services, except for those carried by subsidiaries of the Bank.

Financial market business

The Group's financial market business conduct money market or repurchase transactions, and financial investments for its own accounts or on behalf of customers, except for those carried by subsidiaries of the Bank.

Segment result represents the profit earned by each segment without allocation of certain other income, gains or losses, share of profits of associates, income tax expense and results from subsidiaries of the Group. Segment assets/liabilities are allocated to each segment, excluding investment properties, loans and advances to customers, interests in associates and assets/liabilities of the subsidiaries of the Group. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

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3 SEGMENT ANALYSIS (Continued)

	Year ended December 31, 2024				
	Corporate banking	Retail banking	Financial market business	Unallocated	Total
External interest income	9,824,022	3,961,933	4,850,875	575,001	19,211,831
External interest expense	(2,963,013)	(4,565,676)	(2,348,054)	(164,492)	(10,041,235)
Net inter-segment interest income/ (expense)	(956,586)	3,285,742	(1,509,811)	(819,345)	–
Net interest income	5,904,423	2,681,999	993,010	(408,836)	9,170,596
Fee and commission income	563,959	62,000	376,662	2,568	1,005,189
Fee and commission expense	(40,136)	(89,098)	(25,323)	(3,581)	(158,138)
Net fee and commission income	523,823	(27,098)	351,339	(1,013)	847,051
Net gains arising from financial investments	–	–	347,553	(6,332)	341,221
Other income, gains or losses	(454)	(3,476)	37,241	(3,760)	29,551
Operating income	6,427,792	2,651,425	1,729,143	(419,941)	10,388,419
Operating expenses	(1,556,763)	(1,000,039)	(740,740)	(336,757)	(3,634,299)
Impairment losses on assets	(3,143,252)	(1,490,890)	(1,304,630)	(101,499)	(6,040,271)
Share of profits of associates	–	–	–	1,853	1,853
Profit before taxation	1,727,777	160,496	(316,227)	(856,344)	715,702
Income tax					45,823
Net profit for the year					761,525
Depreciation and amortisation	285,795	115,259	141,120	41,675	583,849
Purchase of non-current assets	304,332	122,734	150,272	17,813	595,151
Segment assets	228,337,111	81,055,498	189,286,970	13,097,709	511,777,288
Deferred tax assets					4,681,333
Total assets					516,458,621
Segment liabilities	(183,190,610)	(192,396,655)	(83,073,730)	(15,263,306)	(473,924,301)
Deferred tax liabilities					(1,382)
Total liabilities					(473,925,683)
Credit commitments	111,713,506	6,601,570	–	30,466	118,345,542

Notes to the Consolidated Financial Statements

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3 SEGMENT ANALYSIS (Continued)

	Year ended December 31, 2023				
	Corporate banking	Retail banking	Financial market business	Unallocated	Total
External interest income	9,002,909	4,402,773	5,579,011	589,072	19,573,765
External interest expense	(4,061,247)	(4,799,920)	(2,257,208)	(166,413)	(11,284,788)
Net inter-segment interest income/ (expense)	356,148	3,098,445	(2,630,251)	(824,342)	–
Net interest income	5,297,810	2,701,298	691,552	(401,683)	8,288,977
Fee and commission income	594,665	66,016	442,234	2,248	1,105,163
Fee and commission expense	(17,385)	(76,093)	(35,764)	(3,719)	(132,961)
Net fee and commission income	577,280	(10,077)	406,470	(1,471)	972,202
Net gains arising from financial investments	–	–	910,170	22	910,192
Other income, gains or losses	(1,045)	(3,725)	36,204	155,643	187,077
Operating income	5,874,045	2,687,496	2,044,396	(247,489)	10,358,448
Operating expenses	(1,310,907)	(1,018,609)	(742,063)	(335,545)	(3,407,124)
Impairment losses on assets	(3,865,612)	(841,704)	(1,369,455)	(28,957)	(6,105,728)
Share of profits of associates	–	–	–	9,525	9,525
Profit before taxation	697,526	827,183	(67,122)	(602,466)	855,121
Income tax					(109,704)
Net profit for the year					745,417
Depreciation and amortisation	241,075	117,895	149,392	38,657	547,019
Purchase of non-current assets	611,934	299,260	379,209	40,040	1,330,443
Segment assets	200,305,856	89,853,235	195,530,659	13,639,364	499,329,114
Deferred tax assets					4,520,103
Total assets					503,849,217
Segment liabilities/Total liabilities	(192,391,574)	(167,073,315)	(88,326,634)	(15,101,184)	(462,892,707)
Credit commitments	91,363,910	12,956,203	–	34,832	104,354,945

Notes to the Consolidated Financial Statements

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3 SEGMENT ANALYSIS (Continued)

Geographical information

The Group's revenue from external customers is derived solely from its operations and services rendered in the PRC, and non-current assets of the Group are located in the PRC.

Information about major customers

During the year ended December 31, 2024 and 2023, there were no revenue from transactions with a single external customer amounting to 10.00% or more of the Group's total revenue.

4 NET INTEREST INCOME

	2024	2023
Interest income:		
Balances with the central bank	389,635	432,267
Deposits with banks and other financial institutions	9,131	15,502
Placements with banks and other financial institutions	35,494	28,088
Financial assets held under resale agreements	381,000	358,062
Loans and advances to customers		
– Corporate loans and advances	9,559,619	8,559,035
– Retail loans and advances	4,395,405	4,847,823
– Discounted bills	373,527	554,135
Financial investments	4,068,020	4,778,853
Subtotal	19,211,831	19,573,765
Interest expense:		
Borrowings from the central bank	(559,942)	(466,063)
Deposits from banks and other financial institutions	(227,402)	(441,265)
Placements from banks and other financial institutions	(82,366)	(167,669)
Financial assets sold under repurchase agreements	(365,969)	(369,722)
Customer deposits	(7,803,756)	(9,162,788)
Debt securities issued	(992,529)	(665,055)
Lease liabilities	(9,271)	(12,226)
Subtotal	(10,041,235)	(11,284,788)
Net interest income	9,170,596	8,288,977

Notes to the Consolidated Financial Statements

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5 NET FEE AND COMMISSION INCOME

	2024	2023
Fee and commission income		
Settlement and clearing fees	290,174	296,552
Credit commitments and financial guarantees fees	257,871	271,720
Agency service fees	197,677	203,958
Wealth management fees	175,897	237,435
Bank card fees	76,053	86,377
Transaction and consultancy fees	7,517	9,121
Subtotal	1,005,189	1,105,163
Fee and commission expense		
Transaction fees	(81,485)	(76,315)
Settlement fees	(65,832)	(50,581)
Others	(10,821)	(6,065)
Subtotal	(158,138)	(132,961)
Net fee and commission income	847,051	972,202

6 NET GAINS ARISING FROM FINANCIAL INVESTMENTS

	2024	2023
Net gains on financial investments at fair value through profit or loss ("FVTPL")	79,364	935,081
Net gains/(losses) on financial investments at fair value through other comprehensive income ("FVOCI")	241,064	(30,048)
Others	20,793	5,159
Total	341,221	910,192

Notes to the Consolidated Financial Statements

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7 OTHER INCOME, GAINS OR LOSSES

	Note	2024	2023
Exchange gains		37,241	36,204
Government subsidies	(1)	33,631	141,327
Rental income		26,811	27,555
Losses on disposal of repossessed assets		(39,455)	(15,070)
Depreciation of investment properties		(12,354)	–
Donation		(2,873)	(4,907)
(Losses)/Gains on disposal of property and equipment		(91)	5,342
Others		(13,359)	(3,374)
Total		29,551	187,077

- (1) Government subsidies mainly represent interest rate swap incentive, subsidies received from local government to encourage the expansion of agriculture-related loan portfolios, subsidies for stabilising and expanding positions, bonus for the Group's contribution to the local economic development and tax refund.

8 OPERATING EXPENSES

	Note	2024	2023
Staff costs			
– Salaries, bonuses and allowances		1,557,633	1,508,187
– Social insurance and supplementary retirement benefits		306,230	204,498
– Housing fund		94,503	84,686
– Staff welfares		85,313	86,571
– Employee education expenses and labour union expenses		48,652	41,531
Subtotal		2,092,331	1,925,473
General and administrative expenses	(1)	834,617	796,569
Depreciation and amortisation (excluding investment properties)		466,507	439,164
Tax and surcharges		135,856	138,063
Depreciation (right-of-use assets)		104,988	107,855
Total		3,634,299	3,407,124

- (1) Included in the general and administrative expenses, there were auditor's remunerations for the year ended December 31, 2024 and 2023 amounting to RMB4.57 million and RMB4.57 million respectively.

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9 IMPAIRMENT LOSSES ON ASSETS

	2024	2023
Loans and advances to customers at amortised cost	4,992,616	4,814,861
Loans and advances to customers at FVOCI	(7,762)	5,086
Financial investments measured at amortised cost	866,193	1,299,022
Financial investments measured at FVOCI	(319)	(1,889)
Others	189,543	(11,352)
Total	6,040,271	6,105,728

10 INCOME TAX

(1) Income tax

	Note	2024	2023
Current income tax		375,594	375,064
Tax filing differences		192,860	(421,806)
Deferred tax	24	(614,277)	156,446
Total		(45,823)	109,704

The Group carries out its operation in mainland China and all group entities are subject to the PRC Enterprise Income Tax. It is calculated at 25.00% of the estimated assessable profit for the year.

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

	Note	Year ended December 31	
		2024	2023
Profit before taxation		715,702	855,121
Tax calculated at applicable statutory tax rate of 25%		178,926	213,780
Adjustments for prior years		192,860	(421,806)
Effect of expenses not deductible for tax purpose		153,654	329,393
Effect of non-taxable income	(a)	(749,081)	(655,797)
Current-year losses for which no deferred tax asset is recognised	(b)	14,687	6,497
Utilization of tax losses previously not recognised		(1,317)	(2,153)
Others		164,448	639,790
Total		(45,823)	109,704

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10 INCOME TAX (Continued)

(2) Reconciliations between income tax and accounting profit are as follows (Continued)

Notes:

- (a) The non-taxable income mainly represents interest income arising from the PRC government bonds and local government bonds, fund dividend income, and share of profit of associates, which are exempt from income tax under the PRC tax regulations.
- (b) Due to the uncertainty of having adequate taxable income in future, certain subsidiaries did not recognise the deferred tax assets for their deductible losses.

11 OTHER COMPREHENSIVE INCOME

	Year ended December 31, 2024		
	Before-tax amount	Tax expense	Net-of-tax amount
Items that may be reclassified subsequently to profit or loss:			
– FVOCI:			
net movement in fair value	1,825,797	(456,449)	1,369,348
– FVOCI:			
net movement in impairment losses	(8,081)	2,020	(6,061)
Total	1,817,716	(454,429)	1,363,287

	Year ended December 31, 2023		
	Before-tax amount	Tax expense	Net-of-tax amount
Items that may be reclassified subsequently to profit or loss:			
– FVOCI:			
net movement in fair value	611,682	(152,921)	458,761
– FVOCI:			
net movement in impairment losses	3,197	(799)	2,398
Total	614,879	(153,720)	461,159

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12 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is as follows:

	Year ended December 31	
	2024	2023
Earnings for the purpose of basic and diluted earnings per share:		
Net profit attributable to equity holders of the Bank	744,432	723,582
Less: Net profit attributable to holders of perpetual bonds	(336,000)	(336,000)
Net profit attributable to ordinary shareholders of the Bank	408,432	387,582
Numbers of shares:		
Weighted average number of shares for the purpose of basic earnings per share (in '000)	2,847,367	2,560,284
Basic and diluted earnings per share (RMB yuan)	0.14	0.15

No diluted earnings per share for the year ended December 31, 2024 and 2023 were presented as there were no dilutive potential ordinary shares outstanding during the respective year.

13 DIVIDENDS

	Note	Year ended December 31	
		2024	2023
Dividends on ordinary shares:			
2023 Final Dividend	(1)	170,842	–
2022 Final Dividend	(1)	–	240,737
Interest on perpetual bonds declared and paid	(2)	336,000	336,000

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13 DIVIDENDS (Continued)

Notes:

(1) Distribution of dividends on ordinary shares

A final dividend of RMB6 cents per share (tax inclusive) in respect of the year ended December 31, 2023 amounting in a total of RMB170.84 million was proposed by the Board of Directors of the Bank and approved by the 2023 Annual General Meeting of the Bank on June 28, 2024.

A final dividend of RMB10 cents per share (tax inclusive) in respect of the year ended December 31, 2022 amounting in a total of RMB240.74 million was proposed by the Board of Directors of the Bank and approved by the 2022 Annual General Meeting of the Bank on June 29, 2023.

(2) Distribution of interest on perpetual bonds

An interest at the interest rate of 4.80% per annum related to the first tranche of perpetual bonds of RMB3 billion amounting to RMB144.00 million in total was declared on February 7, 2024 and distributed on February 9, 2024.

An interest at the interest rate of 4.80% per annum related to the second tranche of perpetual bonds of RMB4 billion amounting to RMB192.00 million in total was declared on April 11, 2024 and distributed on April 15, 2024.

An interest at the interest rate of 4.80% per annum related to the first tranche of perpetual bonds of RMB3 billion amounting to RMB144.00 million in total was declared on February 6, 2023 and distributed on February 9, 2023.

An interest at the interest rate of 4.80% per annum related to the second tranche of perpetual bonds of RMB4 billion amounting to RMB192.00 million in total was declared on April 12, 2023 and distributed on April 15, 2023.

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14 EMOLUMENTS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

(1) Directors', supervisors' and senior management remunerations

Year ended December 31, 2024

Name	Fees	Salaries	Discretionary bonuses	Subtotal	Contributions by the employer to social insurance and staff welfares, housing fund, etc	Contributions to Pension Scheme	Other welfares	Total (v)
Executive directors								
Zhou Shixin	-	219	589	808	91	130	2	1,031
Xiao Jing	-	219	589	808	83	130	2	1,023
Yuan Delei	-	175	467	642	87	130	2	861
Non-executive directors								
Luo Feng	-	-	-	-	-	-	-	-
Shi Zhishan	-	-	-	-	-	-	-	-
Zhou Miao	-	-	-	-	-	-	-	-
Liu Yinan	-	-	-	-	-	-	-	-
Independent non-executive directors								
Wang Wanqiu	190	-	-	190	-	-	-	190
Tian Li	200	-	-	200	-	-	-	200
Zhang Yonghong	205	-	-	205	-	-	-	205
Guo Jiequn	215	-	-	215	-	-	-	215
Supervisors								
Yu Menglin	-	179	288	467	86	65	2	620
Liao Jingwen	-	146	196	342	86	65	2	495
Chen Zhiying	-	-	-	-	-	-	-	-
Tang Xiaofeng	210	-	-	210	-	-	-	210
Chua Alvin Cheng-Hock	195	-	-	195	-	-	-	195
Senior management								
Xie Haiyang	-	175	467	642	80	130	2	854
Wang Li (i)	-	24	34	58	-	54	-	112
Huang Chaoyang	-	269	335	604	95	87	2	788
Qi Yongwen	-	192	357	549	76	87	2	714
Xu Cao (ii)	-	109	162	271	41	87	2	401
Wang Yuanxin (ii)	-	184	201	385	77	87	2	551
Cai Jianhong	-	189	310	499	86	87	2	674
Li Guoquan	-	286	356	642	86	87	2	817
Cheng Zhong	-	328	435	763	90	87	2	942
Total	1,215	2,694	4,786	8,695	1,064	1,313	26	11,098

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14 EMOLUMENTS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(1) Directors', supervisors' and senior management remunerations

(Continued)

Year ended December 31, 2023

Name	Fees	Salaries	Discretionary bonuses	Subtotal	Contributions by the employer to social insurance and staff welfares, housing fund, etc	Contributions to Pension Scheme	Other welfares	Total (v)
Executive directors								
Zhou Shixin	-	146	393	539	47	13	2	601
Xiao Jing	-	219	589	808	71	75	2	956
Yuan Delei	-	175	471	646	77	67	2	792
Non-executive directors								
Luo Feng	-	-	-	-	-	-	-	-
Shi Zhishan	-	-	-	-	-	-	-	-
Zhou Miao	-	-	-	-	-	-	-	-
Liu Yinan	-	-	-	-	-	-	-	-
Zeng Huasheng	-	-	-	-	-	-	-	-
Li Jianbao	-	-	-	-	-	-	-	-
Independent non-executive directors								
Wang Wanqiu	43	-	-	43	-	-	-	43
Tian Li	50	-	-	50	-	-	-	50
Zhang Yonghong	50	-	-	50	-	-	-	50
Guo Jiequn	165	-	-	165	-	-	-	165
Gao Yuhui	145	-	-	145	-	-	-	145
Quan Ze	105	-	-	105	-	-	-	105
Yang Tao	115	-	-	115	-	-	-	115
Supervisors								
Yu Menglin	-	180	341	521	79	67	2	669
Liao Jingwen	-	163	306	469	79	48	2	598
Chen Zhiying	-	-	-	-	-	-	-	-
Tang Xiaofeng	115	-	-	115	-	-	-	115
Chua Alvin Cheng-Hock	250	-	-	250	-	-	-	250
Liu Chunmei	-	-	-	-	-	-	-	-
Wan Dandan	-	117	223	340	76	32	2	450
Chen Chunxia	115	-	-	115	-	-	-	115
Senior management								
Xie Haiyang	-	175	471	646	74	71	2	793
Wang Li (i)	-	253	473	726	81	71	2	880
Huang Chaoyang	-	283	539	822	88	64	2	976
Qi Yongwen	-	319	609	928	71	70	2	1,071
Xu Cao (ii)	-	252	473	725	79	64	2	870
Wang Yuanxin (ii)	-	269	509	778	151	64	2	995
Cai Jianhong (iii)	-	239	463	702	79	64	2	847
Li Guoquan	-	283	547	830	75	64	2	971
Cheng Zhong	-	324	621	945	94	37	2	1,078
Total	1,153	3,397	7,028	11,578	1,221	871	30	13,700

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14 EMOLUMENTS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(1) Directors', supervisors' and senior management remunerations (Continued)

Notes:

- (i) On January 26, 2024, the Board of Directors resolved to terminate Wang Li's position as senior management of the Bank due to retirement.
- (ii) On June 27, 2024, the Board of Directors resolved to terminate Xu Cao's and Wang Yuanxin's position as senior management of the Bank due to early retirement.
- (iii) On March 31, 2025, the Board of Directors resolved to terminate Cai Jianhong's position as senior management of the Bank due to early retirement.
- (iv) On October 31, 2024, the Board of Directors resolved to appoint Du Zhongwen as the senior management of the Bank. Du Zhongwen will perform duties of this position until the NFRA approves the appointment. On January 27, 2025, the NFRA Jiangxi Province Bureau approved the appointment.
- (v) There was no non-cash payment during the year ended December 31, 2024 to the directors, supervisors or senior management (December 31, 2023: nil). There was no arrangement under which a director's or senior management's remuneration was deducted during the year ended December 31, 2024 (December 31, 2023: nil).

The executive directors' remunerations shown above were for their services in connection with the management of the affairs of the Bank and the Group.

Non-executive directors did not receive any remunerations for their services as directors of the Bank.

The independent non-executive directors' remunerations shown above were for their services as directors of the Bank.

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14 EMOLUMENTS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(1) Directors', supervisors' and senior management remunerations (Continued)

The supervisors' remunerations shown above were for the supervised service and employment in the Bank.

The bonuses are discretionary and are determined by reference to the Group's and the individuals' performance.

For the year ended December 31, 2024 and 2023, no directors, supervisors or senior management of the Bank waived any remunerations, and no remunerations were paid by the Bank to any of the directors, supervisors or senior management as an inducement to join or upon joining the Group or as compensation for loss of office.

The total compensation packages (including discretionary bonus) for executive directors and supervisors for the year ended December 31, 2024 have not yet been finalised in accordance with the regulations of PRC relevant authorities. The compensation for independent non-executive directors and independent supervisors for the year ended December 31, 2024 have not yet been approved by the General Meeting. The amount of the compensation not provided is not expected to have any significant impact on the Group's consolidated financial statements for the year ended December 31, 2024.

(2) Five highest paid individuals

Among the five highest paid individuals, none of them are directors of the Bank, none of them are supervisors of the Bank and none of them are senior management whose remunerations are disclosed above for the year ended December 31, 2024 and 2023 respectively.

The total remunerations payable to the five individuals whose remunerations were the highest in the Group during the years of 2024 and 2023 are as follows:

	Year ended December 31	
	2024	2023
Basic salaries and allowances	8,425	9,283
Contribution to pension schemes	434	324
Welfares	11	11
Total	8,870	9,618

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14 EMOLUMENTS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(2) Five highest paid individuals (Continued)

Remunerations of the five highest paid individuals were within the following bands:

	Year ended December 31	
	2024	2023
RMB¥ 1,500,001 – RMB¥ 2,000,000	5	3
RMB¥ 2,000,001 – RMB¥ 2,500,000	–	2
RMB¥ 2,500,001 – RMB¥ 3,000,000	–	–
RMB¥ 3,000,001 – RMB¥ 3,500,000	–	–
Total	5	5

During the year ended December 31, 2024 and 2023, no remuneration was paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

15 CASH AND BALANCES WITH THE CENTRAL BANK

	Note	As at December 31	
		2024	2023
Cash		608,757	608,548
Statutory deposit reserves	(i)	21,816,037	24,343,033
Surplus deposit reserves	(ii)	3,849,988	7,811,996
Other deposits	(iii)	295,288	527,413
Subtotal		26,570,070	33,290,990
Accrued interest		10,303	11,541
Total		26,580,373	33,302,531

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15 CASH AND BALANCES WITH THE CENTRAL BANK (Continued)

Notes:

- (i) The Group places statutory deposit reserves with the People's Bank of China (the "PBOC"). This includes RMB deposit reserves and foreign currency deposit reserves. These statutory deposit reserves are not available for the Group's daily operations.

As at December 31, 2024 and 2023, statutory deposit reserves with the PBOC were calculated at 6% and 7% of eligible RMB deposits for the Bank; and at 5% and 5% of those for the subsidiaries respectively, and at 4% and 4% of foreign currency deposits for the Bank. The foreign currency deposit reserves placed with the PBOC are non-interest bearing.

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

- (iii) Other deposits mainly represent the required fiscal deposits placed with the PBOC.

16 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at December 31	
	2024	2023
Deposits with:		
Banks and other financial institutions in mainland China	1,045,272	1,935,809
Banks outside mainland China	146,500	284,938
Subtotal	1,191,772	2,220,747
Accrued interest	449	3,740
Allowances for impairment losses	(393)	(592)
Total	1,191,828	2,223,895

17 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at December 31	
	2024	2023
Placements with:		
Banks in mainland China	1,038,724	70,827
Accrued interest	6,150	71
Allowances for impairment losses	(325)	(14)
Total	1,044,549	70,884

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18 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(1) Analysed by type and location of counterparty

	As at December 31	
	2024	2023
Banks in mainland China	4,386,268	9,419,324
Other financial institutions in mainland China	5,072,275	4,929,189
Subtotal	9,458,543	14,348,513
Accrued interest	732	1,721
Allowances for impairment losses	(2,937)	(4,047)
Total	9,456,338	14,346,187

(2) Analysed by type of collateral

	As at December 31	
	2024	2023
Bonds	7,982,873	11,227,854
Bills	1,475,670	3,120,659
Subtotal	9,458,543	14,348,513
Accrued interest	732	1,721
Allowances for impairment losses	(2,937)	(4,047)
Total	9,456,338	14,346,187

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19 LOANS AND ADVANCES TO CUSTOMERS

(1) Analysed by nature

Distributions of loans and advances to customers by corporate and retail customers are set out as follows:

	Note	As at December 31	
		2024	2023
Corporate loans and advances			
– Loans		179,871,631	164,082,035
Retail loans and advances			
– Personal loans for business purposes		35,139,424	37,829,778
– Residential mortgage loans		29,472,635	32,751,447
– Personal loans for consumption		18,858,301	21,283,260
– Credit card		5,920,598	5,855,390
Subtotal		89,390,958	97,719,875
Gross loans and advances to customers at amortised cost		269,262,589	261,801,910
Accrued interest		1,921,190	1,466,125
Allowances for impairment losses			
– 12-month ECL		(1,420,913)	(1,686,786)
– lifetime ECL not credit-impaired		(3,738,248)	(2,359,034)
– lifetime ECL credit-impaired		(5,648,922)	(5,634,371)
Subtotal		(10,808,083)	(9,680,191)
Loans and advances to customers at amortised cost, net		260,375,696	253,587,844
Loans and advances to customers at FVOCI			
– Discounted bills and forfeiting	(a)	51,572,121	39,822,395
Total loans and advances to customers		311,947,817	293,410,239

Note:

- (a) As at December 31, 2024 and 2023, the Group's allowances for impairment losses on loans and advances to customers measured at FVOCI was RMB19.03 million and RMB26.80 million respectively, as detailed in Note 19(7)(b).

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(2) Analysed by industry sector

	December 31, 2024		Loans and advances secured by collaterals
	Amount	Percentage	
Manufacturing	51,792,485	16.14%	10,700,683
Wholesale and retail	33,838,311	10.55%	6,138,526
Leasing and commercial services	27,297,130	8.51%	4,647,236
Real estate	22,206,081	6.92%	13,511,054
Construction	20,988,303	6.54%	4,149,145
Water conservancy, environment and public utility management	11,086,249	3.46%	1,312,820
Agriculture, forestry, animal husbandry and fishery	6,935,434	2.16%	832,052
Education	5,645,957	1.76%	630,943
Health and social work	3,655,427	1.14%	259,410
Mining	3,264,626	1.01%	1,198,038
Others	12,534,341	3.91%	1,715,771
Subtotal of corporate loans and advances	199,244,344	62.10%	45,095,678
Retail loans and advances	89,390,958	27.86%	48,904,556
Discounted bills	32,199,408	10.04%	–
Gross loans and advances to customers	320,834,710	100.00%	94,000,234

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(2) Analysed by industry sector (Continued)

	December 31, 2023		Loans and advances secured by collaterals
	Amount	Percentage	
Manufacturing	43,638,114	14.47%	6,882,642
Wholesale and retail	28,040,655	9.30%	5,408,613
Real estate	24,427,805	8.10%	16,560,665
Leasing and commercial services	23,842,398	7.90%	3,846,610
Construction	21,068,401	6.98%	3,835,579
Water conservancy, environment and public utility management	12,098,967	4.01%	2,019,600
Education	6,107,917	2.03%	592,923
Agriculture, forestry, animal husbandry and fishery	5,419,186	1.80%	548,268
Health and social work	4,174,570	1.38%	285,000
Production and supply of electricity, heat, gas and water	3,049,473	1.01%	173,268
Others	10,415,676	3.45%	2,392,067
Subtotal of corporate loans and advances	182,283,162	60.43%	42,545,235
Retail loans and advances	97,719,875	32.40%	56,421,971
Discounted bills	21,621,268	7.17%	–
Gross loans and advances to customers	301,624,305	100.00%	98,967,206

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(3) Analysed by type of collateral

	As at December 31	
	2024	2023
Guaranteed loans	107,801,199	98,183,491
Collateralised loans	94,000,234	98,967,206
Pledged loans	69,741,975	55,506,695
Unsecured loans	49,291,302	48,966,913
Gross loans and advances to customers	320,834,710	301,624,305
Accrued interest	1,921,190	1,466,125
Allowances for impairment losses on loans and advances to customers measured at amortised cost	(10,808,083)	(9,680,191)
Net loans and advances to customers	311,947,817	293,410,239

(4) Overdue loans analysed by overdue period

	December 31, 2024				Total
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	
Collateralised loans	1,968,760	1,368,334	1,628,563	147,068	5,112,725
Guaranteed loans	1,021,156	789,671	338,449	43,149	2,192,425
Unsecured loans	316,912	778,577	224,458	61,653	1,381,600
Pledged loans	188,533	168,981	345,889	5,957	709,360
Total	3,495,361	3,105,563	2,537,359	257,827	9,396,110
As a percentage of gross loans and advances to customers	1.09%	0.97%	0.79%	0.08%	2.93%

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(4) Overdue loans analysed by overdue period (Continued)

	December 31, 2023				Total
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	
Collateralised loans	652,955	1,488,565	1,131,941	150,915	3,424,376
Guaranteed loans	208,557	649,223	206,413	68,843	1,133,036
Unsecured loans	293,470	480,621	191,538	65,942	1,031,571
Pledged loans	1,960	175,230	501,719	106,803	785,712
Total	1,156,942	2,793,639	2,031,611	392,503	6,374,695
As a percentage of gross loans and advances to customers	0.38%	0.93%	0.67%	0.13%	2.11%

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

(5) Analysed by geographical area

	December 31, 2024	
	Amount	Percentage
Within Jiangxi Province (apart from Jiujiang City)	166,849,955	52.00%
Jiujiang City	103,895,349	32.38%
Guangdong Province	23,474,326	7.32%
Anhui Province	16,681,991	5.20%
Others	9,933,089	3.10%
Gross loans and advances to customers	320,834,710	100.00%
	December 31, 2023	
	Amount	Percentage
Within Jiangxi Province (apart from Jiujiang City)	154,759,335	51.31%
Jiujiang City	95,669,267	31.72%
Guangdong Province	24,869,012	8.25%
Anhui Province	16,115,417	5.34%
Others	10,211,274	3.38%
Gross loans and advances to customers	301,624,305	100.00%

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(6) Loans and advances and allowances for impairment losses

	As at December 31, 2024			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
Total loans and advances to customers measured at amortised cost	243,705,289	18,849,975	8,628,515	271,183,779
Allowances for impairment losses on loans and advances to customers measured at amortised cost	(1,420,913)	(3,738,248)	(5,648,922)	(10,808,083)
Carrying amount of loans and advances to customers measured at amortised cost	242,284,376	15,111,727	2,979,593	260,375,696
Carrying amount of loans and advances to customers measured at FVOCI	51,572,121	–	–	51,572,121
Total carrying amount of loans and advances to customers	293,856,497	15,111,727	2,979,593	311,947,817

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(6) Loans and advances and allowances for impairment losses (Continued)

	12-month ECL	As at December 31, 2023		Total
		Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	
Total loans and advances to customers measured at amortised cost	240,652,673	14,573,006	8,042,356	263,268,035
Allowances for impairment losses on loans and advances to customers measured at amortised cost	(1,686,786)	(2,359,034)	(5,634,371)	(9,680,191)
Carrying amount of loans and advances to customers measured at amortised cost	238,965,887	12,213,972	2,407,985	253,587,844
Carrying amount of loans and advances to customers measured at FVOCI	39,822,395	–	–	39,822,395
Total carrying amount of loans and advances to customers	278,788,282	12,213,972	2,407,985	293,410,239

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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

- (7) Analysis of movements of the allowance for impairment losses on loans and advances to customers for the year ended December 31, 2024 and 2023 are as follows:

(a) **Loans and advances to customers at amortised cost**

	Year ended December 31, 2024			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2024	1,686,786	2,359,034	5,634,371	9,680,191
Transferred:				
– to 12-month ECL	142,697	(87,601)	(55,096)	–
– to lifetime ECL not credit-impaired	(32,702)	158,596	(125,894)	–
– to lifetime ECL credit-impaired	(19,280)	(544,891)	564,171	–
(Released)/charged for the year	(356,588)	1,853,110	3,496,094	4,992,616
Write-offs	–	–	(3,167,800)	(3,167,800)
Transfer out	–	–	(1,011,182)	(1,011,182)
Recoveries	–	–	314,258	314,258
As at December 31, 2024	1,420,913	3,738,248	5,648,922	10,808,083

	Year ended December 31, 2023			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2023	2,163,268	1,684,588	4,913,876	8,761,732
Transferred:				
– to 12-month ECL	136,498	(118,877)	(17,621)	–
– to lifetime ECL not credit-impaired	(71,217)	87,672	(16,455)	–
– to lifetime ECL credit-impaired	(17,043)	(475,568)	492,611	–
(Released)/charged for the year	(524,720)	1,181,219	4,158,362	4,814,861
Write-offs	–	–	(3,517,476)	(3,517,476)
Transfer out	–	–	(628,887)	(628,887)
Recoveries	–	–	249,961	249,961
As at December 31, 2023	1,686,786	2,359,034	5,634,371	9,680,191

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for the year ended December 31, 2024
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19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

- (7) Analysis of movements of the allowance for impairment losses on loans and advances to customers for the year ended December 31, 2024 and 2023 are as follows: (Continued)

(b) Loans and advances to customers at FVOCI

	Year ended December 31, 2024			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2024	26,796	–	–	26,796
Released for the year	(7,762)	–	–	(7,762)
As at December 31, 2024	19,034	–	–	19,034

	Year ended December 31, 2023			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2023	21,710	–	–	21,710
Charged for the year	5,086	–	–	5,086
As at December 31, 2023	26,796	–	–	26,796

Allowance for impairment losses on loans and advances to customers measured at FVOCI is recognised in other comprehensive income without decreasing the carrying amount of loans and advances presented in the consolidated statement of financial position, and any impairment loss or reversal is recognised in the profit or loss.

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20 FINANCIAL INVESTMENTS

	Note	As at December 31	
		2024	2023
Financial investments measured at FVTPL	(1)	36,725,425	27,956,580
Financial investments measured at FVOCI	(2)	45,414,081	41,226,640
Financial investments measured at amortised cost	(3)	68,656,933	76,765,649
Total		150,796,439	145,948,869

(1) Financial investments measured at FVTPL

	As at December 31	
	2024	2023
Debt securities issued by:		
Commercial banks	9,150,603	350,907
Corporations	3,911,174	3,672,707
Policy banks	1,155,508	3,026,295
Government	603,877	–
Subtotal	14,821,162	7,049,909
Equity investments	1,917,359	1,570,685
Funds and other investments:		
Fund investments	16,110,769	13,604,007
Trust beneficiary rights and asset management plans	1,104,441	2,036,958
Others	2,771,694	3,695,021
Subtotal	19,986,904	19,335,986
Total	36,725,425	27,956,580
Listed	2,409,400	901,460
Unlisted	34,316,025	27,055,120
Total	36,725,425	27,956,580

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20 FINANCIAL INVESTMENTS (Continued)

(2) Financial investments measured at FVOCI

	As at December 31	
	2024	2023
Debt securities issued by:		
Government	26,360,342	26,728,096
Policy banks	16,874,126	8,558,701
Corporations	1,763,313	2,352,167
Commercial banks	–	3,073,892
Subtotal	44,997,781	40,712,856
Accrued interest	416,300	513,784
Total	45,414,081	41,226,640
Listed	29,231,473	27,561,588
Unlisted	16,182,608	13,665,052
Total	45,414,081	41,226,640

	As at December 31, 2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
As at December 31, 2024	45,414,081	–	–	45,414,081

	As at December 31, 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
As at December 31, 2023	41,226,640	–	–	41,226,640

Notes to the Consolidated Financial Statements

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20 FINANCIAL INVESTMENTS (Continued)

(2) Financial investments measured at FVOCI (Continued)

Movements of the allowance for impairment losses on financial investments measured at FVOCI are as follows:

	Year ended December 31, 2024			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2024	6,775	–	–	6,775
Released for the year	(319)	–	–	(319)
As at December 31, 2024	6,456	–	–	6,456

	Year ended December 31, 2023			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2023	8,664	–	–	8,664
Released for the year	(1,889)	–	–	(1,889)
As at December 31, 2023	6,775	–	–	6,775

Allowances for impairment losses on financial investments measured at FVOCI is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position, and any impairment loss or reversal is recognised in the profit or loss.

Notes to the Consolidated Financial Statements

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20 FINANCIAL INVESTMENTS (Continued)

(3) Financial investments measured at amortised cost

	As at December 31	
	2024	2023
Debt securities issued by:		
Government	37,914,825	35,781,580
Policy banks	13,071,785	17,116,378
Corporations	6,587,322	8,536,336
Non-public project bonds	263,993	491,987
Asset backed medium-term notes	74,273	68,500
Subtotal	57,912,198	61,994,781
Trust beneficiary rights and asset management plans and others	14,812,297	17,054,419
Accrued interest	1,499,251	2,394,208
Allowances for impairment losses	(5,566,813)	(4,677,759)
Total	68,656,933	76,765,649
Listed	38,148,663	37,396,276
Unlisted	30,508,270	39,369,373
Total	68,656,933	76,765,649

	As at December 31, 2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Financial investments measured at amortised cost	59,349,998	5,418,284	9,455,464	74,223,746
Allowances for impairment losses	(75,761)	(832,219)	(4,658,833)	(5,566,813)
As at December 31, 2024	59,274,237	4,586,065	4,796,631	68,656,933

	As at December 31, 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Financial investments measured at amortised cost	67,622,178	5,295,090	8,526,140	81,443,408
Allowances for impairment losses	(47,771)	(884,901)	(3,745,087)	(4,677,759)
As at December 31, 2023	67,574,407	4,410,189	4,781,053	76,765,649

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20 FINANCIAL INVESTMENTS (Continued)

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

Movements of the allowance for impairment losses on financial investments measured at amortised cost are as follows:

	Year ended December 31, 2024			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2024	47,771	884,901	3,745,087	4,677,759
Transferred:				
– to 12-month ECL	–	–	–	–
– to lifetime ECL not credit-impaired	(6,321)	28,056	(21,735)	–
– to lifetime ECL credit-impaired	–	(309,458)	309,458	–
Charged for the year	34,311	228,720	603,162	866,193
Recoveries	–	–	22,861	22,861
As at December 31, 2024	75,761	832,219	4,658,833	5,566,813

	Year ended December 31, 2023			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
As at January 1, 2023	120,204	675,554	3,654,055	4,449,813
Transferred:				
– to 12-month ECL	–	–	–	–
– to lifetime ECL not credit-impaired	(1,678)	1,678	–	–
– to lifetime ECL credit-impaired	(18,455)	(80,060)	98,515	–
(Released)/charged for the year	(52,300)	287,729	1,063,593	1,299,022
Write-offs	–	–	(656,123)	(656,123)
Transfer out	–	–	(595,000)	(595,000)
Recoveries	–	–	180,047	180,047
As at December 31, 2023	47,771	884,901	3,745,087	4,677,759

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21 INTEREST IN ASSOCIATES

	As at December 31 2024	2023
Cost of unlisted investments in associates	83,040	83,040
Share of post-acquisition profits and other comprehensive income, net of dividends received	59,329	58,931
Total	142,369	141,971

Details of the Bank's associates as at December 31, 2024 and 2023 are set out below:

Name of entity	Place of incorporation/ registration and operations	Date of incorporation/ establishment	Authorised/ paid-in capital as at December 31, 2024 (RMB'000)	Proportion of ownership held by the Group		Proportion of voting rights held by the Group		Principal activity
				As at December 31, 2024 %	As at December 31, 2023 %	As at December 31, 2024 %	As at December 31, 2023 %	
Zhongshan Xiaolan County Bank Co., Ltd. (i)	Guangdong, PRC	December 2008	250,000	25.00	25.00	25.00	25.00	Commercial bank
Guixi Jiuyin County Bank Co., Ltd. (ii)	Jiangxi, PRC	December 2011	99,500	20.64	20.64	25.62	25.62	Commercial bank

- (i) The Group initiated and established Zhongshan Xiaolan County Bank Co., Ltd. in December 2008, with an investment of RMB62.50 million, holding 25.00% equity interest of the associate. The Group has significant influence over the associate which is accounted for using equity method.
- (ii) The Group initiated and established Guixi Jiuyin County Bank Co., Ltd. in December 2011, with an investment of RMB20.54 million, holding 41.08% equity interest of the entity, seized the control of the entity. Guixi Jiuyin issued 49.50 million shares on December 29, 2017, and the Group's shareholding percentage was diluted to 20.64%. The Group lost control over Guixi Jiuyin County Bank Co., Ltd. and recognised the interests in it at the fair value of the deemed disposal date as interests in associate, which is subsequently accounted for by using equity method as the Group continued to have significant influence over it after the deemed disposal.

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22 RIGHT-OF-USE ASSETS

The Group as a lessee

	Total
COST	
As at January 1, 2023	710,690
Additions	101,962
Disposals	(190,805)
As at December 31, 2023	621,847
Additions	126,089
Disposals	(167,079)
As at December 31, 2024	580,857
ACCUMULATED DEPRECIATION	
As at January 1, 2023	(412,603)
Charged for the year	(107,855)
Disposals	187,623
As at December 31, 2023	(332,835)
Charged for the year	(104,988)
Disposals	136,333
As at December 31, 2024	(301,490)
NET BOOK VALUE	
As at December 31, 2023	289,012
As at December 31, 2024	279,367

The Group leases land and buildings, machinery and equipment for its operations. Lease contracts are entered into for fixed term of 1 year to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at December 31, 2024, the Group had entered into RMB1.86 million leases that have not yet commenced (December 31, 2023: RMB3.22 million).

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23 PROPERTY AND EQUIPMENT

	Premises	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvements and others	Construction in progress	Total
COST							
As at January 1, 2023	3,011,824	447,514	15,662	186,806	281,124	449,933	4,392,863
Additions	7,195	48,784	2,334	13,747	44,745	949,806	1,066,611
Transfers from/(out of) construction in progress	165,058	22,221	–	10,223	7,452	(206,252)	(1,298)
Disposals	(6,531)	(11,861)	(1,477)	(16,073)	(44,398)	–	(80,340)
As at December 31, 2023	3,177,546	506,658	16,519	194,703	288,923	1,193,487	5,377,836
Additions	10,192	19,807	367	13,254	69,554	129,899	243,073
Transfers from/(out of) construction in progress	1,027,448	32,829	–	35,632	4,253	(1,124,664)	(24,502)
Disposals	(230,044)	(14,907)	(728)	(9,815)	(96,485)	–	(351,979)
As at December 31, 2024	3,985,142	544,387	16,158	233,774	266,245	198,722	5,244,428
ACCUMULATED DEPRECIATION							
As at January 1, 2023	(838,536)	(381,887)	(12,372)	(149,790)	(142,573)	–	(1,525,158)
Charged for the year	(146,982)	(48,702)	(1,131)	(14,260)	(64,154)	–	(275,229)
Disposals	3,032	8,025	1,432	12,617	42,916	–	68,022
As at December 31, 2023	(982,486)	(422,564)	(12,071)	(151,433)	(163,811)	–	(1,732,365)
Charged for the year	(150,920)	(44,486)	(1,337)	(25,125)	(68,687)	–	(290,555)
Disposals	9,194	12,049	706	7,755	86,527	–	116,231
As at December 31, 2024	(1,124,212)	(455,001)	(12,702)	(168,803)	(145,971)	–	(1,906,689)
NET BOOK VALUE							
As at December 31, 2023	2,195,060	84,094	4,448	43,270	125,112	1,193,487	3,645,471
As at December 31, 2024	2,860,930	89,386	3,456	64,971	120,274	198,722	3,337,739

As at December 31, 2024, the process of obtaining the legal titles for the Group's properties and buildings with an aggregate carrying amount of RMB781.00 million (December 31, 2023: Nil) was still in progress. Management is of the view that the aforesaid matter would neither affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

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24 DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31 2024	2023
Deferred tax assets	5,252,578	4,795,184
Deferred tax liabilities	(572,627)	(275,081)
Total	4,679,951	4,520,103

(1) Analysed by nature

	As at December 31, 2024		As at December 31, 2023	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Allowance for impairment losses	19,786,876	4,946,719	18,113,188	4,528,297
Accrued salaries, bonuses and allowances	649,532	162,383	494,356	123,589
Lease liabilities	275,652	68,913	291,828	72,957
Others	298,252	74,563	281,364	70,341
Sub-total	21,010,312	5,252,578	19,180,736	4,795,184
Deferred tax liabilities:				
Fair value changes of financial instruments	(1,894,504)	(473,626)	(710,920)	(177,730)
Right-of-use assets	(263,192)	(65,798)	(275,012)	(68,753)
Others	(132,812)	(33,203)	(114,392)	(28,598)
Sub-total	(2,290,508)	(572,627)	(1,100,324)	(275,081)
Total	18,719,804	4,679,951	18,080,412	4,520,103

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24 DEFERRED TAX ASSETS/LIABILITIES (Continued)

(2) Movements of deferred tax

The followings are the major deferred tax assets/liabilities items recognised and movements thereon:

	Allowance for impairment losses	Accrued salaries, bonuses and allowances	Fair value changes of financial instruments	Others	Total
As at January 1, 2024	4,528,297	123,589	(177,730)	45,947	4,520,103
Recognised in profit or loss	416,402	38,794	160,553	(1,472)	614,277
Recognised in other comprehensive income	2,020	–	(456,449)	–	(454,429)
As at December 31, 2024	4,946,719	162,383	(473,626)	44,475	4,679,951

	Allowance for impairment losses	Accrued salaries, bonuses and allowances	Fair value changes of financial instruments	Others	Total
As at January 1, 2023	4,649,441	94,153	(12,151)	98,826	4,830,269
Recognised in profit or loss	(120,345)	29,436	(12,658)	(52,879)	(156,446)
Recognised in other comprehensive income	(799)	–	(152,921)	–	(153,720)
As at December 31, 2023	4,528,297	123,589	(177,730)	45,947	4,520,103

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25 OTHER ASSETS

	Note	As at December 31	
		2024	2023
Reposessed assets	(1)	2,539,316	2,448,754
Interests receivable	(2)	2,049,682	679,068
Land use rights		1,781,746	1,868,853
Settlement and clearing accounts		899,251	1,165,739
Intangible assets		341,931	243,878
Investment properties		237,250	–
Prepayments for projects		189,666	179,223
Research and development expenditure		50,594	84,214
Others		394,653	299,425
Subtotal		8,484,089	6,969,154
Allowances for impairment losses		(1,483,620)	(1,019,099)
Total		7,000,469	5,950,055

(1) Reposessed assets

	As at December 31	
	2024	2023
Land use rights and buildings	2,539,316	2,448,754
Allowances for impairment losses	(390,557)	(384,888)
Net reposessed assets	2,148,759	2,063,866

(2) Interests receivable

	As at December 31	
	2024	2023
Interests receivable arising from:		
Financial investments	1,644,384	583,689
Loans and advances to customers	405,298	95,379
Subtotal	2,049,682	679,068
Allowances for impairment losses	(776,488)	(334,239)
Total	1,273,194	344,829

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26 BORROWINGS FROM THE CENTRAL BANK

	As at December 31 2024	2023
Borrowings from the central bank	22,334,114	27,911,114
Accrued interest	109,509	195,491
Total	22,443,623	28,106,605

Borrowings from the central bank mainly include Re-lending for small business, Re-lending for agriculture, Re-lending for carbon-reduction supporting tool and Medium-term lending facility.

27 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at December 31 2024	2023
Banks in mainland China	1,457,398	4,712,789
Other financial institutions in mainland China	7,463,872	8,308,796
Subtotal	8,921,270	13,021,585
Accrued interest	51,907	67,107
Total	8,973,177	13,088,692

28 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at December 31 2024	2023
Banks in mainland China	2,300,000	4,305,399
Banks outside mainland China	–	276,225
Subtotal	2,300,000	4,581,624
Accrued interest	1,430	10,432
Total	2,301,430	4,592,056

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29 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(1) Analysed by type and location of counterparty

	As at December 31	
	2024	2023
Banks in mainland China	1,491,500	4,901,433
Other financial institutions in mainland China	242,798	68,000
Subtotal	1,734,298	4,969,433
Accrued interest	72	909
Total	1,734,370	4,970,342

(2) Analysed by type of collateral

	As at December 31	
	2024	2023
Bonds	1,734,298	3,466,139
Bills	–	1,503,294
Subtotal	1,734,298	4,969,433
Accrued interest	72	909
Total	1,734,370	4,970,342

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30 CUSTOMER DEPOSITS

	Note	As at December 31	
		2024	2023
Demand deposits			
Corporate customers		86,070,528	103,392,592
Individual customers		26,754,927	26,711,829
Subtotal		112,825,455	130,104,421
Time deposits			
Corporate customers		66,778,961	56,847,024
Individual customers		165,848,070	137,877,797
Subtotal		232,627,031	194,724,821
Pledged deposits	(1)	30,644,281	33,335,760
Convertible negotiated deposits	(2)	2,000,000	2,000,000
Others		50,556	107,505
Accrued interest		8,816,129	10,460,541
Total		386,963,452	370,733,048

(1) Pledged deposits analysed by products for which deposit is required

	As at December 31	
	2024	2023
Acceptances	19,252,262	20,703,866
Letters of credit	4,543,430	4,139,390
Guarantees and letters of guarantees	1,811,075	1,922,520
Others	5,037,514	6,569,984
Total	30,644,281	33,335,760

(2) Convertible negotiated deposits

On April 30, 2021, after obtaining the proceeds from issuance of Local Government Special Debt by Jiangxi Provincial Department of Finance, Jiujiang Finance Bureau deposited the relevant funds in the form of negotiated deposit into the special RMB deposit account it opened in the Bank. With the consent of Jiujiang Finance Bureau, when the core tier-one capital adequacy ratio of the Bank is lower than 5.125%, and upon the satisfaction of specific requirements on the Minimum Public Float prescribed by the Hong Kong Stock Exchange, Jiujiang Finance Bureau shall convert the negotiated deposits into Ordinary Shares of the Bank in accordance with laws and regulations. If the conversion conditions are not satisfied, the Bank shall repay the principal and interest upon the 10-year maturity of the convertible negotiated deposits.

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30 CUSTOMER DEPOSITS (Continued)

(2) Convertible negotiated deposits (Continued)

During the term of the convertible negotiated deposits, the Bank shall report the changes in the core tier-one capital adequacy ratio of the previous quarter by the fifteenth day of the first month of each quarter to Jiujiang Finance Bureau. When the core tier-one capital adequacy ratio of the Bank drops to 7.50%, and early warning is triggered, the Bank shall promptly inform Jiujiang Finance Bureau of the situation, formulate emergency plans, and actively take emergency measures to improve the ability to resist risks and avoid the occurrence of triggering events.

31 DEBT SECURITIES ISSUED

	Note	As at December 31	
		2024	2023
Interbank negotiable certificates of deposit	(1)	47,336,623	37,182,718

Note:

- (1) As at December 31, 2024, the Bank had 132 outstanding interbank negotiable certificates of deposit with total notional amount of RMB47.74 billion. As at December 31, 2023, the Bank had 159 outstanding interbank negotiable certificates of deposit with total notional amount of RMB37.64 billion. All of these certificates were due within 1 year at the time of issuance. Such certificates were issued at a discount of which interests will be paid in lump sum at the maturity date.

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32 LEASE LIABILITIES

	As at December 31	
	2024	2023
Lease liabilities payable:		
Within one year	93,695	98,298
Within a period of more than one year but not more than two years	68,286	68,409
Within a period of more than two years but not more than five years	100,364	104,896
Within a period of more than five years	29,079	33,876
Total	291,424	305,479

33 OTHER LIABILITIES

	Note	As at December 31	
		2024	2023
Salaries payable	(1)	1,766,575	1,565,152
Payables to external companies		285,507	207,030
Other tax payables		260,980	257,702
Settlement and clearing accounts		111,794	229,900
Dividends payable		8,342	7,421
Others		1,166,000	1,125,333
Total		3,599,198	3,392,538

(1) Salaries payable

	As at December 31	
	2024	2023
Salaries, bonuses and allowances	1,610,512	1,489,366
Social insurance and supplementary retirement benefits	153,192	71,161
Employee education expenses and labour union expenses	1,826	2,771
Staff welfares	861	1,066
Housing fund	184	788
Total	1,766,575	1,565,152

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34 SHARE CAPITAL

Share capital of the Group as at December 31, 2024 and December 31, 2023 represented share capital of the Bank, which was fully paid.

	As at December 31	
	2024	2023
Ordinary shares in Mainland China	2,365,000	2,365,000
Ordinary shares listed in Hong Kong (H-share)	482,367	482,367
Total	2,847,367	2,847,367

On July 26, 2023, the Bank completed the issuance of 75,000,000 H-shares with a par value of RMB1.00 at an offering price of HKD9.79 per share. On September 19, 2023, the Bank completed the issuance of 365,000,000 domestic shares with a par value of RMB1.00 at an offering price of RMB8.93 per domestic share. After issuances of H-shares and domestic shares, the registered capital and share capital of the Bank increased to RMB2,847.37 million. The capital contributions were verified by KPMG Huazhen LLP. The net proceeds of the issuances raised were RMB3,926.79 million, of which the share capital was RMB440.00 million and the share premium was RMB3,486.79 million.

All the above 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.

35 OTHER EQUITY INSTRUMENTS

(1) Perpetual Bonds

	Issued date	Accounting classification	Initial interest rate	Issued price (RMB)	Issued number of shares (million)	Issued nominal value (million)	Expiry date	Conversion conditions	Conversion
Perpetual Bonds (first tranche)	February 9, 2021	Equity instruments	4.80%	100	30.00	3,000.00	No maturity date	none	none
Perpetual Bonds (second tranche)	April 15, 2021	Equity instruments	4.80%	100	40.00	4,000.00	No maturity date	none	none
Less: Issuance fee (first tranche)						(1.14)			
Less: Issuance fee (second tranche)						(1.02)			
Book value						6,997.84			

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35 OTHER EQUITY INSTRUMENTS (Continued)

(2) Main terms of Perpetual Bonds

With the approval of Jiangxi Banking and Insurance Regulatory Bureau on Jiujiang Bank's Issuance of undated tier 1 capital bonds (Jiangxi Banking and Insurance Regulatory Bureau [2020] No. 363) and the Decision of the People's Bank of China on Granting Administrative License (Bank Approval Word [2021] No. 17), the Bank issued a total of RMB3 billion (first tranche) and RMB4 billion (second tranche) undated tier 1 capital bonds in the national interbank bond market on February 9, 2021 and April 15, 2021, respectively. The unit par value of the bond (including the first and second tranches, the bonds below are synonymous) is RMB100, the interest rate for the first 5 years is 4.80%, and the coupon rate adjusted period will be every 5 years from the issuance of the bonds. In any coupon rate adjusted period, the coupon rate of the bonds will be made at a prescribed fixed coupon rate.

The Bonds will continue to be outstanding so long as the Bank's business continues to operate. This bond issuance is subject to the Bank's conditional redemption clause. The Issuer shall have the right to redeem the current Bonds in whole or in part on the annual Coupon payment Date (including the coupon payment date of the fifth year after the issuance date) five years after the issuance date. The issuer has the right to redeem the Bonds in whole, but not in part, in the event of an unpredictable regulatory change that prevents the current issuance from being counted as other Tier 1 capital. The issuer shall exercise the right of redemption upon the approval of the NFRA and upon meeting the following conditions: (1) replace the redeemed bond with a capital instrument of the same or higher class, and the replacement of the capital instrument shall be implemented only if the profitability of the Bank remains sustainable; (2) Or the capital adequacy ratio remains significantly higher than the regulatory after the exercise of the right.

The Bank has the right to cancel, in whole or in part, distributions on the Bonds and any such cancellation does not constitute an event of default. The Bank will fully consider the interests of bondholders when exercising this right. Cancellation of any distributions to the Bonds, no matter in whole or in part, will not impose any other restriction on the Bank, except in relation to dividend distributions to ordinary shares. The dividend is paid on a non-cumulative basis, that is, the dividend not paid in full to the shareholder previously will not accumulated to the next interest-bearing year. The Bonds do not contain interest rate step-up mechanism or any other redemption incentives.

After deducting the issuance expenses, the Bonds will be used to replenish the other tier 1 capital of the issuer in accordance with applicable laws and the approval of the competent authorities. The net proceeds of the issuances of perpetual bonds were RMB6,997.84 million.

(3) Changes of Perpetual Bonds

	Balance as at January 1, 2024		Increase in this year		Decrease in this year		Balance as at December 31, 2024	
	Issued number of shares (million)	Book value (million)	Issued number of shares (million)	Book value (million)	Issued number of shares (million)	Book value (million)	Issued number of shares (million)	Book value (million)
Perpetual Bonds	70.00	6,997.84	-	-	-	-	70.00	6,997.84

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36 RESERVES

	Note	As at December 31	
		2024	2023
Share premium	(1)	11,646,723	11,639,129
Investment revaluation reserve	(2)	1,862,360	516,903
Surplus reserve	(3)	4,615,043	4,615,043
General reserve	(4)	5,838,453	5,525,566
Retained earnings		7,939,334	8,014,631
Total		31,901,913	30,311,272

(1) Share premium

	Note	2024	2023
As at January 1		11,639,129	8,152,338
Issuance of H-shares	34	–	594,416
Issuance of domestic shares	34	–	2,892,375
Others		7,594	–
As at December 31		11,646,723	11,639,129

Note:

The Bank acquired 13.2 million shares and 3.74 million shares from non-controlling shareholders of its subsidiaries, Beijing Daxing Jiuyin County Bank Co., Ltd. and Zixi Jiuyin County Bank Co., Ltd., respectively. At the end of 2024, the proportion of ownership held by the Bank increasing by 6.00% and 9.16% accordingly. The difference between the costs of long-term investments newly acquired by the Bank by acquiring minority interests and the fair value of the Bank's share of the net identifiable assets of its subsidiaries calculated based on the increased shareholding, were recognised as adjustments to the share premium of the consolidated statement of financial position.

(2) Investment revaluation reserve

	2024	2023
As at January 1	516,903	61,721
Changes in fair value recognised in other comprehensive income	2,043,088	573,686
Transfer to profit or loss upon disposal	(241,064)	30,048
Changes in impairment losses recognised in other comprehensive income	(8,081)	3,175
Deferred income tax	(448,486)	(151,727)
As at December 31	1,862,360	516,903

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36 RESERVES (Continued)

(3) Surplus reserve

Pursuant to the Company Law of PRC, corporation is required to transfer 10% of its net profit, determined under the relevant accounting rules in the PRC, to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of such reserve has reached 50% of the share capital.

After making the appropriation to the statutory surplus reserve, the corporation may also appropriate its net profit for the year to a discretionary surplus reserve upon approval by the shareholders in General Meeting. Subject to the approval by the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the corporation, if any, and may be converted into capital.

	Statutory surplus reserve	Discretionary surplus reserve	Total
As at January 1, 2023	2,097,792	2,363,097	4,460,889
Appropriation during the year	–	154,154	154,154
As at December 31, 2023	2,097,792	2,517,251	4,615,043
Appropriation during the year	–	–	–
As at December 31, 2024	2,097,792	2,517,251	4,615,043

(4) General reserve

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance of the PRC, in addition to the individual and collective allowances for impairment losses, financial enterprise is required to establish and maintain a general reserve within equity to address potential unidentified impairment losses. The general reserve should not be less than 1.50% of the aggregate amount of risk assets as defined by the above measures. The balance of the general reserve amounted to RMB5,838.45 million as at December 31, 2024 (December 31, 2023: RMB5,525.57 million).

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37 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following balances with an original maturity equal to or less than three months:

	As at December 31	
	2024	2023
Cash	608,757	608,548
Balances with the central bank	3,849,988	7,811,996
Deposits with banks and other financial institutions	1,183,571	1,590,547
Placements with banks and other financial institutions	1,038,724	70,827
Financial assets held under resale agreements	9,458,543	14,149,006
Financial investments measured at FVTPL	6,568,579	6,592,285
Total	22,708,162	30,823,209

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

	2024	2023
Cash and cash equivalents as at December 31	22,708,162	30,823,209
Less: Cash and cash equivalents as at January 1	(30,823,209)	(18,861,838)
Less: Effect of foreign exchange rate changes	(6,813)	(5,192)
Net (decrease)/increase in cash and cash equivalents as at December 31	(8,121,860)	11,956,179

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38 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	As at January 1, 2024	Financing cash flows	Interest accrued/ dividend declared/ expense accrued	Net increase in lease liabilities	As at December 31, 2024
Interbank negotiable certificates of deposit	37,182,718	9,161,376	992,529	–	47,336,623
Dividends payable	7,421	(510,760)	511,681	–	8,342
Lease liabilities	305,479	(149,415)	9,271	126,089	291,424
Total	37,495,618	8,501,201	1,513,481	126,089	47,636,389

	As at January 1, 2023	Financing cash flows	Interest accrued/ dividend declared/ expense accrued	Net increase in lease liabilities	As at December 31, 2023
Bonds	3,111,613	(3,169,350)	57,737	–	–
Interbank negotiable certificates of deposit	25,688,112	10,887,288	607,318	–	37,182,718
Dividends payable	6,666	(592,383)	593,138	–	7,421
Lease liabilities	328,144	(136,853)	12,226	101,962	305,479
Total	29,134,535	6,988,702	1,270,419	101,962	37,495,618

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39 STRUCTURED ENTITIES

(1) Consolidated structured entities managed by third party institutions in which the Group holds interests

Structured entities consolidated by the Group include fund investments. The Group controls these entities because the Group has power over, is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

As at December 31, 2024 and 2023, structured entities included in the consolidation scope by the Bank were RMB4,216 million and RMB5,240 million respectively, and was under "financial investments measured at FVTPL" on the balance sheet.

(2) Unconsolidated structured entities managed by third party institutions in which the Group holds interests

The Group holds interests in these structured entities managed by third party institutions through investments in the beneficial rights or plans issued relating to these structured entities. The Group does not consolidate these structured entities. Such structured entities include fund investments, asset management plans and trust beneficiary rights, asset backed medium-term notes.

The following tables set out an analysis of the carrying amount of interests held by the Group as at December 31, 2024 and 2023 in the unconsolidated structured entities sponsored and managed by third party institutions.

	As at December 31, 2024				Maximum risk exposure (Note)
	Financial investments at FVTPL	Financial investments at FVOCI	Financial investments at amortised cost	Total	
Fund investments	16,110,769	-	-	16,110,769	16,110,769
Trust beneficiary rights and asset management plans	1,104,441	-	8,728,147	9,832,588	9,832,588
Asset backed medium-term notes	-	-	74,406	74,406	74,406
Total	17,215,210	-	8,802,553	26,017,763	26,017,763

	As at December 31, 2023				Maximum risk exposure (Note)
	Financial investments at FVTPL	Financial investments at FVOCI	Financial investments at amortised cost	Total	
Fund investments	13,604,007	-	-	13,604,007	13,604,007
Trust beneficiary rights and asset management plans	2,036,958	-	10,325,090	12,362,048	12,362,048
Asset backed medium-term notes	-	-	68,621	68,621	68,621
Total	15,640,965	-	10,393,711	26,034,676	26,034,676

Note:

The maximum exposures to loss in the above investment products are the carrying amount of the assets held by the Group at the end of each reporting period.

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39 STRUCTURED ENTITIES (Continued)

(3) Unconsolidated structured entities managed by the Group

The types of unconsolidated structured entities managed by the Bank mainly include wealth management products. The purpose of managing these structured entities is to generate fees from managing assets on behalf of investors. Interest held by the Bank includes fees charged by providing management services to these structured entities.

As at December 31, 2024 and 2023, the amount of assets held by the unconsolidated wealth management products managed by the Bank amounting to RMB32,213 million and RMB39,896 million respectively. The Group did not hold any investment in the wealth management products and management fee earned from these products for the year ended December 31, 2024 and 2023 amounted to RMB175,897 thousand and RMB237,435 thousand respectively.

The Group did not provide any financial or other support to these unconsolidated structured entities during both years.

40 RELATED PARTY TRANSACTIONS

Related parties of the Group mainly include corporates or unincorporated organizations that hold or control more than 5% of the Bank's equity interests, and corporates or unincorporated organisations that hold less than 5% of the Bank's equity interests but have significant influence on the Bank, and the controlling shareholders, actual controllers, persons acting in concert, and ultimate beneficiaries of these entities as well as corporates or unincorporated organisations under the control of these entities; the directors and supervisors of the Bank, senior executives of the head office and key branches of the Bank, personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers (hereinafter referred to as "insiders of the Bank"), their close family members, and the corporates or unincorporated organisations controlled by the aforementioned persons; the directors, supervisors and senior executives of the legal or unincorporated organisations holding or controlling more than 5% of the Bank's equity interests, as well as those holding less than 5% of the Bank's equity interests but having significant influence on the Bank, and also their controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries; corporates or unincorporated organizations under control or significant influence of the Bank; and natural persons, corporates or unincorporated organizations identified by the Bank as being related on a substance over form basis and/or see-through basis.

(1) Major shareholders and entities under their control

Major shareholders and entities under their control can be shareholders held more than 5% interest of the Bank or appointed the director or supervisor, and the controlling shareholders, actual controllers, persons acting in concert, and ultimate beneficiaries of these entities as well as corporates or unincorporated organisations under the control of these entities.

Name of shareholders	Percentage of shares held as at December 31	
	2024	2023
Jiujiang Finance Bureau	12.85%	12.85%
Beijing Automotive Group Co., Ltd.	12.85%	12.85%
Industrial Bank Co., Ltd.	10.34%	10.34%
Fangda Carbon New Material Co., Ltd.	4.78%	4.78%
Foshan Gaoming Jindun Hengye Computer Special Printing Co., Ltd.	3.37%	3.37%

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40 RELATED PARTY TRANSACTIONS (Continued)

(1) Major shareholders and entities under their control (Continued)

Balances and transactions between the Group and the major shareholders and entities under their control are as follows:

During the year ended December 31, 2024 and 2023, the Group had the following material balances and entered into the following material transactions with major shareholders and entities under their control. These transactions were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

	As at December 31	
	2024	2023
Balances at the end of the year:		
Assets		
Deposits with banks and other financial institutions	120,409	151,035
Loans and advances to customers at amortised cost	3,160,520	2,825,046
Financial investments at amortised cost (i)	603,290	658,252
Financial investments at FVTPL	25,950	25,885
Total	3,910,169	3,660,218
Liabilities		
Customer deposits	11,477,200	11,268,353
Placements from banks and other financial institutions	–	276,225
Deposits from banks and other financial institutions	500,058	1,942
Total	11,977,258	11,546,520
Off-balance sheet items		
Guarantees and letters of guarantees	172,322	689,650
Letters of credit	1,105,500	1,099,000
Bank acceptances	1,418,125	227,000
Total	2,695,947	2,015,650
Wealth management products (ii)	307,169	921,347

Notes:

- (i) It represented the corporation bond purchased by the Group, which was issued by a related party of the Group.
- (ii) It represented the wealth management product issued by the Group where the underlying asset is a bond, and the issuer is a related party of the Group.

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40 RELATED PARTY TRANSACTIONS (Continued)

(1) Major shareholders and entities under their control (Continued)

	2024	2023
Transactions during the year:		
Interest income	120,440	121,413
Interest expense	216,673	417,519
Net gains arising from financial investments	2,012	2,773
Fee and commission income	27,118	32,250

(2) Subsidiaries of the Bank

	Year ended December 31	
	2024	2023
Balance at the end of the year:		
Deposits from banks and other financial institutions	4,134,276	3,371,301
Off-balance sheet items:		
Guarantees and letters of guarantees	412,000	516,100

	2024	2023
Transactions during the year:		
Interest expense	131,982	158,652
Dividend from subsidiaries	4,011	13,948

(3) Associates of the Bank

Details of the associates of the Bank are set out in Note 21.

	As at December 31	
	2024	2023
Balance at the end of the year:		
Deposits from banks and other financial institutions	1,179,863	1,109,886
Off-balance sheet items:		
Guarantees and letters of guarantees	112,550	68,140

	2024	2023
Transactions during the year:		
Interest expense	21,436	23,796
Dividend from associates	1,455	1,875

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40 RELATED PARTY TRANSACTIONS (Continued)

(4) Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the Board of Supervisors, senior management and personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers, and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the Board of Directors, the Board of Supervisors, senior management and personnel with the power to approve or make decisions in connection with core businesses, such as large credit limits and asset transfers, and close family members of such individuals. Transactions with other related parties were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

	As at December 31	
	2024	2023
Balances at the end of the year:		
Asset		
Loans and advances to customers at amortised cost	61,140	97,845
Liability		
Customer deposits	249,007	239,452
	2024	2023
Transactions during the year:		
Interest income	2,688	4,839
Interest expense	951	1,377
Other income, gains or losses	1,879	–
Operating expenses	7,831	–

(5) Key management personnel

Key management personnel, including directors, supervisors and senior management team members, are those persons in the Group who have the authority and responsibility to plan, direct and control the activities of the Group.

The remuneration of key management personnel during the reporting period were as follows:

	Year ended December 31	
	2024	2023
Salaries and other emoluments	3,909	4,886
Discretionary bonuses	4,786	7,957
Contributions by the employer to social insurance and staff welfares, housing fund, etc	1,064	1,369
Contributions to pension scheme	1,313	950
Other welfare	26	34
Total	11,098	15,196

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41 CONTINGENT LIABILITIES AND COMMITMENTS

(1) Legal proceedings

The Bank and its subsidiaries are involved as defendants in certain lawsuits arising from their normal business operations. As at December 31, 2024 and 2023, in light of court decisions or advice from legal counsels, the Group considered that sufficient provision has been provided for any potential losses from these claims.

(2) Capital commitments

	As at December 31	
	2024	2023
Contracted but not provided for	285,696	239,252

(3) Credit commitments

	As at December 31	
	2024	2023
Acceptances	55,850,014	55,371,861
Guarantees and letters of guarantees	34,604,014	16,089,128
Letters of credit	21,289,944	19,857,253
Unused credit card commitments	6,601,570	12,956,203
Irrevocable loan commitments	–	80,500
Total	118,345,542	104,354,945

Credit commitments represent general facility limits granted to customers. These credit facilities may be drawn in the form of loans and advances or through the issuance of letters of credit, acceptances or letters of guarantees.

(4) Credit risk weighted amounts of credit commitments

	As at December 31	
	2024	2023
Credit commitments	37,479,277	31,606,578

Credit risk weighted amounts refer to amounts which depend on the status of counterparties and the maturity characteristics, and are calculated in accordance with the former CBIRC guidance. Risk weightings used for contingent liabilities and credit commitments range from 0% to 100%.

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41 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(5) Collateral

Assets pledged

The carrying amount of assets pledged as collateral under borrowings from the central bank by the Group are as follows:

	As at December 31	
	2024	2023
Bonds	26,166,109	32,428,942
Bills	125,288	-
Total	26,291,397	32,428,942

As at December 31, 2024 and 2023, the carrying amount of borrowings from the central bank for the Group amounted to RMB22,444 million and RMB28,107 million, respectively.

The carrying amount of assets pledged as collateral under repurchase agreements by the Group are as follows:

	As at December 31	
	2024	2023
Bonds	1,813,000	3,598,000
Bills	-	1,503,666
Total	1,813,000	5,101,666

As at December 31, 2024 and 2023, the carrying amount of financial assets sold under repurchase agreements for the Group amounted to RMB1,734 million and RMB4,970 million, respectively.

All repurchase agreements were due within twelve months from inception.

42 FIDUCIARY ACTIVITIES

The Group commonly acts as asset manager or in other fiduciary capacities that results in its holding or managing assets on behalf of individuals or corporations. These assets and any gains or losses arising thereon are not included in the consolidated financial statements of the Group as they are not the Group's assets.

As at December 31, 2024 and 2023, the entrusted loans balance of the Group amounted to RMB8,493 million and RMB8,498 million respectively.

As at December 31, 2024 and 2023, the balance of the wealth management products issued and managed by the Group amounted to RMB32,213 million and RMB39,896 million respectively.

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43 CAPITAL MANAGEMENT

The Group'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 Group calculates the capital adequacy ratio in accordance with guidelines issued by the NFRA. The capital of the Group is divided into core tier-one capital, other tier-one capital and tier-two capital.

Capital adequacy ratio management is the key in capital management. The capital adequacy ratio reflects the soundness of the Group'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 Group considers its strategic development plans, business expansion plans and risk variables when conducting scenario analysis and stress testing and executing other measures to forecast, plan and manage its capital adequacy ratio.

Since January 1, 2024, the Group calculates its capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks" and other relevant regulations promulgated by the NFRA on October 26, 2023. During 2023, the Group calculates its capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" and other relevant regulations promulgated by the former CBIRC on June 7, 2012.

The NFRA requires commercial banks to meet the requirements of capital adequacy ratios by in accordance with "Regulation Governing Capital of Commercial Banks". For commercial banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 5.00%, 6.00% and 8.00%, respectively and capital conservation buffer requires additional 2.5% of Common Equity Tier-one Capital Adequacy Ratio.

Both the on-balance and off-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 as well as any eligible collateral or guarantees.

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43 CAPITAL MANAGEMENT (Continued)

The Group's capital adequacy ratios at the year ended December 31, 2024 and 2023 calculated in accordance with relevant requirements promulgated by the NFRA and former CBIRC are as follows:

	As at December 31	
	2024	2023
Core tier-one capital adequacy ratio	9.44%	8.64%
Tier-one capital adequacy ratio	11.97%	11.07%
Capital adequacy ratio	13.17%	12.01%
Core tier-one capital	35,276,205	33,505,467
Deductions of core tier-one capital	(1,543,458)	(1,437,822)
Net core tier-one capital	33,732,747	32,067,645
Other tier-one capital	9,062,673	9,044,084
Net tier-one capital	42,795,420	41,111,729
Tier-two capital	4,279,606	3,467,630
Net capital base	47,075,026	44,579,359
Total risk weighted assets	357,514,531	371,264,030

44 FINANCIAL RISK MANAGEMENT

Overview

The primary objectives of risk management of the Group are to maintain risk within acceptable parameters and satisfy the regulatory requirements.

The Group's risk management policies are designed, and controls are set up to identify, analyse, monitor and report risks arising from normal operation. The Group regularly reviews its risk management policies and systems to address changes in markets, products and emerging best practices.

Details of the financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments include credit risk, liquidity risk and market risk (i.e. interest rate risk, foreign currency risk and other price risk). The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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44 FINANCIAL RISK MANAGEMENT (Continued)

Risk management framework

The risk management organisation structure of the Group consists of the Board of Directors and its committees, senior management and its committees and Significant Risk Sector composed of functional departments, risk directors and risk managers, which is a top-to-bottom and bank-wide risk management structure.

The Board of Directors is the Group's highest decision-making body for risk management, and is responsible for establishing and maintaining an effective risk management system and assumes the ultimate responsibilities in respect of comprehensive risk management. The Risk Management Committee under the Board of Directors assists the Board of Directors in reviewing the Group's risk strategy, risk appetite, risk limits, risk management policies and major risk management systems and reports. The Board of Supervisors assumes the supervisory responsibility for the comprehensive risk management of the Group, overseeing the performance of the Board of Directors and senior management in risk management and urging corrective actions. Senior management and its sub-committees formulate and implement corresponding risk management strategies in accordance with the risk management objectives of the Board of Directors, and provide and secure resources to implement specific risk management work. The significant risk sector, consisting of the Risk Management Department, Credit Extension Department and Risk Asset Management Department of the head office, integrates resources and collaborates to carry out the integrated management of major risks within the Group. Risk managers are assigned to branches, important business lines, centers and departments, subject to the management and assessment of the head office, to carry out risk management of their institutions.

The Risk Management Department of the Group is the lead department for management of credit risk, market risk, and information technology risk, and is the management department for other risks. The Planning and Finance Department, Legal and Compliance Department and General Management Department are the lead departments for management of other risks.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk

Credit risk refers to the risk of losses due to the default of the debtors or counterparties or the reduction in their credit ratings and performance capabilities. The credit risks of the Group mainly distributed among loans, financial investments, guarantees, commitments and other on-balance and off-balance sheet credit risk exposures. The Group monitors all financial assets that are subject to impairment test requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime ECL rather than 12-month ECL.

Credit risk management

The credit risk management organisation system of the Group is composed of the Board of Directors, senior management, Risk Management Department, Audit Department and other credit risk-taking department, etc., thus forming a credit risk management structure characterised by centralised and unified management and hierarchical authorisation and implementation. The Board of Directors is the Group's highest decision-making body for credit risk management, which undertakes the ultimate responsibility of credit risk management. The Risk Management Committee subordinate to the Board of Directors is responsible for deliberating on the strategic planning of credit risk management, major policies and risk capital allocation schemes, evaluating their implementation and effect, making recommendations to the Board of Directors and reviewing major credit risk management matters as authorised by the Board of Directors. Senior management is the Group's highest decision-making body for daily credit risk management, which is responsible for fully organising the implementation of credit risk management strategies and risk appetite approved by the Board of Directors, putting credit risk management policies, procedures and measures into practice, and undertaking the credit risk arising from business operation. Risk Management Department is the Group's leading department for credit risk management, which is responsible for formulating and organising the implementation of basic policies, systems, measures, procedures and risk evaluation criteria for credit risk management. Credit Approval Department is responsible for implementing risk of the credit approval process. The competent department of each business line is responsible for their respective credit approval, as well as inspection and supervision over the implementation and execution of the Group's credit risk-related policies. Audit Department is responsible for the independent review and evaluation of the Group's credit risk management system, including but not limited to auditing the effectiveness of credit risk management measures and system operation.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

Impairment Assessment

Measurement of Expected Credit Loss (ECL)

In accordance with IFRS 9, the Group classifies financial instruments measured at amortised cost or FVOCI into three stages and makes provisions for expected credit losses, accordingly, depending on whether credit risk on that financial instrument has increased significantly since initial recognition. Detailed definition of stages is included in Note 2.

For the purpose of ECL measurement, the Group has divided exposures with common credit risk characteristics into separate groups. When grouping corporate business, the Group considered credit risk characteristics such as client type and the industry in which the client operates. When grouping personal business, the Group considered credit risk characteristics such as product type. The Group obtained sufficient information to ensure it is statistically reliable.

In order to minimise credit risk, the Group has tasked its Risk Management Committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group's credit risk grading framework comprises ten categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

Significant increase in credit risk

The Group takes into consideration all reasonable and supportable information (including forward-looking information) that reflects significant change in credit risk for the purposes of classifying financial instruments. The main considerations are regulatory and industry environment, internal and external credit risk gradings, operational and financial situation, contractual terms, and historical repayment records etc. The Group compares the risk of default of a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics as at the reporting date and its risk of default at the date of initial recognition to determine changes in the risk of default during the lifetime of a financial instrument or a portfolio of financial instruments.

When one or more quantitative or qualitative standards are triggered, the Group assumes that credit risk on financial instruments has increased significantly:

- (i) The principal or interest of loan is past due for more than 30 days;
- (ii) The five-category loan classification is special mention; or
- (iii) Risk warning signals appear: a credit risk event that is likely to cause a significant adverse effect; deterioration of willingness for repayment, such as malicious debt evasion, fraud, etc; less value of the collaterals (for the collateralised loans and pledged loans only); and etc.

As at December 31, 2023 and 2024, the Group has not considered that any of its financial instruments 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.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

Impairment Assessment (Continued)

Definition of default

The Group defines a borrower as in default when it meets any of the following criteria:

- (i) The principal or interest of loan is past due for more than 90 days; or
- (ii) The corporate borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidation against collateral.

Generally, a financial asset is considered to be credit-impaired if:

- It has been overdue for more than 90 days;
- In light of economic, legal or other factors, the Group has made concessions to a borrower in financial difficulties, which would otherwise have been impossible under normal circumstances;
- The borrower is probable to be insolvent or carry out other financial restructurings;
- Due to serious financial difficulties, the financial asset cannot continue to be traded in an active market;
- There are other objective evidences that the financial asset is impaired;
- Borrowers' ability to repay their loans is in question and they cannot rely entirely on normal operational revenues to repay principal and interest. Losses may ensue even when collateral or guarantees are invoked;
- Borrowers cannot repay principal and interest in full and significant losses will need to be recognised even when collateral or guarantees are invoked;
- Only a small portion or none of the principal and interest can be recovered after taking all possible measures and exhausting all legal remedies.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

Impairment Assessment (Continued)

Description of parameters, assumptions, and estimation techniques

ECL is measured at an amount equal to 12-month ECL or lifetime ECL depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the product of the Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"), considering the time value of money. Related definitions are as follows:

- probability of default (PD): is an estimate of the likelihood of default over 12 months or lifetime horizon;
- loss given default (LGD): is the proportion of the loss arising on default to the exposure at default;
- exposure at default (EAD): is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

The assumptions underlying the ECL calculation, such as how the PDs and LGDs of different maturity profiles change are periodically monitored and reviewed by the Group. These parameters are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

Impairment Assessment (Continued)

Forward-looking information contained in ECL

According to the different risk characteristics of assets, the Group divides assets into different asset groups, identifies macro indicators related to credit risks, and establishes regression models. The Group uses forward-looking information that is available without undue cost or effort and predict the macro-economic assumptions. External information includes macro-economic data, forecast information issued by government or regulatory agencies, for example, PPI, investment in real estate development, narrow money supply (M1), etc.

The Group assumes three economic scenarios: the baseline scenario in line with the average internal forecast; the optimistic scenario and the pessimistic scenario. Weighted credit loss is the expected credit loss calculated by assigning scenario weighting of multiple scenarios.

As at December 31, 2024, the Group has taken into account different macroeconomic scenarios and made forward-looking forecasts of key economic indicators, and has carried out sensitivity analysis of key economic variables used in forward-looking measurement. When the weighting of the optimistic scenario increases by 10% and the weighting of the baseline scenario decreases by 10%, the ECL amount at December 31, 2024 will decrease by no more than 1% compared to the current result. When the weighting of the pessimistic scenario increases by 10% and the weighting of the baseline scenario decreases by 10%, the ECL amount at December 31, 2024 will increase by no more than 1% compared to the current result.

Collateral and other credit enhancements

The amount and type of collateral required depend on the assessment of the credit risk of the counterparty. Guidelines are in place specifying the types of collateral and valuation parameters which can be accepted.

Reverse repurchase business is mainly collateralised by bills or bonds. As part of the reverse repurchase agreements, the Group has received securities that it is allowed to sell or repledge in the absence of default by their owners.

Corporate loans and discounted bills are mainly collateralised/pledged by properties or other assets. As at December 31, 2024, the carrying value (before deduction of expected credit loss) of corporate loans and discounted bills amounted to RMB231,453.98 million (December 31, 2023: RMB203,904.43 million), of which credit exposure covered by collateral/pledge amounted to RMB113,683.24 million (December 31, 2023: RMB97,801.08 million).

Retail loans are mainly collateralised by residential properties. As at December 31, 2024, the carrying value (before deduction of expected credit loss) of retail loans amounted to RMB89,390.96 million (December 31 2023: RMB97,719.88 million), of which credit exposure covered by collateral amounted to RMB48,904.56 million (December 31, 2023: RMB56,421.97 million).

Management monitors the market value of collateral periodically and requests additional collateral in accordance with the underlying agreement when it is considered necessary.

It is the Group's policy to dispose of repossessed assets in an orderly manner. In general, the Group does not occupy repossessed assets for business use.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

As at December 31, 2024, the Group's credit risk stages of financial instruments are as follows:

(i) Financial assets measured at amortised cost

	As at December 31, 2024					
	Gross carrying amount			Allowances for expected credit losses		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balances with the central bank	25,971,616	-	-	-	-	-
Deposits with banks and other financial institutions	1,192,221	-	-	(393)	-	-
Placements with banks and other financial institutions	1,044,874	-	-	(325)	-	-
Financial assets held under resale agreements	9,459,275	-	-	(2,937)	-	-
Financial investments	59,349,998	5,419,284	9,455,464	74,223,746	(832,219)	(4,658,833)
Loans and advances to customers	243,705,289	18,849,975	8,628,515	271,183,779	(1,420,913)	(5,648,922)
Total	340,723,273	24,268,259	18,083,979	383,075,511	(1,500,329)	(10,307,755)

(ii) Financial assets measured at FVOCI

	As at December 31, 2024					
	Gross carrying amount			Allowances for expected credit losses		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Financial investments	45,414,081	-	-	(6,456)	-	-
Loans and advances to customers	51,572,121	-	-	(19,034)	-	-
Total	96,986,202	-	-	(25,490)	-	-

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

As at December 31, 2023, the Group's credit risk stages of financial instruments are as follows:

(i) Financial assets measured at amortised cost

	As at December 31, 2023				Allowances for expected credit losses			
	Gross carrying amount							
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balances with the central bank	32,693,983	-	-	32,693,983	-	-	-	-
Deposits with banks and other financial institutions	2,224,487	-	-	2,224,487	(592)	-	-	(592)
Placements with banks and other financial institutions	70,898	-	-	70,898	(14)	-	-	(14)
Financial assets held under resale agreements	14,350,234	-	-	14,350,234	(4,047)	-	-	(4,047)
Financial investments	67,622,178	5,295,090	8,526,140	81,443,408	(47,771)	(884,901)	(3,745,087)	(4,677,759)
Loans and advances to customers	240,652,673	14,573,006	8,042,356	263,268,035	(1,686,786)	(2,359,034)	(5,634,371)	(9,680,191)
Total	357,614,453	19,868,096	16,568,496	394,051,045	(1,739,210)	(3,243,935)	(9,379,458)	(14,362,603)

(ii) Financial assets measured at FVOCI

	As at December 31, 2023				Allowances for expected credit losses			
	Gross carrying amount							
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Financial investments	41,226,640	-	-	41,226,640	(6,775)	-	-	(6,775)
Loans and advances to customers	39,822,395	-	-	39,822,395	(26,796)	-	-	(26,796)
Total	81,049,035	-	-	81,049,035	(33,571)	-	-	(33,571)

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44 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(a) Rescheduled loans and advances

Rescheduled loans and advances arise from rescheduling or deferring the repayment terms mainly representing offering lower interest rate or extending payment schedule. Rescheduled loans and advances are under continuous monitoring by the Group.

Contractual amount of rescheduled loans and advances for the Group as at December 31, 2024 amounted to RMB14,542.91 million, among which loans and advances overdue for more than 90 days amounted to RMB412.96 million.

Debt instruments

Debt instruments are analysed by credit rating as follows:

	As at December 31, 2024			Total
	Financial investments at FVTPL	Financial investments at FVOCI	Financial investments at amortised cost	
AAA	1,893,971	16,369,564	31,559,121	49,822,656
AA+ – AA-	2,219,780	354,708	2,732,047	5,306,535
C	–	–	11,917	11,917
Unrated (Note)	10,707,411	28,689,809	24,079,970	63,477,190
Total	14,821,162	45,414,081	58,383,055	118,618,298

	As at December 31, 2023			Total
	Financial investments at FVTPL	Financial investments at FVOCI	Financial investments at amortised cost	
AAA	1,368,391	15,172,495	30,303,104	46,843,990
AA+ – AA-	2,335,681	794,121	4,503,284	7,633,086
C	–	–	37,000	37,000
Unrated (Note)	3,345,837	25,260,024	28,126,942	56,732,803
Total	7,049,909	41,226,640	62,970,330	111,246,879

Note: The unrated debt securities mainly consist of investment and trading securities issued by the Ministry of Finance, PBOC, policy banks which are creditworthy issuers in the market but are not rated by independent rating agencies.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk

Liquidity risk refers to the risk of failure of commercial banks to acquire sufficient funds in a timely manner at a reasonable cost to pay off debts due or meet liquidity demands in line with expansion of business operations. The objective of the Group's liquidity management is to ensure sufficient fund positions to meet requirements for solvency obligations and business settlement in a timely manner.

On the basis of predicting liquidity demands, the Group formulates corresponding liquidity management plans. The specific methods mainly include:

- Setting target ratio on assets and liabilities structure in accordance with the regulatory requirements and business plan;
- Maintaining stability of deposit base; and
- Making advanced projection on future cash flows and evaluating the appropriate current assets position.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk (Continued)

Analysis of the remaining maturity of assets and liabilities

The tables below summarise the maturity analysis of assets and liabilities by remaining contractual maturities at the end of each reporting period.

	Past due/indefinite Note (a)/(b)/(c)	As at December 31, 2024					
		On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	over 5 years
Assets							
Cash and balances with the central bank	22,111,325	4,458,745	-	10,303	-	-	26,580,373
Deposits with banks and other financial institutions	-	1,183,799	-	8,029	-	-	1,191,828
Placements with banks and other financial institutions	-	-	525,689	518,860	-	-	1,044,549
Financial assets held under resale agreements	-	-	7,981,127	1,475,211	-	-	9,456,338
Loans and advances to customers	3,121,281	284,252	27,866,136	40,428,523	110,257,602	62,107,642	311,947,817
Financial investments	6,273,830	1,614,657	26,959,017	3,090,246	12,511,120	47,165,379	150,796,439
Others	12,897,239	1,311,012	184,719	151,302	30,022	744,517	15,441,277
Total assets	44,403,675	8,852,465	63,516,688	45,682,474	122,798,744	110,017,538	516,458,621
Liabilities							
Borrowings from the central bank	-	-	3,265,774	1,775,169	17,402,680	-	22,443,623
Deposits from banks and other financial institutions	-	1,287,437	40,911	86,301	7,558,528	-	8,973,177
Placements from banks and other financial institutions	-	-	-	-	2,301,430	-	2,301,430
Financial assets sold under repurchase agreements	-	-	1,734,370	-	-	-	1,734,370
Customer deposits	-	131,212,975	25,824,782	63,543,004	81,279,783	84,294,098	386,963,452
Debt securities issued	-	-	2,968,326	8,614,085	35,754,212	-	47,336,623
Lease liabilities	-	-	14,437	10,840	68,418	168,650	29,079
Others	543,366	3,338,218	-	-	-	-	3,881,584
Total liabilities	543,366	135,838,630	33,848,600	74,029,399	144,365,051	84,462,748	473,925,683
Long/(short) position	43,860,309	(126,986,165)	29,668,088	(28,346,925)	(21,566,307)	25,554,790	42,532,938

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44 FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk (Continued)

Analysis of the remaining maturity of assets and liabilities (Continued)

	Past due/indefinite Note (a)/(b)/(c)	As at December 31, 2023					
		On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	over 5 years
Assets							
Cash and balances with the central bank	24,870,446	8,420,544	-	11,541	-	-	33,302,531
Deposits with banks and other financial institutions	-	1,590,948	-	501,775	131,172	-	2,223,895
Placements with banks and other financial institutions	-	-	70,884	-	-	-	70,884
Financial assets held under resale agreements	-	-	12,934,930	1,411,257	-	-	14,346,187
Loans and advances to customers	2,508,413	76,383	19,990,699	32,593,335	111,447,847	64,066,517	293,410,239
Financial investments	7,362,521	1,868,421	17,419,033	6,713,462	18,286,649	49,863,701	145,948,869
Others	12,618,042	346,253	7,922	429,078	54,396	961,106	14,546,612
Total assets	47,359,422	12,302,549	50,423,468	41,660,448	129,920,064	114,891,324	503,849,217
Liabilities							
Borrowings from the central bank	-	-	2,589,713	4,603,583	20,913,309	-	28,106,605
Deposits from banks and other financial institutions	-	1,230,661	1,501,132	3,012,123	7,344,776	-	13,088,692
Placements from banks and other financial institutions	-	-	207,004	281,800	4,103,252	-	4,592,056
Financial assets sold under repurchase agreements	-	-	4,970,342	-	-	-	4,970,342
Customer deposits	-	149,075,932	22,950,836	34,497,007	85,584,301	77,411,585	370,733,048
Debt securities issued	-	-	2,387,055	8,897,950	25,897,713	-	37,182,718
Lease liabilities	-	-	13,711	9,638	74,949	173,305	305,479
Others	778,931	3,134,836	-	-	-	-	3,913,767
Total liabilities	778,931	153,441,429	34,619,793	51,302,101	143,918,300	77,584,890	462,892,707
Long/(short) position	46,580,491	(141,138,880)	15,803,675	(9,641,653)	(13,998,236)	37,306,434	40,956,510

- (a) Indefinite amount of cash and deposits with the central bank represents the statutory deposit reserves and fiscal deposits with the central bank.
- (b) 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.
- (c) Financial investments comprise financial investments at amortised cost, financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income. Indefinite amount of financial investments represent credit-impaired investments or those overdue more than one month. Unlisted equity investments is listed in the category of indefinite.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows

The tables below present the cash flows of non-derivatives financial assets and financial liabilities by remaining contractual maturities at the end of reporting period. The amounts disclosed in the tables are the undiscounted contractual cash flows.

	Carrying amount	Contractual undiscounted cash flow	Past due/ indefinite	As at December 31, 2024						
				On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	over 5 years	
Financial assets										
Cash and balances with the central bank	26,580,373	26,580,373	22,111,325	4,458,745	-	10,303	-	-	-	-
Deposits with banks and other financial institutions	1,191,828	1,191,888	-	1,183,799	-	8,089	-	-	-	-
Placements with banks and other financial institutions	1,044,549	1,050,121	-	-	526,423	523,698	-	-	-	-
Financial assets held under resale agreements	9,456,338	9,464,194	-	-	7,981,799	1,482,395	-	-	-	-
Loans and advances to customers	311,947,817	359,974,364	3,272,315	284,252	28,991,885	42,511,204	117,146,726	82,791,911	84,976,071	
Financial investments	150,796,439	172,801,044	6,775,611	1,614,657	26,988,579	3,380,274	14,559,746	56,285,951	63,196,226	
Others	2,297,826	2,297,826	33,117	1,311,012	184,719	150,827	20,328	565,671	32,152	
Total financial assets	503,315,170	573,359,810	32,192,368	8,852,465	64,673,405	48,066,790	131,726,800	139,643,533	148,204,449	
Financial liabilities										
Borrowings from the central bank	22,443,623	22,666,240	-	-	3,269,699	1,781,014	17,615,527	-	-	
Deposits from banks and other financial institutions	8,973,177	9,063,047	-	1,287,437	40,972	86,534	7,648,104	-	-	
Placements from banks and other financial institutions	2,301,430	2,346,774	-	-	-	-	2,346,774	-	-	
Financial assets sold under repurchase agreements	1,734,370	1,734,442	-	-	1,734,442	-	-	-	-	
Customer deposits	386,963,452	389,688,894	-	131,212,975	25,832,702	63,643,980	81,808,467	86,228,010	962,760	
Debt securities issued	47,336,623	47,749,628	-	-	2,970,199	8,651,272	36,128,157	-	-	
Lease liabilities	291,424	319,493	-	-	15,334	12,258	79,860	180,751	31,290	
Others	1,571,643	1,571,643	-	1,571,643	-	-	-	-	-	
Total financial liabilities	471,615,742	475,140,161	-	134,072,055	33,863,348	74,175,058	145,626,889	86,408,761	994,050	
Long/(short) position	31,699,428	98,219,649	32,192,368	(125,219,590)	30,810,057	(26,108,268)	(13,900,089)	53,234,772	147,210,399	

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44 FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

As at December 31, 2023									
	Carrying amount	Contractual undiscounted cash flow	Past due/ indefinite	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	over 5 years
Financial assets									
Cash and balances with the central bank	33,302,531	33,302,531	24,870,446	8,420,544	-	11,541	-	-	-
Deposits with banks and other financial institutions	2,223,895	2,226,850	-	1,590,948	-	501,809	134,093	-	-
Placements with banks and other financial institutions	70,884	79,090	-	-	79,090	-	-	-	-
Financial assets held under resale agreements	14,346,187	14,363,524	-	-	12,943,400	1,420,124	-	-	-
Loans and advances to customers	293,410,239	343,006,587	2,690,405	76,383	21,156,666	34,765,973	118,728,167	85,410,339	80,178,654
Financial investments	145,948,869	168,643,612	8,646,450	1,868,421	17,458,053	6,953,889	20,540,867	59,245,308	53,930,624
Others	1,640,284	1,640,284	1,555	346,253	7,077	428,080	39,889	782,991	34,439
Total financial assets	490,942,889	563,262,478	36,208,856	12,302,549	51,644,286	44,081,416	139,443,016	145,438,638	134,143,717
Financial liabilities									
Borrowings from the central bank	28,106,605	28,448,927	-	-	2,593,086	4,626,385	21,229,456	-	-
Deposits from banks and other financial institutions	13,088,692	13,211,282	-	1,230,661	1,502,118	3,035,606	7,442,897	-	-
Placements from banks and other financial institutions	4,592,056	4,699,923	-	-	207,706	284,897	4,207,320	-	-
Financial assets sold under repurchase agreements	4,970,342	4,971,852	-	-	4,971,852	-	-	-	-
Customer deposits	370,733,048	377,381,561	-	149,075,932	22,979,471	34,655,141	86,971,400	82,236,459	1,463,158
Debt securities issued	37,182,718	37,650,503	-	-	2,390,223	8,941,477	26,318,803	-	-
Lease liabilities	305,479	331,943	-	-	15,726	11,366	79,441	188,395	37,015
Others	1,569,684	1,569,684	-	1,569,684	-	-	-	-	-
Total financial liabilities	460,548,624	468,265,675	-	151,876,277	34,660,182	51,554,872	146,249,317	82,424,854	1,500,173
Long/(short) position	30,394,265	94,996,803	36,208,856	(139,573,728)	16,984,104	(7,473,456)	(6,806,301)	63,013,784	132,643,544

Assets available to meet all of the liabilities include cash, balances with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial investments. In the normal course of business, the majority of customer deposits repayable on demand are expected to be revolved.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(2) Liquidity risk (Continued)

Analysis of off-balance sheet items

Off-balance sheet items of the Group mainly include credit commitments. The tables below set forth the amounts of the off-balance sheet credit commitments by remaining maturity.

	As at December 31, 2024			Total
	Less than 1 year	1 to 5 years	Over 5 years	
Acceptances	55,850,014	–	–	55,850,014
Guarantees and letters of guarantees	31,381,732	2,918,418	303,864	34,604,014
Letters of credit	21,289,944	–	–	21,289,944
Unused credit card commitments	6,601,570	–	–	6,601,570
Total	115,123,260	2,918,418	303,864	118,345,542

	As at December 31, 2023			Total
	Less than 1 year	1 to 5 years	Over 5 years	
Acceptances	55,371,861	–	–	55,371,861
Guarantees and letters of guarantees	16,089,128	–	–	16,089,128
Letters of credit	13,838,838	5,714,550	303,865	19,857,253
Unused credit card commitments	12,956,203	–	–	12,956,203
Irrevocable loan commitments	80,500	–	–	80,500
Total	98,336,530	5,714,550	303,865	104,354,945

(3) Market risk

Market risk refers to the risk of losses to the Group's on and off-balance sheet activities, arising from adverse movements in market prices (interest rates, exchange rates, stock prices and commodity prices). According to the Group's asset allocation, the market risks faced by the Group are mainly interest rate risk and exchange rate risk, including trading books and bank books.

The Group considers the market risk arising from equity price movements in respect of its trading and investment portfolios as immaterial.

The Group's foreign currency risk is the risk of loss in respect of its foreign currency exposures, arising from transactions taken on foreign currency denominated assets and liabilities, which results from movements in foreign currency exchange rates.

The Group is primarily exposed to interest rate risk arising from corporate and retail banking business and treasury business. Interest rate risk is inherent in many of its businesses and largely arises from mismatches between the re-pricing dates of interest-generating assets and those of interest-bearing liabilities.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(3) Market risk (Continued)

Foreign currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD and, to a lesser extent other currency. Transactions in foreign currencies mainly arise from the Group's treasury exposures.

	As at December 31, 2024				Total
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Assets					
Cash and balances with the central bank	26,579,058	1,315	-	-	26,580,373
Deposits with banks and other financial institutions	1,009,374	69,028	98,863	14,563	1,191,828
Placements with banks and other financial institutions	-	1,044,549	-	-	1,044,549
Financial assets held under resale agreements	9,456,338	-	-	-	9,456,338
Loans and advances to customers	311,932,508	15,309	-	-	311,947,817
Financial investments	150,266,559	529,880	-	-	150,796,439
Others	15,441,277	-	-	-	15,441,277
Total assets	514,685,114	1,660,081	98,863	14,563	516,458,621
Liabilities					
Borrowings from the central bank	22,443,623	-	-	-	22,443,623
Deposits from banks and other financial institutions	8,973,177	-	-	-	8,973,177
Placements from banks and other financial institutions	2,301,430	-	-	-	2,301,430
Financial assets sold under repurchase agreements	1,734,370	-	-	-	1,734,370
Customer deposits	386,888,127	68,947	3	6,375	386,963,452
Debt securities issued	47,336,623	-	-	-	47,336,623
Others	4,159,605	13,401	2	-	4,173,008
Total liabilities	473,836,955	82,348	5	6,375	473,925,683
Net balance sheet position	40,848,159	1,577,733	98,858	8,188	42,532,938

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44 FINANCIAL RISK MANAGEMENT (Continued)

(3) Market risk (Continued)

Foreign currency risk (Continued)

	As at December 31, 2023				Total
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Assets					
Cash and balances with the central bank	33,215,223	87,308	–	–	33,302,531
Deposits with banks and other financial institutions	1,817,026	274,397	122,569	9,903	2,223,895
Placements with banks and other financial institutions	–	70,884	–	–	70,884
Financial assets held under resale agreements	14,346,187	–	–	–	14,346,187
Loans and advances to customers	292,880,475	529,764	–	–	293,410,239
Financial investments	142,484,346	3,464,523	–	–	145,948,869
Others	14,546,612	–	–	–	14,546,612
Total assets	499,289,869	4,426,876	122,569	9,903	503,849,217
Liabilities					
Borrowings from the central bank	28,106,605	–	–	–	28,106,605
Deposits from banks and other financial institutions	11,469,588	1,619,104	–	–	13,088,692
Placements from banks and other financial institutions	4,103,251	488,805	–	–	4,592,056
Financial assets sold under repurchase agreements	4,970,342	–	–	–	4,970,342
Customer deposits	369,899,602	832,382	4	1,060	370,733,048
Debt securities issued	37,182,718	–	–	–	37,182,718
Others	4,205,613	13,632	1	–	4,219,246
Total liabilities	459,937,719	2,953,923	5	1,060	462,892,707
Net balance sheet position	39,352,150	1,472,953	122,564	8,843	40,956,510

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44 FINANCIAL RISK MANAGEMENT (Continued)

(3) Market risk (Continued)

Foreign currency risk (Continued)

The table below indicates the potential effect of a 10% appreciation or depreciation of foreign currency exchange spot rates against RMB on net profit.

	2024 Increase/ (decrease) in net profit	2023 Increase/ (decrease) in net profit
10% appreciation	126,358	120,327
10% depreciation	(126,358)	(120,327)

The impact on net profit arises from the effects of movement in exchange rates on the net positions of foreign currency monetary assets and monetary liabilities. Changes in foreign currency exchange rate will affect other comprehensive income.

The effect on net profit is calculated based on the assumption that the Group's net foreign currency exposure at the end of each reporting period remains unchanged. The Group mitigates its foreign currency risk through active management of its foreign currency exposures, based on the management expectation of future foreign currency movements, and therefore the above sensitivity analysis may differ from the actual situation.

Interest rate risk

The interest rate risk of the Group arises from the mismatches between contractual maturities or re-pricing of interest-generating assets and interest-bearing liabilities. The interest-generating assets and interest-bearing liabilities of the Group are mainly denominated in RMB. The PBOC establishes RMB benchmark interest rates which serve as references for commercial banks.

The Group manages its interest rate risk by:

- Regularly monitoring the macro-economic factors that may impact the PBOC benchmark interest rates;
- Minimising the mismatches between contractual maturities or re-pricing of interest-generating assets and interest-bearing liabilities; and
- Enhancing the interest rate margin between the interest-generating assets and interest-bearing liabilities with reference to the prevailing PBOC benchmark interest rates.

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44 FINANCIAL RISK MANAGEMENT (Continued)

(3) Market risk (Continued)

Interest rate risk (Continued)

The tables below summarise the contractual maturity or re-pricing date, whichever is earlier, of the Group's assets and liabilities.

	As at December 31, 2024					
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets						
Cash and balances with the central bank	25,664,710	-	-	-	915,663	26,580,373
Deposits with banks and other financial institutions	1,181,502	-	-	-	10,326	1,191,828
Placements with banks and other financial institutions	1,038,399	-	-	-	6,150	1,044,549
Financial assets held under resale agreements	9,455,606	-	-	-	732	9,456,338
Loans and advances to customers	187,492,280	85,630,534	18,962,799	17,951,698	1,910,506	311,947,817
Financial investments	17,767,298	9,614,453	45,596,669	53,182,190	24,635,829	150,796,439
Others	-	-	-	-	15,441,277	15,441,277
Total assets	242,599,795	95,244,987	64,559,468	71,133,888	42,920,483	516,458,621
Liabilities						
Borrowings from the central bank	4,958,195	17,375,919	-	-	109,509	22,443,623
Deposits from banks and other financial institutions	1,412,270	7,509,000	-	-	51,907	8,973,177
Placements from banks and other financial institutions	-	2,300,000	-	-	1,430	2,301,430
Financial assets sold under repurchase agreements	1,734,298	-	-	-	72	1,734,370
Customer deposits	217,221,010	79,168,082	80,907,675	800,000	8,866,685	386,963,452
Debt securities issued	11,582,411	35,754,212	-	-	-	47,336,623
Lease liabilities	25,277	68,418	168,650	29,079	-	291,424
Others	-	-	-	-	3,881,584	3,881,584
Total liabilities	236,933,461	142,175,631	81,076,325	829,079	12,911,187	473,925,683
Total interest sensitivity gap	5,666,334	(46,930,644)	(16,516,857)	70,304,809	30,009,296	42,532,938

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44 FINANCIAL RISK MANAGEMENT (Continued)

(3) Market risk (Continued)

Interest rate risk (Continued)

	As at December 31, 2023					Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Assets						
Cash and balances with the central bank	32,067,721	–	–	–	1,234,810	33,302,531
Deposits with banks and other financial institutions	2,088,269	131,172	–	–	4,454	2,223,895
Placements with banks and other financial institutions	70,813	–	–	–	71	70,884
Financial assets held under resale agreements	14,344,466	–	–	–	1,721	14,346,187
Loans and advances to customers	143,174,171	117,537,954	16,079,003	15,162,943	1,456,168	293,410,239
Financial investments	12,729,844	15,719,882	48,251,371	44,079,665	25,168,107	145,948,869
Others	–	–	–	–	14,546,612	14,546,612
Total assets	204,475,284	133,389,008	64,330,374	59,242,608	42,411,943	503,849,217
Liabilities						
Borrowings from the central bank	7,049,000	20,862,114	–	–	195,491	28,106,605
Deposits from banks and other financial institutions	5,717,951	7,303,634	–	–	67,107	13,088,692
Placements from banks and other financial institutions	4,581,624	–	–	–	10,432	4,592,056
Financial assets sold under repurchase agreements	4,969,433	–	–	–	909	4,970,342
Customer deposits	203,315,445	82,873,097	72,775,850	1,200,610	10,568,046	370,733,048
Debt securities issued	11,285,005	25,897,713	–	–	–	37,182,718
Lease liabilities	23,349	74,949	173,305	33,876	–	305,479
Others	–	–	–	–	3,913,767	3,913,767
Total liabilities	236,941,807	137,011,507	72,949,155	1,234,486	14,755,752	462,892,707
Total interest sensitivity gap	(32,466,523)	(3,622,499)	(8,618,781)	58,008,122	27,656,191	40,956,510

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44 FINANCIAL RISK MANAGEMENT (Continued)

(3) Market risk (Continued)

Interest rate risk (Continued)

The following table illustrates the potential impact of a parallel upward or downward shift of 100 basis points in RMB's yield curve on the net interest income and other comprehensive income, based on the Group's position of interest-generating assets and interest-bearing liabilities excluding current deposits at the end of each reporting period.

	2024		2023	
	Net interest income	Other comprehensive income	Net interest income	Other comprehensive income
+100 basis points	(210,051)	(1,828,875)	(294,408)	(1,418,658)
- 100 basis points	210,791	2,026,553	294,411	1,568,825

The sensitivity analysis on net interest income is carried out based on reasonably possible changes in interest rates in the coming year with the assumption that the structure of financial assets and financial liabilities (except current deposits) held at the end of the reporting period remain unchanged.

The sensitivity analysis on other comprehensive income is the effect on changes of fixed rate financial investments measured at FVOCI at the end of each reporting period after adjusting for reasonably possible changes in interest rates.

(4) Operational risk

Operational risk refers to risks caused by problems existed in internal procedures, employees or information technology systems, as well as external incidents.

The Group has set up a good operational risk governance organisational structure composed of the Party Committee, the Board of Directors, the Board of Supervisors, the senior management and three lines of defense. The Board of Directors is the Group's highest decision-making body regarding operational risk management. The Board of Supervisors is responsible for supervising the performance of duties by the Board of Directors and the senior management. The senior management is responsible for implementing operational risk management strategies, overall policies and systems approved by the Board of Directors, as well as continuously establishing and improving the three lines of defense for operational risk, and improving the operational risk management system that is appropriate for the scope of business, risk characteristics, scale of operation and regulatory requirements.

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45 FAIR VALUE OF FINANCIAL INSTRUMENTS

Certain financial instruments of the Group are measured at fair value at the end of each reporting period. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described below:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following tables give the information about how the fair values of these financial instruments are categorised and determined, in particular, the valuation technique(s) and input(s) used.

Fair value of financial instruments that are measured at fair value on a recurring basis

	As at December 31, 2024			Total
	Level 1	Level 2	Level 3	
Financial investments measured at FVTPL				
– Debt securities	–	14,821,162	–	14,821,162
– Fund investments	–	16,110,769	–	16,110,769
– Equity investments	849,089	–	1,068,270	1,917,359
– Trust beneficiary rights and asset management plans	–	–	1,104,441	1,104,441
– Others	–	–	2,771,694	2,771,694
Financial investments measured at FVOCI				
– Debt securities	–	45,414,081	–	45,414,081
Loans and advances to customers measured at FVOCI	–	51,572,121	–	51,572,121
Total	849,089	127,918,133	4,944,405	133,711,627

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45 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments that are measured at fair value on a recurring basis (Continued)

	As at December 31, 2023			Total
	Level 1	Level 2	Level 3	
Financial investments measured at FVTPL				
– Debt securities	–	7,049,909	–	7,049,909
– Fund investments	–	13,604,007	–	13,604,007
– Equity investments	409,246	–	1,161,439	1,570,685
– Trust beneficiary rights and asset management plans	–	–	2,036,958	2,036,958
– Others	–	–	3,695,021	3,695,021
Financial investments measured at FVOCI				
– Debt securities	–	41,226,640	–	41,226,640
Loans and advances to customers measured at FVOCI	–	39,822,395	–	39,822,395
Total	409,246	101,702,951	6,893,418	109,005,615

There were no transfers between Level 1 and Level 2 during the year ended December 31, 2024 and 2023.

Financial assets at FVTPL and financial assets at FVOCI are stated at fair value by reference to the quoted market prices when available.

If quoted market prices are not available, fair values are estimated on the basis of discounted cash flows or other pricing models. For debt securities, the fair values of bonds are determined based on the valuation results provided by China Central Depository Trust & Clearing Co., Ltd., which are determined based on a valuation technique for which all significant inputs are observable market data.

For the investment funds, the fair value is measured based on the observable quoted price of the underlying investment portfolio in active market.

The fair value of loans and advances to customers at FVOCI are categorised as Level 2. Based on the different credit risk, the Group uses the Shanghai Interbank Offered Rate (“SHIBOR”) as the basis for calculating the fair value of discounted bills.

For Level 3 financial assets, the Group adopts the discounted cash flow method or other valuation methods to determine the fair value. The fair value of trust beneficiary rights and asset management plans and others type of financial assets is measured by the expected discounted cash flows with unobservable input of discount rate reflecting the credit risk of debtors, and the fair value of equity investments type of financial assets are measured by market comparison approach with unobservable input of discount for lack of marketability.

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for the year ended December 31, 2024
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45 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial assets is as follows:

	Financial investments measured at FVTPL
As at January 1, 2024	6,893,418
Total gains	
– In profit or loss	(431,256)
Transfers in	–
Disposals and settlement on maturity	(1,517,757)
As at December 31, 2024	4,944,405
Total unrealised gains or losses included in the consolidated statement of profit or loss for assets held at the end of the reporting period	(591,317)

	Financial investments measured at FVTPL
As at January 1, 2023	9,313,429
Total gains	
– In profit or loss	292,930
Transfers in	388,205
Disposals and settlement on maturity	(3,101,146)
As at December 31, 2023	6,893,418
Total unrealised gains or losses included in the consolidated statement of profit or loss for assets held at the end of the reporting period	(168,316)

During the year ended December 31, 2024 and 2023, there were no significant transfers between Level 3 and Level 1 or Level 2.

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45 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments that are measured at fair value on a recurring basis (Continued)

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:

Financial assets/ financial liabilities	Fair value as at December 31,		Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2024	2023		
Financial investments at FVTPL				
– Unlisted equity investments	1,068,270	1,161,439	Market approach. Fair value determined by reference to price to earnings ratio, etc of comparable companies after considering the discount for lack of marketability.	Price to earnings ratio, etc, Discount for lack of marketability
– Trust beneficiary rights and asset management plans	1,104,441	2,036,958	Discounted cash flows. Future cash flows are discounted using the discount rates with reference to the PBOC benchmark interest rates and credit spread for specific borrowers.	Discount rate, Future Cash Flow
– Other investments	2,771,694	3,695,021	Discounted cash flows. Future cash flows are discounted using the discount rates with reference to the PBOC benchmark interest rates and credit spread for specific borrowers.	Discount rate, Future Cash Flow

Fair value of financial instruments that are not measured at fair value on a recurring basis

As at the end of the reporting period, the carrying amount and the fair value of the financial assets and the financial liabilities of the Group have no significant difference except following items.

	As at December 31, 2024		As at December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Debt securities measured at amortised cost	58,383,055	62,562,104	62,970,330	64,661,617
Financial liabilities				
Debt securities issued	47,336,623	47,379,967	37,182,718	37,193,935

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46 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Bank's principal subsidiaries as at December 31, 2024 and 2023 are set out below:

Name of entity	Place of incorporation/ registration and operations	Date of incorporation/ establishment	Authorised/ paid-in capital as at December 31, 2024	Proportion of ownership held by the Group		Proportion of voting rights held by the Group		Principal activities	Type of entity
				As at December 31, 2024	As at December 31, 2023	As at December 31, 2024	As at December 31, 2023		
				%	%	%	%		
Xiushui Jiuyin County Bank LLC.	Jiangxi, PRC	December 2007	40,000	51.00	51.00	56.85	56.85	Commercial bank	Limited liability Company
Beijing Daxing Jiuyin County Bank Co., Ltd. (i) (iii)	Beijing, PRC	May 2010	220,000	51.00	45.00	59.00	53.00	Commercial bank	Joint Stock Company
Jinggangshan Jiuyin County Bank LLC. (i)	Jiangxi, PRC	March 2010	64,274	41.00	41.00	51.00	58.33	Commercial bank	Limited liability Company
Rizhao Jiuyin County Bank Co., Ltd.	Shandong, PRC	November 2011	50,000	51.00	51.00	51.00	51.00	Commercial bank	Joint Stock Company
Nanjing Liuhe Jiuyin County Bank Co., Ltd.	Jiangsu, PRC	December 2011	100,000	51.00	51.00	56.00	56.00	Commercial bank	Joint Stock Company
Nanchang Changdong Jiuyin County Bank Co., Ltd.	Jiangxi, PRC	October 2012	50,000	51.00	51.00	51.00	51.00	Commercial bank	Joint Stock Company
Pengze Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	December 2015	50,000	35.00	35.00	53.65	53.65	Commercial bank	Joint Stock Company
Ruichang Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	December 2015	50,000	35.00	35.00	53.30	53.30	Commercial bank	Joint Stock Company
Zixi Jiuyin County Bank Co., Ltd. (iii)	Jiangxi, PRC	April 2016	40,827	77.32	68.16	77.91	77.66	Commercial bank	Joint Stock Company

Notes to the Consolidated Financial Statements

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(Expressed in thousands of Renminbi, unless otherwise stated)

46 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of entity	Place of incorporation/ registration and operations	Date of incorporation/ establishment	Authorised/ paid-in capital as at December 31, 2024	Proportion of ownership held by the Group		Proportion of voting rights held by the Group		Principal activities	Type of entity
				As at December 31, 2024	As at December 31, 2023	As at December 31, 2024	As at December 31, 2023		
				%	%	%	%		
Chongren Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	June 2016	40,000	35.00	35.00	54.00	54.40	Commercial bank	Joint Stock Company
Fenyi Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	June 2016	50,000	35.00	35.00	54.80	54.80	Commercial bank	Joint Stock Company
Fengxin Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	October 2016	50,000	42.21	42.21	55.00	55.00	Commercial bank	Joint Stock Company
Jing'an Jiuyin County Bank Co., Ltd.	Jiangxi, PRC	November 2016	50,898	71.22	71.22	76.25	76.25	Commercial bank	Joint Stock Company
Tonggu Jiuyin County Bank Co., Ltd.	Jiangxi, PRC	November 2016	53,090	72.00	72.00	76.33	76.33	Commercial bank	Joint Stock Company
Jingdezhen Changjiang Jiuyin County Bank Co., Ltd.	Jiangxi, PRC	December 2016	61,000	53.50	53.50	61.55	61.55	Commercial bank	Joint Stock Company
Lushan Jiuyin Art County Bank Co., Ltd. (i)	Jiangxi, PRC	January 2017	30,000	42.21	42.21	55.00	55.00	Commercial bank	Joint Stock Company
Duchang Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	February 2018	50,000	50.00	50.00	52.00	52.00	Commercial bank	Joint Stock Company
Hukou Jiuyin County Bank Co., Ltd. (i)	Jiangxi, PRC	February 2018	50,000	50.00	50.00	52.70	52.70	Commercial bank	Joint Stock Company

Notes to the Consolidated Financial Statements

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46 PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (i) The Bank holds no more than 50% equity interests in these subsidiaries. In accordance with the agreements to act in concert entered into by the Bank and the non-controlling shareholders, the Bank has right to obtain variable returns from its involvement in the relevant operations of these subsidiaries and the ability to affect the returns through the power over these subsidiaries. In the opinion of the directors of the Bank, the Bank has controls over these subsidiaries.
- (ii) As at December 31, 2024, the Group consists of the Bank and 18 subsidiaries, and the non-controlling interests have no material interest in the Group's activities and cash flows.
- (iii) The Bank acquired 13.2 million shares and 3.74 million shares from non-controlling shareholders of its subsidiaries, Beijing Daxing Jiuyin County Bank Co., Ltd. and Zixi Jiuyin County Bank Co., Ltd., respectively. At the end of 2024, the proportion of ownership held by the Bank increasing by 6.00% and 9.16% accordingly.

47 STATEMENT OF FINANCIAL POSITION OF THE BANK

	As at December 31	
	2024	2023
ASSETS		
Cash and balances with the central bank	24,418,739	31,097,119
Deposits with banks and other financial institutions	1,091,097	2,068,835
Placements with banks and other financial institutions	1,044,549	70,884
Financial assets held under resale agreements	9,426,640	14,296,273
Loans and advances to customers	302,368,991	283,548,761
Financial investments	149,565,676	143,484,434
Interest in associates	142,369	141,971
Investments in subsidiaries	541,721	547,901
Right-of-use assets	256,133	263,310
Property and equipment	3,200,166	3,497,856
Deferred tax assets	4,681,333	4,521,275
Other assets	6,953,334	5,901,053
Total assets	503,690,748	489,439,672

Notes to the Consolidated Financial Statements

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47 STATEMENT OF FINANCIAL POSITION OF THE BANK (Continued)

	As at December 31	
	2024	2023
LIABILITIES		
Borrowings from the central bank	21,722,284	27,430,125
Deposits from banks and other financial institutions	13,061,081	16,414,344
Placements from banks and other financial institutions	2,301,430	4,592,056
Financial assets sold under repurchase agreements	1,491,572	3,792,020
Customer deposits	372,540,796	356,420,600
Income tax payable	75,795	3,478
Debt securities issued	47,336,623	37,182,718
Lease liabilities	268,369	279,595
Provisions	187,926	490,747
Other liabilities	3,273,598	2,908,565
Total liabilities	462,259,474	449,514,248
EQUITY		
Share capital	2,847,367	2,847,367
Other equity instruments	6,997,840	6,997,840
Reserves	31,586,067	30,080,217
Total equity	41,431,274	39,925,424
Total liabilities and equity	503,690,748	489,439,672

The financial statements have been approved by the Board of Directors of the Bank on March 31, 2025.

Zhou Shixin
CHAIRMAN

Xiao Jing
EXECUTIVE DIRECTOR

Li Guoquan
CHIEF ACCOUNTANT

**Bank of
Jiujiang Co., Ltd.**
(Company Stamp)

Notes to the Consolidated Financial Statements

for the year ended December 31, 2024
(Expressed in thousands of Renminbi, unless otherwise stated)

48 EVENT AFTER THE REPORTING PERIOD

Profit appropriation

(1) Distribution of dividends on ordinary shares

A final dividend of RMB5.70 cents per share (tax inclusive) in respect of the year ended December 31, 2024 amounting in a total of RMB162.30 million was proposed by the Board of Directors of the Bank and is subject to the approval of the forthcoming Annual General Meeting of the Bank.

(2) Distribution of interest on perpetual bonds

An interest at the interest rate of 4.80% per annum related to the first tranche of perpetual bonds of RMB3 billion amounting to RMB144.00 million in total was declared on February 6, 2025 and distributed on February 10, 2025.

49 COMPARATIVE FIGURES

For financial statements disclosure purpose, the Group made reclassification adjustments to some comparative figures.

50 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2024

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the year ended December 31, 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting period beginning on or after
Amendments to IAS 21, Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

Definition

In this annual report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

“Articles of Association”	the articles of association of the Bank, the version of which was considered and approved at the general meeting of the Bank and was approved by the Jiangxi Bureau of the National Financial Regulatory Administration on July 15, 2024, as the same may be amended, supplemented or otherwise modified from time to time
“Bank”, “Bank of Jiujiang” or “Group”	Bank of Jiujiang Co., Ltd. (九江銀行股份有限公司), a joint stock company incorporated on November 17, 2000 in Jiangxi 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
“Board of Supervisors”	the board of Supervisors of the Bank
“Board” or “Board of Directors”	the board of Directors of the Bank
“CBIRC”	former China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), currently the National Financial Regulatory Administration, and if the context requires, includes its predecessor China Banking Regulatory Commission (中國銀行業監督管理委員會)
“China” or “PRC”	the People’s Republic of China, for the purpose of this annual report only, refers to Mainland China, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan of the PRC
“city commercial bank(s)”	banks with branches at municipal or higher levels created with the approval of the national financial regulatory institution pursuant to the Company Law of the PRC and the PRC Commercial Banking Law
“commercial banks”	all the banking financial institutions in the PRC other than policy banks, including the large commercial banks, the nationwide joint-stock commercial banks, city commercial banks, foreign banks and other banking financial institutions
“Company Law of the PRC” or “Company Law”	the Company Law of the PRC (中華人民共和國公司法), which was promulgated by the 5th session of the Standing Committee of the 8th National People’s Congress on December 29, 1993 and became effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time
“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“county bank(s)”	banking institution(s) incorporated with the approval of the national financial regulatory institution, pursuant to the Company Law of the PRC and the PRC Commercial Banking Law, to provide services to local growers or enterprises in rural areas

Definition

“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank in the PRC, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“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 for which an application has been made for listing and permission to trade on the Hong Kong Stock Exchange
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards and International Accounting Standards (“IAS”), which include the related standards, amendments and interpretations issued by the International Accounting Standards Board (“IASB”)
“Jiuyin County Banks”	18 Jiuyin County Banks controlled and consolidated by the Bank as of December 31, 2024
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Ministry of Finance”	Ministry of Finance of the People’s Republic of China (中華人民共和國財政部)
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“National Financial Regulatory Administration”	a subordinated institution under the State Council and established based on China Banking and Insurance Regulatory Commission
“national financial regulatory institution”	the National Financial Regulatory Administration and (or) its local offices, and if the context requires, includes its predecessor China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) and (or) its local offices
“related party transaction(s)”	has the meaning ascribed to it under the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions promulgated by the former CBIRC, Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and/or IFRS

Definition

“related party(ies)”	has the meaning ascribed to it under the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions promulgated by the former CBIRC, Accounting Standards for Business Enterprises promulgated by the Ministry of Finance, and/or IFRS
“reporting period”	the year from January 1, 2024 to December 31, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“State Council”	the State Council of the People’s Republic of China (中華人民共和國國務院)
“Supervisor(s)”	the supervisor(s) of the Bank
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“major shareholder(s)”	shareholder(s) who meet the conditions stipulated in Article 3 of the Measures for Supervision and Management of Behaviors of Major Shareholders of Banking and Insurance Institutions (Trial)



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