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Bank of Guizhou Co., Ltd. *

貴州銀行股份有限公司*

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

(Stock Code: 6199)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The board of directors (the “**Board**”) of Bank of Guizhou Co., Ltd. (the “**Bank**”) is pleased to announce the unaudited interim results (the “**Interim Results**”) of the Bank for the six months ended 30 June 2021.

This interim results announcement, complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. The Board and the audit committee of the Board have reviewed and confirmed the Interim Results.

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Bank (www.bgzchina.com). The interim report for the six months ended 30 June 2021 will be dispatched to the shareholders of the Bank and will be available on the above websites in due course.

By order of the Board
Bank of Guizhou Co., Ltd.
YANG Mingshang
Chairman

Guiyang, the PRC, 30 August 2021

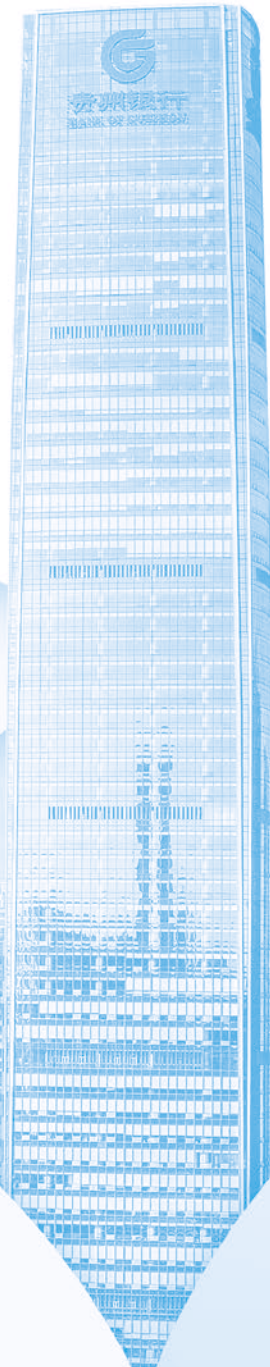
As of the date of this announcement, the Board of the Bank comprises Mr. Yang Mingshang, Mr. Xu An and Mr. Cai Dong as executive Directors; Mr. Chen Jingde, Mr. Chen Hanqing, Mr. Chen Hua, Mr. Wang Xiaoyong, Ms. Gong Taotao, Mr. Wang Wencheng and Mr. Zhao Yong as non-executive Directors; and Mr. Tang Xin, Mr. Wang Gefan, Mr. Song Ke and Mr. Law Cheuk Kin Stephen as independent non-executive Directors.

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

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



DEFINITIONS

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

“Articles of Association” or “Articles”	the articles of association of the Bank, the version of which was passed by our shareholders at the extraordinary general meeting held on 19 January 2021, and has been approved by the CBIRC Guizhou Office and came into effect on 21 June 2021
“Board”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Banking Ordinance”	the Banking Ordinance, Chapter 155 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Bank”, “We”, “Our”, “us” or “Bank of Guizhou”	Bank of Guizhou Co., Ltd. (貴州銀行股份有限公司), a joint stock company incorporated on 28 September 2012 in Guizhou Province, China, with limited liability in accordance with the PRC laws and regulations and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
“CBIRC” or “CBRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)/China Banking Regulatory Commission (中國銀行業監督管理委員會) (before 17 March 2018)
“CBIRC Guizhou Office”	China Banking and Insurance Regulatory Commission Guizhou Office (中國銀行保險監督管理委員會貴州監管局)
“commercial banks”	all the banking financial institutions in the PRC other than policy banks, including the large commercial banks, the joint-stock commercial banks, city commercial banks, foreign banks and other banking financial institutions
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank in the PRC, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in full for in Renminbi
“Four News”	exploring new path, launching new start point, seizing new opportunities and making new achievements



“Four-zations”	new industrialization, new urbanization, agricultural modernization and tourism industrialization
“H Shares”	overseas-listed shares in the share capital of the Bank, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are listed on the Hong Kong Stock Exchange
“H Shares Registrar”	Computershare Hong Kong Investor Services Limited
“HK\$” or “HKD” or “Hong Kong dollars”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Listing Date”	30 December 2019, the date on which dealings in the H Shares of the Bank first commenced on the Hong Kong Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“One, Two, Three, Four”	the overall working idea of “One, Two, Three, Four” put forward by Guizhou government, “One” refers to the theme of high-quality development which is taken as the guiding principle, “Two” refers to the two bottom lines which we must hold firmly, namely development and ecological conservation, “Three” refers to the three strategic actions we should implement extensively, namely, rural revitalization, big data and big ecology, “Four” refers to new industrialization, new urbanization, agricultural modernization and tourism industrialization which we should promote vigorously
“three centers in two cities”	two cities represent Guiyang and Zunyi; three centers represent Jinyang engine room in Guiyang, IDC engine room in Gui’an New Area and offsite backup engine room for disaster recovery in Zunyi
“LPR”	Loan Prime Rate
“PBOC” or “Central Bank”	the People’s Bank of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Reporting Period”	for the six months ended 30 June 2021



COMPANY PROFILE

1. BASIC INFORMATION

Legal Chinese Name:

貴州銀行股份有限公司

English Name:

BANK OF GUIZHOU CO., LTD.

Legal Representative:

Mr. Yang Mingshang

Authorised Representatives for the Hong Kong Stock Exchange:

Mr. Yang Mingshang, Mr. Zhou Guichang

Board Secretary:

Mr. Zhou Guichang

Joint Company Secretaries:

Mr. Zhou Guichang, Mr. Lei Kin Keong

Registered Address:

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

Head Office in the PRC:

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

Principal Place of Business in Hong Kong:

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Place of Listing, Stock Name and Stock Code:

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

Corporate Uniform Social Credit Code:

915200000550280000

Financial License Institution Number:

B1383H252010001

Auditors:

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

Hong Kong H Share Registrar and Transfer Office:

Computershare Hong Kong Investor Services
Limited

2. COMPANY PROFILE

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

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

As at the end of the Reporting Period, the Bank had total assets of RMB495,806 million, total deposits from customers of RMB330,842 million and total loans and advances to customers of RMB232,844 million, recorded profit before tax of RMB2,567 million, net profit of RMB2,125 million, non-performing loan ratio of 1.13% and provision coverage rate of 365.20%. As at the end of the Reporting Period, there were 225 licensed institutions of the Bank, with 5,123 regular employees. All branches of the Bank are located within Guizhou Province, realizing the full coverage of city (prefecture) and county (district) institutions in Guizhou Province.

The vision of Bank of Guizhou is to become a "domestic first-class modern commercial bank", with the goal of "contribution excellence, happiness sharing", it always adheres to the concept of "bank with heart", and strongly supports the economic and social development of Guizhou. Bank of Guizhou has established business areas covering corporate banking, retail banking, small and micro financial services, financial market operations, and asset management. In light of Guizhou's economic and social development, it has continuously innovated business products, and each business has developed rapidly. Bank of Guizhou has vigorously strengthened the distribution network construction, with branches in 88 counties in Guizhou Province. Electronic banking, mobile banking, WeChat banking, online banking, telephone banking and other service channels have been continuously improved, and the customer base has been continuously expanded. Bank of Guizhou insists on steady and prudent operations, and has established a comprehensive risk management system that matches business development. The asset quality level continues to maintain a good level. Bank of Guizhou continued to optimize its internal management, various systems and mechanisms were continuously improved, the building of the talent team was continuously strengthened, and the Bank has operated efficiently and orderly. Bank of Guizhou ranked 271st in the world in the list of "2021 Top 1000 Global Banks" released by the British Magazine "the Banker", and ranked 45th in the "2021 China Top 100 Bank List" released by the China Banking Association.

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

	For the six months ended 30 June		Year-on-Year
	2021	2020	
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>		
Operation results			Change
Net interest income	4,701.52	4,883.67	(3.73%)
Net fee and commission income	233.45	205.33	13.70%
Operating income	5,718.64	5,580.53	2.47%
Operating expenses	(1,699.34)	(1,697.75)	0.09%
Impairment losses on assets	(1,467.40)	(1,563.67)	(6.16%)
Profit before tax	2,566.51	2,304.10	11.39%
Net profit	2,125.27	1,928.97	10.18%
Per share (RMB)			Change
Net assets per share	2.56	2.47	3.64%
Basic earnings per share	0.15	0.13	15.38%
Profitability indicators (%)			Change
Return on average total assets ⁽¹⁾	0.89%	0.93%	(0.04%)
Return on average equity ⁽²⁾	11.60%	11.26%	0.34%
Net interest spread ⁽³⁾	2.35%	2.43%	(0.08%)
Net interest margin ⁽⁴⁾	2.29%	2.56%	(0.27%)
Cost-to-income ratio ⁽⁵⁾	28.98%	28.87%	0.11%

	As of 30 June, 2021	As of 31 December, 2020	First half of 2021 compared to the end of 2020
<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Scale indicators			Change
Total assets	495,805.96	456,401.20	8.63%
Including: Gross loans and advances to customers	232,843.55	213,922.91	8.84%
Net loans and advances to customers ⁽⁶⁾	223,735.01	206,152.61	8.53%
Total liabilities	458,524.07	420,373.38	9.08%
Including: Deposits from customers ⁽⁷⁾	330,841.53	289,042.77	14.46%
Share capital	14,588.05	14,588.05	–
Total equity	37,281.89	36,027.82	3.48%
Asset Quality Indicators (%)			Change
Non-performing loan ratio ⁽⁸⁾	1.13%	1.15%	-0.02%
Allowance coverage ratio ⁽⁹⁾	365.20%	334.36%	30.84%
Allowance to gross loans ⁽¹⁰⁾	4.13%	3.84%	0.29%
Capital adequacy ratio indicators⁽¹¹⁾ (%)			Change
Core tier-one capital adequacy ratio	11.60%	11.63%	-0.03%
Tier-one capital adequacy ratio	11.60%	11.63%	-0.03%
Capital adequacy ratio	13.61%	13.67%	-0.06%
Total equity to total assets	7.52%	7.89%	-0.37%
Other Indicators (%)			Change
Liquidity coverage ratio	348.32%	289.00%	59.32%
Liquidity ratio	105.65%	91.94%	13.71%
Loan-to-deposit ratio	70.98%	74.63%	-3.65%

Notes:

- (1) The percentage of net profit for the Reporting Period to the average balance of the total assets at the beginning and the end of the period.
- (2) The percentage of net profit for the Reporting Period to the average balance of total equity at the beginning and the end of the period.
- (3) Calculated by the difference between the average yield on total interest-earning assets and the average cost on total interest-bearing liabilities, on a basis of the daily average of the interest-earning assets and interest-bearing liabilities.
- (4) Calculated by dividing net interest income by average interest-earning assets, on a basis of the daily average of the interest-bearing assets.
- (5) Calculated by dividing operating cost after tax and surcharges by operating revenue.
- (6) Net loans and advances to customers = total loans and advances to customers + accrued interest on loans and advances to customers - provision for impairment of loans and advances to customers.
- (7) Deposits from customers = principal of deposits from customers + interest payable on deposits from customers.
- (8) Calculated by dividing total NPLs by total loans and advances to customers.
- (9) Calculated by dividing provision for impairment loss on loan by total NPLs.
- (10) Calculated by dividing provision for impairment loss on loan by total loans and advances to customers.
- (11) Core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio were calculated in accordance with the latest guidance promulgated by the CBIRC (effective from 1 January 2013).

MANAGEMENT DISCUSSION AND ANALYSIS

3.1 ANALYSIS OF OVERALL OPERATION PERFORMANCE

In the first half of 2021, facing the complicated and severe economic and financial situations domestically and internationally, the Bank carried out various businesses in a proactive and steady way, achieving continuous improvement in overall operation. With the steady growth of its business scale, the total assets of the Bank reached RMB495,806 million as at the end of the Reporting Period, up by 8.63% as compared to the beginning of the year. Its total loans and advances to customers amounted to RMB232,844 million, up by 8.84% as compared to the beginning of the year. Its total deposits from customers amounted to RMB330,842 million, up by 14.46% as compared to the beginning of the year. The operation efficiency achieved a steady increase. In the first half of 2021, the operating income of the Bank reached RMB5,719 million, up by 2.47% year on year. It realized a net profit of RMB2,125 million, up by 10.18% year on year. As at the end of the Reporting Period, the average return on total assets and return on average equity of the Bank were 0.89% and 11.60%, respectively. The asset quality remained stable. As at the end of the Reporting Period, the non-performing loan ratio of the Bank was 1.13%, representing a decrease of 0.02 percent as compared to the beginning of the year. The allowance coverage ratio was 365.20%, representing an increase of 30.84 percent as compared to the beginning of the year.



3.2 ANALYSIS OF PROFIT STATEMENTS

As at 30 June 2021, the Bank achieved a profit before tax of RMB2,567 million, representing an increase of 11.39% as compared with the corresponding period of the previous year. It recorded a net profit of RMB2,125 million, representing an increase of 10.18% as compared with the corresponding period of the previous year.

	For the six months ended 30 June			
	2021	2020	Change	Rate of change
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Interest income	10,282.67	9,595.77	686.90	7.16%
Interest expense	(5,581.15)	(4,712.10)	(869.05)	18.44%
Net interest income	4,701.52	4,883.67	(182.15)	(3.73%)
Fee and commission income	276.45	240.98	35.47	14.72%
Fee and commission expense	(43.00)	(35.65)	(7.35)	20.62%
Net fee and commission income	233.45	205.33	28.12	13.70%
Net trading profit	356.30	48.18	308.12	639.52%
Net gains on investment securities	375.14	397.07	(21.93)	(5.52%)
Other operating income	52.23	46.28	5.95	12.86%
Operating income	5,718.64	5,580.53	138.11	2.47%
Operating expenses	(1,699.34)	(1,697.75)	(1.59)	0.09%
Impairment losses on assets	(1,467.40)	(1,563.67)	96.27	(6.16%)
Share of gains (losses) of associates	14.61	(15.01)	29.62	(197.34%)
Profit before tax	2,566.51	2,304.10	262.41	11.39%
Less: Income tax expenses	(441.24)	(375.13)	(66.11)	17.62%
Net profit	2,125.27	1,928.97	196.30	10.18%

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2021, the Bank's net interest income amounted to RMB4,702 million, accounting for 82.21% of the operating income.

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

	2021			2020		
	Average balance	Interest income/expense	Average annualized yield/cost ratio ⁽¹⁾	Average balance	Interest income/expense	Average annualized yield/cost ratio
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>					
Assets						
Total loans and advances to customers	224,655.31	6,382.21	5.68%	193,323.11	5,712.88	5.91%
Financial investments ⁽²⁾	141,226.17	3,527.24	5.00%	137,552.17	3,491.34	5.08%
Cash and deposits with the central bank	24,240.49	172.06	1.42%	23,690.61	179.78	1.52%
Deposits with banks and other financial institutions	1,249.73	6.52	1.04%	5,458.38	36.08	1.32%
Financial assets held under resale agreements	19,089.97	194.64	2.04%	21,408.08	175.69	1.64%
Total Interest-earning assets	410,461.67	10,282.67	5.01%	381,432.35	9,595.77	5.03%
Liabilities						
Deposits from customers	293,885.32	3,661.73	2.49%	261,612.43	3,037.26	2.32%
Deposits from banks and other financial institutions	28,757.72	503.17	3.50%	15,788.93	292.19	3.70%
Borrowings from the central bank	28,604.31	411.11	2.87%	5,871.32	85.54	2.91%
Placements from banks and other financial institutions	2,746.96	50.60	3.68%	1,839.56	33.85	3.68%
Financial assets sold under repurchase agreements	10,564.29	102.38	1.94%	4,588.60	32.37	1.41%
Debt securities issued	54,509.19	852.16	3.13%	73,372.09	1,230.89	3.36%
Total interest-bearing liabilities	419,067.79	5,581.15	2.66%	363,072.93	4,712.10	2.60%
Net interest income		4,701.52			4,883.67	
Net interest spread ⁽³⁾		2.35%			2.43%	
Net interest margin ⁽⁴⁾		2.29%			2.56%	

Notes:

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

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

	For the six months ended 30 June 2021 compared to 2020 Increase/(decrease) as a result of		Net increase/ (decrease) ⁽³⁾
	Scale ⁽¹⁾	Interest rate ⁽²⁾	
	<i>/(Expressed in millions of RMB)</i>		
Interest-earning assets			
Total loans and advances to customers	890.11	(216.72)	669.33
Financial investments	91.76	(55.86)	35.90
Deposits with the central bank	3.90	(11.62)	(7.72)
Deposits with banks and other financial institutions	(21.96)	(7.60)	(29.56)
Financial assets held under resale agreements	(23.64)	42.59	18.95
Changes in interest income	<u>940.17</u>	<u>(249.21)</u>	<u>686.90</u>
Interest-bearing liabilities			
Deposits from customers	402.11	222.36	624.47
Deposits and placements from banks and other financial institutions	226.91	(15.93)	210.98
Borrowings from central bank	326.73	(1.16)	325.57
Placements from banks and other financial institutions	16.71	0.04	16.75
Financial assets sold under repurchase agreements	57.91	12.10	70.01
Debts securities issued	(294.89)	(83.84)	(378.73)
Changes in interest expenses	<u>735.48</u>	<u>133.57</u>	<u>869.05</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

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

3.2.2 Analysis on interest income

In the first half of 2021, the Bank realized interest income of RMB10,283 million, representing a year-on-year increase of RMB687 million or 7.16%.

I. Interest Income from loans and advances to customers

In the first half of 2021, the Bank's interest income from loans to customers was RMB6,382 million, representing a year-on-year increase of RMB669 million or 11.72%.

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

	For the six months ended 30 June					
	Average balance	2021 Interest income	Average yield	Average balance	2020 Interest income	Average yield
<i>(Expressed in millions of RMB, unless otherwise stated)</i>						
Corporate loans and advances	178,713.02	5,416.21	6.06%	157,663.07	4,881.12	6.19%
Personal loans	31,025.94	798.60	5.15%	26,089.20	726.56	5.54%
Discounted bills	14,916.35	167.40	2.24%	9,570.90	105.20	2.20%
Total loans and advances to customers	224,655.31	6,382.21	5.68%	193,323.17	5,712.88	5.91%

II. Interest Income from Financial Investments

In the first half of 2021, the Bank's interest income from financial investments was RMB3,527 million, representing a year-on-year increase of RMB36 million or 1.03%.

III. Interest Income from Deposits with the Central Bank

In the first half of 2021, the Bank's interest income from deposits with the central bank amounted to RMB172 million, representing a year-on-year decrease of RMB8 million or 4.29%.

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

In the first half of 2021, the Bank's interest income from deposits with banks and other financial institutions was RMB7 million, representing a year-on-year decrease of RMB30 million.

V. Interest Income from Financial Assets Held under Resale Agreements

In the first half of 2021, the Bank's interest income from financial assets held under resale agreements was RMB195 million, representing a year-on-year increase of RMB19 million or 10.79%.

3.2.3 Analysis on interest expenses

In the first half of 2021, the Bank's interest expense amounted to RMB5,581 million, representing a year-on-year increase of RMB869 million or 18.44%.

I. Interest Expense on Deposits from Customers

In the first half of 2021, the Bank's interest expense on deposits from customers amounted to RMB3,662 million, representing a year-on-year increase of RMB624 million or 20.56%.

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

In the first half of 2021, the Bank's interest expense on deposits from banks and other financial institutions amounted to RMB503 million, representing a year-on-year increase of RMB211 million or 72.21%.

III. Interest Expense on Financial Assets Sold under Repurchase Agreements

In the first half of 2021, the Bank's interest expense on financial assets sold under repurchase agreements was RMB102 million, representing a year-on-year increase of RMB70 million or 216.24%.

IV. Interest Expense on Debt Securities Issued

In the first half of 2021, the Bank's interest expense on debt securities issued was RMB852 million, representing a year-on-year decrease of RMB379 million or 30.77%.

V. Interest Expense on Borrowings from Central Bank

In the first half of 2021, the Bank's interest expense on borrowings from central bank amounted to RMB411 million, representing a year-on-year increase of RMB326 million or 380.63%.

MANAGEMENT DISCUSSION AND ANALYSIS

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

In the first half of 2021, the Bank's interest expenses on placements from banks and other financial institutions was RMB51 million, representing a year-on-year increase of RMB17 million.

3.2.4 Analysis on non-interest income

I. Fee and commission income

In the first half of 2021, the Bank's net fee and commission income amounted to RMB233 million, representing a year-on-year increase of RMB28 million or 13.70%.

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

	For the six months ended			
	30 June		Change	Rate of change
	2021	2020		
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Agency services fees	68.08	109.90	(41.82)	(38.05%)
Bank card services fees	25.05	19.74	5.31	26.90%
Acceptance and guarantee services fees	129.33	56.03	73.30	130.82%
Settlement and clearing fees	27.40	16.16	11.24	69.55%
Consultancy services fees	1.22	9.20	(7.98)	(86.74%)
Fund supervision services fees	25.37	29.95	(4.58)	(15.29%)
Fee and commission income	276.45	240.98	35.47	14.72%
Bank card services expenses	(30.39)	(30.34)	(0.05)	0.16%
Other fee and commission expenses	(12.61)	(5.31)	(7.30)	137.48%
Fee and commission expenses	(43.00)	(35.65)	(7.35)	20.62%
Net fee and commission income	233.45	205.33	28.12	13.70%

Note: During the period, the Bank reclassified the income of credit card installment business from fee and commission income to interest income. The comparative figures have been adjusted accordingly.

II. Net trading gains

In the first half of 2021, the Bank's net trading gains amounted to RMB356 million, representing a year-on-year increase of RMB308 million or 639.52%.

III. Net gains arising from investment securities

In the first half of 2021, the Bank's net gains arising from investment securities amounted to RMB375 million, representing a year-on-year decrease of RMB22 million or 5.52%.

IV. Other operating/income

In the first half of 2021, the Bank's other operating income was RMB52 million, representing a year-on-year increase of RMB6 million or 12.86%.

3.2.5 Analysis on operating expenses

In the first half of 2021, the Bank's operating expenses amounted to RMB1,699 million, representing a year-on-year increase of RMB2 million or 0.09%.

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

	For the six months ended			
	30 June		Change	Rate of change
	2021	2020		
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Staff costs	1,085.50	1,113.54	(28.04)	(2.52%)
Depreciation and amortization	174.90	140.91	33.99	24.12%
Office expenses	153.82	166.91	(13.09)	(7.84%)
Rental and property management expenses	16.45	10.48	5.97	56.97%
Taxes and surcharges	42.09	86.90	(44.81)	(51.57%)
Depreciation of right-of-use assets	84.19	83.15	1.04	1.25%
Interest expense on lease liabilities	16.69	16.70	(0.01)	(0.06%)
Other general and administrative fees	125.70	79.16	46.54	58.79%
Total operating expenses	1,699.34	1,697.75	1.59	0.09%

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In the first half of 2021, the Bank's staff costs were RMB1,086 million, representing a year-on-year decrease of RMB28 million or 2.52%.

In the first half of 2021, depreciation and amortization of the Bank amounted to RMB175 million, representing a year-on-year increase of RMB34 million or 24.12%.

In the first half of 2021, the Bank's office expenses amounted to RMB154 million, representing a year-on-year decrease of RMB13 million or 7.84%.

In the first half of 2021, the Bank's tax and surcharges amounted to RMB42 million, representing a year-on-year decrease of RMB45 million or 51.57%.

In the first half of 2021, the Bank's depreciation of right-of-use assets amounted to RMB84 million, representing a year-on-year increase of RMB1 million or 1.25%.

3.2.6 Impairment losses on assets

In the first half of 2021, the Bank's provision for impairment losses on assets amounted to RMB1,467 million, representing a year-on-year decrease of RMB96 million or 6.16%.

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

	For the six months ended			
	30 June		Change	Rate of change
	2021	2020		
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Impairment loss/(reversal) of assets				
Loans and advances to customers	1,265.66	740.32	525.34	70.96%
Financial investments	195.32	836.37	(641.05)	(76.65%)
Credit commitments	6.78	(22.96)	29.74	(129.53%)
Deposit with banks and other financial institutions	0.67	(0.27)	0.94	(348.15%)
Others	(1.03)	10.21	(11.24)	(110.09%)
Total	1,467.40	1,563.67	(96.27)	(6.16%)

3.2.7 Income tax

In the first half of 2021, the Bank's income tax amounted to RMB441 million, representing a year-on-year increase of RMB66 million or 17.62%.

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

	For the six months ended			
	30 June		Change	Rate of change
	2021	2020		
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Current income tax expense	750.48	874.99	(124.51)	(14.23%)
Deferred income tax expense	(309.24)	(499.86)	190.62	(38.13%)
Income tax	441.24	375.13	66.11	17.62%

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3.3 ANALYSIS ON MAJOR ITEMS IN THE BALANCE SHEET

3.3.1 Assets

As at 30 June 2021, the Bank's total assets amounted to RMB495,806 million, representing an increase of RMB39,405 million or 8.63% as compared to the end of last year.

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

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Gross loans and advances to customers	232,843.55	46.97%	213,922.91	46.87%
Add: Accrued interest	496.75	0.10%	442.96	0.10%
Less: Allowance for impairment losses on assets	(9,605.29)	(1.94%)	(8,213.26)	(1.80%)
Net loans and advances to customers	223,735.01	45.13%	206,152.61	45.17%
Financial investments ⁽¹⁾	199,064.05	40.15%	192,309.00	42.14%
Cash and deposits with the central bank	48,378.43	9.76%	48,149.56	10.55%
Deposits with banks and other financial institutions	4,817.55	0.97%	1,157.31	0.25%
Placements with banks and other financial institutions	–	–	50.67	0.01%
Financial assets held under resale agreements	10,920.71	2.20%	–	–
Other assets ⁽²⁾	8,890.21	1.79%	8,582.05	1.88%
Total assets	495,805.96	100.00%	456,401.20	100.00%

Notes:

- (1) Consists of financial assets held for trading purposes and investment financial assets.
- (2) Consists primarily of interests in associates, property and equipment, deferred income tax assets and other assets.

(1) Loans and Advances to Customers

As at 30 June 2021, the Bank's total loans and advances to customers amounted to RMB232,844 million, representing an increase of RMB18,921 million or 8.84% as compared to the end of last year. The following table sets out, as of the dates indicated, a breakdown of the Bank's loans by business lines.

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans and advances to customers measured at amortised cost				
Corporate loans and advances	194,965.28	83.73%	163,017.07	76.20%
Personal loans and advances	32,497.18	13.96%	29,617.94	13.85%
Sub-total	227,462.46	97.69%	192,635.01	90.05%
Loans and advances to customers measured at fair value through other comprehensive income				
Corporate loans and advances	1,425.84	0.61%	2,020.95	0.94%
Discounted bills	3,955.25	1.70%	19,266.95	9.01%
Sub-total	5,381.09	2.31%	21,287.90	9.95%
Total loans and advances to customers	232,843.55	100.00%	213,922.91	100.00%

1. Corporate loans and advances

As at 30 June 2021, the Bank's corporate loans amounted to RMB194,965 million, representing an increase of RMB31,948 million or 19.60% as compared with the end of last year.

2. Personal loans and advances

As at 30 June 2021, the Bank's personal loans amounted to RMB32,497 million, representing an increase of RMB2,879 million or 9.72% as compared to the end of last year.

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(2) *Investment securities and other financial assets*

As at 30 June 2021, the Bank's net investment securities and other financial assets amounted to RMB199,064 million, representing an increase of RMB6,755 million or 3.51% as compared to the end of last year.

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

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Investment financial assets				
Financial investments at fair value through profit or loss	64,069.79	32.19%	47,764.67	24.84%
Financial investments at fair value through other comprehensive income	53,658.91	26.96%	48,220.20	25.07%
Financial investments at amortised cost	81,335.35	40.85%	96,324.13	50.09%
Net financial investment	<u>199,064.05</u>	<u>100.00%</u>	<u>192,309.00</u>	<u>100.00%</u>

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

Distribution of Financial investments	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
Bonds				
Debt securities issued by central and local governments	53,453.60	26.85%	47,969.07	24.94%
Debt securities issued by policy banks	30,732.95	15.44%	28,289.58	14.71%
Debt securities issued by banks and other financial institutions	22,289.59	11.20%	8,697.33	4.52%
Debt securities issued by enterprises	24,310.16	12.21%	25,476.08	13.25%
Sub-total	<u>130,786.30</u>	<u>65.70%</u>	<u>110,432.06</u>	<u>57.42%</u>
Other financial investments				
Asset-backed securities	794.23	0.40%	798.81	0.42%
Structured notes issued by securities companies	50.45	0.03%	910.33	0.47%
Wealth management products issued by financial institutions	100.82	0.05%	–	–
Investment funds managed by mutual fund managers ⁽¹⁾	30,715.28	15.43%	26,977.32	14.03%
Equity investments	37.75	0.02%	37.75	0.02%
Investment management products managed by assets management companies and trust plans	37,257.66	18.71%	53,075.95	27.60%
Private debt financing plans	515.91	0.26%	815.91	0.42%
Sub-total	<u>69,472.10</u>	<u>34.90%</u>	<u>82,616.07</u>	<u>42.96%</u>
Accrued interest	1,918.93	0.96%	2,175.31	1.13%
Allowance for impairment losses on assets	(3,113.28)	(1.56%)	(2,914.44)	(1.51%)
Net financial investments	<u>199,064.05</u>	<u>100.00%</u>	<u>192,309.00</u>	<u>100.00%</u>

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3.3.2 Liabilities

As at 30 June 2021, the Bank's total liabilities amounted to RMB458,524 million, representing an increase of RMB38,151 million or 9.08% as compared to the end of last year.

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

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Borrowings from the central bank	29,919.34	6.53%	26,641.75	6.34%
Deposits from customers	330,841.53	72.15%	289,042.77	68.76%
Deposits from banks and other financial institutions	24,301.04	5.30%	29,995.72	7.14%
Placements from banks and other financial institutions	3,304.91	0.72%	2,602.50	0.62%
Financial assets sold under repurchase agreements	9,596.41	2.09%	12,464.43	2.97%
Debt securities issued	56,297.42	12.28%	55,836.38	13.28%
Other liabilities ⁽¹⁾	4,263.42	0.93%	3,789.83	0.89%
Total liabilities	458,524.07	100.00%	420,373.38	100.00%

Note:

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

I. Deposits from customers

As at 30 June 2021, the Bank's deposits from customers amounted to RMB330,842 million, representing an increase of RMB41,799 million or 14.46% as compared with the end of last year.

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

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Demand deposits				
– Corporate deposits	111,725.80	33.78%	109,141.23	37.76%
– Individual deposits	33,571.20	10.15%	31,995.53	11.07%
Sub-total	<u>145,297.00</u>	<u>43.93%</u>	<u>141,136.76</u>	<u>48.83%</u>
Time deposits				
– Corporate deposits	78,508.02	23.73%	65,365.24	22.61%
– Individual deposits	81,823.35	24.73%	69,637.51	24.09%
Sub-total	<u>160,331.37</u>	<u>48.46%</u>	<u>135,002.75</u>	<u>46.70%</u>
Pledged deposits	11,323.96	3.42%	10,400.55	3.61%
Inward and outward remittances	40.49	0.01%	107.55	0.04%
Fiscal deposits	11,057.82	3.34%	10.91	–
Sub-total	<u>22,422.27</u>	<u>6.77%</u>	<u>10,519.01</u>	<u>3.65%</u>
Accrued interest	2,790.89	0.84%	2,384.25	0.82%
Total deposits from customers	<u>330,841.53</u>	<u>100.00%</u>	<u>289,042.77</u>	<u>100.00%</u>

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II. Deposits from banks and other financial institutions

As at 30 June 2021, the Bank's deposits from banks and other financial institutions amounted to RMB24,301 million, representing a decrease of RMB5,695 million or 18.98% as compared to the end of last year.

III. Debt securities issued

As at 30 June 2021, the Bank's debt securities issued amounted to RMB56,297 million, representing an increase of RMB461 million or 0.83% as compared to the end of last year.

3.3.3 Equities

As at 30 June 2021, the Bank's total shareholders' equity amounted to RMB37,282 million, representing an increase of RMB1,254 million or 3.48% as compared to the end of last year.

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

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Share Capital	14,588.05	39.13%	14,588.05	40.49%
Capital reserve	8,840.11	23.71%	8,840.11	24.54%
Surplus reserve	1,858.13	4.98%	1,858.13	5.16%
General reserve	4,690.00	12.58%	4,070.00	11.30%
Fair value reserve	(321.43)	(0.86%)	(496.40)	(1.38%)
Impairment reserve	145.09	0.39%	170.10	0.47%
Deficit on remeasurement of net defined benefit liability	(17.97)	(0.05%)	(17.96)	(0.05%)
Retained earnings	7,499.91	20.12%	7,015.79	19.47%
Total equity	37,281.89	100.00%	36,027.82	100.00%

3.4 OFF-BALANCE SHEET CREDIT COMMITMENTS AND CONTINGENT LIABILITIES

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

	As at 30 June 2021		As at 31 December 2020	
	Amount	Percentage	Amount	Percentage
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Acceptances	14,838.99	62.78%	14,748.22	71.80%
Letters of credit	32.86	0.15%	94.13	0.46%
Credit card limits	6,863.08	29.04%	3,758.23	18.30%
Letters of guarantee	1,896.90	8.03%	1,939.90	9.44%
Sub-total	23,631.83	100.00%	20,540.48	100.00%

3.5 ANALYSIS ON LOANS QUALITY

3.5.1 Loan distribution by the five-category classification

Five-category Classification	As at 30 June 2021		As at 31 December 2020	
	Total	Percentage	Total	Percentage
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>			
Normal	228,317.45	98.06%	209,602.92	97.97%
Special mention	1,895.92	0.81%	1,863.60	0.87%
Substandard	2,340.52	1.01%	2,237.66	1.05%
Doubtful	209.98	0.09%	163.64	0.08%
Loss	79.68	0.03%	55.09	0.03%
Gross loans and advances to customers	232,843.55	100.00%	213,922.91	100.00%
Non-performing Loans and Non-performing Loans Ratio	2,630.18	1.13%	2,456.39	1.15%

As at the end of the Reporting Period, the Bank's normal loans amounted to RMB228,317 million, accounting for 98.06%, RMB18,715 million or 8.93% higher than that at the end of the previous year; loans classified as special mention amounted to RMB1,896 million, accounting for 0.81% of the total loans and representing an increase of RMB32 million or 1.73% as compared to the end of the previous year. Non-performing loans amounted to RMB2,630 million. The non-performing loan ratio was 1.13%, representing a decrease of 0.02 percentage point as compared to the beginning of the year. The asset quality remained stable.

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

Item	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage	Amount of non-performing loans	Non-performing loan ratio	Loan amount	Percentage	Amount of non-performing loans	Non-performing loan ratio
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Corporate loans and advances								
Working capital loans	56,107.75	24.10%	799.15	1.42%	46,658.08	21.81%	754.57	1.62%
Fixed assets loans	131,676.65	56.55%	1,368.84	1.04%	111,275.24	52.00%	1,242.59	1.12%
Others	7,180.88	3.08%	78.43	1.09%	5,083.75	2.38%	78.43	1.54%
Sub-total	194,965.28	83.73%	2,246.42	1.15%	163,017.07	76.19%	2,075.59	1.27%
Personal loans and advances								
Personal residential mortgage loans	20,056.80	8.61%	56.56	0.28%	20,231.66	9.46%	63.49	0.31%
Personal business loans	8,582.32	3.69%	281.05	3.27%	7,071.93	3.31%	285.18	4.03%
Personal consumption loans	547.48	0.24%	17.75	3.24%	695.30	0.33%	17.69	2.54%
Credit cards	3,310.58	1.42%	28.40	0.86%	1,619.05	0.76%	14.44	0.89%
Sub-total	32,497.18	13.96%	383.76	1.18%	29,617.94	13.86%	380.80	1.29%
Discounted bills	3,955.25	1.70%	-	-	19,266.95	9.01%	-	-
Corporate loans and advances	1,425.84	0.61%	-	-	2,020.95	0.94%	-	-
Total	232,843.55	100.00%	2,630.18	1.13%	213,922.91	100.00%	2,456.39	1.15%

During the Reporting Period, the Bank supported the development of the real economy and remained stable growth in the scale of various loans. Among them, corporate loans increased by RMB31,948 million or 19.60% over the end of the previous year; personal loans increased by RMB2,879 million or 9.72% over the end of the previous year. The non-performing ratio of various loans decreased slightly over the end of the previous year, and the asset quality remained stable.

3.5.3 Distribution of corporate non-performing loans by industry

Industry	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage	Amount of non-performing loans	Non-performing loan ratio	Loan amount	Percentage	Amount of non-performing loans	Non-performing loan ratio
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Leasing and commercial services	89,845.73	38.59%	506.99	0.56%	73,623.40	34.40%	455.86	0.62%
Water resources, environment and public facilities management	20,382.34	8.75%	76.56	0.38%	15,459.92	7.23%	69.88	0.45%
Wholesale and retail trade	15,020.22	6.45%	74.40	0.50%	8,868.21	4.15%	86.16	0.97%
Construction	14,119.28	6.06%	148.95	1.05%	14,377.22	6.72%	310.95	2.16%
Real estate	9,822.70	4.22%	5.83	0.06%	10,128.12	4.73%	10.14	0.10%
Education	9,149.36	3.93%	1.80	0.02%	8,989.54	4.20%	1.80	0.02%
Mining	9,134.23	3.92%	959.29	10.50%	6,441.16	3.01%	964.35	14.97%
Agriculture, forestry, animal husbandry and fishery	5,019.51	2.16%	318.99	6.36%	2,673.12	1.25%	17.94	0.67%
Transportation, storage and postal services	4,993.42	2.14%	71.30	1.43%	5,232.15	2.45%	71.30	1.36%
Manufacturing	4,739.36	2.04%	15.38	0.32%	4,510.97	2.11%	11.57	0.26%
Health and social work	3,966.54	1.70%	31.00	0.78%	3,958.02	1.85%	31.00	0.78%
Production and supply of electric power, gas and water	2,924.91	1.26%	-	-	2,825.35	1.32%	-	-
Finance	2,015.22	0.87%	-	-	1,651.96	0.77%	-	-
Accommodation and catering industry	1,399.07	0.60%	23.10	1.65%	1,565.38	0.73%	28.11	1.80%
Resident services, repair and other services	895.95	0.38%	7.74	0.86%	797.91	0.37%	11.44	1.43%
Information transmission, software and information technology services	781.06	0.34%	3.39	0.43%	595.61	0.28%	3.39	0.57%
Culture, sports and entertainment	424.18	0.18%	-	-	1,041.47	0.49%	-	-
Scientific research and technical services	332.20	0.14%	1.70	0.51%	276.76	0.13%	1.70	0.61%
Public administration, public security and social organizations	-	-	-	-	0.80	-	-	-
Corporate loans and advances	194,965.28	83.73%	2,246.42	1.15%	163,017.07	76.19%	2,075.59	1.27%
Personal loans	32,497.18	13.96%	383.76	1.18%	29,617.94	13.86%	380.80	1.29%
Discounted bills	3,955.25	1.70%	-	-	19,266.95	9.01%	-	-
Forfeiting	1,425.84	0.61%	-	-	2,020.95	0.94%	-	-
Total	232,843.55	100.00%	2,630.18	1.13%	213,922.91	100.00%	2,456.39	1.15%

During the Reporting Period, in response to the national macro-control policies and industrial policies actively, the Bank continued to increase its support for the real economy, helped consolidate the achievements in poverty alleviation, supported the development of people's livelihood guarantee enterprises, reduced the proportion of real estate loans, and accelerated the withdraw of customers in the field of overcapacity and "zombie enterprises". During the Reporting Period, the balance of wholesale and retail trade loans increased by RMB6,152 million or 2.30 percentage points over the end of the previous year. In addition, due to the adverse impact of the loan reduction of individual customers, the balance of non-performing loans and the non-performing loan ratio in agriculture, forestry, animal husbandry and fishery increased significantly.

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

Item	As at 30 June 2021				As at 31 December 2020			
	Loan amount	Percentage	Amount of non-performing loans	Non-performing loan ratio	Loan amount	Percentage	Amount of non-performing loans	Non-performing loan ratio
<i>(Expressed in millions of RMB, unless otherwise stated)</i>								
Unsecured loans	28,589.17	12.28%	45.31	0.16%	35,692.19	16.68%	29.12	0.08%
Guaranteed loans	120,285.62	51.66%	836.72	0.70%	105,878.99	49.50%	626.87	0.59%
Collateralised loans	44,305.28	19.03%	1,550.22	3.50%	38,734.71	18.11%	1,586.71	4.10%
Pledged loans	39,663.48	17.03%	197.93	0.50%	33,617.02	15.71%	213.69	0.64%
Total	232,843.55	100.00%	2,630.18	1.13%	213,922.91	100.00%	2,456.39	1.15%

During the Reporting Period, the Bank's guaranteed, collateralised and pledged loans accounted for 87.72%, representing an increase of 4.40% over the end of the previous year, and unsecured loans accounted for 12.28%, representing a decrease of 4.40% over the end of the previous year. There was no significant change in the proportion of security types, and the non-performing loan ratio remained stable.

3.5.5 Distribution of loans by overdue period

Category	As at 30 June 2021		As at 31 December 2020	
	Total	Percentage	Total	Percentage
<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
Loans not past due	230,612.19	99.04%	212,142.73	99.16%
Overdue loans				
Within 3 months	1,169.13	0.50%	1,380.07	0.65%
Over 3 months but within 1 year	766.39	0.33%	176.48	0.08%
Over 1 year but within 3 years	231.97	0.10%	164.18	0.08%
Over 3 years	63.87	0.03%	59.45	0.03%
Overdue loans and overdue ratio	2,231.36	0.96%	1,780.18	0.84%

As of the end of the Reporting Period, the Bank's overdue loan balance was RMB2,231 million, representing an increase of RMB451 million over the end of the previous year, with an overdue rate of 0.96%, representing an increase of 0.12 percentage points over the end of the previous year, and the overdue ratio remained stable.

3.5.6 Loan concentration

The Borrower	Industry	As at 30 June 2021			Five-category classification
		Balance	Percentage of total loans	Percentage of net capital	
<i>(Expressed in millions of RMB, unless otherwise stated)</i>					
A	Mining	3,351.19	1.72%	7.76%	Normal
B	Water conservation, environment and public facilities management	2,967.00	1.52%	6.87%	Normal
C	Wholesale and retail trade	2,269.00	1.16%	5.25%	Normal
D	Leasing and commercial services	2,033.00	1.04%	4.71%	Normal
E	Real estate	2,012.21	1.03%	4.66%	Normal
F	Finance	1,997.00	1.02%	4.62%	Normal
G	Water conservation, environment and public facilities management	1,848.35	0.95%	4.28%	Normal
H	Leasing and commercial services	1,588.00	0.81%	3.68%	Normal
I	Construction	1,569.90	0.81%	3.63%	Normal
J	Agriculture, forestry, animal husbandry and fishery	1,546.00	0.79%	3.58%	Normal
Total		<u>21,181.65</u>	<u>10.85%</u>	<u>49.04%</u>	

As at the end of the Reporting Period, the balance of loan to the Bank's largest single borrower amounted to RMB3,351 million, representing 7.76% of the net capital, and the total amount of loans to the ten largest single borrowers was RMB21,182 million, representing 10.85% of the total loans.

MANAGEMENT DISCUSSION AND ANALYSIS

3.6 SEGMENT REPORTING

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

	For the six months ended 30 June 2021				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
External net interest income/(expense) ⁽²⁾	5,008.06	(749.79)	443.25	–	4,701.52
Inter-segment net interest (expense)/ income ⁽³⁾	(1,697.83)	1,706.19	(8.36)	–	–
Net interest income	3,310.23	956.40	434.89	–	4,701.52
Net fee and commission income	169.07	3.48	60.90	–	233.45
Net trading gains	–	–	356.30	–	356.30
Net gains arising from investment securities	–	–	375.14	–	375.14
Other operating income	39.22	–	–	13.01	52.23
Operating income	3,518.52	959.88	1,227.23	13.01	5,718.64
Operating expenses	(1,044.45)	(301.50)	(348.62)	(4.77)	(1,699.34)
Impairment losses on assets	(901.61)	(264.62)	(300.75)	(0.42)	(1,467.40)
Share of gains of associates	–	–	–	14.61	14.61
Profit before tax	1,572.46	393.76	577.86	22.43	2,566.51



	For the six months ended 30 June 2020				Total
	Corporate Banking	Retail Banking	Financial Markets	Others ⁽¹⁾	
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>				
External net interest income/(expense) ⁽²⁾	5,055.49	(547.07)	375.25	–	4,883.67
Inter-segment net interest (expense)/ income ⁽³⁾	(1,980.80)	1,543.72	437.08	–	–
Net interest income	3,074.69	996.65	812.33	–	4,883.67
Net fee and commission income	159.33	1.87	44.13	–	205.33
Net trading gains	–	–	48.18	–	48.18
Net gains arising from investment securities	–	–	397.07	–	397.07
Other operating income	41.97	–	–	4.31	46.28
Operating income	3,275.99	998.52	1,301.71	4.31	5,580.53
Operating expenses	(974.52)	(314.35)	(385.61)	(23.27)	(1,697.75)
Impairment losses on assets	(897.45)	(302.09)	(362.08)	(2.05)	(1,563.67)
Share of losses of associates	–	–	–	(15.01)	(15.01)
Profit before tax	1,404.02	382.08	554.02	(36.02)	2,304.10

Notes:

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

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

	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Amount	Percent of Total	Amount	Percent of Total
Corporate Banking	3,518.52	61.52%	3,275.99	58.70%
Retail Banking	959.88	16.79%	998.52	17.89%
Financial Markets	1,227.23	21.46%	1,301.71	23.33%
Others	13.01	0.23%	4.31	0.08%
Total	5,718.64	100.00%	5,580.53	100.00%

MANAGEMENT DISCUSSION AND ANALYSIS

3.7 CAPITAL ADEQUACY RATIO

As at 31 December 2020 and 30 June 2021, the Bank's core tier-one capital adequacy ratio were 11.63% and 11.60%, respectively, the Bank's tier-one capital adequacy ratio were 11.63% and 11.60%, respectively, and the Bank's capital adequacy ratio were 13.67% and 13.61%, respectively.

	As at 30 June 2021	As at 31 December 2020
	<i>(Expressed in millions of RMB, unless otherwise stated)</i>	
Total core tier-one capital		
Share capital	14,588.05	14,588.05
Qualifying portion of capital reserve	8,645.80	8,495.85
Surplus reserve	1,858.13	1,858.13
General reserve	4,690.00	4,070.00
Retained earnings	7,499.91	7,015.79
Core tier-one capital	37,281.89	36,027.82
Core tier-one capital deductions	(479.83)	(243.84)
Net core tier-one capital	36,802.06	35,783.98
Tier-two capital		
Surplus provision for loan impairment	3,602.81	3,476.43
Instruments issued and share premium	2,793.86	2,793.52
Net tier-two capital	6,396.67	6,269.95
Total net capital	43,198.73	42,053.93
Total risk-weighted assets	317,326.48	307,713.67
Core tier-one capital adequacy ratio	11.60%	11.63%
Tier-one capital adequacy ratio	11.60%	11.63%
Capital adequacy ratio	13.61%	13.67%

3.8 BUSINESS SUMMARY

In the first half of 2021, the Bank deeply implemented the important principles of General Secretary Xi Jinping instructed when he inspected in Guizhou province and the strategic layout of “the Fourteenth Five-year” plan of Guizhou province, built on the new development stage, implemented the new development concept and integrated into the new development pattern, and with realizing the high-quality development as its target, promoted the operation and management effectively and orderly, thereby achieving obvious results for its various works.

I. Setting overall direction based on high-quality development, with all the operating indicators getting “improvements to some extent”

Achieving steady growth in business scale. As of the end of the Reporting Period, the Bank had total assets of RMB495,806 million, representing an increase of RMB39,405 million or 8.63% as compared to the beginning of the year; total deposits from customers of RMB330,842 million, representing an increase of RMB41,799 million or 14.46% as compared to the beginning of the year, total loans of RMB232,844 million, representing an increase of RMB18,921 million or 8.84% as compared to last year.

Continuing to improve efficiency. In the first half of 2021, the operating income reached RMB5,719 million, representing an increase of 2.47% as compared to the corresponding period of the previous year. It realized a net profit of RMB2,125 million, representing an increase of 10.18% as compared to the corresponding period of the previous year. As at the end of the Reporting Period, the average return on total assets and return on average equity of the Bank were 0.89% and 11.60%. Net differential in rates was 2.35%, and net interest spread was 2.29%.

Further optimizing its structure. The Bank strongly supported the real economy. As at the end of the Reporting Period, the balance of real economy financing increased by 16.46% from the beginning of the year. The Bank strived to develop retail business, and personal loans increased by 9.72% from the beginning of the year, which was higher than the increase of all loans; vigorously increased intermediate business income. In the first half of 2021, the proportion of non-interest revenue was 17.79%, representing an increase of 5.30 percentage points as compared to the corresponding period of the previous year; the net income from intermediate businesses amounted to RMB233 million, representing an increase of 13.70% as compared to the corresponding period of the previous year.

II. Firmly holding the bottom lines of risks, constantly enhancing assets quality

During the reporting period, the Bank stuck to its prudent and compliant risk appetite, and, taking the implementation of new capital agreements as the starting point, the Bank continuously promoted the construction of the overall risk management system and effectively strengthened the risk management and control of key areas and major customers. As at the end of the Reporting Period, the non-performing loan ratio of the Bank was 1.13%, representing a decrease of 0.02 percentage points as compared to the beginning of the year; the allowance coverage ratio was 365.20%, representing an increase of 30.84 percentage points as compared to the beginning of the year; the liquidity coverage ratio was 348.32%, representing an increase of 59.32 percentage points as compared to the beginning of the year; the allowance to gross loans was 4.13%, representing an increase of 0.29 percentage points as compared to the beginning of the year, and the overdue ratio was 0.96%.

MANAGEMENT DISCUSSION AND ANALYSIS

III. Expanding corporate business, retail and financial market business

(I) *Enhancing the quality and efficiency of corporate business*

The Bank took the “Four-zations” in Guizhou province as an important development opportunity and business growth point, and constantly enhanced its standards of service for real economy and continuously promoted the laying of solid base of corporate business by means of actively developing major businesses and customers, building the green bank brand and vigorously developing the transaction banking, thereby making this business segment a “pillar” of the Bank’s businesses. As at the end of the reporting period, the deposits from corporates of the Ban amounted to RMB190,234 million, representing an increase of RMB15,727 million or 9.01% from the beginning of the year; the loans to corporates amounted to RMB194,965 million, representing an increase of RMB31,948 million or 19.60% from the beginning of the year.

1. *Proactively expanding key industries and customer base*

- (1) Based on the construction of “Four-zations”, developing key industries and customers. Firstly, the Bank helped to promote achieving the big breakthrough in industry. Base on the industry multiplication action of Guizhou province, the Bank made efforts to support the strengthening and expansion of pillar industries, the quality enhancement and upgrade of characteristic and advantageous industries and development of quality manufacturing industries. As of the end of the Reporting Period, new industrial loans of the Bank increased by RMB3,630 million from the beginning of the year. Secondly, the Bank promoted the enhancement of quality of the cities and towns. Based on the “Strengthening Provincial City” five-year action, the Bank supported the strengthening and expansion of regional central cities, the accelerated economic growth of cities and towns. The continuous enhancement of the life quality of cities and towns and constant improvement of rural living environment. As of the end of the Reporting Period, new urbanization loans of the Bank increased by RMB9,140 million from the beginning of the year. Thirdly, the Bank promoted agricultural development. The Bank facilitated the development of 12 advantageous and characteristic agricultural industries, forestry industries and under-forest economy and effectively satisfied financial demand for the strengthening of leading enterprises and creating brands in the agricultural industries and the development of new rural business entities. During the reporting period, the Bank invested total rural revitalization loans of RMB3,100 million. Fourthly, the Bank promoted the great improvement of tourism. Based on the quality enhancement and upgrade of tourism in the whole region and focusing on the main sightseeing sites and characteristic tourism, the Bank made full efforts to support the strengthening and expansion of tourist infrastructures and continuously promoted the upgrade and alternation of tourist infrastructures. As of the end of the Reporting Period, loans for tourism industrialization increased by RMB2.03 billion as compared to the beginning of the year.

- (2) Continuing to strengthen the customer base of the institutional business. During the reporting period, the customer base of the the Bank's institutional business has continuously strengthened. Firstly, the Bank made breakthrough as for the key qualifications. After obtaining the qualification as a "central treasury bond underwriting syndicate member" in 2020, the Bank was recognized as a "2021–2023 central treasury cash management commercial bank term deposits syndicate member" by the Ministry of Finance and the People's Bank of China in February 2021 and its qualifications for engaging in institutional businesses have been constantly enriched. Secondly, the Bank actively made overall arrangement about the financial fund appropriation chains. The Bank guided obtaining the treasury centralized payment agency qualification level by level in the Bank, won over zero-balance accounts. The Bank also actively solicited daily fund flows of institutional customers so as to enhance the daily contribution from institutional customers.

2. *Continuing to build the "Green Bank" brand*

During the Reporting Period, the Bank has improve the top-level design for the green finance, and introduced the Strategic Plan for Green Finance of Bank of Guizhou (2021–2025) (《貴州銀行綠色金融戰略規劃(2021–2025年)》); actively responded to the national strategy of "Carbon Peak" and "Carbon Neutrality", and introduced "The Vision, Goals and Actions of Guizhou Bank in Relation to 'Carbon Peak' and 'Carbon Neutrality'"; strengthened environmental and social risk management, performed applicability judgment of "Equator Principles" for 14 projects, and promoted the adoption of "Equator Principles" for the management of major projects. The Bank vigorously developed green credit business, and as at the end of the reporting period, the Bank's balance of green loans amounted to RMB33,060 million, representing an increase of RMB10,208 million over the beginning of the year, and the proportion of green loans was 14.20%, the purpose of which was to support the development of the green industries such as intelligent parking lot, eco-tourism and photovoltaic new energy.

3. *Vigorously developing the transaction banking business*

In line with its establishment of a transaction banking products system "with supply chain finance and cash management as the core featuring balanced development of multiple products", and based on various aspects such as the enrichment of product systems, the enhancement of technology empowerment and the prevention of business risks, the Bank constantly improved the service ability and efficiency of transaction banking products.

During the reporting period, the Bank constantly enriched supply chain product systems, and continuously improved its ability in serving real economy. The Bank has granted total trade financing amounting to RMB6,067 million, representing an increase of 42% as compared with the corresponding period of the previous year; the balance of the trade financing amounted to RMB8,629 million, representing an increase of RMB1,544 million or 21.80% from the beginning of the year. The market share of trade financing was 22.65%. As at the end of the period, there were 1,202 contracted customers for cash management, representing an increase of 704 customers or 141.37% over the beginning of the year; the deposits from the management customers of cash management system amounted to RMB40,800 million.

MANAGEMENT DISCUSSION AND ANALYSIS

4. *Investment banking business*

The Bank promoted the steady development of its investment banking business and continuously optimized its asset structure to help the transformation and upgrading of the green industry and real economy. The Bank made comprehensive use of various investment banking products including debt financing instruments, debt financing plans, asset securitization and structured financing to achieve various asset placements. As at the end of the Reporting Period, the balance of investment standardized assets of investment banking business amounted to RMB25,079 million, accounting for 40.75% of investment banking assets, representing an increase of 7.8 percentage points as compared with the beginning of the year, further improving asset liquidity and safety. At the same time, the Bank actively broadened its funding channels and fully utilized capital market instruments to inhale low-cost funds, which were specifically used to support the development of green industries.

(II) *All efforts made to promote the development of retails*

The Bank vigorously promoted quality enhancement and speeding up of retail business and endeavored to make retail business to become the Bank's "ballast stone". During the reporting period, focusing on major customers, the Bank did in-depth, thorough and solid jobs about retail business, and promoted the improvement of the quantity and quality of the Bank's retail customers, leading to rapid development of consumer finance business and micro and small business and the continuous enhancement of the online + offline service ability. As at the end of the reporting period, the retail deposits with the Bank were RMB115,395 million, and retail loans were RMB32,497 million.

1. *Keeping on deepening customer operation*

Firstly, the Bank improved its comprehensive service ability and enhanced the quality and efficiency of its business. As at the end of the Reporting Period, the balance of personal deposits of the Bank was RMB115,395 million, representing an increase of RMB13,762 million or 13.54% as compared to the beginning of the year.

Secondly, Through bulk customer acquisition and marketing activities in lockstep, the Bank enhanced its network marketing and digitalized marketing, achieving increase in both the quantity and quality of its customers. As at the end of the Reporting Period, the number of two-star and above qualification customers⁽¹⁾ of the Bank reached 2,178,000, representing an increase of 126,500 customers over the beginning of the year, the proportion of which increased by 0.1 percentage point as compared to the beginning of the year. The number of the customers with trade union member cards was 2,342,700, representing an increase of 97,900 customers over the beginning of the year; the financial assets of the customers with trade union member cards amounted to RMB42,595 million, representing an increase of RMB2,266 million as compared to the beginning of the year.

Thirdly, the Bank made more efforts to construct the rural inclusive finance service stations, and made the expansion and extension in various aspects such as the service regions, service term and service contents, managing to reach the last kilometer in the course of serving villages and townships with modern financial measures. The Bank established 405 rural inclusive finance service stations in operation, with the rural customer base served exceeding 90,000 individuals.

Note :

(1) two-star and above qualification customers refer to the customers with annual average daily deposit of RMB1,000 and above.

2. *The Bank vigorously developed the consumer finance*

During the reporting period, the Bank carried out the high-quality development requirements of consumer finance business throughout the entire process of business development, and through bulk customer acquisition and cross-selling, realized the integration of consumer finance business, thus promoting the development of big retails business and the transformation of retail assets business. The Bank took product marketing, channel expanding, customer development and risk operation of entire process as its working emphases, the quality enhancement and efficiency as its main line, and expansion of market share as its target, thereby achieving good development for various businesses.

Firstly, the Bank achieved sound development in respect of personal residential mortgage loans. Firmly adhering to the principle of "houses are for inhabitation, not for speculation", the Bank established cooperation relations with key property development enterprises in China and local quality property development enterprises, vigorously supported the new urbanization, implemented the differentiated housing credit policies, and adequately prevented and controlled market risks, so as to support reasonable housing consumption of residents.

Secondly, the Bank adhered to creating the featured "distinctive credit cards" products. Oriented with the satisfaction of customers' demands, and by realizing the targeted matching of featured credit card products, the Bank issued, free of basic service fees, "Qianyou Series Credit Cards" with interest-bearing overpayment and interest rate lowered for over-drafting targeted to quality customer bases, and issued co-branded and topic credit cards with featured essence and interests targeted to young customer bases, striving to provide differentiated and specialized services for different customer bases.

Thirdly, the Bank actively setting its footprint in the full-scenario consumer credit and met the demand of diversified consumer finance. Focusing on big data and big ecology, the Bank accelerated the construction of consumer finance ecological cycle covering all scenarios including food, clothing, shelter, transportation, entertainment, education and learning, and built "Finance + Life" with various scenarios. The Bank adopted a method combining the "online petty consumer credit" and "offline large consumer credit", so as to provide various consumer finance services including consumer credit, credit card concessions and payment by instalment. The Bank elaborately created topics for "Joyful Life (悦心生活)" product series, and introduced various specific spending installment products such as "Joyful- Car by Installment Happy (悦心-車樂分)", "Joyful- Housing by Installment Happy (悦心-房樂分)", "Joyful- Living by Installment Happy (悦心-居樂分)" and "Joyful- Repayment by Installment Happy (悦心-快樂分)". As at the end of the reporting period, the balance of the installment of credit card of the Bank was RMB2,395 million, representing an increase of 147.93% over the beginning of the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Fourthly, the Company constantly enhanced its ability of digitalized operations and online operations for consumer credit business. By the technology empowerment and driven by data, the Bank performed smart marketing, smart risk-control, smart operation and smart loan-recovery before, during and after loans were lent. Taking advantage of technological measures such as real-name certification technology, biological feature identification, behavioral feature identification, anti-fraud and data risk control supporting system, risk alerting model, big-data verification, the Bank established an entire-process risk operation system of consumer credit business, consolidated the foundation of internal control, thus safeguarding the sound and stable development of consumer credit business.

As at the end of the reporting period, the balance of loans of the Bank's consumer finance business (including credit card business) amounted to RMB23,915 million, representing an increase of 17.93% over the beginning of the year. In particular, the Bank issued 407,400 credit cards in total, representing an increase of 61.22% over the beginning of the year, with the overdraft balance of RMB3,311 million, representing an increase of 104.51% as compared with the beginning of the year.

3. *Vigorously developing micro and small business*

During the Reporting Period, adhering to the main target of high-quality development, focusing on the needs of micro and small and high-frequency customers groups, and taking "bulk customer acquisition, one county, one industry, and chain and cluster development" as starting point, the Bank continuously improved its comprehensive financial services and asset allocation capabilities for micro and small customers. As at the end of the Reporting Period, the Bank had 17,061 inclusive loan accounts from micro and small enterprises⁽¹⁾ with an amount of RMB25,498 million on CBIRC basis, representing an increase of 2,890 and RMB5,577 million, or 20.39% and 28.00%, respectively, as compared with the beginning of the year.

Firstly, the Bank continuously improved its comprehensive service capacity. The Bank identified target customers through the linkage of upstream and downstream, and provided a series of comprehensive services such as "financing service + POS settlement + salary payment + deposit management" for micro and small customers focusing on the financing needs of customers and strengthened corporate-private linkage and chain group marketing, to strengthen their loyalty to the services of the Bank.

⁽¹⁾ According to the statistical standards stipulated by CBIRC Guizhou Office on April 2021, the "inclusive loans to micro and small enterprises" excludes bill financing. After exclusion of the related data, the corresponding number of accounts as at the beginning of the period was 14,171 and the adjusted balance of the "inclusive loans to micro and small enterprises" as at the end of 2020 was RMB19,921 million.

Secondly, the Bank accelerated the construction of the innovative mechanism for financial technology to lead the development of inclusive micro and small business. During the Reporting Period, the Bank innovated and developed e-loan • easy tax loan products for micro and small business, continuously optimized the function of online settlement and loan products, and accelerated the development and iterations of products. At the same time, the Bank continued to promote cooperation with “One Code for Guizhou (一碼貴州)” and “Colorful Guizhou (多彩貴州)” third-party business platforms, and continuously developed new modes of product services, to continuously provide high-quality services to customers.

Thirdly, the Bank constantly stimulated the potential of bulk customer acquisition. The Bank adhered to the method of bulk customer acquisition of “circle, chain and cluster”, conscientiously carried out the bulk development of micro and small enterprises, industries and centers (platforms) in the business circles of entities and new residents in towns and cities, and in the industrial chains of core enterprises, made efforts to serve high-quality leading enterprises in core industries and their upstream and downstream customers.

4. *Actively promoting the online + offline integrated development*

During the Reporting Period, the Bank focused on “scenarios outward expansion, internal platform construction, deep boost of data flow”, and strived to promote the development of “online and offline” in an all-channel and multi-level integration.

Firstly, the Bank strengthened its operational capabilities and sustained growth in mobile users and business. The Bank continuously promoted platform construction, enriched products and services, and carried out online customer operations. As at the end of the Reporting Period, the Bank’s electronic channels accounted for 98.59% of financial transactions, with a total of 138 million transactions, representing a year-on-year increase of 56.2%. The number of registered mobile banking users amounted to 3,940,000, representing an increase of 15.21% as compared to the beginning of the year; the number of monthly active users of the mobile banking amounted to 480,000, representing an increase of 19.67% as compared to the beginning of the year.

Secondly, the Bank expanded internal and external scenarios with its service capabilities and customer acquisition effectiveness. The Bank has initially completed the education, medical and e-commerce scenario systems. As at the end of the Reporting Period, the “Silver School Treasure (銀校寶)” in educational scenarios has 106 new cooperative institutions; the “Bank-Hospital Express (銀醫通)” in medical scenarios has 17 new cooperative institutions, with a total of 1.82 million transaction at RMB757 million; e-commerce scenario realized the fund supervision business on line, accessing the first provincial head e-commerce platform, helping the e-commerce of “Guizhou goods go out of the mountains”.

Thirdly, the Bank improved the payment channel to enhance the payment capacity and user experience. The Bank improved the function of payment service, and the number of transactions and transaction amount of acceptance business, third-party network payment and life payment continued to increase, providing comprehensive payment solutions for rural inclusive financial service sites, banking and government services, superstores, schools, hospitals, travel, etc.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Steady development of financial market business

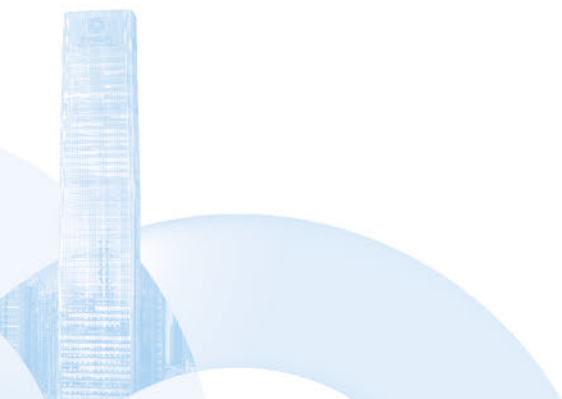
During the Reporting Period, the Bank's financial market business became increasingly active and influential in the domestic financial market, and was awarded as one of the "Top 100 for Clearing – Excellent Dealer (結算100強–優秀自營商)" for three consecutive years by the China Central Depository & Clearing Co., Ltd. (中央國債登記結算有限公司). At the end of the Reporting Period, the Bank's net financial investment was RMB199.064 billion, representing an increase of 3.51% as compared to the beginning of the year. The funding business realized operating income of RMB1.227 billion and profit before tax of RMB578 million.

Firstly, asset scale steadily grew, asset structure continuously optimized and non-interest income rapidly increased. During the Reporting Period, the Bank continued to enhance the trading volume and activity of bond market business. The Bank continuously enriched investment varieties and investment channels, increased the allocation to public funds with the advantage of tax-free and treasury bonds, policy bank bonds and other high-quality liquid assets, continuously optimized the asset structure, and rapidly increased non-interest income.

Secondly, capital income continued to grow. During the Reporting Period, the Bank successfully obtained the qualification of treasury cash management, continuously enriched management tools, strengthened market research and judgment, improved the forward looking liquidity management, and strived to create new income growth points for funding business, promoting the capital income of the Bank to continuously grow.

Thirdly, the scope of counterparties was broadened and the "circle of friends" of interbank cooperation was expanded. During the Reporting Period, the Bank actively expanded the coverage of key interbank customers, broke the previous limitation with banking institutions as the mainstay, and strengthened its cooperation with non-banking institutions, significantly increasing transaction activity, and achieving further increase in credit granting from other financial institutions.

Fourthly, the Bank expanded distribution channels, increased the proportion of distribution and promoted the continuous improvement of underwriting capacity. In 2020, the Bank successfully obtained the book-entry treasury bonds and bond underwriting qualification issued by the China Development Bank. The breakthroughs in key business qualifications promoted the bond market business of the Bank to a new level, which further expanded its income channel of the intermediate business. In the first half year, the Bank conscientiously fulfilled the underwriting obligations, further expanded the underwriting scale, increased the distribution proportion and sustained growth in intermediate business income.



(IV) Orderly advancement of asset management business

The Bank adhered to the operating philosophy of “Sunshine Operation, Compliance Operation, Strict Risk Control and Stable Development” for the wealth management business and the regulatory positioning of “assuming respective responsibilities by buyer and seller, and performed the duty of “managing other people’s wealth on their behalf as entrusted” with honesty, trustworthiness and diligence, to solidly and steadily promote the development of the wealth management business. As at the end of the Reporting Period, the wealth management products of the Bank amounted to RMB23,328 million, with the aggregate sales amount of RMB34,535 million for the first half year.

Firstly, the Bank completed the transformation of net value type product in advance. In the first half of 2021, all the stock of old products of the Bank have been fully rectified, and the proportion of net value of wealth management products reached 100%, completing the regulatory requirement of net value transformation of wealth management products in advance.

Secondly, the Bank grasped market opportunities and lay out in advance. Actively adapting to the market development, the Bank strengthened the training of its own investment and research team, and makes precise efforts to lay out diversified asset reserves in advance.

Thirdly, the Bank strictly adhered to the bottom line of risk compliance operation. During the Reporting Period, there were no significant risk situations in the wealth management business of the Bank.

Fourthly, the brand efficiency was continuously improved. According to the PY Standard of wealth management capabilities ranking, the Bank ranked 35th in comprehensive wealth management capabilities among 116 domestic city commercial banks at the end of the Reporting Period.

IV. Continuing to enhance the supporting ability of information technology

During the Reporting Period, the Bank continued to increase efforts to construct its information system, which provided strong support for the business development of the Bank and facilitated the digital transformation of the Bank.

Firstly, the Bank continued to optimize the functions of the new generation of information system, which continued to improve the user experience. Various functions of system have been optimized, such as the counter image collection, counter scenario transaction data sharing, customer 360 view, queuing in the lobby, opening accounts through mobile marketing, fast contracting with enterprise E-bank, linking bank cards with WeChat by one click, cloud payment and withdrawal with benefits to farmers and agriculture, etc. The operational process of the system was more convenient and the time for transaction was further reduced.

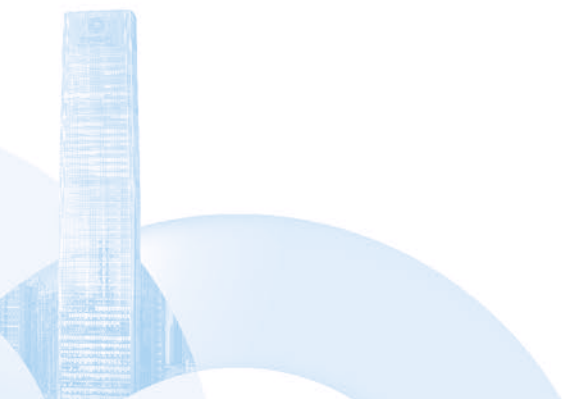


MANAGEMENT DISCUSSION AND ANALYSIS

Secondly, the Bank continued to strengthen the development of system products to support business development. The “One Code in Guizhou (一碼貴州)” project was put into operation, which provided account support and inter-bank clearing functions for customers. The Bank attracted customers through third-party platforms, and achieved a breakthrough in merchant acquiring business on a large platform; the “Drug Purchase Loan (藥採貸)” product (Phase I) was put into operation, which firstly set an example for the strategic transformation of the “Supply Chain Finance (供應鏈金融)” of the Bank; the relevant functions related to the “Third Generation of Social Security Card (三代社保卡)” were put into operation and the “Third Generation of Social Security Card” was released for the first time in the pilot branches; the “Smart car parking” project was implemented, with 4 third party platforms connected in; “Bank Tax Loan” was put into operation, which facilitated the continuous solution of the problems of difficulty in financing of micro and small enterprises; the optimization of the “Silver School Treasure” functions was completed, leading to the realization of fund monitoring function based on the educational ecology.

Thirdly, the Bank increased system construction to support the enhancement of the business digitalized risk controlling ability. We put over-the-table face recognition function operation, thus realizing the automatic customer recognition and effectively controlling the risk of personation at business dealings; constantly optimized the two rating systems, i.e., “retail plus non-retail”, built a relatively comprehensive risk model, and achieve automatic grading and credit-granting as well as risk monitoring; continuously optimized anti-fraud model, with the anti-fraud rules more reasonable and effective, thus building an integrated and entire-process anti-fraud system. The construction of market risk system and operational risk management system was orderly promoted, together with the big data smart risk-control platform and through the analysis and excavation of the internal and external data, leading to accurate enhancement of risk controlling level; the construction of the smart recovery system was promoted, and with the recovery system based on big data, anti-fraud and machine learning as foundation, the risk controlling strategies and the customer recovery strategies were implemented, and full lifecycle management of customers was reinforced.

Fourthly, the Bank accelerated the enhancement of the digital analysis and application ability. The Bank further improved the precision of customer pictures, enhanced marketing efficiency of wealth management products, predicted potential customer loss risk beforehand, and implemented targeted measures to retain the customers, thus significantly increasing ability of accurately serving customers. Based on the customer dimension and tags of BI and through data analysis, the Bank flexibly screened customer base, and realized recognition of quality customers with low risks and high earnings, thus facilitating the transformation from “public marketing” to “accurate marketing”.



3.9 RISK MANAGEMENT

3.9.1 Credit risk management

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

In the first half of 2021, facing the uncertainties in international and domestic economic development in the post-pandemic era, the Bank maintained its strategic focus, and adhered to the bottom line of risks. Centred around the goal of high quality development, the Bank implemented the overall “prudent and compliant” risk appetite. It has established and improved risk management strategies, continued to promote the adjustment of credit extension structuring, optimized and perfected the credit extension system, continuously improved the differentiated authorization mechanism, consolidated and strengthened the fundamental management of credit extension, continued to improve the level of quantitative risk management, and the quality of the assets maintained generally stable.

Based on the external economic and financial environment and the strategic development goals of the Bank, the Bank has formulated a comprehensive risk management policy and the supporting credit extension policy guidelines in line with the direction under the “14th Five-Year Plan”. It has been committed to supporting the construction of “Four-zations” in Guizhou province, continuously increased its support for real private enterprises and micro, small and medium-sized enterprises, and further directed credit resources to the real economy, inclusive finance, green finance and other areas.

The Bank has continuously improved the level of quantitative risk management, strengthened the application of results from the internal rating systems for retail and non-retail and applied them to the whole process of credit management, effectively moved forward risk points and supported business transformation.

3.9.2 Liquidity risk management

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



MANAGEMENT DISCUSSION AND ANALYSIS

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

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

During the Reporting Period, the Bank had no liquidity risk event occurred and the liquidity indicators continued to comply with regulatory requirements. Meanwhile, the Bank ensured that liquidity risks were generally manageable through a series of control and management measures. Firstly, the Bank effectively identified, measured, monitored, controlled and reported liquidity risks through cash flow assessment and analysis, and established scientific and sound liquidity risk management systems. Secondly, the Bank determined limit of liquidity risks based on business nature, scale, complexity, risk appetite, development of external market and risk tolerance. Thirdly, the Bank enhanced the application of results from the liquidity risk pressure tests, based on the results of which it identified weaknesses in the liquidity risk management of the Bank and made adjustments to the liquidity risk management strategies. Fourthly, the Bank implemented centralised fund management, and fund position was managed by designated persons who were specially responsible for this, to maintain reasonable and sufficient intraday liquidity and meet customers’ payment and settlement needs. Fifthly, the Bank continued to optimize the asset and liability structure, utilized active liability instruments in a flexible manner, continuously expanded long-term funding sources and effectively improved the percentage of stable liabilities. Sixthly, the Bank improved the contingency plan and emergency plan for liquidity risks, and effectively enhanced the ability to respond to liquidity risk events through regular liquidity risk emergency drills.

In 2021, the liquidity pressure tests of the Bank involved significant loss of corporate and retail deposits, the material drop of liquidity of current assets, the decrease of availability of corporate and retail financing, the past due status of balance sheet and off-balance sheet asset business and other aspects. Based on the analysis of the test results, the Bank had relatively sufficient high-quality current assets and short-term current assets and better liquidity pressure tolerance and the shortest period of survival was over 30 days.

As at the end of the Reporting Period, the Bank’s liquidity coverage ratio was 348.32%; the qualified current assets amounted to RMB68,898 million; the net cash outflow for the next 30 days was RMB19,780 million; the current ratio was 105.65%; details of the net stable funding ratio are set out below:

Net Stable Funding Ratio

Unit: RMB100 million, %

No.	Item	June 2021	End of 2020
1	Stable funding available	2,863.74	2,773.67
2	Stable funding needed	2,627.03	2,613.85
3	Net stable funding ratio (%)	109.01	106.11

3.9.3 Market risk management

Market risk refers to the risk of loss on the Bank's on-and-off-balance sheet businesses due to the adverse changes in interest rates, foreign exchange rates, stock prices and commodity prices. The main market risk exposed to the Bank includes interest rate risk. Based on the centralized model in market risk management, the Bank continued to advance the implementation of the risk allocation of financial market to further strengthen the second line of defense. During the Reporting Period, the Bank incorporated the results of the market risk management under the new capital agreements to its actual businesses, and enhanced the monitoring and early warning tools for financial assets and interbank counterparties with the help of market risk measurement instruments and external risk early warning system. It enriched and improved stress testing scenarios, applied stress testing results to limit management, continuously strengthened the daily valuation of trading book assets, actively responded to extreme volatility in the interest rate market, and promoted the transformation of financial market business to "value enhancement".

Impacted by post-pandemic era, monetary policy diversion and frequent bond defaults and other uncertainties, the internal and external environment of the bond market remains uncertain, and market risk control still requires continuous attention.

3.9.4 Operational risk management

During the Reporting Period, the Bank continued to optimize the operational risk management structure, institution and system, actively advanced the implementation and improvement of the operational risk management system, and promoted the development of normative, standard and scientific operational risk management mechanism. The Bank continued to strengthen the foundation of operational risk management, enhanced the operational risk identification, assessment, monitoring, reporting and rectification, adhered to normalizing the operational risk monitoring and reporting, and actively prevented and coped with various operational risks. Thus, the loss ratio of operational risks has been effectively controlled, and the capability to manage operational risks and its effectiveness have been further enhanced.

MANAGEMENT DISCUSSION AND ANALYSIS

Firstly, the Bank optimized the operational risk management system and identified the management and operation mechanism by three major tools, namely “operational risk and control self-assessment (RCSA), key risk indicators (KRI) and loss data collection (LDC)” to enhance the effectiveness and timeliness of risk prevention and control; secondly, the Bank implemented the monitoring and analysis of KRI of operational risks and LDC and other specialized management tools, and strengthened the identification, evaluation and reporting of operational risks, to achieve normalized management of operational risk monitoring and analysis; thirdly, the Bank gave full play to the operational capability of risk control engine on the anti-fraud application platform, applied anti-fraud rules in all channels and major business scenarios, and timely warned against/blocked fraudulent transactions with risks, thus building a firewall for healthy business development; fourthly, the Bank strengthened the management and control of outsourcing risk, revised and improved the outsourcing risk management system and IT outsourcing management system, established and implemented the reporting mechanism for the progress of major outsourcing projects; fifthly, the Bank strengthened the management of business continuity, improved the business continuity management system and system management, further standardized the planning, implementation, summary and reporting works for business continuity drill, and continuously improved the overall level of business continuity management across the Bank.

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

3.9.5 Information technology risk management

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

During the Reporting Period, the Bank’s capabilities to manage information technology risk kept improving, which has provided effective support for its business development. The Bank continuously strengthened the construction of its information technology risk system to provide a strong guarantee for information technology risk management, continuously improved its information security technology system by constructing a network security protection architecture based on cloud platforms and traditional heterogeneous deployment models of security, which focused on improving network security attack monitoring and real-time blocking capabilities while strengthening security protection capabilities, so as to ensure safe operation of such important information systems of the Bank, and continuously enhanced its business continuity management by consolidating the “three centers in two cities” disaster recovery system and effectively carrying out network and important business system switching exercises at intra-city dual-active data centers in order to ensure the reliability of the intra-city dual-active data centers and the business continuity of important information systems.



3.9.6 Legal and compliance risk management

I. Legal risk management

During the Reporting Period, the Bank continued to adopt various measures to improve the quality and effectiveness of legal risk management and control, which provided strong legal support and guarantee for its operation and management, and spared no effort to avoid and resolve legal risks. Firstly, the Bank strictly implemented the legal review system by carrying out routine legal review and consultation in an orderly manner to provide timely, professional and efficient legal support for its new product development, new business implementation, major projects and the establishment of rules and regulations, and evaluating and demonstrating major legal risks related to operation and management matters. Secondly, the Bank improved text in legal format by organizing comprehensive review and revision of the text in standard form contracts in accordance with the Civil Code of the People's Republic of China and related supporting judicial interpretations and regulatory provisions, so as to prevent systemic legal risks. Thirdly, the Bank strengthened the pre-litigation analysis and demonstration of the feasibility and necessity of litigation cases, conducted strict review and approval by levels, and handled the litigation and arbitration cases and non-litigation risk events in an active and proper manner, so as to effectively prevent legal litigation risks and reputational risks. Fourthly, the Bank established a platform for legal publicity and strengthened the publicity of and training in laws and regulations by way of centralized training, risk reminders, consultation and guidance, etc., so as to continuously improve employees' awareness of operating in accordance with laws and regulations.

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

II. Compliance risk management

The Bank attaches great importance to compliance and internal control management and consistently improves the compliance risk management mechanism to realize effective identification, evaluation and prevention of compliance risks. The Board takes ultimate responsibility for the compliance of the Bank's operation and management activities with applicable laws and regulations; the senior management is responsible for implementing compliance policies, and compliance departments in the head office and the branches take the lead in the daily management of compliance risks of the Bank.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Bank strictly implemented regulatory requirements, continued to improve its internal control and compliance governance structure, and continuously improved its ability to manage in compliance with laws and regulations. The Bank formulated and issued the work plan for the “Internal Control and Compliance Management Construction Year” for 2021 and the bank-wide compliance inspection plan for the year 2021, conducted in-depth search for weaknesses in internal control and compliance, and established a problem list system and a rectification responsibility system, to have a clear understanding of the whole situation, correct problems immediately once identified and prevent and dealt with loopholes, and continuously improve its ability to prevent and resolve major risks. The Bank attaches great importance to the development of a compliance culture, and it built a compliance culture propaganda and education platform, formulated long-term plans for compliance training and carried out diversified compliance education activities, to continuously enhance compliance awareness and cultivate a culture of stable and prudent operation. The Bank always strengthens the management of and control over key areas, conscientiously and effectively implements the responsibilities of bodies at all levels for compliance operation and management, and sticks to the bottom line of avoiding systemic risks.

During the Reporting Period, the Bank recorded no major compliance incidents.

3.9.7 Reputational risk management

Reputational risk refers to the risk of negative comments to the banking institutions by relevant stakeholders, the public and the media as a result of the actions of the banking institutions, the behavior of their practitioners or external events, which may damage their brand value, adversely affect their normal operation, or even affect market stability and social stability. The Bank adheres to a prevention first philosophy for reputational risk management, incorporates reputational risk management into the comprehensive risk management system, promotes whole-process management and normalization construction of reputational risks and plants reputational risk management awareness into all links of operation and management, to proactively and effectively prevent reputational risks and cope with reputational incidents and minimize losses and negative impacts. During the Reporting Period, the Bank further improved its reputational risk management system and formulated detailed reputational risk management policies; strengthened public opinion monitoring, research, judgment and response, and adjusted reputational risk prevention and control measures in a timely manner based on actual changes in public opinion and hotspots; strengthened complaint handling, resolved customers’ troubles in a timely manner, and reduce the risk of complaints evolving into reputational incidents; urged cadres and employees to perform their duties earnestly and enhance all employees’ awareness of reputational risk prevention to jointly safeguard the Bank’s reputation; and increased positive publicity and carried out corporate image building, to enhance its brand influence. During the Reporting Period, the Bank recorded no major reputational risk incidents.



3.9.8 Interest rate risk management of banking book

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

The Bank mainly adopts repricing gap analysis, duration analysis, net interest income analysis, economic value analysis and other means to measure, monitor and report on interest rate risks in bank book. During the Reporting Period, the Bank continued to improve the interest rate risk governance system of the banking book, and consolidated the interest rate risk management mechanism of the banking book by improving the management system and process design. The Bank continued to improve the monitoring and feedback mechanism for interest rate risk of the bank book, regularly monitored repricing gaps and duration gaps, and adjusted the size of assets and liabilities and duration to achieve active gap management and good income and value stability management. The Bank constrained the fluctuation range of interest rate risks through dynamic simulation and stress testing, so as to ensure smooth operation of income and value under the circumstance where interest rate risks are controllable and enhance the effectiveness of risk prevention.

3.9.9 Anti-money laundering management

During the Reporting Period, the Bank continued to improve the anti-money laundering operation mechanism, optimize the anti-money laundering system and implement money laundering risk management measures. Firstly, the Bank optimized and adjusted the evaluation indicators for money laundering risks in business products to achieve a systematic rating of money laundering risks in business products and assess the risk status of the Bank's business products more comprehensively and accurately. Secondly, the Bank continued to optimize the system and increase empowerment by technology, with the number of invalid cases decreasing consecutively and the validity of suspicious cases improving. Thirdly, the Bank organized special training and continued to learn anti-money laundering regulatory regulations, to understand the rules and processes of money laundering risk rating. Fourthly, the Bank gave play to the suspicious transaction monitoring mechanism and actively provided clues to law enforcement agencies.

3.9.10 Strategic risk management

Strategic risk refers to the risk caused by the improper operating strategies or changes in external operating environment, and is one of the risks faced by commercial banks in their operation and management. Strategic risk management is an integral part of the Bank's corporate governance and comprehensive risk management system. The Bank proactively responds to the strategic risk through building and improving the strategic risk governance structure as well as optimizing and improving strategic risk management procedures for the purpose of safeguarding the stable and sound development of the Bank.

During the Reporting Period, the strategic risk management of the Bank followed the principles of compliance, consistency, perspectiveness, independence and operability and the strategic risk remained controllable on the whole and the Bank's strategic risk management capability was improved steadily. Next, the Bank will conduct timely appraisal on changes in economy, finance, society, situation, industries and other external operating environment as well as the operating strategies and strategic implementation of the Bank, and timely adjust the strategic objectives and revise the strategic plans.

MANAGEMENT DISCUSSION AND ANALYSIS

3.9.11 Exchange rate risk management

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

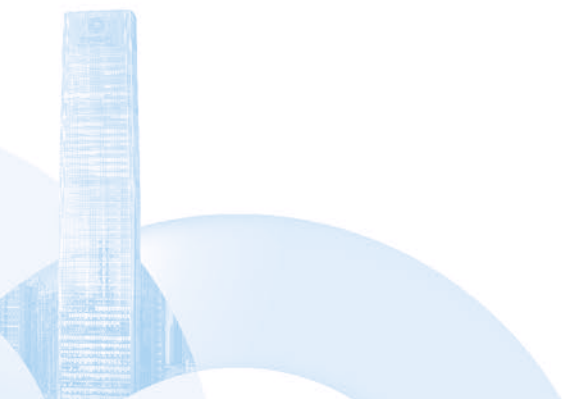
The Bank's foreign currency assets and liabilities are mainly US dollars, and the few rest are Euros. The Bank's principle for controlling exchange rate risk is to balance the management of the exposure position limit for foreign currencies and the increasing demand for the use of foreign currencies from the customers; on the premise of ensuring that the cumulative foreign exchange exposure position indicators held by the Bank remain within the excellent regulatory rating, to provide the customers with fund support for their demand for reasonable use of foreign currencies; and to fulfil the matching between the assets and the liabilities in all currencies.

During the Reporting Period, there was a sharp fluctuation in the exchange rate of RMB against US Dollar. As a market participant, the Bank established and adhered to the management concept of "exchange rate risk-neutral" in accordance with the requirements of regulatory institutions, to adapt to the normality of bi-directional volatility of the exchange rate and better serve the real economy.

3.10 SOCIAL RESPONSIBILITIES

As a corporate citizen, the Bank always adheres to its responsibilities as a financial institution, strives to make contributions of Guizhou Bank, and takes practical actions to fulfill its commitment of "a responsible and warm bank". In the first half of the year, the Bank focused on five key points in actively performing social responsibilities.

- I. Proactively supporting the rural revitalization in an all-round way. The Bank proactively pushes forward the construction of benefits to farmers and agriculture service outlets, as of the end of the Reporting Period, a total of 710 benefits to farmers and agriculture service outlets was signed, and 405 were opened to operation officially, and a total of 89,600 bank cards were issued. The Bank established and improved the financial service organization system for rural revitalization and a mechanism for agriculture-related work, and increased support for the development of rural industries. During the Reporting Period, the Bank cumulatively allocated rural revitalization loans of RMB3,100 million, and newly allocated loans of RMB1.246 billion for modernization of agriculture, focusing on supporting the large-scale and intensive development of agricultural industries and industrial upgrading. The Bank continuously consolidates and expands the effectiveness of partner assistance, and completed the rotation of four cadres stationed in villages in targeted counties on time. It implements the system of cadre consultation to cadres stationed in villages and various treatment and security policies to ensure the nondecreasing support efforts, unabated standards, unflagging motivations and the non-stop supports. The Bank further clarifies the development target of serving rural revitalization of striving to open more than 1,000 new benefits to farmers and agriculture service outlets and issuing more than 400,000 new bank cards by the end of 2021.



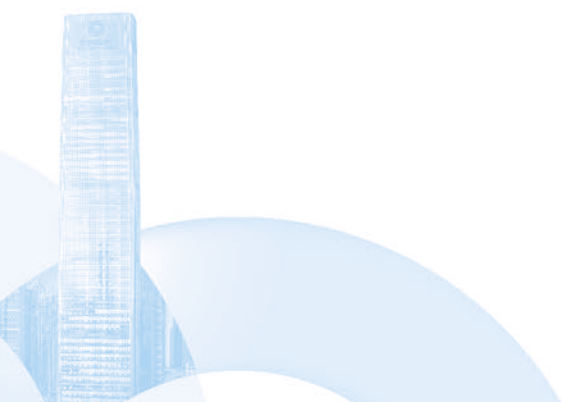
- II. Sincerely serving micro and small private enterprises. The Bank focuses on the task of “stability on the six fronts” and “security in the six areas”, with exploring an organizational structure of “product marketing + data-based risk control and analysis + technology development”, paying attention to the presence and launch of small and micro credit products, vigorously promoting financing products for online accounts receivable, supporting industry-finance integration, and extending financial services across the industry chain and providing financial support to micro, small and medium enterprises. It adjusts the credit approval for small and micro credit loans when necessary, and takes reasonable and differentiated measures to improve the approval efficiency while controlling credit risks, so as to strengthen financial services for micro, small and medium enterprises, and vigorously develop inclusive finance.
- III. Relentless efforts in building Green Bank. The Bank is firmly committed to the goal of “building a green bank”, actively responding to the national strategy of “Carbon Peak” and “Carbon Neutrality”. During the Reporting Period, the Bank has successively drew up the Strategic Plan for Green Finance of Bank of Guizhou (2021–2025) (《貴州銀行綠色金融戰略規劃(2021–2025年)》) and Vision, Goals and Actions of Bank of Guizhou on “Carbon Peak” and “Carbon Neutrality” (《貴州銀行“碳達峰碳中和”願景、目標及行動》), from which all cadres and staff of the Bank have been proposed to carry out “green and environmental protection, energy-saving, emission-reducing, diligence and thrift” activities to create a new image of green development for Bank of Guizhou. The Bank implemented the requirements for environmental information disclosure of financial institutions, disclosing environment-related information at four levels: emissions, use of resources, impact of business activities on the environment, and response to climate change. It introduced third-party professional institutions to manage environmental and social risks for major financing projects, and actively implemented the management requirements of the “Equator Principles” to improve the environmental and social risk management level of the Bank. The Bank fully supported the green development of local economy and society and provided efficient financing services for the transformation and upgrading development of traditional energy, ecological tourism, featured agriculture and emerging industries. As at the end of the Reporting Period, the Bank’s green loans amounted to RMB33.060 billion, representing an increase of RMB10.208 billion from the beginning of the year, accounting for 14.20% of the total green loans.
- IV. Actively contributing to improve social welfare. The Bank organizes various financial knowledge popularisation and publicity activities to safeguard the financial security of customers. During the Reporting Period, the Bank issued an initiative under the theme of “Beautiful China – I am a doer” and actively organised thematic tree planting activities; organised the “Riding the Wind and Waves with Dreams” volunteer activities for the fifth consecutive year to help with the college entrance examinations, carried out activities of sending examinees with love, and set up service stations to provide convenient services for examinees and their parents. The Bank also organised the second series of “Youths in Bank of Guizhou, Voluntary Blood Donation to Save Lives” activities to guide the staff of the Bank to care for society and life, and dedicate love to save more patients.
- V. Effectively protect consumers’ rights. The Bank actively carries out consumer publicity and education. Focusing on the “One old plus one young” group, the Bank organized the “3.15” consumer’s rights protection publicity and education week activities, issued 30 original publicity and education messages, sent “3.15” publicity and education messages to 570,000 customers; organized and carried out the “Popularisation of Financial Knowledge and Keeping the ‘Your Wallet’” activity, carried out a total of 532 events, reaching 74,400 consumers, and distributing 65,900 promotional materials, and 28 online publicity materials through WeChat public accounts and shooting videos. The Bank improves the evaluation system of consumer’ rights protection, strengthens the investigation and handling of complaints, prepares well in the evaluation of consumer rights protection before the launch of products, continues to promote the creation of star outlets, and continuously improves the quality of service and enhances consumer satisfaction.

MANAGEMENT DISCUSSION AND ANALYSIS

3.11 DEVELOPMENT STRATEGIES AND FUTURE DEVELOPMENT PROSPECTS

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

In future, the Bank will vigorously: (I) promote the construction around serving Guizhou Province’s “Four-zations”, focusing on key industries and customer groups to continuously improve our business expansion capabilities and comprehensive service levels; continue to improve the management system for equator banks, vigorously develop green finance, strengthen the brand of green bank, and build a leading corporate bank; (II) continuously reinforce three fundamental abilities in investment transactions, asset management and interbank businesses and stably improve the profit in the financial market; (III) deepen customer operation, diversify product services and speed up the development of big retail; (IV) develop characteristic financial services with the big data thinking, optimize the online service channels and constantly improve the online + offline service system; (V) make efforts in big data application and platform construction to provide strong support to business capacity; (VI) establish and improve an overall risk management system and better coordinate the bank-wide revenue, size and quality; (VII) promote the construction of corporate culture and build the core value system of culture of Bank of Guizhou; and (VIII) proactively expand financing channels, optimize its capital structure step by step, and continuously enhance its capital strength.



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.1 CHANGES IN SHARE CAPITAL

As at 30 June 2021, total share capital of the Bank was 14,588,046,744 Shares, comprising 12,388,046,744 Domestic Shares and 2,200,000,000 H Shares.

Item	As at 31 December 2020		Changes in share capital during the Reporting Period	As at 30 June 2021	
	Numbers of shares (share)	Percentage		Numbers of shares (share)	Percentage
Domestic Shares	12,388,046,744	84.92%	–	12,388,046,744	84.92%
H Shares	2,200,000,000	15.08%	–	2,200,000,000	15.08%
Total number of ordinary shares	14,588,046,744	100.00%	–	14,588,046,744	100.00%

4.2 INFORMATION ON SHAREHOLDERS

4.2.1 Total numbers of domestic shareholders

As at 30 June 2021, the Bank had 5,300 domestic shareholders in total, consisting of 11 state-owned shareholders, 60 state-owned legal person shareholders, 121 private enterprise legal person shareholders and 5,108 natural person shareholders.

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.2 Top ten holders of the Domestic Shares

As at 30 June 2021, the shareholdings of top ten Domestic Shareholders of the Bank are detailed as follows:

Unit: Share, %

No.	Name of Shareholder	Number of Shares held (Unit: Share)	Approximate percentage of total issued share capital of the Bank as at the end of the Reporting Period
1	Guizhou Provincial Finance Bureau (貴州省財政廳)	2,518,500,000	17.26%
2	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	1,750,000,001	12.00%
3	Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	955,477,904	6.55%
4	Gui'an New Area Development and Investment Co., Ltd. (貴安新區開發投資有限公司)	450,000,000	3.08%
5	Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	426,000,000	2.92%
6	Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	334,000,000	2.29%
7	Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	300,000,000	2.06%
8	Liupanshui Municipal Finance Bureau (六盤水市財政局)	284,067,540	1.95%
9	Liupanshui Livelihood Industrial Investment Group Company Limited (六盤水市民生產業投資集團有限責任公司)	200,000,000	1.37%
10	Guizhou Renhuai Moutai Town Hutu Liquor (Group) Co., Ltd. (貴州省仁懷市茅台鎮糊涂酒業(集團)有限公司)	188,633,460	1.29%

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

As at 30 June 2021, to the best knowledge of the Bank, the following persons (other than the Bank's Directors, Supervisors and chief executive) had or were deemed or taken to have interests and/or short positions in the Shares or underlying shares as recorded in the register of interests required to be kept by the Bank pursuant to Section 336 of Part XV of the SFO and which would be required to be disclosed to the Bank and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, were interested in 5% or more of the nominal value of any class of the Bank's share capital carrying rights to vote in all circumstances at the shareholders' general meetings of any other member companies of the Bank:

Name of Shareholder	Class of Shares	Long positions/ short positions	Nature of Interests	Number of Shares (Unit: Share)	Approximate percentage of the relevant class of share capital of the Bank	Approximate percentage of the total issued share capital of the Bank
Guizhou Provincial Finance Bureau (貴州省財政廳)	Domestic Shares	Long positions	Beneficial Owner	2,518,500,000	20.33%	17.26%
China Kweichow Moutai Distillery (Group) Co., Ltd. ⁽¹⁾ (中國貴州茅台酒廠(集團)有限責任公司)	Domestic Shares	Long positions	Beneficial Owner	1,750,000,001	14.13%	12.00%
State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽¹⁾ (貴州省人民政府國有資產監督管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	1,750,000,001	14.13%	12.00%
Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. ⁽²⁾ (遵義市名城國有資產投資經營有限公司)	Domestic Shares	Long positions	Beneficial Owner	34,065,055	0.27%	0.23%
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. ⁽²⁾ (遵義市國有資產投融資經營管理有限責任公司)	Domestic Shares	Long positions	Beneficial Owner	955,477,904	7.71%	6.55%
Zunyi City State-owned Capital Operation Co., Ltd. ⁽²⁾ (遵義市國有資本運營有限公司)	Domestic Shares	Long positions	Interest in controlled corporation	34,065,055	0.27%	0.23%
State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi City ⁽²⁾ (遵義市人民政府國有資產監督管理委員會)	Domestic Shares	Long positions	Interest in controlled corporation	989,542,959	7.98%	6.78%
Guizhou Water Investment Group Co., Ltd. ⁽³⁾ (貴州水投水務集團有限公司)	H Shares	Long positions	Beneficial Owner	314,030,000	14.27%	2.15%
Guizhou Province Water Investment (Group) Co., Ltd. ⁽³⁾ (貴州省水利投資(集團)有限責任公司)	H Shares	Long positions	Interest in controlled corporation	314,030,000	14.27%	2.15%
Water Resources Department of Guizhou Province ⁽³⁾ (貴州省水利廳)	H Shares	Long positions	Interest in controlled corporation	314,030,000	14.27%	2.15%
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. ⁽⁴⁾ (黔西南州宏升資本營運有限責任公司)	H Shares	Long positions	Beneficial Owner	310,487,000	14.11%	2.13%
State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture ⁽⁴⁾ (黔西南州人民政府國有資產監督管理委員會)	H Shares	Long positions	Interest in controlled corporation	310,487,000	14.11%	2.13%
Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. ⁽⁵⁾ (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	H Shares	Long positions	Beneficial Owner	309,382,000	14.06%	2.12%
Renhuai City People's Government ⁽⁵⁾ (仁懷市人民政府)	H Shares	Long positions	Interest in controlled corporation	309,382,000	14.06%	2.12%
Guizhou Fanjingshan Investment Holding Group Limited ⁽⁶⁾ (貴州省梵淨山投資控股集團有限公司)	H Shares	Long positions	Beneficial Owner	142,000,000	6.45%	0.97%
Tongren State-owned Assets Supervision and Administration Bureau ⁽⁶⁾ (銅仁市國有資產監督管理局)	H Shares	Long positions	Interest in controlled corporation	142,000,000	6.45%	0.97%
Changsheng Fund Management Co. Ltd-Changsheng Fund Zunyi No.1 Single Asset Management Plan ⁽⁷⁾ (長盛基金遵義1號單一資產管理計劃)	H Share	Long positions	Investment Manager	140,000,000	6.36%	0.96%

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Notes:

- (1) China Kweichow Moutai Distillery (Group) Co., Ltd. is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province. In virtue of the SFO, the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province is deemed to be interested in the Shares of the Bank held by China Kweichow Moutai Distillery (Group) Co., Ltd.
- (2) Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. is wholly owned by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., 73.50% interests of which is held by Zunyi City State-owned Capital Operation Co., Ltd., and Zunyi State-owned Capital Operation Co., Ltd. is 98% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi City. In virtue of the SFO, Zunyi City State-owned Assets Investment and Financing Management Co., Ltd, Zunyi City State-owned Capital Operation Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi City are all deemed to be interested in the Shares of the Bank held by Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. Zunyi City State-owned Capital Operation Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi City are both deemed to be interested in the Shares of the Bank held by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
- (3) Guizhou Province Water Investment (Group) Co., Ltd. holds 87.47% interests in Guizhou Water Investment Group Co., Ltd., and Water Resources Department of Guizhou Province holds 85.20% interests in Guizhou Province Water Investment (Group) Co., Ltd. In virtue of the SFO, Guizhou Province Water Investment (Group) Co., Ltd. and Water Resources Department of Guizhou Province are deemed to be interested in the Shares of the Bank held by Guizhou Water Investment Group Co., Ltd.
- (4) State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture holds 73.23% interests in Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. In virtue of the SFO, State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture is deemed to be interested in the Shares of the Bank held by Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd.
- (5) Renhuai People's Government holds 86.3% interests in Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. In virtue of the SFO, Renhuai People's Government is deemed to be interested in the Shares of the Bank held by Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd.
- (6) Tongren State-owned Assets Supervision and Administration Bureau holds 35.06% interests in Guizhou Fanjingshan Investment Holding Group Limited. In virtue of the SFO, Tongren State-owned Assets Supervision and Administration Bureau is deemed to be interested in the Shares of the Bank held by Guizhou Fanjingshan Investment Holding Group Limited.
- (7) Changsheng Fund Management Co. Ltd is the investment manager of the asset management plan products of Changsheng Fund Zunyi No.1 Single Asset Management Plan.

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

Save as disclosed above, to the best knowledge of the Bank, the Bank is not aware of any other person (other than the Directors, Supervisors and the chief executive of the Bank) having any interests or short positions in the shares or underlying shares of the Bank as at 30 June 2021 as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

4.2.4 Shareholders holding 5% or more of the shares

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

4.2.5 Other substantial shareholders

According to the Interim Measures for the Equity Management of Commercial Banks of CBIRC (《商業銀行股權管理暫行辦法》) (Former CBRC Order 2018 No. 1) reviewed and approved by the former China Banking Regulatory Commission's first chairman's meeting in 2018, substantial shareholders of a commercial bank mean shareholders who hold or control 5% or above shares or voting right of the commercial bank, or who hold less than 5% of total capital or total shares of the commercial bank but have significant impact on the business of the commercial bank. The significant impact mentioned above includes but not limited to dispatching directors, supervisors or senior management of a commercial bank.

Other than Guizhou Provincial Financial Bureau, China Kweichow Moutai Distillery (Group) Co., Ltd., and Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. as disclosed in the 4.2.3 headed "Interests and short positions of substantial shareholders in Shares and underlying shares under the Regulations of Hong Kong" under this chapter, the following are substantial shareholders who hold less than 5% of total capital or total shares of the Bank but have nominated Directors, Supervisors or senior management to the Bank (and such nominees have been appointed as of the date of this report):



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Name of Shareholder	Class of Shares	Nature of Interests	Number of Shares (Unit: Share)	Approximate percentage of the total issued share capital of the Bank
Shenzhen Expressway Company Limited (深圳高速公路股份有限公司) ⁽¹⁾	Domestic Shares	Beneficial Owner	426,000,000(L)	2.92%
	H Shares	Interest in Controlled Corporation	76,207,000(L)	0.52%
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Domestic Shares	Beneficial Owner	334,000,000(L)	2.29%
	H Shares	Beneficial Owner	314,030,000(L)	2.15%
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	H Shares	Beneficial Owner	310,487,000(L)	2.13%
	H Shares	Beneficial Owner	309,382,000(L)	2.12%
Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	H Shares	Beneficial Owner	309,382,000(L)	2.12%
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Domestic Shares	Beneficial Owner	300,000,000(L)	2.06%
Liupanshui Municipal Finance Bureau (六盤水市財政局)	Domestic Shares	Beneficial Owner	284,067,540(L)	1.95%
Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Domestic Shares	Beneficial Owner	104,065,055(L)	0.71%

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

Note:

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

4.2.6 Substantial shareholders and their controlling shareholders, actual controllers, ultimate beneficial owners and related parties

Name of company	Place of Registration	Registered capital (RMB'000)	Percentage of shareholding in the Bank (including Domestic Shares and H Shares) as at 30 June 2021	Percentage of shareholding in the Bank (including Domestic Shares and H Shares) as at 31 December 2020	Economic nature of operation or type	Legal representative or person in charge
Guizhou Provincial Finance Bureau (貴州省財政廳)	Guiyang, Guizhou Province	N/A	17.26%	13.15%	Provincial government department	Shi Huaqing (石化清)
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	Guiyang, Guizhou Province	10,000,000	12.00%	12.00%	Limited liability company (wholly state-owned)	Gao Weidong (高衛東)
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	Zunyi Guizhou	8,163,400	6.55%	4.93%	Limited liability company (state-controlled)	Wang Xiaoyong (王曉勇)
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Guiyang, Guizhou Province	1,207,606.3	4.44%	4.44%	Limited liability company (wholly state-owned)	Wang Wencheng (王文成)
Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	Shenzhen, Guangdong Province	2,180,770	3.44%	3.44%	Joint-stock company	Hu Wei (胡偉)
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guiyang Guizhou Province	173,690	2.13%	2.13%	Limited liability company (state-controlled)	Lv Jiyan (呂紀焱)
Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	Renhuai, Zunyi, Guizhou Province	463,466.5	2.12%	2.12%	Limited liability company (wholly state-owned)	Li Wu (李武)
Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司)	Guiyang, Guizhou Province	11,105,372	2.06%	2.06%	Limited liability company (wholly state-owned)	Long Pingjiang (龍平江)
Liupanshui Municipal Finance Bureau (六盤水市財政局)	Liupanshui, Guizhou Province	N/A	1.95%	1.95%	Liupanshui municipal government department	Wen Xiang (文翔)
Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Renhuai, Zunyi, Guizhou Province	1,130,000	0.71%	0.71%	Limited liability company (wholly state-owned)	Tang Xiaosong (唐小松)

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

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

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

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

China Kweichow Moutai Distillery (Group) Co., Ltd. holds 1,750,000,001 Domestic Shares of the Bank, representing a percentage of the total share capital of the Bank, being approximately 12.00%. China Kweichow Moutai Distillery (Group) Co., Ltd. is wholly-owned by State-owned Assets Supervision and Administration Commission of People's Government of Guizhou Province, which is its actual controller and the actual beneficial owner. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of China Kweichow Moutai Distillery (Group) Co., Ltd. also included Kweichow Moutai Distillery (Group) Real Estate Investment and Development Co., Ltd.* (貴州茅臺酒廠(集團)置業投資發展有限公司) and Guizhou Railway Investment Co., Ltd.* (貴州鐵路投資有限責任公司).

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

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

Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank, and its related party, Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. holds 34,065,055 Domestic Shares of the Bank, representing approximately 6.78% of the total share capital of the Bank in aggregate. Zunyi State Owned Capital Operation Co., Ltd. (遵義市國有資本運營有限公司) holds 73.50% equity of Zunyi City State-owned Assets Investment and Financing Management and approximately 98% of the equity of Zunyi State-owned Capital Operation Co., Ltd. is owned by State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi. Therefore, State-owned Assets Supervision and Administration Commission of the People's Government of Zunyi is the actual controller and the ultimate beneficial owner of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. also included Zunyi State Owned Capital Operation Co., Ltd. and Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd..

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

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

Guizhou Water Investment Group Co., Ltd. holds 334,000,000 Domestic Shares and 314,030,000 H Shares of the Bank, with a total shareholding of 648,030,000 Shares, accounting for approximately 4.44% of the entire share capital of the Bank. Guizhou Water Investment Group Co., Ltd. is a wholly-owned subsidiary of Guizhou Province Water Investment (Group) Co., Ltd. (貴州省水利投資(集團)有限責任公司). Water Resources Department of Guizhou Province (貴州省水利廳) holds 85.20% equity of Guizhou Province Water Investment (Group) Co., Ltd. Therefore, the actual controller and the ultimate beneficial owner of Guizhou Water Investment Group Co., Ltd. is Water Resources Department of Guizhou Province (貴州省水利廳). According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Investment Group Co., Ltd. also included Guizhou Runhong Construction Engineering Co., Ltd.* (貴州潤宏建築工程有限公司) and Guizhou Water Investment Group Songtao Co., Ltd.* (貴州水投水務集團松桃有限公司).

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



CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

Shenzhen Expressway Company Limited holds 426,000,000 Domestic Shares of the Bank and its related party, Mei Wah Industrial (Hong Kong) Limited holds 76,207,000 H Shares of the Bank, with a total shareholding of 502,207,000 Shares in aggregate, accounting for approximately 3.44% of the entire share capital of the Bank. Shenzhen Expressway Company Limited is an A Share and H Share listed Company. Its actual controller and the ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen based on available information. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Shenzhen Expressway Company Limited also included Shenzhen Expressway Environmental Company Limited (深圳高速環境有限公司) and Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司).

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

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

Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. holds 310,487,000 H Shares of the Bank, accounting for approximately 2.13% of the entire share capital of the Bank. Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. was established on 5 July 2005, in which State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture (黔西南州人民政府國有資產監督管理委員會) holds 73.23% equity and is its actual controller and ultimate beneficiary owner. According to the relevant regulations as provided in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. also included Guizhou Honyee Assets Management Co., Ltd.* (貴州宏義資產管理有限公司) and Guizhou Shijin Financial Guarantee Co., Ltd.* (貴州省時進融資擔保有限責任公司).

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



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

Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) holds 309,382,000 H Shares of the Bank, representing approximately 2.12% of the total share capital of the Bank. Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) was established on 2 July 2013. It is owned as to 86.3% by Renhuai People's Government which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司) also include, among others, Guizhou Renhuai Sugar Tobacco & Alcohol Co., Ltd. (貴州省仁懷市糖業煙酒有限責任公司) and Guizhou Renhuai Sauce-flavored Liquor Supply Chain Management Co., Ltd. (貴州省仁懷市醬香酒供應鏈管理有限公司).

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

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

Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) holds 300,000,000 Domestic Shares of the Bank, representing approximately 2.06% of the total share capital of the Bank. Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) was established on 16 October 1993. It is owned as to 75.27% by State-owned Assets Supervision and Administration Commission of People's Government of Guizhou Province which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) also include, among others, Guizhou Expressway Investment Group Co., Ltd. (貴州高速投資集團有限公司) and Guizhou Qiantong Intelligent Connection Technology and Industry Development Co., Ltd. (貴州黔通智聯科技產業發展有限公司).

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

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

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

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

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

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

Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) holds 104,065,055 Domestic Shares of the Bank, representing approximately 0.71% of the total share capital of the Bank. Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) was established on 8 April 2002. It is wholly owned by Renhuai People's Government which is also its actual controller and ultimate beneficial owner. Pursuant to relevant requirements of Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) also include, among others, Renhuai Agricultural Finance Guarantee Co., Ltd. (仁懷市農業融資擔保有限責任公司), Renhuai Economic Development Zone Investment and Development Co., Ltd. (仁懷經濟開發區投資開發有限責任公司).

The main businesses of Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) are the operation and management of state-owned assets; land development, construction and operation and management of urban infrastructure such as roads, bridges, sewage, urban water supply and greening as authorised by the municipal government, and participation in the development and operation and management of commercial real estate and the operation and management of guesthouses and hotels.

4.2.7 Pledge of equity by major shareholders

- I. Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., a shareholder of the Bank, holds 955,477,904 Domestic Shares of the Bank, and has pledged 280 million Shares held by it:
 - (I) of which 70 million Shares have been pledged to Guiyang Branch of China Zheshang Bank Co., Ltd. (浙商銀行股份有限公司貴陽分行) to provide maximum guarantee for China Aviation Guizhou Elevator Co., Ltd. (貴州中航電梯有限責任公司) with a maximum balance of guaranteed debt of RMB150 million. The pledge of such portion of equity was released after the Reporting Period (the registration for the release of the pledge was competed on 14 July 2021);
 - (II) of which 130 million Shares have been pledged to Fuzhou Branch of Xiamen International Bank Co., Ltd. (廈門國際銀行股份有限公司福州分行) to provide pledge guarantee for Zunyi State Owned Capital Operation Co., Ltd with an amount of guaranteed debt of RMB400 million;
 - (III) of which 80 million Shares have been pledged to Guiyang Branch of China Zheshang Bank Co., Ltd. (浙商銀行股份有限公司貴陽分行) to provide maximum guarantee for China Aviation Guizhou Elevator Co., Ltd. (貴州中航電梯有限責任公司) with a maximum balance of guaranteed debt of RMB132 million.
- II. Renhuai City State-owned Assets Investment and Management Co., Ltd., a shareholder of the Bank, holds 104,065,055 Domestic Shares of the Bank, and has pledged 100 million Shares to Guiyang Branch of China Zheshang Bank Co., Ltd. (浙商銀行股份有限公司貴陽分行) to provide maximum guarantee for Renhuai City Water Investment and Development Co., Ltd. (仁懷市水務投資開發有限責任公司) with an amount of guaranteed debt of RMB200 million.

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

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.8 Nomination of Directors and Supervisors by the shareholders

Nominated by	Name of nominee	Position
Guizhou Provincial Finance Bureau (貴州省財政廳)	Chen Jingde	Non-executive Director
Guizhou Provincial Finance Bureau (貴州省財政廳)	Chen Hanqing	Non-executive Director
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司)	Chen Hua	Non-executive Director
Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限 責任公司)	Wang Xiaoyong	Non-executive Director
Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	Wang Wencheng	Non-executive Director
Shenzhen Expressway Company Limited (深圳高速 公路股份有限公司)	Gong Taotao	Non-executive Director
Guizhou Expressway Group Co., Ltd. (貴州高速 公路集團有限公司)	Zhao Yong	Non-executive Director
Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司)	Xu Yu ⁽¹⁾	Shareholder Supervisor
Renhuai City State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司)	Cheng Yunlong	Shareholder Supervisor
Liupanshui Municipal Finance Bureau (六盤水市財政局)	Ma Peng	Shareholder Supervisor

Note:

- (1) Due to work adjustment, Ms. Xu Yu applied to resign from her positions as a shareholder supervisor and a member of the Supervision Committee under the Board of Supervisors on 23 July 2021, and the resignation took effect on the same day.

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

Nil.

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

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

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

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

4.2.12 Purchase, sale or redemption of listed securities

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

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, EMPLOYEES AND ORGANIZATIONS

5.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

5.1.1 Directors

The Board of the Bank consists of fifteen Directors, including three executive Directors, seven non-executive Directors, and five independent non-executive Directors. The Directors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an independent non-executive Director shall not exceed six years pursuant to the relevant PRC laws and regulations. The details are as follows:

Name	Gender	Date of Birth	Date of appointment ⁽¹⁾	Position in the Bank
YANG Mingshang (楊明尚) ⁽²⁾	Male	November 1965	July 2021	Chairman of the Board, executive Director
XU An (許安)	Male	June 1963	August 2018	Executive Director, President
CAI Dong (蔡東)	Male	September 1966	August 2021	Executive Director
CHEN Jingde (陳景德)	Male	December 1969	August 2021	Non-executive Director
CHEN Hanqing (陳含青)	Male	February 1984	August 2021	Non-executive Director
CHEN Hua (陳華)	Male	November 1972	August 2021	Non-executive Director
WANG Xiaoyong (王曉勇)	Male	May 1968	August 2021	Non-executive Director
GONG Taotao (龔濤濤) ⁽³⁾	Female	February 1973	August 2018	Non-executive Director
WANG Wencheng (王文成)	Male	October 1977	August 2021	Non-executive Director
ZHAO Yong (趙勇)	Male	May 1969	August 2021	Non-executive Director
TANG Xin (湯欣) ⁽⁴⁾	Male	September 1971	August 2018	Independent non-executive Director
WANG Gefan (王革凡) ⁽⁴⁾	Male	June 1957	August 2018	Independent non-executive Director
SONG Ke (宋科) ⁽⁴⁾	Male	April 1982	August 2018	Independent non-executive Director
LAW Cheuk Kin Stephen (羅卓堅) ⁽⁵⁾	Male	November 1962	November 2018	Independent non-executive Director
JIANG Shangjun (姜尚君) ⁽⁶⁾	Male	July 1954	–	Independent non-executive Director

Notes:

- (1) Refers to the date on which approval on the appointment as a Director from the CBIRC Guizhou Office was obtained.
- (2) Mr. YANG Mingshang acted as a non-executive Director of the second session of the Board of the Bank from August 2018 to March 2020.
- (3) Ms. GONG Taotao acted as a non-executive Director of the first session of the Board of the Bank from November 2016 to August 2018 and a non-executive Director of the second session of the Board of the Bank from August 2018 to June 2021.
- (4) Mr. TANG Xin, Mr. WANG Gefan and Mr. SONG Ke acted as non-executive Directors of the second session of the Board of the Bank from August 2018 to June 2021.
- (5) Mr. LAW Cheuk Kin Stephen acted as an independent non-executive Director of the second session of the Board of the Bank from November 2018 to June 2021.
- (6) The qualification of Mr. JIANG Shangjun served as an independent non-executive Director of the Bank is subject to the approval.

5.1.2 Supervisors

During the Reporting Period, the Board of Supervisors of the Bank consisted of nine Supervisors, including three employee Supervisors, namely Ms. WU Fan (Chairman), Ms. ZHANG Hui and Mr. JIAO Zhengjun, three shareholder Supervisors, namely Mr. MA Peng, Mr. CHENG Yunlong and Ms. Xu Yu and three external Supervisors, namely Mr. SU Zhi, Mr. CHEN Houyi and Mr. YIN Xinquan.

Name	Gender	Date of Birth	Date of appointment	Position in the Bank
WU Fan (吳帆)	Female	August 1968	June 2021	Chairman of the Board of Supervisors, Employee Supervisor
MA Peng (馬鵬)	Male	September 1974	June 2021	Shareholder Supervisor
CHENG Yunlong (程雲龍)	Male	October 1976	June 2021	Shareholder Supervisor
Xu Yu (徐妤) ⁽¹⁾	Female	February 1984	June 2021	Shareholder Supervisor
SU Zhi (蘇治) ⁽²⁾	Male	December 1977	June 2021	External Supervisor
CHEN Houyi (陳厚義) ⁽³⁾	Male	January 1956	June 2021	External Supervisor
YIN Xinquan (尹新全)	Male	August 1957	June 2021	External Supervisor
ZHANG Hui (張惠)	Female	October 1973	June 2021	Employee Supervisor
JIAO Zhengjun (焦正俊)	Male	September 1973	June 2021	Employee Supervisor

Notes:

- (1) On 23 July 2021, Ms. Xu Yu resigned as the Shareholder Supervisor and a member of the Supervision Committee under the Board of Supervisors of the Bank due to work adjustment and her resignation took effect on the same day.
- (2) Mr. Su Zhi served as the external Supervisor of the second session of the Board of Supervisors of the Bank from May 2018 to June 2021.
- (3) Mr. Chen Houyi served as the external Supervisor of the first session of the Board of Supervisors of the Bank from April 2017 to May 2018 and the external Supervisor of the second session of the Board of Supervisor of the Bank from May 2018 to June 2021.

5.1.3 Senior management

The senior management of the Bank comprised a total of five members, namely Mr. XU An (president of the Bank), Mr. LI Tao, Mr. HU Liangpin, Mr. ZHOU Guichang and Mr. WANG Xiangdong.

Name	Gender	Date of Birth	Date of appointment ⁽¹⁾	Position in the Bank
XU An (許安)	Male	June 1963	January 2018	President of the Bank
LI Tao (李濤)	Male	January 1963	September 2018	Vice President of the Bank
HU Liangpin (胡良品)	Male	September 1968	January 2018	Vice President of the Bank
ZHOU Guichang (周貴昌)	Male	August 1974	April 2019	Secretary to the Board of the Bank
WANG Xiangdong (王向東)	Male	April 1963	December 2014	Chief Officer

Note:

- (1) Refers to the date on which the Board approved the relevant resolutions of appointment.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, EMPLOYEES AND ORGANIZATIONS

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

5.2.1 Changes in Directors

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

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

5.2.2 Changes in Supervisors

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

5.2.3 Changes in Senior Management

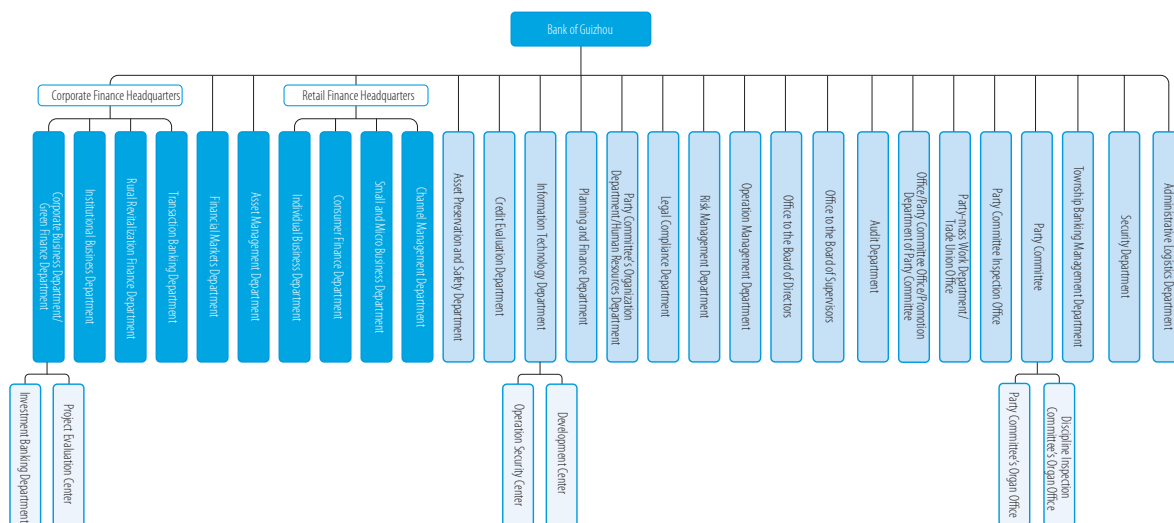
- I. In April 2021, Mr. CHAI Bolin ceased to be the vice president of the Bank due to work arrangement by the Guizhou provincial government.
- II. In June 2021, Ms. WU Fan ceased to be the vice president of the Bank due to her appointment as a Supervisor of the third session of the Board of Supervisors of the Bank.

5.2.4 Changes in Information of Directors and Supervisors

- I. Mr. LAW Cheuk Kin Stephen has been an independent non-executive Director of Keymed Biosciences Inc. (HKSE stock code: 2162) since 8 July 2021.
- II. In 17 June 2021, Mr. SONG Ke ceased to be an external Supervisor of Zhengzhou Co., Ltd. (HKSE stock code: 6196; SZSE stock code: 002936).

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, EMPLOYEES AND ORGANIZATIONS

5.3 ORGANIZATIONAL STRUCTURE



5.4 INFORMATION OF EMPLOYEES

5.4.1 Composition of employees

As of the end of the Reporting Period, the Bank had 5,123 employees in total, the composition of whom is set out as follows:

I. **By age:**

As of the end of the Reporting Period, the Bank had 1,869 employees aged 30 or under, accounting for 36.49% of the total number of employees; 1,761 employees aged between 31 and 40, accounting for 34.37% of the total number of employees; 1,039 employees aged between 41 and 50, accounting for 20.28% of the total number of employees; and 454 employees aged over 50, accounting for 8.86% of the total number of employees.

II. **By gender:**

As of the end of the Reporting Period, the Bank had a total of 2,436 male employees, accounting for 47.55%, and 2,687 female employees, accounting for 52.45%.

III. **By education:**

Of whom: 4,403 employees with a bachelor degree or above, accounting for 85.95% of the total number of employees, and 720 employees with a college degree or below, accounting for 14.05% of the total number of employees.

5.4.2 Employee training

Centering on the performance abilities of cadres and employees, the Bank continued to optimize education and training. The first was to determine the course systems by different categories and conduct various types of training in a targeted manner. The Bank organized 10,501 employees to participate in various business training. The second was to carry out cadre training at different levels. The Bank differentiated between cadres by their management levels and held corresponding capacity improvement training based on different management levels. The Bank organized 75 cadres to participate in various business training. The third was to enrich the method of education and training. The Bank adopted a method featuring combination of online training and offline training, internal training and external training, and invitation of people with talent and dispatch of employees with potential, and constantly explored “staggered” training and “segmented” training. The Bank organized and carried out induction training for 100 new employees, and selected 52 cadres and employees to participate in the training for young and middle-aged cadres at Party School of the CPC Central Committee in Beijing. The fourth was to make good use of the training incentive mechanism, provide outstanding cadres and employees who have received various awards with priority access to training resources, and train them as key objects. The Bank organized and carried out the management ability improvement training for 50 sub-branch presidents and managers. Meanwhile, job certification exams were organized across the Bank and 781 people obtained professional qualifications.

5.4.3 Employee remuneration and welfare

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

According to the remuneration policy of the Bank, the Nomination and Remuneration Committee of the Board will consider factors such as comparable salaries paid, term, commitment, responsibilities and performance (as the case may be) of the Directors, Supervisors and senior management of the Bank when assessing the remuneration payable to the Directors, Supervisors and relevant employees of the Bank. As of the end of the Reporting Period, there was no significant change in the Bank’s remuneration policies.

CORPORATE GOVERNANCE REPORT

6.1 SUMMARY OF CORPORATE GOVERNANCE

The Bank is of the view that, the enhancement of corporate governance is currently an objective requirement of commercial banks to adapt to the regulatory rules, a significant measure to prevent operational risks, an inevitable requirement to consolidate the management foundation and a solid guarantee for the Bank to achieve quality development. During the Reporting Period, the Bank continued to improve the governance structure in accordance with the regulatory requirements of the Company Law of the People's Republic of China, the Hong Kong Listing Rules and the Guidance on Corporate Governance of Commercial Banks, and endeavored to improve the governance level to accelerate the building of a normalized, standardized and scientific corporate governance system, mainly based on the Measures for the Management of Corporate Governance, Supervision and Evaluation of Banking and Insurance Institutions issued by China Banking and Insurance Regulatory Commission. During the Reporting Period, the Bank has fully complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Hong Kong Listing Rules, and has adopted the majority of "recommended best practices" to promote the orderly implementation of the Bank's corporate governance.

6.2 GENERAL MEETINGS HELD

- I. The Bank convened the 2021 first extraordinary general meeting on 19 January 2021, at which 4 resolutions, including the Appointment of Mr. CHEN Hua as a non-executive Director, the Appointment of Mr. WANG Xiaoyong as a non-executive Director and the Amendments to Articles of Association of Bank of Guizhou Co., Ltd., were considered and approved.
- II. The Bank convened the 2020 annual general meeting on 16 June 2021, at which 39 resolutions, including the 2020 Work Report of the Board of Directors of Bank of Guizhou and the 2020 Work Report of the Board of Supervisors of Bank of Guizhou, were considered and approved.

6.3 MEETINGS OF THE BOARD AND ITS SPECIAL COMMITTEES HELD

During the Reporting Period, the Board of the Bank held a total of 10 meetings, at which 76 resolutions were considered and 8 reports were reviewed, including the regular meeting held by the Board quarterly. The special committees under the Board held a total of 13 meetings, among which, the Audit Committee held 1 meeting, at which 7 resolutions were considered; the Nomination and Remuneration Committee held 3 meetings at which 20 resolutions were considered; the Consumer Rights Protection and Social Responsibility Committee held a total of 2 meetings, at which 3 resolutions were considered; the Strategic Development Committee held a total of 2 meetings, at which 4 resolutions were considered and 1 report was reviewed; the Risk and Related Party Transactions Management Committee held a total of 5 meetings, at which 17 resolutions were considered and 2 matters were recorded.

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

During the Reporting Period, the Board of Supervisors held a total of 4 meetings, at which 63 resolutions were considered or reviewed, involving operating status, financial management, risk management, internal control, annual report, etc. The Supervision Committee held 1 meeting, at which 2 resolutions were considered. The Nomination Committee, Remuneration Committee and Evaluation Committee held 2 meetings, at which 9 resolutions were considered.

6.5 DEALING IN SECURITIES BY DIRECTORS AND SUPERVISORS

Since its listing on the Hong Kong Stock Exchange on 30 December 2019, the Bank has adopted the Model Code and has complied with Rules 13.67 and 19A.07B of the Hong Kong Listing Rules to regulate the securities transactions of its Directors and Supervisors.

During the Reporting Period, all the Directors and Supervisors were consulted specifically for this matter. All Directors and Supervisors have confirmed that they had complied with the Model Code and had no dealings in Shares of the Bank.

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

As at 30 June 2021, the interests and short positions of the Directors, Supervisors and chief executives of the Bank in the shares, underlying shares or debentures of the Bank or its associated corporations (I) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (II) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (III) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Class of Shares held	Long positions/ short positions	Nature of interest	Number of Shares held directly or indirectly (Share)	Approximate percentage of the relevant class of share capital of the Bank	Approximate percentage of the total issued share capital of the Bank
XU An (許安)	Executive Director and President	Domestic Shares	Long positions	Beneficial Owner	500,000	0.004%	0.003%
WU Fan (吳帆)	Chairman of the Board of Supervisors	Domestic Shares	Long positions	Beneficial Owner	500,000	0.004%	0.003%
ZHANG Hui (張惠)	Supervisor	Domestic Shares	Long positions	Beneficial Owner	500,000	0.004%	0.003%
JIAO Zhengjun (焦正俊)	Supervisor	Domestic Shares	Long positions	Beneficial Owner	500,000	0.004%	0.003%

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Bank had any interests or short positions in any Shares, underlying shares or debentures of the Bank or any of its associated corporations as at 30 June 2021.

CORPORATE GOVERNANCE REPORT

6.7 AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR THE GENERAL MEETING AND THE BOARD

- I. On 19 January 2021, the resolution on the amendments to the Articles of Association was considered and approved at the 2021 first extraordinary general meeting of the Bank. The amendments were made to the domicile, duties of the secretary to the Board and the contents in relation to Party building in the Articles of Association according to the relevant policies and the requirements for further improving corporate governance mainly because the change of the registered address (i.e. domicile) of the Bank has been completed. The amended Articles of Association was approved by the CBIRC Guizhou Office on 18 June 2021.
- II. On 16 June 2021, the resolution on the amendments to the Rules of Procedure of the Board of Directors of Bank of Guizhou Co., Ltd. was considered and approved at the 2020 annual general meeting of the Bank. The amendments to the Rules of procedure of the Board of Directors of Bank of Guizhou Co., Ltd. were mainly made to the contents such as the pre-study procedures of the Party committee, duties and powers of the Board and the requirements of communication voting in the Rules of Procedure of the Board of Directors of Bank of Guizhou Co., Ltd. according to the relevant policies and the requirements for further improving corporate governance.

6.8 RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

6.8.1 Risk Management and Internal Control

During the Reporting Period, the Bank earnestly implemented various regulatory requirements in strict accordance with the working requirements of “establishing rules, serious implementation and supervision and strict accountability”. The Bank has built the publicity and education platform of compliance culture, broadened the publicity and education channels of compliance culture, effectively strengthened internal control management, and maintained a trend of stringent case prevention; it continued to improve the internal control management structure, constantly improved the internal control management system, promoted compliance supervision, inspection, rectification and accountability work in an orderly manner, formulated the 2021 compliance inspection plan, and built a regular case risk detection mechanism.

6.8.2 Internal Audit

To serve the needs of the development of “Four-zations” in the whole province, the Bank focuses on supervision of key and important risk areas, carries out solid internal audit, and effectively gives play to the “three lines of defense” for risk prevention. During the Reporting Period, the Bank amended and issued the Measures on Quality Assessment of Audit Projects of Bank of Guizhou (《貴州銀行審計項目質量考評辦法》), the Measures on Management of Off-site Audit of Bank of Guizhou (《貴州銀行非現場審計管理辦法》), the Contents and Key Points of Economic Responsibility Audit (《經濟責任審計內容和審計要點》) and other measures and documents, which further standardized economic responsibility audit. Meanwhile, the Bank continued to organize the internal auditors to participate in business training and online training conducted by external institutions such as the China Institute of Internal Audit and encourage them to obtain international or national professional qualification certification and professional titles in order to improve their professional knowledge and skills and performance. During the Reporting Period, the Bank carried out a total of 25 audit projects, including the special audit of capital management, the market risk audit, the special audit of risk and security management of important business systems, etc. for the year 2020.

The Board of Directors believes that during the Reporting Period, the Bank has effectively implemented risk management and internal control measures and achieved its goals, and there has not existed major defects.

MAJOR EVENTS

7.1 EARNINGS AND DIVIDENDS

The revenue of the Bank for the six months ended 30 June 2021 and the financial position of the Bank as at the same day were set out in the chapter titled “Financial Statements and Notes to the Unaudited Interim Financial Report” of this report.

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

The Bank did not declare interim dividend for the year 2021 and no common reserve fund will be converted to increase share capital.

7.2 USE OF PROCEEDS

On 30 December 2019, the Bank was listed on the Main Board of the Hong Kong Stock Exchange and issued 2.2 billion H Shares with total proceeds from the global offering amounting to HK\$5,456 million. The proceeds raised by the Bank in the global offering were fully used in accordance with the purposes disclosed in the prospectus, that is, to supplement the Bank’s capital, strengthen the capital base, and to support the sustainable and healthy development of the Bank’s businesses.

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

As of 30 June 2021, the Bank, as the plaintiff or the arbitration applicant, has four pending litigation and arbitration cases with the principal balance of the subject matter in dispute at or above RMB10 million, involving a total principal balance of approximately RMB157,445,000. The Bank, as the defendant or the respondent, has four pending litigation and arbitration cases with the principal balance of the subject matter in dispute at or above RMB10 million, involving a total principal balance of RMB125,491,800. As of the end of the Reporting Period, the Bank did not expect that such litigation and arbitration will have a material adverse effect on the Bank’s business, financial position and business performance.

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



MAJOR EVENTS

7.4 SIGNIFICANT RELATED PARTY/CONNECTED TRANSACTIONS

I. Related Party Transaction as Defined by the CBIRC

As at the end of the Reporting Period, the balance of the related party transactions of the Bank as defined by the CBIRC (excluding deposit margins, deposit receipts, etc.) are as follows:

(I) Credit

No.	Name of related/connected parties (related group consolidation)	Net amount of credit as at the end of the Reporting Period (RMB million)	Type of related party transactions	Percentage of net capital of the Bank
1	Guizhou Liupanshui Yuezhao Airport Co., Ltd. (六盤水月照機場有限責任公司)	2,575.84	Loans, debt investment, SPV investment, wealth management investment	5.96%
2	Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司))	1,997.00	Loan	4.62%
3	Zunyi State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司)	683.65	Loans, debt investment, bank acceptance bills	1.58%
4	Guizhou Renhuai Sauce-flavored Liquor Industrial Development Investment Co., Ltd. (貴州省仁懷市醬香型白酒產業發展投資有限責任公司)	630.85	Loans, debt investment	1.46%
5	China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅臺酒廠(集團)有限責任公司)	355.17	SPV investment, wealth management investment, bank acceptance bills	0.82%
6	Guizhou Water Investment Group Co., Ltd. (貴州水投水務集團有限公司)	317.59	Loans, debt investment	0.74%
7	Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	250.00	Loan	0.58%
8	Related natural persons	220.37	Loan	0.51%
9	Guizhou Mayanghe Food Co., Ltd. (貴州麻陽河食品有限公司)	19.00	Loan	0.04%
10	Zunyi Qianxing Oil Co., Ltd. (遵義市黔興油脂有限責任公司)	19.00	Loan	0.04%
11	Liupanshui Yunlai Construction Engineering Labor Co., Ltd. (六盤水運來建築工程勞務有限公司)	5.00	Loan	0.01%
12	Zunyi Guiyou Grain & oil Co., Ltd. (遵義市貴友糧油有限公司)	4.00	Loan	0.01%
13	Panzhou Anyue Maikē Trading Co., Ltd. (盤州市安躍邁科商貿有限公司)	0.50	Loan	0.00%

(II) Non-Credit

No.	Name of customer	Type of business	Amount (RMB million)
1	China Life Insurance Company Limited (中國人壽保險股份有限公司)	Providing services	5.33
2	Huagui Life Insurance Co., Ltd. (華貴人壽保險股份有限公司)	Providing services	5.03
3	Guizhou Depository & Clearing Co., Ltd. (貴州登記結算有限責任公司)	Receiving services	1.50

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

- As considered and approved at the 2021 first meeting of the second session of the Board of the Bank, the Bank replaced the "19 Gui'an 01" bonds issued by Gui'an New Area Development and Investment Co., Ltd., which was invested in with its wealth management funds of RMB136.10 million, with the "19 Gui'an 02" bonds of an equal amount. The pricing policy: the market pricing mechanism.
- As considered and approved at the 2021 first meeting of the second session of the Board of the Bank, the Bank granted Guizhou Province State-owned Capital Operation Co., Ltd. (貴州省國有資本運營有限責任公司) a credit of RMB2.4 billion with a term of 180 months. The pricing policy: floating rates (not lower than the five-year LPR of the National Inter-bank Funding Centre – 5 basis points).

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

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

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

III. Related Party Transactions as Defined in Accounting Standards

For details, please refer to the "Related Party Relationships and Transactions" in the notes to the financial statements of this report.

MAJOR EVENTS

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

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

7.6 SIGNIFICANT CONTRACTS AND PERFORMANCE

7.6.1 Major contracts

During the Reporting Period, the Bank has not entered into relevant major contracts or agreements.

7.6.2 Significant custody, contracting and lease

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

7.7 SIGNIFICANT GUARANTEES AND COMMITMENTS

The Bank has been carrying out its financial guarantee business normally within the scope of business approved by the CBIRC and there were no significant guarantees or commitments of the Bank during the Reporting Period.

7.8 ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, the Bank had no arrangement to purchase shares or debentures.

7.9 SIGNIFICANT MATERIAL ASSET ACQUISITIONS, DISPOSAL AND CORPORATE MERGERS

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

7.10 SIGNIFICANT INVESTMENT

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

During the Reporting Period, the Bank has no significant investments.

7.11 LOAN AGREEMENT

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

7.12 EQUITY INCENTIVE PLAN AND EMPLOYEE STOCK OWNERSHIP PLAN

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

7.13 APPOINTMENT AND DISMISSAL OF ACCOUNTANT

As considered and approved at the 2020 annual general meeting convened on 16 June 2021, KPMG Huazhen LLP and KPMG were re-appointed as the Bank's domestic and oversea auditors for 2021, respectively, for a term of one year and with a total fee of RMB3 million.

7.14 REVIEW OF INTERIM FINANCIAL STATEMENTS

The interim financial statements disclosed in this interim report have not been audited. The interim financial statements for the six months ended 30 June 2021 have been prepared by the Bank in accordance with disclosure requirements under the International Financial Reporting Standards and the Listing Rules of the Hong Kong Stock Exchange and have been reviewed by KPMG based on the International Standard on Review Engagements with unqualified review report being issued.

The 2021 interim report and 2021 interim financial statements of the Bank have been considered and approved by the Bank's Board and its audit committee.

7.15 PUBLICATION OF THE INTERIM REPORT

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

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

7.16 SUBSEQUENT EVENTS

The Bank has no significant subsequent events occurring after 30 June 2021 which are required to be disclosed.



INDEPENDENT AUDITOR'S REVIEW REPORT

Review report to the Board of Directors of Bank of Guizhou Co., Ltd.

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

INTRODUCTION

We have reviewed the interim financial report set out on pages 83 to 177 which comprises the statement of financial position of Bank of Guizhou Co., Ltd. (the "Bank") as at June 30, 2021, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the cash flow statement for the six month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim financial reporting, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting.

KPMG

Certified Public Accountants

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

August 30, 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended June 30, 2021	2020
Interest income		10,282,666	9,595,766
Interest expense		(5,581,148)	(4,712,101)
Net interest income	4	4,701,518	4,883,665
Fee and commission income		276,453	240,982
Fee and commission expense		(43,005)	(35,655)
Net fee and commission income	5	233,448	205,327
Net trading gains	6	356,296	48,175
Net gains arising from investment securities	7	375,141	397,072
Other operating income	8	52,234	46,293
Operating income		5,718,637	5,580,532
Operating expenses	9	(1,699,338)	(1,697,758)
Impairment losses on assets	10	(1,467,404)	(1,563,667)
Share of gains/(losses) of associates		14,619	(15,009)
Profit before tax		2,566,514	2,304,098
Income tax	11	(441,241)	(375,132)
Net profit for the period		2,125,273	1,928,966
Basic and diluted earnings per share (<i>in RMB</i>)	12	0.15	0.13

The notes on pages 91 to 177 part of this interim financial report.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended June 30, 2021	2020
Net profit for the period		2,125,273	1,928,966
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income:			
– net movement in the fair value reserve, net of tax	30(d)	174,977	(247,916)
– net movement in the impairment losses, net of tax	30(e)	(25,010)	65,299
Item that will not be reclassified to profit or loss:			
– Remeasurement of net defined benefit liability, net of tax	30(f)	–	50
Other comprehensive income for the period		149,967	(182,567)
Total comprehensive income for the period		2,275,240	1,746,399

The notes on pages 91 to 177 part of this interim financial report.

STATEMENT OF FINANCIAL POSITION

as at June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	At June 30, 2021	At December 31, 2020
Assets			
Cash and deposits with the central bank	13	48,378,428	48,149,558
Deposits with banks and other financial institutions	14	4,817,546	1,157,313
Placements with banks and other financial institutions		–	50,674
Financial assets held under resale agreements	15	10,920,710	–
Loans and advances to customers	16	223,735,005	206,152,610
Financial investments:			
– Financial investments at fair value through profit or loss		64,069,794	47,764,665
– Financial investments at fair value through other comprehensive income		53,658,911	48,220,199
– Financial investments at amortised cost		81,335,352	96,324,130
Interest in associates	18	295,915	170,527
Property and equipment	19	3,861,593	3,887,554
Deferred tax assets	20	3,798,545	3,547,628
Other assets	21	934,158	976,341
Total assets		495,805,957	456,401,199
Liabilities and equity			
Liabilities			
Borrowing from the central bank		29,919,342	26,641,751
Deposits from banks and other financial institutions	23	24,301,042	29,995,718
Placements from banks and other financial institutions	24	3,304,905	2,602,498
Financial assets sold under repurchase agreements	25	9,596,406	12,464,434
Deposits from customers	26	330,841,526	289,042,772
Income tax payable		197,675	610,270
Debt securities issued	27	56,297,421	55,836,382
Other liabilities	28	4,065,741	3,179,552
Total liabilities		458,524,058	420,373,377

The notes on pages 91 to 177 part of this interim financial report.

STATEMENT OF FINANCIAL POSITION

as at June 30, 2021 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	At June 30, 2021	At December 31, 2020
Equity			
Share capital	29	14,588,047	14,588,047
Capital reserve	30(a)	8,840,110	8,840,110
Surplus reserve	30(b)	1,858,127	1,858,127
General reserve	30(c)	4,690,000	4,070,000
Fair value reserve	30(d)	(321,427)	(496,404)
Impairment reserve	30(e)	145,090	170,100
Deficit on remeasurement of net defined benefit liability	30(f)	(17,960)	(17,960)
Retained earnings	31	7,499,912	7,015,802
Total equity		<u>37,281,899</u>	<u>36,027,822</u>
Total liabilities and equity		<u>495,805,957</u>	<u>456,401,199</u>

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

Yang Mingshang

*Chairman of the Board of
Directors*

Xu An

*President
Executive Director
The Person In Charge of
Accounting Affairs*

Li Wangang

*General Manager of the
Planning and Finance
Department*

(Company stamp)

The notes on pages 91 to 177 part of this interim financial report.

STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	(Deficit)/ surplus on remeasurement of net defined benefit liability	Retained earnings	Total
Balance at January 1, 2020		14,588,047	8,840,110	1,491,061	3,360,000	165,800	18,866	(18,010)	5,443,368	33,889,242
Changes in equity for the period:										
Net profit for the period		-	-	-	-	-	-	-	1,928,966	1,928,966
Other comprehensive income		-	-	-	-	(247,916)	65,299	50	-	(182,567)
Total comprehensive income		-	-	-	-	(247,916)	65,299	50	1,928,966	1,746,399
Appropriation of profit										
Appropriation to general reserve	30(c)	-	-	-	710,000	-	-	-	(710,000)	-
Appropriation to shareholders	31	-	-	-	-	-	-	-	(1,021,163)	(1,021,163)
Balance at June 30, 2020		14,588,047	8,840,110	1,491,061	4,070,000	(82,116)	84,165	(17,960)	5,641,171	34,614,478
								Deficit on remeasurement of net defined benefit liability		
	Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve		Retained earnings	Total
Balance at July 1, 2020		14,588,047	8,840,110	1,491,061	4,070,000	(82,116)	84,165	(17,960)	5,641,171	34,614,478
Changes in equity for the period:										
Net profit for the period		-	-	-	-	-	-	-	1,741,697	1,741,697
Other comprehensive income		-	-	-	-	(414,288)	85,935	-	-	(328,353)
Total comprehensive income		-	-	-	-	(414,288)	85,935	-	1,741,697	1,413,344
Appropriation of profit										
Appropriation to surplus reserve	30(b)	-	-	367,066	-	-	-	-	(367,066)	-
Balance at December 31, 2020		14,588,047	8,840,110	1,858,127	4,070,000	(496,404)	170,100	(17,960)	7,015,802	36,027,822

The notes on pages 91 to 177 part of this interim financial report.

STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Share capital	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement net defined benefit liability	Retained earnings	Total
Balance at January 1, 2021		14,588,047	8,840,110	1,858,127	4,070,000	(496,404)	170,100	(17,960)	7,015,802	36,027,822
Changes in equity for the period:										
Net profit for the period		-	-	-	-	-	-	-	2,125,273	2,125,273
Other comprehensive income		-	-	-	-	174,977	(25,010)	-	-	149,967
Total comprehensive income		-	-	-	-	174,977	(25,010)	-	2,125,273	2,275,240
Appropriation of profit										
Appropriation to general reserve	30(c)	-	-	-	620,000	-	-	-	(620,000)	-
Appropriation to shareholders	31	-	-	-	-	-	-	-	(1,021,163)	(1,021,163)
Balance at June 30, 2021		14,588,047	8,840,110	1,858,127	4,690,000	(321,427)	145,090	(17,960)	7,499,912	37,281,899

The notes on pages 91 to 177 part of this interim financial report.

CASH FLOW STATEMENT

for the six months ended June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

Note	Six months ended June 30,	
	2021	2020
Cash flows from operating activities		
Profit before tax	2,566,514	2,304,098
<i>Adjustments for:</i>		
Impairment losses on assets	1,467,404	1,563,667
Depreciation and amortization	259,089	223,376
Depreciation of investment properties	472	685
Unrealized foreign exchange losses	1,256	31,791
Net gains on disposal of property and equipment, intangible assets and other assets	(37,985)	(1,312)
Net trading gains	(357,552)	(79,966)
Net gains arising from investment securities	(375,141)	(397,072)
Share of (gains)/losses of associates	(14,619)	15,009
Interest expenses on debt securities issued	852,159	1,230,903
Interest expense on lease liabilities	16,690	16,707
Others	(38,401)	(20,518)
	4,339,886	4,887,368
<i>Changes in operating assets</i>		
Net (increase)/decrease in deposits with the central bank	(654,393)	4,788,006
Net (increase)/decrease in deposits with banks and other financial institutions	(551)	698,342
Net decrease in placements with banks and other financial institutions	50,674	–
Net increase in loans and advances to customers	(18,745,166)	(17,352,680)
Net increase in financial assets held for trading	(12,108,778)	(2,216,113)
Net increase in other operating assets	(21,911)	(150,399)
	(31,480,125)	(14,232,844)
<i>Changes in operating liabilities</i>		
Net increase in borrowing from the central bank	3,277,591	8,082,717
Net (decrease)/increase in deposits from banks and other financial institutions	(5,694,676)	2,870,472
Net increase in placements from banks and other financial institutions	702,408	1,100,000
Net (decrease)/increase in financial assets sold under repurchase agreements	(2,868,028)	3,047,800
Net increase in deposits from customers	41,798,753	18,899,072
Net decrease in other operating liabilities	(83,566)	(331,366)
	37,132,482	33,668,695

The notes on pages 91 to 177 part of this interim financial report.

CASH FLOW STATEMENT

for the six months ended June 30, 2021 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended June 30,	
		2021	2020
Net cash flows generated from operating activities before income tax paid		9,992,243	24,323,219
Income tax paid		(1,163,079)	(550,995)
Net cash flows generated from operating activities		<u>8,829,164</u>	<u>23,772,224</u>
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		36,878,151	24,319,285
Proceeds from disposal of property and equipment, intangible assets and other assets		51,237	36,751
Payments on acquisition of investments		(30,839,977)	(38,373,028)
Payments for capital increase in associates		(111,250)	–
Payments on acquisition of property and equipment, intangible assets and other assets		(162,653)	(203,727)
Net cash flows generated from/(used in) investing activities		<u>5,815,508</u>	<u>(14,220,719)</u>
Cash flows from financing activities			
Proceeds from debt securities issued	34(c)	36,238,885	30,612,512
Repayment of debt securities issued	34(c)	(36,540,000)	(52,880,000)
Interest paid on debt securities issued	34(c)	(90,005)	(90,006)
Capital element of lease liabilities paid		(50,896)	(96,782)
Interest element of lease liabilities paid		(16,690)	(16,707)
Payments for initial public offering costs		(27,550)	–
Dividends paid		(7,487)	–
Net cash flows used in financing activities		<u>(493,743)</u>	<u>(22,470,983)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>(144)</u>	<u>1,116</u>
Net increase/(decrease) in cash and cash equivalents	34(a)	14,150,785	(12,918,362)
Cash and cash equivalents as at January 1		<u>28,719,904</u>	<u>55,691,761</u>
Cash and cash equivalents as at June 30	34(b)	<u>42,870,689</u>	<u>42,773,399</u>
Interest received		<u>10,241,460</u>	<u>9,661,742</u>
Interest paid (excluding interest expense on debt securities issued)		<u>(5,123,560)</u>	<u>(3,200,190)</u>

The notes on pages 91 to 177 part of this interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BACKGROUND INFORMATION

The Bank was established in Guiyang, Guizhou Province, the People's Republic of China (the "PRC") on October 11, 2012 with the approval of the former China Banking Regulatory Commission (the former "CBRC").

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

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

As at June 30, 2021, the Bank has one head office and 8 branches across Guizhou Province. The principal activities of the Bank are the provision of corporate and personal deposits, loans and advances, settlement, financial market business and other banking services as approved by the former CBRC.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (IASB). It was authorised for issue on August 30, 2021.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Bank since the 2020 annual financial statements. The condensed interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2020 that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual financial statements for that financial year but is derived from those financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

3 CHANGES IN ACCOUNTING POLICIES

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

- Amendment to IFRS 16, *Covid-19-related rent concessions beyond 30 June 2021*
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest rate benchmark reform – phase 2*

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

4 NET INTEREST INCOME

	Six months ended June 30,	
	2021	2020
Interest income arising from		
Deposits with the central bank	172,061	179,778
Deposits with banks and other financial institutions	6,523	36,077
Financial assets held under resale agreements	194,642	175,685
Loans and advances to customers		
– Corporate loans and advances	5,416,203	4,881,182
– Personal loans and advances	798,594	726,545
– Discounted bills	167,404	105,164
Financial investments	3,527,239	3,491,335
Sub-total	10,282,666	9,595,766
Interest expense arising from		
Borrowing from the central bank	(411,113)	(85,537)
Deposits from banks and other financial institutions	(503,166)	(292,185)
Placements from banks and other financial institutions	(50,596)	(33,846)
Financial assets sold under repurchase agreements	(102,380)	(32,374)
Deposits from customers	(3,661,734)	(3,037,256)
Debt securities issued	(852,159)	(1,230,903)
Sub-total	(5,581,148)	(4,712,101)
Net interest income	4,701,518	4,883,665

5 NET FEE AND COMMISSION INCOME

(a) Income and expense streams:

	Six months ended June 30,	
	2021	2020
Fee and commission income		
Acceptance and guarantee services fees	129,332	56,027
Agency services fees	68,084	109,910
Settlement and clearing fees	27,401	16,158
Fund supervision services fees	25,370	29,949
Bank card services fees	25,045	19,740
Consultancy services fees	1,221	9,198
	<hr/>	<hr/>
Sub-total	276,453	240,982
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Fee and commission expense		
Bank card services fees	(30,393)	(30,341)
Others	(12,612)	(5,314)
	<hr/>	<hr/>
Sub-total	(43,005)	(35,655)
	<hr style="border-top: 1px dashed #000;"/>	<hr style="border-top: 1px dashed #000;"/>
Net fee and commission income	<u>233,448</u>	<u>205,327</u>

During the period, the Bank reclassified the income of credit card instalment business from fee and commission income to interest income. The comparative figures have been adjusted accordingly.

(b) Disaggregation of income:

	Six months ended June 30,			
	2021		2020	
	At a point in time	Over time	At a point in time	Over time
Acceptance and guarantee services fees	–	129,332	–	56,027
Agency services fees	–	68,084	–	109,910
Settlement and clearing fees	27,401	–	16,158	–
Fund supervision services fees	–	25,045	–	19,740
Bank card services fees	25,370	–	29,949	–
Consultancy service fees	–	1,221	–	9,198
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>52,771</u>	<u>223,682</u>	<u>46,107</u>	<u>194,875</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

5 NET FEE AND COMMISSION INCOME (CONTINUED)

(c) Contract balances

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

	At June 30, 2021	At December 31, 2020
Contract liabilities, which are included in 'other liabilities'	43,192	38,435

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

6 NET TRADING GAINS

	Note	Six months ended June 30, 2021	2020
Net gains from debt securities	(a)	357,552	79,966
Net foreign exchange losses	(b)	(1,256)	(31,791)
Total		356,296	48,175

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

7 NET GAINS ARISING FROM INVESTMENT SECURITIES

		Six months ended June 30,	
	Note	2021	2020
Net gains of financial investments at fair value through profit or loss	(a)	367,452	161,410
Net gains of financial investments at fair value through other comprehensive income		7,689	93,901
Net gains on disposal of financial investments at amortised cost		–	141,761
Total		<u>375,141</u>	<u>397,072</u>

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

8 OTHER OPERATING INCOME

		Six months ended June 30,	
	Note	2021	2020
Net gains on disposal of repossessed assets		32,900	–
Government grants	(a)	6,501	39,917
Rental income		5,409	3,401
Penalty income		1,018	1,561
Net gains on disposal of property and equipment and intangible assets		5,085	1,312
Others		1,321	102
Total		<u>52,234</u>	<u>46,293</u>

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

9 OPERATING EXPENSES

	Six months ended June 30,	
	2021	2020
Staff costs	1,085,494	1,113,537
Depreciation and amortization	174,904	140,912
Office expenses	153,823	166,907
Depreciation charge for the right-of-use assets	84,185	83,149
Taxes and surcharges	42,088	86,901
Interest expense on lease liabilities	16,690	16,707
Rental and property management expenses	16,452	10,484
Other general and administrative expenses	125,702	79,161
	<u>1,699,338</u>	<u>1,697,758</u>
Total	<u>1,699,338</u>	<u>1,697,758</u>

10 IMPAIRMENT LOSSES ON ASSETS

	Six months ended June 30,	
	2021	2020
Loans and advances to customers	1,265,662	740,318
Financial investments	195,322	836,366
Credit commitments	6,780	(22,962)
Deposits with banks and other financial institutions	667	(274)
Others	(1,027)	10,219
	<u>1,467,404</u>	<u>1,563,667</u>
Total	<u>1,467,404</u>	<u>1,563,667</u>

11 INCOME TAX EXPENSE

(a) Income tax:

	Note	Six months ended June 30,	
		2021	2020
Current tax		750,484	874,990
Deferred tax	20(b)	<u>(309,243)</u>	<u>(499,858)</u>
Total		<u>441,241</u>	<u>375,132</u>

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

	Note	Six months ended June 30,	
		2021	2020
Profit before tax		<u>2,566,514</u>	<u>2,304,098</u>
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		<u>641,629</u>	<u>576,025</u>
Non-deductible expenses		29,266	35,775
Non-taxable income	(i)	<u>(229,654)</u>	<u>(236,668)</u>
Income tax		<u>441,241</u>	<u>375,132</u>

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

12 BASIC AND DILUTED EARNINGS PER SHARE

	Note	Six months ended June 30, 2021	2020
Net profit for the period		2,125,273	1,928,966
Weighted average number of ordinary shares (in thousands)	(i)	14,588,047	14,588,047
Basic and diluted earnings per share (in RMB)		0.15	0.13

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

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

	Six months ended June 30, 2021	2020
Number of ordinary shares as at January 1	14,588,047	14,588,047
New added weighted average number of ordinary shares	—	—
Weighted average number of ordinary shares	14,588,047	14,588,047

13 CASH AND DEPOSITS WITH THE CENTRAL BANK

	Note	At June 30, 2021	At December 31, 2020
Cash on hand		587,025	665,741
Deposits with the central bank			
– Statutory deposit reserves	(a)	21,172,217	20,451,915
– Surplus deposit reserves	(b)	26,552,666	26,899,473
– Fiscal deposits		55,082	119,969
Sub-total		47,779,965	47,471,357
Accrued interest		11,438	12,460
Total		48,378,428	48,149,558

13 CASH AND DEPOSITS WITH THE CENTRAL BANK (CONTINUED)

- (a) The Bank places statutory deposit reserves with the PBOC in accordance with relevant regulations. As at June 30, 2021 and December 31, 2020, the statutory deposit reserve ratios applicable to the Bank were as follows:

	At June 30, 2021	At December 31, 2020
Reserve ratio for RMB deposits	7.0%	7.0%
Reserve ratio for foreign currency deposits	5.0%	5.0%

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

14 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	At June 30, 2021	At December 31, 2020
Deposits in mainland China		
– Banks	4,830,363	1,242,509
– Other financial institutions	137,688	36,976
Sub-total	4,968,051	1,279,485
Deposits outside mainland China		
– Banks	–	27,551
Total	4,968,051	1,307,036
Accrued interest	2,508	2,623
Less: Provision for impairment losses	(153,013)	(152,346)
Net carrying amount	4,817,546	1,157,313

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

	At June 30, 2021	At December 31, 2020
In mainland China		
– Banks	10,915,960	–
Total	10,915,960	–
Accrued interest	4,750	–
Total	10,920,710	–

(b) Analysed by type of collateral held

	At June 30, 2021	At December 31, 2020
Debt securities	10,915,960	–
Accrued interest	4,750	–
Net carrying amount	10,920,710	–

16 LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

	At June 30, 2021	At December 31, 2020
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	194,965,276	163,017,067
Personal loans and advances		
– Residential mortgage	20,056,801	20,231,659
– Personal business loans	8,582,315	7,071,925
– Personal consumption loans	547,479	695,301
– Credit cards	3,310,583	1,619,054
Sub-total	32,497,178	29,617,939
Accrued interest	496,751	442,970
Less: provision for loans and advances to customers measured at amortised cost	(9,605,292)	(8,213,264)
Sub-total	218,353,913	184,864,712
Loans and advances to customers measured at fair value through other comprehensive income		
Corporate loans and advances	1,425,841	2,020,953
Discounted bills	3,955,251	19,266,945
Sub-total	5,381,092	21,287,898
Net loans and advances to customers	223,735,005	206,152,610

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector

	At June 30, 2021		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	89,845,731	38.59%	31,049,491
Water resources, environment and public facilities management	20,382,338	8.75%	4,427,449
Wholesale and retail trade	15,730,281	6.76%	2,745,280
Construction	14,285,412	6.14%	4,773,884
Real estate	9,822,698	4.22%	6,025,534
Education	9,149,359	3.93%	715,140
Mining	9,134,236	3.92%	5,418,381
Transportation, storage and postal services	5,114,431	2.20%	2,456,312
Agriculture, forestry, animal husbandry and fishery	5,019,507	2.16%	219,603
Manufacturing	4,825,881	2.07%	1,130,096
Health and social work	3,966,535	1.70%	455,574
Production and supply of electric power, gas and water	3,247,436	1.39%	304,077
Finance	2,034,815	0.87%	18,219
Accommodation and catering	1,399,065	0.60%	317,390
Resident services, repair and other services	895,952	0.38%	196,533
Others	1,537,440	0.66%	95,384
Sub-total of corporate loans and advances	196,391,117	84.34%	60,348,347
Personal loans and advances	32,497,178	13.96%	23,620,418
Discounted bills	3,955,251	1.70%	–
Gross loans and advances to customers (excluding accrued interest)	232,843,546	100.00%	83,968,765

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector (Continued)

	At December 31, 2020		Loans and advances secured by collaterals
	Amount	Percentage	
Leasing and commercial services	74,336,680	34.75%	24,850,936
Water resources, environment and public facilities management	15,459,919	7.23%	3,631,959
Wholesale and retail trade	9,681,044	4.53%	1,841,245
Construction	14,598,061	6.82%	5,927,827
Real estate	10,128,124	4.73%	6,294,158
Education	8,989,536	4.20%	519,900
Mining	6,455,106	3.02%	2,407,437
Transportation, storage and postal services	5,361,459	2.51%	2,530,511
Agriculture, forestry, animal husbandry and fishery	2,673,124	1.25%	140,429
Manufacturing	4,584,700	2.14%	810,674
Health and social work	3,958,017	1.85%	945,000
Production and supply of electric power, gas and water	2,882,362	1.35%	332,030
Finance	1,651,965	0.77%	3,965
Accommodation and catering	1,565,378	0.73%	234,035
Resident services, repair and other services	1,041,474	0.49%	13,000
Others	1,671,071	0.78%	184,098
Sub-total of corporate loans and advances	165,038,020	77.15%	50,667,204
Personal loans and advances	29,617,939	13.85%	21,684,522
Discounted bills	19,266,945	9.00%	–
Gross loans and advances to customers (excluding accrued interest)	213,922,904	100.00%	72,351,726

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Analysed by type of collateral

	At June 30, 2021	At December 31, 2020
Unsecured loans	28,589,173	35,692,192
Guaranteed loans	120,285,608	105,878,986
Collateralised loans	44,305,284	38,734,708
Pledged loans	39,663,481	33,617,018
	<hr/>	<hr/>
Gross loans and advances to customers	232,843,546	213,922,904
Accrued interest	496,751	442,970
Less: provision for loans and advances to customers measured at amortised cost	(9,605,292)	(8,213,264)
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Net loans and advances to customers	223,735,005	206,152,610
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(d) Overdue loans analysed by overdue period

	At June 30, 2021				
	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	Total
Unsecured loans	31,726	31,269	3,891	2,154	69,040
Guaranteed loans	765,680	391,782	98,884	20,920	1,277,266
Collateralised loans	362,221	159,442	119,667	40,794	682,124
Pledged loans	9,500	183,900	9,529	-	202,929
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,169,127	766,393	231,971	63,868	2,231,359
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As a percentage of gross loans and advances to customers	0.50%	0.33%	0.10%	0.03%	0.96%
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

	At December 31, 2020				Total
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	
Unsecured loans	23,154	15,465	3,010	1,672	43,301
Guaranteed loans	1,083,197	26,774	85,855	23,689	1,219,515
Collateralised loans	181,715	134,244	65,786	34,087	415,832
Pledged loans	92,000	–	9,529	–	101,529
Total	1,380,066	176,483	164,180	59,448	1,780,177
As a percentage of gross loans and advances to customers	0.65%	0.08%	0.08%	0.03%	0.84%

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

(e) Loans and advances and provision for impairment losses

	At June 30, 2021			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss (Note (i))	
Total loans and advances to customers measured at amortised cost	220,233,043	4,394,202	2,835,209	227,462,454
Accrued interest	496,751	–	–	496,751
Less: provision for impairment losses	(6,478,206)	(1,210,715)	(1,916,371)	(9,605,292)
Carrying amount of loans and advances to customers measured at amortised cost	214,251,588	3,183,487	918,838	218,353,913
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	5,381,092	–	–	5,381,092
Total carrying amount of loans and advances to customers	219,632,680	3,183,487	918,838	223,735,005

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

	At December 31, 2020			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss (Note (i))	
Total loans and advances to customers measured at amortised cost	186,308,391	3,870,232	2,456,383	192,635,006
Accrued interest	442,970	-	-	442,970
Less: provision for impairment losses	(5,427,481)	(1,155,841)	(1,629,942)	(8,213,264)
Carrying amount of loans and advances to customers measured at amortised cost	181,323,880	2,714,391	826,441	184,864,712
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	21,287,898	-	-	21,287,898
Total carrying amount of loans and advances to customers	202,611,778	2,714,391	826,441	206,152,610

Note:

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

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses

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

	Six months ended June 30, 2021			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	5,427,481	1,155,841	1,629,942	8,213,264
Transferred:				
– to expected credit losses over the next 12 months	505,609	(495,917)	(9,692)	–
– to lifetime expected credit losses: not credit-impaired loans	(85,643)	121,066	(35,423)	–
– to lifetime expected credit losses: credit-impaired loans	(12,089)	(47,832)	59,921	–
Charge for the period	642,848	477,557	166,748	1,287,153
Write-offs	–	–	(18,583)	(18,583)
Recoveries	–	–	161,859	161,859
Others	–	–	(38,401)	(38,401)
As at June 30	<u>6,478,206</u>	<u>1,210,715</u>	<u>1,916,371</u>	<u>9,605,292</u>

	Year ended December 31, 2020			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	4,993,932	458,988	1,463,808	6,916,728
Transferred:				
– to expected credit losses over the next 12 months	88,925	(86,836)	(2,089)	–
– to lifetime expected credit losses: not credit-impaired loans	(107,600)	108,022	(422)	–
– to lifetime expected credit losses: credit-impaired loans	(47,827)	(5,927)	53,754	–
Charge for the year	500,051	681,594	904,067	2,085,712
Write-offs	–	–	(1,235,826)	(1,235,826)
Recoveries	–	–	554,912	554,912
Others	–	–	(108,262)	(108,262)
As at December 31	<u>5,427,481</u>	<u>1,155,841</u>	<u>1,629,942</u>	<u>8,213,264</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

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

	Six months ended June 30, 2021			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	25,823	–	–	25,823
Release for the period	(21,491)	–	–	(21,491)
As at June 30	<u>4,332</u>	<u>–</u>	<u>–</u>	<u>4,332</u>
	Year ended December 31, 2020			Total
	Loans and advances that are assessed for expected credit losses over the next 12 months	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at January 1	3,501	–	–	3,501
Charge for the year	<u>22,322</u>	<u>–</u>	<u>–</u>	<u>22,322</u>
As at December 31	<u>25,823</u>	<u>–</u>	<u>–</u>	<u>25,823</u>

17 FINANCIAL INVESTMENTS

	Note	At June 30, 2021	At December 31, 2020
Financial investments at fair value through profit or loss	(a)	64,069,794	47,764,665
Financial investments at fair value through other comprehensive income	(b)	53,658,911	48,220,199
Financial investments at amortised cost	(c)	81,335,352	96,324,130
Total		199,064,057	192,308,994

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

	Note	At June 30, 2021	At December 31, 2020
Debt securities issued by the following institutions in mainland China	(i)		
– Government		5,453,435	8,013,167
– Policy banks		5,825,439	4,305,539
– Banks and other financial institutions		21,858,330	8,367,954
– Corporate		116,488	100,702
Sub-total		33,253,692	20,787,362
Listed		103,099	100,702
Unlisted		33,150,593	20,686,660
Wealth management products issued by financial institutions			
– Unlisted		100,824	–
Investment funds managed by public fund manager			
– Unlisted		30,715,278	26,977,303
Total		64,069,794	47,764,665

Note:

- (i) Certain debt securities were pledged for repurchase agreements (Note 22(a)). No other investments were subject to material restrictions in the realization.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

	Note	At June 30, 2021	At December 31, 2020
Debt securities issued by the following institutions in mainland China	(i)		
– Government		15,046,786	7,056,831
– Policy banks		19,745,065	18,855,731
– Banks and other financial institutions		431,262	329,374
– Corporate		16,485,504	19,002,785
		<hr/>	<hr/>
Sub-total		51,708,617	45,244,721
		<hr/>	<hr/>
Listed		11,175,463	13,436,681
Unlisted		40,533,154	31,808,040
Asset-backed securities			
– Listed		794,229	798,812
		<hr/>	<hr/>
Structured notes issued by securities companies			
– Unlisted		50,452	910,334
		<hr/>	<hr/>
Equity investments (ii)	(ii)		
– Unlisted		37,750	37,750
		<hr/>	<hr/>
Accrued interest		1,067,863	1,228,582
		<hr/>	<hr/>
Total		53,658,911	48,220,199
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) Certain debt securities were pledged for repurchase agreements and borrowing from the central bank (Note 22(a)). No other investments were subject to material restrictions in the realization.
- (ii) The Bank designates non-trading equity investments as financial investments at fair value through other comprehensive income. The Bank did not dispose of any such equity investment, nor transfer any cumulative gain or loss from other comprehensive income to retained earnings during the reporting period.

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Notes: (Continued)

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

	Six months ended June 30, 2021			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	22,804	–	121,473	144,277
Release for the period	(3,519)	–	–	(3,519)
As at June 30	19,285	–	121,473	140,758

	Year ended December 31, 2020			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	8,170	7,195	–	15,365
Transferred:				
– to expected credit losses over the next 12 months	7,195	(7,195)	–	–
– to lifetime expected credit losses credit-impaired:	(98)	–	98	–
Charge for the year	7,537	–	121,375	128,912
As at December 31	22,804	–	121,473	144,277

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments at amortised cost

	Note	At June 30, 2021	At December 31, 2020
Debt securities issued by the following institutions in mainland China	(i)		
– Government		32,953,370	32,899,074
– Policy banks		5,162,445	5,128,308
– Corporate		7,708,170	6,372,589
Sub-total		45,823,985	44,399,971
Listed		5,894,545	4,559,406
Unlisted		39,929,440	39,840,565
Investment management products managed by trust plans		5,107,000	10,101,980
Investment management products managed by asset management companies		32,150,663	42,973,973
Private debt financing plans		515,913	815,913
Sub-total		37,773,576	53,891,866
Accrued interest		851,071	946,732
Less: Provision for impairment losses	(i)	(3,113,280)	(2,914,439)
Total		81,335,352	96,324,130

Notes:

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

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments at amortised cost (Continued)

Notes: (Continued)

(ii) Movements of provision for impairment of financial investments at amortised cost are as follows:

	Six months ended June 30, 2021			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	1,489,949	580,256	844,234	2,914,439
Transferred:	–	–	–	–
– to lifetime expected credit losses not credit-impaired:	(20,016)	20,016	–	–
– to lifetime expected credit losses credit-impaired:	(12,589)	(1,124)	13,713	–
(Release)/charge for the period	(464,468)	320,893	342,416	198,841
As at June 30	992,876	920,041	1,200,363	3,113,280
	Year ended December 31, 2020			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	1,245,698	5,748	750,617	2,002,063
Transferred:				
– to lifetime expected credit losses not credit-impaired:	(56,743)	56,743	–	–
– to lifetime expected credit losses credit-impaired:	(1,848)	(746)	2,594	–
Charge for the year	302,842	518,511	91,023	912,376
As at December 31	1,489,949	580,256	844,234	2,914,439

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

18 INTEREST IN ASSOCIATES

	Note	At June 30, 2021	At December 31, 2020
Interest in associates	(a)	295,915	170,527

Note:

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

Name	Note	At June 30, 2021	At December 31, 2020	Place of incorporation/ registration	Business sector
Guiyang Baiyun Dexin Rural Bank Co., Ltd. (貴陽白雲德信村鎮銀行股份有限公司)	(i)	15.00%	9.19%	Guiyang Guizhou Province	Commercial bank
Qingzhen Xingbang Rural Bank Co., Ltd. (清鎮興邦村鎮銀行有限責任公司)	(i)	17.87%	17.87%	Guiyang Guizhou Province	Commercial bank
Zunyi Bozhou Huilong Town Bank Co., Ltd. (遵義播州匯隆村鎮銀行有限責任公司)	(i)	15.00%	9.33%	Zunyi Guizhou Province	Commercial bank
Suiyang Qianbei Town Bank Co., Ltd. (綏陽黔北村鎮銀行有限責任公司)	(i)	15.00%	12.31%	Zunyi Guizhou Province	Commercial bank
Zunyi Huichuan Qianxing Town Bank Co., Ltd. (遵義匯川黔興村鎮銀行有限責任公司)		20.00%	20.00%	Zunyi Guizhou Province	Commercial bank
Liupanshui Zhongshan Liangdu Town Bank Co., Ltd. (六盤水鐘山涼都村鎮銀行股份有限公司)		20.23%	20.23%	Liupanshui Guizhou Province	Commercial bank
Panzhou Wanhe Rural Bank Co., Ltd. (盤州萬和村鎮銀行有限責任公司)		20.00%	20.00%	Liupanshui Guizhou Province	Commercial bank
Pingba Dingli Rural Bank Co., Ltd. (平壩鼎立村鎮銀行有限責任公司)		22.03%	22.03%	Anshun Guizhou Province	Commercial bank
Anshun Xihang Nanma Rural Bank Co., Ltd. (安順西航南馬村鎮銀行有限責任公司)		20.95%	20.95%	Anshun Guizhou Province	Commercial bank
Longli County Guofeng Rural Bank Co., Ltd. (龍里國豐村鎮銀行有限責任公司)		25.36%	25.36%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial bank
Duyun Rongtong Town Bank Co., Ltd. (都勻融通村鎮銀行有限責任公司)		20.00%	20.00%	Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	Commercial bank
Tongren Fengyuan Town Bank Co., Ltd. (銅仁豐源村鎮銀行有限責任公司)		20.00%	20.00%	Tongren Guizhou Province	Commercial bank
Kaili Dongnan Town Bank Co., Ltd. (凱里東南村鎮銀行有限責任公司)		20.00%	5.95%	Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	Commercial bank

18 INTEREST IN ASSOCIATES (CONTINUED)

Note:

- (i) At June 30, 2021, the Bank held 15% interest in Guiyang Baiyun Dexin Rural Bank Co., Ltd., 17.87% interest in Qingzhen Xingbang Rural Bank Co., Ltd., 15% interest in Zunyi Bozhou Huilong Town Bank Co., Ltd., and 15% interest in Suiyang Qianbei Town Bank Co., Ltd.. The Bank was the largest shareholder of Guiyang Baiyun Dexin Rural Bank Co., Ltd., Qingzhen Xingbang Rural Bank Co., Ltd., Zunyi Bozhou Huilong Town Bank Co., Ltd., and Suiyang Qianbei Town Bank Co., Ltd.. Meanwhile, the Bank appointed directors to these rural banks, which exerted significant influence on them.

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

	At June 30, 2021	At December 31, 2020
Aggregate carrying amount of individually immaterial associates in the statements of financial position of the Bank	295,915	170,527
Declaration of cash dividends	–	–
Aggregate amounts of the Bank's share of results of those associates		
– Gains/(losses) from continuing operations	14,619	(104,780)
– Other comprehensive income	–	–
– Total comprehensive income	14,619	(104,780)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

19 PROPERTY AND EQUIPMENT

	Premises	Vehicles	Electronic equipment and others	Construction in process	Total
Cost					
As at January 1, 2020	1,958,905	84,799	532,899	2,046,340	4,622,943
Additions	254,382	7	75,494	290,707	620,590
Disposals	(33,952)	(22,952)	(37,777)	(20,666)	(115,347)
Transfer in/(out)	2,024,794	-	-	(2,024,794)	-
As at December 31, 2020	4,204,129	61,854	570,616	291,587	5,128,186
Additions	80,115	-	6,527	24,593	111,235
Disposals	(7,735)	-	(341)	(8,936)	(17,012)
Transfer in/(out)	9,913	-	-	(1,123)	8,790
As at June 30, 2021	4,286,422	61,854	576,802	306,121	5,231,199
Accumulated depreciation					
As at January 1, 2020	(621,226)	(71,475)	(436,726)	-	(1,129,427)
Charge for the year	(114,992)	(4,302)	(54,057)	-	(173,351)
Disposals	9,472	22,172	30,502	-	62,146
As at December 31, 2020	(726,746)	(53,605)	(460,281)	-	(1,240,632)
Charge for the period	(104,537)	(1,863)	(22,906)	-	(129,306)
Disposals	3,515	-	245	-	3,760
Transfer out	(3,428)	-	-	-	(3,428)
As at June 30, 2021	(831,196)	(55,468)	(482,942)	-	(1,369,606)
Net book value					
As at December 31, 2020	3,477,383	8,249	110,335	291,587	3,887,554
As at June 30, 2021	3,455,226	6,386	93,860	306,121	3,861,593

19 PROPERTY AND EQUIPMENT (CONTINUED)

At June 30, 2021, the net book value of premises of which title deeds were not yet finalized was RMB232.46 million (December 31, 2020: RMB RMB244.79 million). The Bank is still in the progress of applying the outstanding title deeds for the above premises. The directors of the Bank are of the opinion that there would be no significant costs in obtaining the title deeds. The carrying value of the Bank's premises is analysed based on the remaining terms of the land leases as follows:

	At June 30, 2021	At December 31, 2020
Held in mainland China		
– Medium-term leases (10–50 years)	2,659,243	2,638,489
– Long-term leases (over 50 years)	795,983	838,894
Total	<u>3,455,226</u>	<u>3,477,383</u>

20 DEFERRED TAX ASSETS

(a) Analysed by nature

	At June 30, 2021		At December 31, 2020	
	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)	Deductible temporary differences	Deferred income tax assets
Deferred income tax assets/(liabilities)				
– Allowance for impairment losses	14,055,440	3,513,860	12,795,428	3,198,857
– Accrued staff costs	1,083,748	270,937	829,424	207,356
– Supplemental retirement benefits	86,408	21,602	67,132	16,783
– Fair value changes of financial assets	(79,848)	(19,962)	474,232	118,558
– Others	48,432	12,108	24,296	6,074
Net deferred tax assets	<u>15,194,180</u>	<u>3,798,545</u>	<u>14,190,512</u>	<u>3,547,628</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

20 DEFERRED TAX ASSETS (CONTINUED)

(b) Movements of deferred tax

	Allowance for impairment losses	Accrued staff costs	Supplemental retirement benefits	Fair value changes of financial assets	Others	Net balance of deferred tax assets
January 1, 2020	2,710,614	146,513	11,570	(99,022)	6,512	2,776,187
Recognised in profit or loss	488,243	60,843	5,213	(3,155)	(438)	550,706
Recognised in other comprehensive income	–	–	–	220,735	–	220,735
December 31, 2020	3,198,857	207,356	16,783	118,558	6,074	3,547,628
Recognised in profit or loss	315,003	63,581	4,819	(80,194)	6,034	309,243
Recognised in other comprehensive income	–	–	–	(58,326)	–	(58,326)
June 30, 2021	<u>3,513,860</u>	<u>270,937</u>	<u>21,602</u>	<u>(19,962)</u>	<u>12,108</u>	<u>3,798,545</u>

21 OTHER ASSETS

	Note	At June 30, 2021	At December 31, 2020
Right-of-use assets	(a)	412,175	469,870
Intangible assets	(b)	162,639	161,050
Deferred expenses		148,945	150,126
Repossessed assets		72,594	65,302
Investment properties	(c)	11,433	17,267
Fiscal receivables		10,878	–
Interests receivable	(d)	4,275	26,400
Other receivables		111,219	86,326
Total		<u>934,158</u>	<u>976,341</u>

21 OTHER ASSETS (CONTINUED)

(a) Right-of-use assets

	Property
Cost	
As at January 1, 2020	733,863
Additions	55,416
Disposals	(17,789)
	<hr/>
As at December 31, 2020	771,490
Additions	26,490
Disposals	(63,479)
	<hr/>
As at June 30, 2021	734,501

Accumulated depreciation	
As at January 1, 2020	(152,039)
Additions	(167,370)
Disposals	17,789
	<hr/>
As at December 31, 2020	(301,620)
Additions	(84,185)
Disposals	63,479
	<hr/>
As at June 30, 2021	(322,326)

Net book value	
As at December 31, 2020	469,870
	<hr/> <hr/>
As at June 30, 2021	412,175
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(b) Intangible assets

	Computer software	Land use rights	Total
Cost:			
As at January 1, 2020	207,970	112,117	320,087
Additions	56,727	–	56,727
Disposals	(163,626)	–	(163,626)
As at December 31, 2020	101,071	112,117	213,188
Additions	9,186	–	9,186
As at June 30, 2021	110,257	112,117	222,374
Accumulated amortization:			
As at January 1, 2020	(111,070)	(21,512)	(132,582)
Additions	(23,612)	(2,866)	(26,478)
Disposals	106,922	–	106,922
As at December 31, 2020	(27,760)	(24,378)	(52,138)
Additions	(6,164)	(1,433)	(7,597)
As at June 30, 2021	(33,924)	(25,811)	(59,735)
Book value:			
As at December 31, 2020	73,311	87,739	161,050
As at June 30, 2021	76,333	86,306	162,639

21 OTHER ASSETS (CONTINUED)

(c) Investment properties

	Investment properties
Cost:	
As at January 1, 2020	28,239
Transfer out	—
	<hr/>
As at December 31, 2020	28,239
Transfer out	(8,790)
	<hr style="border-top: 1px dashed black;"/>
As at June 30, 2021	19,449
	<hr style="border-top: 1px dashed black;"/>
Accumulated depreciation:	
As at January 1, 2020	(9,602)
Additions	(1,370)
Transfer out	—
	<hr/>
As at December 31, 2020	(10,972)
Additions	(472)
Transfer out	3,428
	<hr/>
As at June 30, 2021	(8,016)
	<hr style="border-top: 1px dashed black;"/>
Book value:	
As at December 31, 2020	17,267
	<hr style="border-top: 3px double black;"/>
As at June 30, 2021	11,433
	<hr style="border-top: 3px double black;"/>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(d) Interests receivable

	At June 30, 2021	At December 31, 2020
Interests receivable arising from:		
Loans and advances to customers	4,275	26,400
Total	<u>4,275</u>	<u>26,400</u>

As at June 30, 2021, interests receivable only includes interest that has been due for the relevant financial instruments but not yet received at the balance sheet date. Interest on financial instruments based on the effective interest method has been reflected in the balance of corresponding financial instruments.

22 PLEDGED ASSETS

(a) Assets pledged as collateral

	At June 30, 2021	At December 31, 2020
Borrowing from the central bank:		
– Financial investments measured at amortised cost	25,026,701	25,702,801
– Financial investments measured at fair value through other comprehensive income	3,739,526	250,000
For repurchase agreements:		
– Financial investments measured at fair value through profit or loss	1,209,250	3,762,000
– Financial investments measured at fair value through other comprehensive income	6,530,816	8,700,000
– Financial investments measured at amortised cost	2,019,401	–
For fiscal deposits:		
– Financial investments measured at fair value through profit or loss	1,209,524	–
– Financial investments measured at fair value through other comprehensive income	3,400,828	–
– Financial investments measured at amortised cost	9,828,661	–
Total	<u>52,964,707</u>	<u>38,414,801</u>

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

22 PLEDGED ASSETS (CONTINUED)

(b) Pledged assets received

The Bank conducts resale agreements under the usual and customary terms of placements, and holds collaterals for these transactions. As at June 30, 2021, there was no received pledged assets (December 31, 2020: RMB Nil).

23 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	At June 30, 2021	At December 31, 2020
Deposits in mainland China		
– Banks	16,585,109	22,387,906
– Other financial institutions	<u>7,305,367</u>	<u>7,380,283</u>
Sub-total	23,890,476	29,768,189
Accrued interest	<u>410,566</u>	<u>227,529</u>
Total	<u><u>24,301,042</u></u>	<u><u>29,995,718</u></u>

24 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	At June 30, 2021	At December 31, 2020
In mainland China		
– Banks	3,300,000	2,600,000
Accrued interest	<u>4,905</u>	<u>2,498</u>
Total	<u><u>3,304,905</u></u>	<u><u>2,602,498</u></u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

25 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparty

	At June 30, 2021	At December 31, 2020
In mainland China		
– Banks	9,591,950	12,462,000
Sub-total	9,591,950	12,462,000
Accrued interest	4,456	2,434
Total	<u>9,596,406</u>	<u>12,464,434</u>

(b) Analysed by type of collateral held

	At June 30, 2021	At December 31, 2020
Debt securities	9,591,950	12,462,000
Sub-total	9,591,950	12,462,000
Accrued interest	4,456	2,434
Total	<u>9,596,406</u>	<u>12,464,434</u>

26 DEPOSITS FROM CUSTOMERS

	At June 30, 2021	At December 31, 2020
Demand deposits		
– Corporate customers	111,725,800	109,141,234
– Individual customers	33,571,201	31,995,530
	<hr/>	<hr/>
Sub-total	145,297,001	141,136,764
	<hr style="border-top: 1px dashed #000;"/>	<hr style="border-top: 1px dashed #000;"/>
Time deposits		
– Corporate customers	78,508,018	65,365,242
– Individual customers	81,823,354	69,637,506
	<hr/>	<hr/>
Sub-total	160,331,372	135,002,748
	<hr style="border-top: 1px dashed #000;"/>	<hr style="border-top: 1px dashed #000;"/>
Pledged deposits	11,323,957	10,400,555
Fiscal deposits	11,057,816	10,906
Inward and outward remittances	40,494	107,552
	<hr/>	<hr/>
Sub-total	328,050,640	286,658,525
Accrued interest	2,790,886	2,384,247
	<hr/>	<hr/>
Total	<u>330,841,526</u>	<u>289,042,772</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

27 DEBT SECURITIES ISSUED

	Note	At June 30, 2021	At December 31, 2020
Interbank deposits issued	(a)	48,350,636	47,971,985
Financial bonds issued	(b)	4,999,569	4,999,051
Tier-two capital bonds issued	(c)	2,793,858	2,793,516
Accrued interest		153,358	71,830
Total		<u>56,297,421</u>	<u>55,836,382</u>

Notes:

(a) Interbank deposits issued

- (i) In 2020, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB60,760.00 million and duration between 1 to 12 months. The effective interest rates ranged from 1.90% to 3.60% per annum.
- (ii) In 2021, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB37,070.00 million and duration between 1 to 12 months. The effective interest rates ranged from 2.55% to 3.60% per annum.
- (iii) As at June 30, 2021, the fair value of outstanding interbank deposits amounted to RMB48,373.83 million (December 31, 2020: RMB47,971.53 million).

(b) Financial bonds issued

- (i) In November 2018, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB3,000.00 million. The coupon interest rate per annum is 4.03%.
- (ii) In December 2018, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB2,000.00 million. The coupon interest rate per annum is 4.00%.
- (iii) As at June 30, 2021, the fair value of outstanding financial bonds amounted to RMB5,141.06 million (December 31, 2020: RMB5,051.17 million).

(c) Tier-two capital bonds issued

- (i) In June 2018, the Bank issued fixed-rate tier-two capital bonds with total nominal amount of RMB1,800.00 million and a maturity of 10 years. The coupon interest rate per annum is 5.00%.
- (ii) In December 2018, the Bank issued fixed-rate tier-two capital bonds with total nominal amount of RMB1,000.00 million and a maturity of 10 years. The coupon interest rate per annum is 5.50%.
- (iii) As at June 30, 2021, the fair value of outstanding tier-two capital bonds amounted to RMB2,865.91 million (December 31, 2020: RMB2,863.80 million).

28 OTHER LIABILITIES

	Note	At June 30, 2021	At December 31, 2020
Accrued staff cost	(a)	1,374,986	1,410,554
Dividend payable		1,107,261	93,585
Lease liabilities		439,931	464,337
Provisions	(b)	377,699	370,932
Other tax payable		273,207	244,023
Payment and collection clearance accounts		179,359	329,482
Other payables		313,298	266,639
Total		<u>4,065,741</u>	<u>3,179,552</u>

(a) Accrued staff cost

	At June 30, 2021	At December 31, 2020
Salary, bonuses and allowances payable	1,104,138	1,216,579
Social insurance payable	69,829	15,412
Labor union fee, staff and workers' education fee	84,159	67,583
Supplementary retirement benefits payable	116,860	110,980
Total	<u>1,374,986</u>	<u>1,410,554</u>

Supplementary retirement benefits

The supplementary retirement benefits of the Bank include early retirement plan and supplementary retirement plan. The early retirement benefits is provided to employees who voluntarily agreed to retire before the retirement age during the period from the date of early retirement to the statutory retirement date. The supplementary retirement plan is provided to the Bank's eligible employees.

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

	At June 30, 2021	At December 31, 2020
Present value of supplementary retirement benefits	94,511	96,130
Present value of early retirement plan	22,349	14,850
Total	<u>116,860</u>	<u>110,980</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(a) Accrued staff cost (Continued)

Supplementary retirement benefits (Continued)

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

	At June 30, 2021	At December 31, 2020
As at January 1	110,980	98,230
Benefits paid during the period/year	(3,780)	(6,430)
Changes recognised in profit or loss	9,660	19,230
Changes recognised in other comprehensive income	—	(50)
	<hr/>	<hr/>
As at June 30/December 31	<u>116,860</u>	<u>110,980</u>

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

Early retirement plan

	At June 30, 2021	At December 31, 2020
Discount rate	2.50%	2.50%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

Supplementary retirement plan

	At June 30, 2021	At December 31, 2020
Discount rate	3.50%	3.75%
Retired age		
Male	60	60
Female	55	55
Annual withdrawal rate	3.00%	3.00%

28 OTHER LIABILITIES (CONTINUED)

(b) Provisions

	Note	At June 30, 2021	At December 31, 2020
Provision for credit commitments	(i)	377,699	370,932

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

	Six months ended June 30, 2021			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	366,659	673	3,600	370,932
Transfer to:				
– Expected credit losses over the next 12 months	113	(51)	(62)	–
– Lifetime expected credit losses not credit-impaired	(2)	4	(2)	–
– Lifetime expected credit losses credit-impaired	(2)	–	2	–
Charge/(release) for the period	7,403	(283)	(340)	6,780
Other	(13)	–	–	(13)
As at June 30	<u>374,158</u>	<u>343</u>	<u>3,198</u>	<u>377,699</u>

	Year ended December 31, 2020			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	
As at January 1	249,873	61,338	112	311,323
Transfer to:				
– Expected credit losses over the next 12 months	5	(4)	(1)	–
– Lifetime expected credit losses not credit-impaired	(2)	2	–	–
– Lifetime expected credit losses credit-impaired	(1)	–	1	–
Charge/(release) for the year	116,784	(60,663)	3,488	59,609
As at December 31	<u>366,659</u>	<u>673</u>	<u>3,600</u>	<u>370,932</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

29 SHARE CAPITAL

Authorised and issued share capital

	At June 30, 2021	At December 31, 2020
Ordinary shares in Mainland China	12,388,047	12,388,047
Ordinary shares listed in Hong Kong (H-share)	<u>2,200,000</u>	<u>2,200,000</u>
Total	<u><u>14,588,047</u></u>	<u><u>14,588,047</u></u>

In accordance with the Approval from Guizhou Bureau of the former CBRC on the Capital Contribution Plan of Bank of Guizhou Co., Ltd. (《貴州銀監局關於貴州銀行股份有限公司第三次增資擴股方案的批復》)(黔銀監復[2017]300號), the Bank has received cash injection from the investors amounting to RMB3,173.60 to subscribe 1,511.23 shares in 2019.

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

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

30 RESERVES

(a) Capital reserve

	At June 30, 2021	At December 31, 2020
Share premium	<u><u>8,840,110</u></u>	<u><u>8,840,110</u></u>

As stated in Note 29, the Bank issued H shares with a par value of RMB1.00 at an offering price of HKD2.48 per share in 2019. The premium arising from the issuance of new shares amounting to RMB2,575.19 million was recorded in capital reserve.

30 RESERVES (CONTINUED)

(b) Surplus reserve

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

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

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

(c) General reserve

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

(d) Fair value reserve

	At June 30, 2021	At December 31, 2020
As at January 1	(496,404)	165,800
Changes in fair value recognised in other comprehensive income	(379,880)	(817,832)
Transfer to profit or loss upon disposal	613,183	(65,107)
Less: deferred tax	(58,326)	220,735
	<u>(321,427)</u>	<u>(496,404)</u>
As at June 30/December 31	<u>(321,427)</u>	<u>(496,404)</u>

(e) Impairment reserve

	At June 30, 2021	At December 31, 2020
As at January 1	170,100	18,866
Impairment losses recognised in other comprehensive income	(25,010)	151,234
	<u>145,090</u>	<u>170,100</u>
As at June 30/December 31	<u>145,090</u>	<u>170,100</u>

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

30 RESERVES (CONTINUED)

(f) Deficit on remeasurement of net defined benefit liability

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

	At June 30, 2021	At December 31, 2020
As at January 1	(17,960)	(18,010)
Changes recognised in other comprehensive income	—	50
	<u>(17,960)</u>	<u>(17,960)</u>
As at June 30/December 31	<u>(17,960)</u>	<u>(17,960)</u>

31 RETAINED EARNINGS

(a) Appropriation of profits

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

- Appropriation of statutory surplus reserve amounted to RMB367.07 million;
- Appropriation of general reserve amounted to RMB620.00 million; and
- Declaration of cash dividend of RMB0.7 per 10 shares before tax and in an aggregation amount of RMB1,021.16 million to shareholders whose names appear on the register of members of the shares on June 28, 2021.

In accordance with the resolution of the Bank's Annual General Meeting held on May 20, 2020, the shareholders approved the following profit appropriations for the year ended December 31, 2019:

- Appropriation of statutory surplus reserve amounted to RMB356.36 million;
- Appropriation of general reserve amounted to RMB710.00 million; and
- Declaration of cash dividend of RMB0.7 per 10 shares before tax and in an aggregation amount of RMB1,021.16 million to shareholders whose names appear on the register of members of the shares on June 1, 2020.

32 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

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

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

The following table sets out an analysis of the carrying amounts of interests held by the Bank in unconsolidated structured entities, as well as an analysis of the line items in the statements of financial position in which relevant assets are recognised at June 30, 2021 and December 31, 2020:

	At June 30, 2021		At December 31, 2020	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial investments at fair value through profit or loss	30,816,102	30,816,102	26,977,303	26,977,303
Financial investments at fair value through other comprehensive income	794,229	794,229	798,812	798,812
Financial investments at amortised cost	34,274,658	34,274,658	50,313,848	50,313,848
Total	65,884,989	65,884,989	78,089,963	78,089,963

At June 30, 2021 and December 31, 2020, the carrying amounts of the unconsolidated structured entities are equal to the maximum exposures.

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

The types of unconsolidated structured entities sponsored by the Bank include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Bank includes fees charged by providing management services. At June 30, 2021 and December 31, 2020 the carrying amounts of the investments in the units issued by these structured entities and management fee receivables being recognised are not material in the statements of financial positions.

At June 30, 2021, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Bank was RMB22,511.87 million (December 31, 2020: RMB22,759.76 million).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

32 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

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

For the six months ended June 30, 2021, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Bank after January 1, but matured before June 30 amounted to RMB209.78 million (for the period ended June 30, 2020: RMB1,348.35 million).

33 CAPITAL MANAGEMENT

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

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

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

The Bank calculates its capital adequacy ratios in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" and other relevant regulations promulgated by the former CBRC.

The former CBRC requires commercial banks to meet the requirements of capital adequacy ratios by the end of 2018 in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)". For non-systemically important banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50%, respectively.

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

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

33 CAPITAL MANAGEMENT (CONTINUED)

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

	At June 30, 2021	At December 31, 2020
Total core tier-one capital		
– Share capital	14,588,047	14,588,047
– Qualifying portion of capital reserve	8,645,813	8,495,846
– Surplus reserve	1,858,127	1,858,127
– General reserve	4,690,000	4,070,000
– Retained earnings	7,499,912	7,015,802
	<hr/>	<hr/>
Core tier-one capital	37,281,899	36,027,822
Core tier-one capital deductions	(479,825)	(243,837)
	<hr/>	<hr/>
Net core tier-one capital	36,802,074	35,783,985
	<hr/>	<hr/>
Net tier-one capital	36,802,074	35,783,985
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
Tier-two capital		
– Instruments issued and share premium	2,793,858	2,793,516
– Surplus provision for loan impairment	3,602,809	3,476,428
	<hr/>	<hr/>
Net tier-two capital	6,396,667	6,269,944
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
Net capital base	43,198,741	42,053,929
	<hr style="border-top: 3px double;"/>	<hr style="border-top: 3px double;"/>
Total risk weighted assets	317,326,483	307,713,674
Core tier-one capital adequacy ratio	11.60%	11.63%
Tier-one capital adequacy ratio	11.60%	11.63%
Capital adequacy ratio	13.61%	13.67%

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

34 NOTES TO THE CASH FLOW STATEMENTS

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

	At June 30, 2021	At December 31, 2020
Cash and cash equivalents as at June 30/December 31	42,870,689	28,719,904
Less: Cash and cash equivalents as at January 1	<u>(28,719,904)</u>	<u>(55,691,761)</u>
Net increase/(decrease) in cash and cash equivalents	<u>14,150,785</u>	<u>(26,971,857)</u>

(b) Cash and cash equivalents

	At June 30, 2021	At December 31, 2020
Cash on hand	587,025	665,741
Deposits with central bank other than restricted deposits	26,552,666	26,899,473
Deposits with banks and other financial institutions	4,815,038	1,154,690
Financial assets held under resale agreements	<u>10,915,960</u>	<u>–</u>
Total	<u>42,870,689</u>	<u>28,719,904</u>

34 NOTES TO THE CASH FLOW STATEMENTS (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

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

	Debt securities issued	Lease liabilities
As at January 1, 2021	55,836,382	464,337
Changes from financing cash flows:		
Net proceeds from new debt securities issued	36,238,885	–
Repayment of debt securities issued	(36,540,000)	–
Interest paid on debt securities issued	(90,005)	–
Repayment of lease liabilities	–	(67,586)
Total changes from financing cash flows	(391,120)	(67,586)
Other changes		
Increase in lease liabilities	–	26,490
Interest expenses	852,159	16,690
Total other changes	852,159	43,180
As at June 30, 2021	56,297,421	439,931

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

34 NOTES TO THE CASH FLOW STATEMENTS (CONTINUED)

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

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

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Bank

(i) Major shareholders

Major shareholders include shareholders of the Bank with direct or indirect 5% or above shareholding, or with the right to appoint a director in the Bank.

Shareholding in the Bank:

	Note	At June 30, 2021	At December 31, 2020
Guizhou Provincial Financial Bureau (貴州省財政廳)	(1)	17.26%	13.15%
China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團) 有限責任公司)		12.00%	12.00%
Zunyi City State owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理 有限責任公司)	(2)	6.55%	4.93%
Guizhou Shuitou Water Group Co., Ltd. (貴州水投水務集團有限公司)	(3)	4.44%	4.44%
Gui An New District Development and Investment Co., Ltd. (貴安新區開發 投資有限公司)	(1)	3.08%	7.20%
Shenzhen Expressway Company Limited (深圳高速公路股份有限公司)	(4)	2.92%	2.92%
Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司)	(5)	2.06%	2.06%

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(a) Related parties of the Bank (Continued)

(i) Major shareholders (Continued)

Notes:

- (1) On April 23, 2021, Gui An New District Development and Investment Co., Ltd. transferred its 600 million shares in the Bank to Guizhou Provincial Financial Bureau, which was subsequently approved by Guizhou Bureau of the CBIRC on March 17, 2021. Upon the completion of the share transfer, the shareholding in Guizhou Provincial Financial Bureau is 17.26%, and the shareholding in Gui An New District Development and Investment Co., Ltd. is 3.08%.
- (2) On June 30, 2021, Zunyi Hengtong Industrial Development Co., Ltd. transferred its 236.93 million shares in the Bank to Zunyi City State owned Assets Investment and Financing Management Co., Ltd.. Upon the completion of the share transfer, the shareholding in Zunyi City State owned Assets Investment and Financing Management Co., Ltd. is 6.55%.
- (3) As at June 30, 2021 and December 31, 2020, there was one director appointed by Guizhou Shuitou Water Group Co., Ltd. to the Bank.
- (4) As at June 30, 2021 and December 31, 2020, there was one director appointed by Shenzhen Expressway Company Limited to the Bank.
- (5) As at June 30, 2021 and December 31, 2020, there was one director appointed by Guizhou Expressway Group Company Limited to the Bank.

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

(ii) Associates of the Bank

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

(iii) Other related parties

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

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

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

(i) Transactions between the Bank and major shareholders:

	Six months ended June 30,	
	2021	2020
Transactions during the period		
Interest income	–	22,134
Interest expense	192,153	111,582
	At June 30,	At December 31,
	2021	2020
Balances at end of the period/year		
Loans and advances to customers	–	291,364
Deposits from customers	4,680,505	2,192,692

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

	Six months ended June 30,	
	2021	2020
Transactions during the period		
Interest income	173,153	180,210
Interest expense	245,805	751,318
	At June 30,	At December 31,
	2021	2020
Balances at end of the period/year		
Loans and advances to customers	3,938,810	3,477,688
Financial investments	100,226	3,401,249
Deposits from customers	21,764,866	32,995,216
Deposits from banks and other financial institutions	6,606,692	8,418,538
Bank acceptances	1,892,650	258,157

(iii) Other transaction

In 2017, the Bank invested a total of RMB8,990.00 million in a fund managed by a subsidiary of the Bank's major shareholder, Gui An New District Development and Investment Co., Ltd.. As at June 30, 2021, the outstanding balance of this financial investment was RMB4,495.00 million (December 31, 2020: RMB8,990.00 million). This fund's repayment will be arranged through Gui An New District Development and Investment Co., Ltd..

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(c) Key management personnel

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

(i) Transactions between the Bank and key management personnel

	Six months ended June 30, 2021	2020
Transactions during the period		
Interest expense	90	81
	At June 30, 2021	At December 31, 2020
Balances at end of the period/year		
Deposits from customers	7,538	10,733

(ii) Key management personnel compensation

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

	Six months ended June 30, 2021	2020
Key management personnel compensation during the period	12,161	11,183

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

	At June 30, 2021	At December 31, 2020
Aggregate amount of relevant loans outstanding at the end of the period/the year	–	–
Maximum aggregate amount of relevant loans outstanding during the period/the year	–	451

There was no amount due but unpaid, nor any impairment provision made against the principal or interest on these loans at June 30, 2021 (December 31, 2020: nil).

36 SEGMENT REPORTING

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

Corporate banking

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

Retail banking

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

Financial markets

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

Others

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

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

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

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

36 SEGMENT REPORTING (CONTINUED)

	Six months ended June 30, 2020				Total
	Corporate banking	Retail banking	Financial markets	Others	
Operating income					
External net interest income/ (expense)	5,055,493	(547,082)	375,254	–	4,883,665
Internal net interest (expense)/income	(1,980,798)	1,543,721	437,077	–	–
Net interest income	3,074,695	996,639	812,331	–	4,883,665
Net fee and commission income	159,322	1,873	44,132	–	205,327
Net trading gains	–	–	48,175	–	48,175
Net gains arising from investment securities	–	–	397,072	–	397,072
Other operating income	41,984	–	–	4,309	46,293
Operating income	3,276,001	998,512	1,301,710	4,309	5,580,532
Operating expenses	(974,535)	(314,352)	(385,605)	(23,266)	(1,697,758)
Impairment losses on assets	(897,434)	(302,093)	(362,084)	(2,056)	(1,563,667)
Share of losses of associates	–	–	–	(15,009)	(15,009)
Profit/(loss) before tax	1,404,032	382,067	554,021	(36,022)	2,304,098
Other segment information					
– Depreciation and amortization	128,257	43,047	52,757	–	224,061
– Capital expenditure	116,617	39,141	47,969	–	203,727
			At June 30, 2020		
	Corporate banking	Retail banking	Financial markets	Others	Total
Segment assets	247,278,171	45,591,288	127,049,497	990,266	420,909,222
Deferred tax assets	–	–	–	3,358,684	3,358,684
Total assets	247,278,171	45,591,288	127,049,497	4,348,950	424,267,906
Segment liabilities	188,968,132	98,586,505	100,062,772	2,036,019	389,653,428
Total liabilities	188,968,132	98,586,505	100,062,772	2,036,019	389,653,428

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT

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

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

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

(a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its contractual obligation or commitment to the Bank. It arises primarily from credit and bond investment portfolios and guarantees granted.

Credit business

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

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

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Credit business (Continued)

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

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

Stages of risks in financial instrument

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

Stage 1

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

Stage 2

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

Stage 3

Financial assets that are in default and considered credit-impaired.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Significant increase in credit risk

When one or more quantitative, qualitative standards or upper limits are triggered, the Bank assumes that credit risk on financial assets has increased significantly.

If the borrower is listed in the watch list and one or more of the following criteria are met:

- The credit spread increases significantly;
- Significant changes with an adverse effect that have taken place in the borrower's business, financial and economic status;
- Application of a grace period or debt-restructuring;
- Significant changes with an adverse effect in the borrower's business conditions;
- Less value of the collaterals (for the collateral loans and pledged loans only);
- Early indicators of problems of cash flow/liquidity, such as late payment of accounts payable/repayment of loans; or
- The borrower is more than 30 days past due.

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

As at June 30, 2021, the Bank has not considered that any of its financial assets has lower credit risk and no longer compared the credit risk at the balance sheet date with that at the initial recognition to identify whether there was a significant increase in credit risk.

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

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

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- the disappearance of an active market for a security because of financial difficulties of the issuer; or
- overdue more than 90 days.

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

Measurement of expected credit losses (“ECL”)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of expected credit losses (“ECL”) (Continued)

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

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

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

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

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

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

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

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

As at June 30, 2021, there has been no significant changes in the estimate techniques and key assumptions of the Bank.

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

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

(i) Maximum credit risk exposure

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets as at the end of each of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

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

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

	At June 30, 2021		
	Loans and advances to customers	Deposits with banks and other financial institutions	Financial investments (*)
Balance of financial assets that are assessed for expected credit losses over the next 12 months			
– Overdue but not credit-impaired	486,813	–	–
– Neither overdue nor credit-impaired	225,127,322	4,815,981	195,473,485
Sub-total	225,614,135	4,815,981	195,473,485
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses			
– Overdue but not credit-impaired	357,887	–	–
– Neither overdue nor credit-impaired	4,036,315	–	3,346,879
Sub-total	4,394,202	–	3,346,879
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses			
– Overdue and credit-impaired	1,386,659	152,070	1,414,371
– Credit-impaired but not overdue	1,448,550	–	23,668
Sub-total	2,835,209	152,070	1,438,039
Accrued interests	496,751	2,508	1,918,934
Less: Provision for impairment losses	(9,605,292)	(153,013)	(3,113,280)
Net value	223,735,005	4,817,546	199,064,057

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

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

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

	At December 31, 2020			Financial investments (*)
	Loans and advances to customers	Deposits with banks and other financial institutions	Placements with banks and other financial institutions	
Balance of financial assets that are assessed for expected credit losses over the next 12 months				
– Overdue but not credit-impaired	1,094,696	–	–	–
– Neither overdue nor credit-impaired	206,501,593	1,154,966	50,000	189,185,622
Sub-total	207,596,289	1,154,966	50,000	189,185,622
Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses				
– Overdue but not credit-impaired	48,915	–	–	–
– Neither overdue nor credit-impaired	3,821,317	–	–	2,708,653
Sub-total	3,870,232	–	–	2,708,653
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses				
– Overdue and credit-impaired	636,566	–	–	1,130,176
– Credit-impaired but not overdue	1,819,817	152,070	–	23,668
Sub-total	2,456,383	152,070	–	1,153,844
Accrued interests	442,970	2,623	674	2,175,314
Less: Provision for impairment losses	(8,213,264)	(152,346)	–	(2,914,439)
Net value	206,152,610	1,157,313	50,674	192,308,994

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

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

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

As at June 30, 2021, the fair value of collaterals held against loans and advances to customers that are not credit-impaired and assessed for lifetime expected credit losses amounted to RMB565.49 million (December 31, 2020: RMB468.60 million), and the fair value of collaterals held against loans and advances to customers that are credit-impaired and assessed for lifetime expected credit losses amounted to RMB534.69 million (December 31, 2020: RMB533.00 million). The collaterals mainly include land, buildings, machinery and equipment, etc. The fair value of collaterals were estimated by the Bank based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

(iii) Rescheduled loans and advances to customers

As at June 30, 2021, the Bank has rescheduled loans and advances to customers amounted to RMB2,309.22 million (December 31, 2020: RMB2,036.76 million).

(iv) Credit rating

The Bank adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at June 30, 2021 and December 31, 2020 are as follows:

	At June 30, 2021	At December 31, 2020
Neither overdue nor impaired		
<i>Ratings</i>		
– AAA	20,252,103	31,598,731
– AA- to AA+	19,421,193	16,291,352
Sub-total	39,673,296	47,890,083
Unrated	91,112,998	62,541,971
Total	130,786,294	110,432,054

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk

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

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

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

Interest rate risk

The Bank is primarily exposed to interest rate risk arising from repricing risk in its commercial banking business and the risk of financial markets business position.

Repricing risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk

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

- (i) The following tables indicate the assets and liabilities as at June 30, 2021 and December 31, 2020 by the expected next repricing dates or by maturity dates, depending on which is earlier:

	Total	Non-interest bearing	At June 30, 2021			
			Less than three months	Between three months and one year	Between one year and five years	More than five years
Assets						
Cash and deposits with the central bank	48,378,428	598,463	47,779,965	-	-	-
Deposits with banks and other financial institutions	4,817,546	2,508	4,815,038	-	-	-
Financial assets held under resale agreements	10,920,710	4,750	10,915,960	-	-	-
Loans and advances to customers (Note (i))	223,735,005	496,751	75,791,739	90,153,590	15,954,293	41,338,632
Financial investments (Note (iii))	199,064,057	1,956,684	39,900,374	24,733,937	81,630,210	50,842,852
Others	8,890,211	8,890,211	-	-	-	-
Total assets	495,805,957	11,949,367	179,203,076	114,887,527	97,584,503	92,181,484
Liabilities						
Borrowing from the central bank	29,919,342	403,907	7,539,797	21,975,638	-	-
Deposits from banks and other financial institutions	24,301,042	410,566	18,058,476	5,832,000	-	-
Placements from banks and other financial institutions	3,304,905	4,905	-	300,000	3,000,000	-
Financial assets sold under repurchase agreements	9,596,406	4,456	9,591,950	-	-	-
Deposits from customers	330,841,526	2,889,196	189,897,675	59,573,164	78,481,491	-
Debt securities issued	56,297,421	153,358	11,685,371	41,664,834	-	2,793,858
Others	4,263,416	4,263,416	-	-	-	-
Total liabilities	458,524,058	8,129,804	236,773,269	129,345,636	81,481,491	2,793,858
Asset-liability gap	37,281,899	3,819,563	(57,570,193)	(14,458,109)	16,103,012	89,387,626

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk (Continued)

- (i) The following tables indicate the assets and liabilities as at June 30, 2021 and December 31, 2020 by the expected next repricing dates or by maturity dates, depending on which is earlier: (Continued)

	Total	Non-interest bearing	At December 31, 2020			
			Less than three months	Between three months and one year	Between one year and five years	More than five years
Assets						
Cash and deposits with the central bank	48,149,558	678,201	47,471,357	-	-	-
Deposits with banks and other financial institutions	1,157,313	2,623	1,154,690	-	-	-
Placements with banks and other financial institutions	50,674	674	-	50,000	-	-
Loans and advances to customers (Note (i))	206,152,610	442,970	62,793,796	97,185,956	7,951,662	37,778,226
Financial investments (Note (ii))	192,308,994	2,213,064	40,726,960	16,912,773	66,223,505	66,232,692
Others	8,582,050	8,582,050	-	-	-	-
Total assets	456,401,199	11,919,582	152,146,803	114,148,729	74,175,167	104,010,918
Liabilities						
Borrowing from the central bank	26,641,751	262,910	3,898,384	22,480,457	-	-
Deposits from banks and other financial institutions	29,995,718	227,529	1,463,189	28,305,000	-	-
Placements from banks and other financial institutions	2,602,498	2,498	-	100,000	2,500,000	-
Financial assets sold under repurchase agreements	12,464,434	2,434	12,462,000	-	-	-
Deposits from customers	289,042,772	2,494,099	174,539,545	40,114,849	71,894,279	-
Debt securities issued	55,836,382	71,830	17,547,988	35,423,048	-	2,793,516
Others	3,789,822	3,789,822	-	-	-	-
Total liabilities	420,373,377	6,851,122	209,911,106	126,423,354	74,394,279	2,793,516
Asset-liability gap	36,027,822	5,068,460	(57,764,303)	(12,274,625)	(219,112)	101,217,402

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk (Continued)

- (i) The following tables indicate the assets and liabilities as at June 30, 2021 and December 31, 2020 by the expected next repricing dates or by maturity dates, depending on which is earlier: (Continued)

Notes:

- (i) As at June 30, 2021, for loans and advances to customers, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB1,103.55 million (December 31, 2020: RMB1,267.50 million).
- (ii) Financial investments include financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income and financial investments at amortised cost. As at June 30, 2021, for financial investments, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB116.00 million (December 31, 2020: RMB182.53 million).
- (ii) Interest rate sensitivity analysis

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

	At June 30, 2021 (Decrease)/ increase	At December 31, 2020 (Decrease)/ increase
Changes in net profit		
Up 100 bps parallel shift in yield curves	(434,451)	(433,248)
Down 100 bps parallel shift in yield curves	434,451	433,248
Changes in equity		
Up 100 bps parallel shift in yield curves	(418,468)	(413,601)
Down 100 bps parallel shift in yield curves	418,468	413,601

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Interest rate risk (Continued)

Trading interest rate risk (Continued)

(ii) Interest rate sensitivity analysis (Continued)

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

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

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

Foreign currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

(i) The Bank's currency exposures as at June 30, 2021 and December 31, 2020 were as follows:

	At June 30, 2021				
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	Total (RMB equivalent)
Assets					
Cash and deposits with the central bank	48,378,273	155	-	-	48,378,428
Deposits with banks and other financial institutions	4,728,294	89,069	-	183	4,817,546
Financial assets held under resale agreements	10,920,710	-	-	-	10,920,710
Loans and advances to customers	223,607,050	127,955	-	-	223,735,005
Financial investments	199,064,057	-	-	-	199,064,057
Others	8,890,211	-	-	-	8,890,211
Total assets	<u>495,588,595</u>	<u>217,179</u>	<u>-</u>	<u>183</u>	<u>495,805,957</u>
Liabilities					
Borrowing from the central bank	(29,919,342)	-	-	-	(29,919,342)
Deposits from banks and other financial institutions	(24,301,042)	-	-	-	(24,301,042)
Placements from banks and other financial institutions	(3,304,905)	-	-	-	(3,304,905)
Financial assets sold under repurchase agreements	(9,596,406)	-	-	-	(9,596,406)
Deposits from customers	(330,835,762)	(5,581)	-	(183)	(330,841,526)
Debt securities issued	(56,297,421)	-	-	-	(56,297,421)
Others	(4,069,675)	(193,737)	(4)	-	(4,263,416)
Total liabilities	<u>(458,324,553)</u>	<u>(199,318)</u>	<u>(4)</u>	<u>(183)</u>	<u>(458,524,058)</u>
Net position	<u>37,264,042</u>	<u>17,861</u>	<u>(4)</u>	<u>-</u>	<u>37,281,899</u>
Off-balance sheet credit commitments	<u>23,631,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,631,830</u>

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

- (i) The Bank's currency exposures as at June 30, 2021 and December 31, 2020 were as follows:
(Continued)

	At December 31, 2020				Total (RMB equivalent)
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other (RMB equivalent)	
Assets					
Cash and deposits with the central bank	48,149,401	157	-	-	48,149,558
Deposits with banks and other financial institutions	1,129,572	3	27,547	191	1,157,313
Placements with banks and other financial institutions	50,674	-	-	-	50,674
Loans and advances to customers	206,019,395	133,215	-	-	206,152,610
Financial investments	192,308,994	-	-	-	192,308,994
Others	8,582,050	-	-	-	8,582,050
Total assets	<u>456,240,086</u>	<u>133,375</u>	<u>27,547</u>	<u>191</u>	<u>456,401,199</u>
Liabilities					
Borrowing from the central bank	(26,641,751)	-	-	-	(26,641,751)
Deposits from banks and other financial institutions	(29,995,718)	-	-	-	(29,995,718)
Placements from banks and other financial institutions	(2,602,498)	-	-	-	(2,602,498)
Financial assets sold under repurchase agreements	(12,464,434)	-	-	-	(12,464,434)
Deposits from customers	(289,038,483)	(4,289)	-	-	(289,042,772)
Debt securities issued	(55,836,382)	-	-	-	(55,836,382)
Others	(3,622,605)	(139,665)	(27,552)	-	(3,789,822)
Total liabilities	<u>(420,201,871)</u>	<u>(143,954)</u>	<u>(27,552)</u>	<u>-</u>	<u>(420,373,377)</u>
Net position	<u>36,038,215</u>	<u>(10,579)</u>	<u>(5)</u>	<u>191</u>	<u>36,027,822</u>
Off-balance sheet credit commitments					
	<u>20,540,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,540,482</u>

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(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Foreign currency risk (Continued)

(ii) Exchange rate sensitivity analysis

	At June 30, 2021	At December 31, 2020
Changes in net profit (Decrease)/ increase	(Decrease)/ increase	(Decrease)/ increase
Foreign exchange rate decrease by 100 bps	(134)	78
Foreign exchange rate increase by 100 bps	134	(78)

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

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

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

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods to repayment at June 30, 2021 and December 31, 2020:

	Indefinite <i>Note (i)</i>	Repayable on demand	Within one month	At June 30, 2021				Total
				Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
Assets								
Cash and deposits with the central bank	21,232,380	27,146,048	-	-	-	-	-	48,378,428
Deposits with banks and other financial institutions	-	4,817,546	-	-	-	-	-	4,817,546
Financial assets held under resale agreements	-	-	10,920,710	-	-	-	-	10,920,710
Loans and advances to customers	1,005,605	673,326	5,815,363	8,117,021	45,536,822	50,183,317	112,403,551	223,735,005
Financial investments	297,855	-	8,980,814	30,716,048	24,809,047	82,879,270	51,381,023	199,064,057
Others	8,212,810	64,634	12,377	27,793	125,498	374,058	73,041	8,890,211
Total assets	30,748,650	32,701,554	25,729,264	38,860,862	70,471,367	133,436,645	163,857,615	495,805,957
Liabilities								
Borrowing from the central bank	-	-	2,442,749	5,268,282	22,208,311	-	-	29,919,342
Deposits from banks and other financial institutions	-	118,499	1,194,925	17,064,036	5,923,582	-	-	24,301,042
Placements from banks and other financial institutions	-	-	-	-	300,446	3,004,459	-	3,304,905
Financial assets sold under repurchase agreements	-	-	9,596,406	-	-	-	-	9,596,406
Deposit from customers	-	172,923,174	5,901,254	13,962,444	59,573,163	78,481,491	-	330,841,526
Debt securities issued	-	-	6,731,034	4,954,337	41,818,192	-	2,793,858	56,297,421
Others	3,235,743	-	479,749	17,675	79,493	356,664	94,092	4,263,416
Total liabilities	3,235,743	173,041,673	26,346,117	41,266,774	129,903,187	81,842,614	2,887,950	458,524,058
Net position	27,512,907	(140,340,119)	(616,853)	(2,405,912)	(59,431,820)	51,594,031	160,969,665	37,281,899

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

	Indefinite <i>Note (i)</i>	Repayable on demand	Within one month	At December 31, 2020				Total
				Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
Assets								
Cash and deposits with the central bank	20,577,283	27,572,275	-	-	-	-	-	48,149,558
Deposits with banks and other financial institutions	-	1,157,313	-	-	-	-	-	1,157,313
Placements with banks and other financial institutions	-	-	-	-	50,674	-	-	50,674
Loans and advances to customers	822,815	1,072,257	7,140,737	5,646,539	49,060,417	44,421,149	97,988,696	206,152,610
Financial investments	359,204	-	8,053,386	32,555,587	17,105,597	67,339,667	66,895,553	192,308,994
Others	7,856,350	2,123	40,623	100,545	366,167	156,247	59,995	8,582,050
Total assets	29,615,652	29,803,968	15,234,746	38,302,671	66,582,855	111,917,063	164,944,244	456,401,199
Liabilities								
Borrowing from the central bank	-	-	208,385	3,779,961	22,653,405	-	-	26,641,751
Deposits from banks and other financial institutions	-	1,373,500	90,339	-	28,531,879	-	-	29,995,718
Placements from banks and other financial institutions	-	-	-	-	100,093	2,502,405	-	2,602,498
Financial assets sold under repurchase agreements	-	-	12,464,434	-	-	-	-	12,464,434
Deposit from customers	-	155,146,282	3,066,556	18,820,805	40,114,850	71,894,279	-	289,042,772
Debt securities issued	-	-	-	17,547,988	35,494,878	-	2,793,516	55,836,382
Others	2,101,460	258,751	886,388	50,713	86,522	291,312	114,676	3,789,822
Total liabilities	2,101,460	156,778,533	16,716,102	40,199,467	126,981,627	74,687,996	2,908,192	420,373,377
Net position	27,514,192	(126,974,565)	(1,481,356)	(1,896,796)	(60,398,772)	37,229,067	162,036,052	36,027,822

Note:

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

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(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities of the Bank at June 30, 2021 and December 31, 2020:

	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	At June 30, 2021				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from central bank	29,919,342	30,296,608	-	2,445,403	5,293,492	22,557,713	-	-
Deposits from banks and other financial institutions	24,301,042	24,496,927	118,499	1,197,356	17,175,606	6,005,466	-	-
Placements from banks and other financial institutions	3,304,905	3,479,458	-	-	-	307,286	3,172,172	-
Financial assets sold under repurchase agreements	9,596,406	9,597,623	-	9,597,623	-	-	-	-
Deposits from customers	330,841,526	336,721,084	172,923,174	6,070,970	14,289,190	60,908,362	82,529,388	-
Debt securities issued	56,297,421	58,019,284	-	6,740,000	4,980,000	42,461,996	-	3,837,288
Total non-derivative financial liabilities	454,260,642	462,610,984	173,041,673	26,051,352	41,738,288	132,240,823	85,701,560	3,837,288

	Carrying amount	Contractual undiscounted cash flow	Repayable on demand	At December 31, 2020				
				Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowings from central bank	26,641,751	27,100,060	-	208,500	3,803,819	23,087,741	-	-
Deposits from banks and other financial institutions	29,995,718	30,674,767	1,373,798	90,475	-	29,210,494	-	-
Placements from banks and other financial institutions	2,602,498	2,772,815	-	-	-	101,107	2,671,708	-
Financial assets sold under repurchase agreements	12,464,434	12,467,395	-	12,467,395	-	-	-	-
Deposits from customers	289,042,772	294,263,275	155,147,642	3,210,526	19,102,241	41,198,816	75,604,050	-
Debt securities issued	55,836,382	57,660,813	-	-	17,620,000	36,131,621	-	3,909,192
Total non-derivative financial liabilities	416,583,555	424,939,125	156,521,440	15,976,896	40,526,060	129,729,779	78,275,758	3,909,192

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

37 RISK MANAGEMENT (CONTINUED)

(d) Operational risk

Operational risk refers to the risk of losses associated with internal processes deficiencies, personnel mistakes and information system failures, or impact from other external events.

The Bank has established an operational risk management system consisting of the Board of Directors, the Board of Supervisors, Senior Management, Operational Risk Management Committee, Risk Management Department, Legal Compliance Department, Information Technology Department, Audit Department and other functional departments of the head office, branches and sub-branches.

The Bank has established operational risk management policies, systems and procedures to effectively identify, assess, monitor, control and mitigate the operational risks of the Bank and to minimise any losses associated with operational risk.

The Bank has established the Three Lines of Defence to comprehensively manage operational risk: business establishments of branches and sub-branches and business functions at all levels are the First Line of Defence against operational risk and are directly responsible for operational risk management. The Risk Management Department and Legal Compliance Department are the Second Line of Defence against operational risk and responsible for formulating operational risk management policies, coordinating, supporting and supervising operational risk management. The Audit Department is the Third Line of Defence and is responsible for auditing whether the Bank's operational risk management policies are effective and assessing internal control systems and status of compliance.

The Bank has developed an emergency plan system and a business continuity plan system for various emergencies such as natural disasters, IT system failures, bank run, theft and robbery.

The Bank has established a system of accountability for all types of violations and disciplinary actions and a risk assessment system based on internal audit and compliance review.

38 FAIR VALUE

(a) Methods and assumptions for measurement of fair value

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

(i) *Debt securities and equity investments*

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

NOTES TO THE FINANCIAL STATEMENTS

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38 FAIR VALUE (CONTINUED)

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

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

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

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

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

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

(b) Fair value measurement

(i) *Financial assets*

The Bank's financial assets mainly consist of cash and deposits with the central bank, deposits with banks and other financial institutions, loans and advances to customers, and investments.

Deposits with the central bank, deposits with banks and other financial institutions and financial assets held under resale agreements are mostly priced at market interest rates and due within one year. Accordingly, the carrying amounts approximate the fair values.

Loans and advances to customers are mostly priced at floating rates close to the PBOC rates. Accordingly, the carrying amounts approximate the fair values. The fair values of loans and advances to customers measured at fair value through other comprehensive income are based on valuation techniques.

Financial investments at fair value through other comprehensive income and financial assets at fair value through profit or loss are stated at fair value. Financial investments at amortised cost are the reasonable approximations of their fair values because, for example, they are repriced at current market rates frequently.

38 FAIR VALUE (CONTINUED)

(b) Fair value measurement (Continued)

(ii) *Financial liabilities*

The Bank's financial liabilities mainly include deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers and debt securities issued.

The book value and fair value of debt securities issued is presented in Note 27. The carrying amounts of other financial liabilities approximate their fair value.

(c) Fair value hierarchy

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

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3: Fair value measured using significant unobservable inputs.

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

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38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

	At June 30, 2021			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
<i>Loans and advances to customers measured at fair value through other comprehensive income</i>				
– corporate loans and advances	–	1,425,841	–	1,425,841
– discounted bills	–	3,955,251	–	3,955,251
<i>Financial investments at fair value through profit or loss</i>				
– debt securities	–	33,253,692	–	33,253,692
– investment funds	–	30,715,278	–	30,715,278
– wealth management products	–	–	100,824	100,824
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities	–	52,762,647	–	52,762,647
– asset-backed securities	–	808,062	–	808,062
– structured notes issued by securities companies	–	–	50,452	50,452
– equity investments	–	–	37,750	37,750
Total	–	122,920,771	189,026	123,109,797

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

	At December 31, 2020			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
<i>Loans and advances to customers measured at fair value through other comprehensive income</i>				
– corporate loans and advances	–	2,020,953	–	2,020,953
– discounted bills	–	19,266,945	–	19,266,945
<i>Financial investments at fair value through profit or loss</i>				
– debt securities	–	20,787,362	–	20,787,362
– investment funds	–	26,977,303	–	26,977,303
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities	–	46,466,501	–	46,466,501
– asset-backed securities	–	805,614	–	805,614
– structured notes issued by securities companies	–	–	910,334	910,334
– equity investments	–	–	37,750	37,750
Total	–	116,324,678	948,084	117,272,762

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(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

The movement during the six months ended June 30, 2021 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2021	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements				June 30, 2021	Total gains or losses for the period included in profit or loss for assets held at the end of the period
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Issues	Sales	Settlements		
Assets											
Financial assets at fair value through profit or loss – wealth management products	-	-	-	1,319	-	200,000	-	-	(100,495)	100,824	824
Financial investments at fair value through other comprehensive income – structured notes issued by securities companies	910,334	-	-	7,252	-	50,000	-	-	(917,134)	50,452	452
– equity investments	37,750	-	-	-	-	-	-	-	-	37,750	-
Total	948,084	-	-	8,571	-	250,000	-	-	(1,017,629)	189,026	1,276

The movement during the year ended December 31, 2020 in the balance of Level 3 fair value measurements is as follows:

	January 1, 2020	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements				December 31, 2020	Total gains or losses for the year included in profit or loss for assets held at the end of the year
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Issues	Sales	Settlements		
Assets											
Financial assets at fair value through profit or loss – wealth management products	1,250,215	-	-	3,264	-	-	-	-	(1,253,479)	-	-
Financial investments at fair value through other comprehensive income – structured notes issued by securities companies	-	-	-	12,154	(1,820)	900,000	-	-	-	910,334	12,154
– equity investments	37,750	-	-	-	-	-	-	-	-	37,750	-
Total	1,287,965	-	-	15,418	(1,820)	900,000	-	-	(1,253,479)	948,084	12,154

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

During the years ended December 31, 2020 and six months ended June 30, 2021, the carrying amount of financial instrument valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also immaterial.

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

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

	Fair value as at June 30, 2021	Valuation techniques	Unobservable inputs
Financial investments at fair value through profit or loss			
– wealth management products	100,824	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through other comprehensive income			
– structured notes issued by securities companies	50,452	Discounted cash flow	Risk-adjusted discount rate, cash flow
– equity investments	37,750	Discounted cash flow	Risk-adjusted discount rate, cash flow
	Fair value as at December 31, 2020	Valuation techniques	Unobservable inputs
Financial investments at fair value through other comprehensive income			
– structured notes issued by securities companies	910,334	Discounted cash flow	Risk-adjusted discount rate, cash flow
– equity investments	37,750	Discounted cash flow	Risk-adjusted discount rate, cash flow

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38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (Continued)

During the six months ended June 30, 2021, there were no significant changes in the valuation techniques (2020: nil).

As at December 31, 2020 and June 30, 2021, unobservable inputs such as risk-adjusted discount rate and cash flow were used in the valuation of financial assets at fair value classified as Level 3, which were mainly equity investments and wealth management products. The fair value of these financial assets fluctuates according to the changes in the unobservable inputs.

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

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

	At June 30, 2021			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial assets at fair value through profit or loss				
– wealth management products	8	(8)	–	–
Financial investments at fair value through other comprehensive income				
– structured notes issued by securities companies	–	–	–	–
– equity investments	–	–	–	–

	At December 31, 2020			
	Effect on net profit		Effect on other comprehensive income	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
Financial investments at fair value through other comprehensive income				
– structured notes issued by securities companies	–	–	18	(18)
– equity investments	–	–	–	–

39 ENTRUSTED LENDING BUSINESS

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

	At June 30, 2021	At December 31, 2020
Entrusted loans	<u>42,428,382</u>	<u>55,893,346</u>
Entrusted funds	<u>42,428,382</u>	<u>55,893,346</u>

40 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Credit commitments

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

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

	At June 30, 2021	At December 31, 2020
Credit card commitments	<u>6,863,079</u>	<u>3,758,229</u>
Sub-total	<u>6,863,079</u>	<u>3,758,229</u>
Acceptances	14,838,993	14,748,223
Letters of credit	32,857	94,126
Letters of guarantees	<u>1,896,901</u>	<u>1,939,904</u>
Total	<u>23,631,830</u>	<u>20,540,482</u>

The Bank may be exposed to credit risk in all the above credit businesses. Management periodically assesses credit risk and makes provision for any probable losses. As the facilities may expire without being drawn upon, the total of the contractual amounts shown above is not representative of expected future cash outflows.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in thousands of Renminbi, unless otherwise stated)

40 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(b) Credit risk-weighted amount

	At June 30, 2021	At December 31, 2020
Credit risk-weighted amounts	8,369,440	9,396,415

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

(c) Capital commitments

As at June 30, 2021 and December 31, 2020, the Bank's authorised capital commitments are as follows:

	At June 30, 2021	At December 31, 2020
Contracted but not paid for	226,933	244,587
Authorised but not contracted for	13,083	9,967
Total	240,016	254,554

(d) Outstanding litigations and disputes

As at June 30, 2021, the Bank was the defendant in certain pending litigations and disputes with an estimated gross amount of RMB141.52 million (December 31, 2020: RMB48.63 million). According to the opinion of the Bank's in-house lawyers and external lawyers, the Bank has assessed the above outstanding litigation cases that may lead to the loss of economic benefits. Management believes that the Bank is extremely unlikely to be liable for compensation. Therefore, the Bank didn't recognise any litigation provision.

41 COMPARATIVE FIGURES

For financial statements disclosure purpose, the Bank made reclassification adjustments to some comparative figures.

42 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2021

Up to the date of issue of these financial statements, a number of amendments, new standards and interpretations are issued which are not yet effective for the six months ended June 30, 2021 and which have not been adopted in these financial statements. These include the following which may be relevant to the Bank.

	Effective for accounting period beginning on or after
<i>Amendments to IFRS 3, Business Combinations "Reference to the conceptual framework"</i>	January 1, 2022
<i>Amendments to IAS 16, Property, Plant and Equipment "Property, plant and equipment: proceeds before intended Use"</i>	January 1, 2022
<i>Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets "Onerous contracts – cost of fulfilling a contract"</i>	January 1, 2022
<i>Annual Improvements to IFRS Standards 2018–2020 January 1, 2022 IFRS 17 and Amendments to IFRS 17, Insurance contracts</i>	January 1, 2023
<i>Amendments to IAS 1, Presentation of financial statements "Classification of liabilities as current or non-current"</i>	January 1, 2023
<i>Amendments to IAS 1, Presentation of financial statements and IFRS Practice Statement 2, Making materiality judgements "Disclosure of accounting policies"</i>	January 1, 2023
<i>Amendments to IAS 8, Accounting policies, changes in accounting estimates and errors "Definition of accounting estimates"</i>	January 1, 2023
<i>Amendments to IAS 12, Income taxes "Deferred tax related to assets and liabilities arising from a single transaction"</i>	January 1, 2023
<i>Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an Investor and its associate or joint venture</i>	To be determined

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of RMB, unless otherwise stated)

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

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

1 LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO

Liquidity coverage ratio

	30 June 2021	Average for the six months ended 30 June 2021
Liquidity coverage ratio (RMB and foreign currency)	348.32%	310.17%
	31 December 2020	Average for the year ended 31 December 2020
Liquidity coverage ratio (RMB and foreign currency)	289.00%	246.83%

Pursuant to the Administrative Measures for Liquidity Risk Management of Commercial Banks (Provisional), the liquidity coverage ratio of commercial banks shall reach 100% by the end of 2018.

Leverage Ratio

	At June 30, 2021	At December 31, 2020
Leverage Ratio	7.24%	7.33%

Pursuant to the Leverage Ratio Management of Commercial Banks issued by the former CBRC and was effective since April 1, 2015, a minimum leverage ratio 4% is required for commercial banks.

The above liquidity coverage ratio and leverage ratio are calculated in accordance with the formula promulgated by the former CBRC and based on the financial information prepared in accordance with PRC GAAP.

2 CURRENCY CONCENTRATIONS

	At June 30, 2021			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	205,325	–	183	205,508
Spot liabilities	<u>(10,271)</u>	<u>–</u>	<u>(183)</u>	<u>(10,454)</u>
Net position	<u>195,054</u>	<u>–</u>	<u>–</u>	<u>195,054</u>

	At December 31, 2020			Total
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	
Spot assets	134,134	27,552	191	161,877
Spot liabilities	<u>(138,896)</u>	<u>(5)</u>	<u>–</u>	<u>(138,901)</u>
Net position	<u>(4,762)</u>	<u>27,547</u>	<u>191</u>	<u>22,976</u>

The Bank has no structural position at June 30, 2021 and December 31, 2020.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of RMB, unless otherwise stated)

3 INTERNATIONAL CLAIMS

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

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

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

	At June 30, 2021			
	Banks and other financial institutions	Public sector entities	Others	Total
All regions outside Mainland China	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	At December 31, 2020			
	Banks and other financial institutions	Public sector entities	Others	Total
All regions outside Mainland China	27,552	—	—	27,552
	<u>27,552</u>	<u>—</u>	<u>—</u>	<u>27,552</u>

4 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES

	At June 30, 2021	At December 31, 2020
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– Within three months (inclusive)	1,169,127	1,380,066
– Overdue more than three months to one year (inclusive)	766,393	176,483
– Overdue more than one year	295,839	223,628
	<hr/>	<hr/>
Total	2,231,359	1,780,177
	<hr/> <hr/>	<hr/> <hr/>
As a percentage of gross loans and advances		
– Within three months (inclusive)	0.50%	0.65%
– Overdue more than three months to one year (inclusive)	0.33%	0.08%
– Overdue more than one year	0.13%	0.11%
	<hr/>	<hr/>
Total	0.96%	0.84%
	<hr/> <hr/>	<hr/> <hr/>

APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
1	Guiyang	Guiyang Zunyi Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 1/F, No. 1 2/F, No. 1 3/F, Unit AB, Chengshi Fangzhou, No. 25 Zunyi Road, Nanming District, Guiyang, Guizhou Province	550002
2	Guiyang	Guiyang Xiaoshizi sub-branch of Bank of Guizhou Co., Ltd.	Yinzuo Commercial Building, No. 40 Zhongshan East Road, Yunyan District, Guiyang, Guizhou Province	550001
3	Guiyang	Guiyang Ruijin sub-branch of Bank of Guizhou Co., Ltd.	Nos. 2&3 1/F and 14/F, Yuhui Commercial Center, No. 68 Ruijin North Road, Yunyan District, Guiyang, Guizhou Province	550003
4	Guiyang	Guiyang Huaxi sub-branch of Bank of Guizhou Co., Ltd.	Portion of 1/F and the whole of 3/F, No. 3068 Huaxi Avenue, Huaxi District, Guiyang, Guizhou Province	550025
5	Guiyang	Guiyang Yunyan sub-branch of Bank of Guizhou Co., Ltd.	No. 77 Ruijin Middle Road, Guiyang, Guizhou Province	550001
6	Guiyang	Guiyang Nanming sub-branch of Bank of Guizhou Co., Ltd.	Shops 6, 7, 8, 9, 11, Block C, Junyue Huating, No. 19 Xinhua Road, Nanming District, Guiyang, Guizhou Province	550002
7	Guiyang	Guiyang Youyi sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1–7 Youyi Road, Yunyan District, Guiyang, Guizhou Province	550001
8	Guiyang	Guiyang Baoshan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Zhongke Jiayuan annex building (on the side facing Guanshui Road), Institute of Geochemistry Chinese Academy of Sciences, No. 46 Guanshui Road, Nanming District, Guiyang, Guizhou Province	550002
9	Guiyang	Guiyang Fushui Road sub-branch of Bank of Guizhou Co., Ltd.	Annex building of Hengfeng Yipin, No. 31 Fushui South Road, Nanming District, Guiyang, Guizhou Province	550002
10	Guiyang	Guiyang West Road sub-branch of Bank of Guizhou Co., Ltd.	No. 41 Ruijin Middle Road, Yunyan District, Guiyang, Guizhou Province	550001
11	Guiyang	Guiyang Jinyang Keji sub-branch of Bank of Guizhou Co., Ltd.	Building No. 1, Western China (Guiyang) High-tech Production and R&D base, No. 28 Changling South Road, National High-tech Zone, Guiyang, Guizhou Province	550008
12	Guiyang	Guiyang Shijicheng Xingfu Road sub-branch of Bank of Guizhou Co., Ltd.	1–2/F, Units 7–11, Comprehensive Market periphery, Group M, Shijicheng, Guanshanhu District, Guiyang, Guizhou Province	550081
13	Guiyang	Guiyang Zhucheng Plaza sub-branch of Bank of Guizhou Co., Ltd.	Shengzi Building, No. 2 Zunyi Road, Guiyang, Guizhou Province	550002

No.	Region	Name of institution	Address of institution	Postal code
14	Guiyang	Guiyang Xiaohu sub-branch of Bank of Guizhou Co., Ltd.	1/F, Building No. 1, Daxing Commercial Building, No. 418 Huanghe Road, Xiaohu District, Guiyang, Guizhou Province	550009
15	Guiyang	Guiyang Integrated Free Trade Zone sub-branch of Bank of Guizhou Co., Ltd.	1/F, Dongka, No. 299 Zongbao Road, Guiyang Integrated Free Trade Zone, Guiyang, Guizhou Province	550001
16	Guiyang	Guiyang Shixin sub-branch of Bank of Guizhou Co., Ltd.	Shops 15–18, Basement 1, Block 8–12, Phase One, Manpo Xiaoshicheng, Guiyang, Guizhou Province	550001
17	Guiyang	Guiyang Zhongtian Garden sub-branch of Bank of Guizhou Co., Ltd.	No. 14 overhead 1/F, Zhongtian Garden Sports Field, No. 289, south section of Xintian Avenue, Yunyan District, Guiyang, Guizhou Province	550003
18	Guiyang	Guiyang Xinxingyuan sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Basement 3, Block 4, Xinxingyuan, No. 198 North section of Xintian Avenue, Wudang District, Guiyang, Guizhou Province	550018
19	Guiyang	Guiyang Exhibition Center sub-branch of Bank of Guizhou Co., Ltd.	No. 65 Zunyi Road, Nanming District, Guiyang, Guizhou Province	550002
20	Guiyang	Guiyang Guikai Road sub-branch of Bank of Guizhou Co., Ltd.	Commercial units on 1/F & residential units on 11/F, No. 47 Guiwu North Road, Yunyan District, Guiyang, Guizhou Province	550003
21	Guiyang	Guiyang Yunhuan Road Community sub-branch of Bank of Guizhou Co., Ltd.	Nos. F-1–14, F-1–15, F-1–16, F-1–20, F-1–21, F-1–22, F-1–23, Beishang Huacheng Shopping Center, Yunhuan Road, Baiyun District, Guiyang, Guizhou Province	550014
22	Guiyang	Guiyang Shinan Road community sub-branch of Bank of Guizhou Co., Ltd.	No. 11 1/F, No. 69 Shinan Road, Nanming District, Guiyang, Guizhou Province	550002
23	Guiyang	Guiyang Wudang sub-branch of Bank of Guizhou Co., Ltd.	No. 11/F and 2/F, Commodity Building Block 22, No. 22 Xintian Avenue, Wudang District, Guiyang, Guizhou Province	550018
24	Guiyang	Guiyang Jinyang North Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 1–1, 1–2, 1–3, 1–4, No. 6, Guanfu No.1, PowerChina Real Estate, No.378, Jinyang North Road, Guanshanhu District, Guiyang, Guizhou Province	550081
25	Guiyang	Guiyang Zhongdu sub-branch of Bank of Guizhou Co., Ltd.	1/F, Zhongdu Building, No. 149 Zhonghua South Road, Nanming District, Guiyang, Guizhou Province	500002

APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
26	Guiyang	Guiyang Weiqing Road Community sub-branch of Bank of Guizhou Co., Ltd.	No. 16 & 17 1/F, Block A, No. 172 Weiqing Road, Yunyan District, Guiyang, Guizhou Province	550001
27	Guiyang	Guiyang Zhongtie Yidu Community sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1, 2, 19, 20, 1/F, Unit 8, Block DS-6, 8, 10, 12, 14, Group D, Zhongtie Yidu International, No. 300 Shilin Road, Guanshanhu District, Guiyang, Guizhou Province	550081
28	Guiyang	Guiyang Beijing West Road Community sub-branch of Bank of Guizhou Co., Ltd.	No. 24 Basement 1, E Yuan, Shijicheng, Beijing West Road, Jinyang New District, Guiyang, Guizhou Province	550009
29	Guiyang	Guiyang Huizhan City sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block D1, SOHO Area, Jinyang International Convention and Exhibition Center, Guanshanhu District, Guiyang, Guizhou Province	550009
30	Guiyang	Guiyang Xifeng sub-branch of Bank of Guizhou Co., Ltd.	No. 1-11/F, Block 1, Kunlun Building, Hucheng Avenue, Yongjing Town, Xifeng County, Guiyang, Guizhou Province	551100
31	Guiyang	Guiyang Liyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, 601 Complex Building, Guiyang Liyang Aero Engine Co., Ltd., Baiyun District, Guiyang, Guizhou Province	550014
32	Guiyang	Kaiyang sub-branch of Bank of Guizhou Co., Ltd.	1/F, No. 395 Kaizhou Avenue, Kaiyang County, Guiyang, Guizhou Province	550300
33	Guiyang	Xiuwen sub-branch of Bank of Guizhou Co., Ltd.	1/F, Unit 1, Block 1, Chaoyang Road, Xiuwen County, Guiyang, Guizhou Province	550200
34	Guiyang	Guiyang Qingzhen sub-branch of Bank of Guizhou Co., Ltd.	1/F, high-rise residence Block A, Hongshu Dongfang, Yunling East Road, Qingzhen City, Guiyang, Guizhou Province	551400
35	Guiyang	Gui'an New Area sub-branch of Bank of Guizhou Co., Ltd.	Temporary financial services area in the new district near Baima Road, Gui'an New Area, Guizhou Province	550003
36	Guiyang	Guiyang Huaguoyuan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1005A & 1005B, phase one, Huaguoyuan Project, Zhongshan South Road, Guiyang, Guizhou Province	550002
37	Guiyang	Guiyang Shuanglong Air Harbor sub-branch of Bank of Guizhou Co., Ltd.	Commercial units with street frontage in A section, phase one, Taisheng International Air Harbor Wealth Plaza, No. 9 Airport Road, Shuanglong Air Harbor Economic Zone, Guiyang, Guizhou Province	550005

No.	Region	Name of institution	Address of institution	Postal code
38	Guiyang	Gui'an University Town sub-branch of Bank of Guizhou Co., Ltd.	Block A4, Shuangchuang Park of University Town, Guizhou Light Industry Technical College, Huaxi University Town, Gui'an New Area, Guizhou Province	550025
39	Guiyang	Guiyang Shibe Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Shibe Road, Yunyan District, Guiyang, Guizhou Province	550003
40	Guiyang	Guiyang Beijing Road sub-branch of Bank of Guizhou Co., Ltd.	No. 9 Beijing Road, Yunyan District, Guiyang, Guizhou Province	550001
41	Guiyang	Guiyang Baiyun sub-branch of Bank of Guizhou Co., Ltd.	Nos. 2&3, 1/F, No. 65 Zhonghuan Road, Baiyun District, Guiyang, Guizhou Province	550014
42	Guiyang	Guiyang Lanhua Plaza sub-branch of Bank of Guizhou Co., Ltd.	Shops S113, S114, S115, S116, Block 4, J Section, Huaguoyuan, Nanming District, Guiyang, Guizhou Province	550002
43	Guiyang	Guiyang Weilai Fangzhou sub-branch of Bank of Guizhou Co., Ltd.	Nos. 16–18 Basement 7, Group E4, Weilai Fangzhou, Yu'an Anjin Area, Yunyan District, Guiyang, Guizhou Province	550001
44	Guiyang	Guiyang Zhujiang Road sub-branch of Bank of Guizhou Co., Ltd.	Room 7&8 1/F, Block 14, Wanke Daduhui, No. 368 Zhujiang Road, Huaxi District, Guiyang, Guizhou Province	550009
45	Guiyang	Guiyang Beijing West Road sub-branch of Bank of Guizhou Co., Ltd.	Around the corner on 1/F, Building No. 5, Longquan Resettlement Community, intersection between Beijing West Road and Jinyuan Street, Guanshanhu District, Guiyang, Guizhou Province	550081
46	Guiyang	Guiyang Daqing Road sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 5, 1/F, No. 17 Meishu Yangguang Community, No. 288 Daqing Road, Nanming District, Guiyang, Guizhou Province	550007
47	Guiyang	Guiyang Huansha Road sub-branch of Bank of Guizhou Co., Ltd.	1/F of attached building, No. 157 Huansha Road, Yunyan District, Guiyang, Guizhou Province	550001
48	Guiyang	Guiyang Xiaochehe Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 103 & 104, 1/F, Block 2, R2 Section, Xiaochehe Road, Huaguoyuan, Nanming District, Guiyang, Guizhou Province	550003
49	Guiyang	Guiyang Dongshan Road sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1–23, Block 1–4, Group Nine & Ten, Zhongtian Shiji New Town, No. 198 Dongshan Road, Yunyan District, Guiyang, Guizhou Province	550001
50	Guiyang	Guiyang Huaxi Avenue sub-branch of Bank of Guizhou Co., Ltd.	No. 3078, Qingxi Road, Huaxi District, Guiyang, Guizhou Province	550025

APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
51	Guiyang	Guiyang Zhongshan West Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 affiliated to No. 23 1/F, Huayi Building, No. 77 Zhongshan West Road, Nanming District, Guiyang, Guizhou Province	500001
52	Guiyang	Guiyang Yanwu Street sub-branch of Bank of Guizhou Co., Ltd.	No. 35 Yanwu Street, Yunyan District, Guiyang, Guizhou Province	550001
53	Guiyang	Guiyang Huguo Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Basement 1, Shangri-La Building, No. 82 Huguo Road, Nanming District, Guiyang, Guizhou Province	550002
54	Guiyang	Guiyang Youlin Road sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Basement 1, Group G4, Weilai Fangzhou, Yu'an Anjin Area, Yunyan District, Guiyang, Guizhou Province	550003
55	Guiyang	Qingzhen Yunling Middle Road sub-branch of Bank of Guizhou Co., Ltd.	No.91 Yunling Middle Road, Qingzhen City, Guizhou Province	551400
56	Guiyang	Guiyang Shachong North Road sub-branch of Bank of Guizhou Co., Ltd.	No. 2, 1/F, Block I, J, K, G, California Sunshine New Town, 145 Shachong North Road, Guiyang, Guizhou Province	550001
57	Zunyi	Zunyi branch Business Department of Bank of Guizhou Co., Ltd.	Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province	563000
58	Zunyi	Zunyi Hangtian sub-branch of Bank of Guizhou Co., Ltd.	No. 36 Beijing Road, Honghuagang District, Zunyi, Guizhou Province	563000
59	Zunyi	Zunyi Waihuan Road sub-branch of Bank of Guizhou Co., Ltd.	Unit 4, 1/F, Block Caiyunjian, Dasenxin Town, Waihuan Road, Honghuagang District, Zunyi, Guizhou Province	563000
60	Zunyi	Zunyi Nangongshan sub-branch of Bank of Guizhou Co., Ltd.	Units 004, 005 & 006, 1/F, Block 5, Zone B, Xinxueyu Southwestern Agricultural Products Trading Center, Zunyi Xiangjiang Industry Zone, Nanguan Street Office, Honghuagang District, Zunyi, Guizhou Province	563000
61	Zunyi	Meitan County sub-branch of Bank of Guizhou Co., Ltd.	Shops 3, 4, 5, 6, 7 & 8, Old Town (Shanty Town) Alternation Project, Former Industry and Commerce Bureau Area, Meitan County, Zunyi, Guizhou Province	564100

No.	Region	Name of institution	Address of institution	Postal code
62	Zunyi	Zunyi Huichuan sub-branch of Bank of Guizhou Co., Ltd.	Haixin Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province	563000
63	Zunyi	Zunyi Hong Kong Road sub-branch of Bank of Guizhou Co., Ltd.	Baoli Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province	563000
64	Zunyi	Zunyi Jinshan sub-branch of Bank of Guizhou Co., Ltd.	Shops 17-18, 1/F, East Section of Guangzhou Road, Huichuan District, Zunyi, Guizhou Province	563000
65	Zunyi	Zunyi Nanjing Road sub-branch of Bank of Guizhou Co., Ltd.	1/F, Office Building, Land and Resources Branch, Zunyi Economic-Technological Development Area, Junction of Nanjing Road and Ningbo Road, Huichuan District, Zunyi, Guizhou Province	563000
66	Zunyi	Zunyi Zhongnan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 84-88 Zhonghua South Road, Honghuagang District, Zunyi, Guizhou Province	563000
67	Zunyi	Zunyi Xinhua sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54-56 Xinhua Road, Honghuagang District, Zunyi, Guizhou Province	563000
68	Zunyi	Zunyi Tianyu sub-branch of Bank of Guizhou Co., Ltd.	Commercial Units 1, 2 & 3, 1/F, Block A, Jingteng Construction Materials Market, Waihuan Road, Honghuagang District, Zunyi, Guizhou Province	563000
69	Zunyi	Zunyi Donggongsi sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-1, Block 1, Feiyang Tiandi, Huichuan Avenue, Zunyi, Guizhou Province (Huichuan District Governmental Office)	563000
70	Zunyi	Zunyi Zhongbei sub-branch of Bank of Guizhou Co., Ltd.	Shops 6, 7, 8 & 9, 1/F, Family Dormitory Building, Dongjiu Factory, Zhonghua North Road, Honghuagang District, Zunyi, Guizhou Province	563000
71	Zunyi	Zunyi Shanghai Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 7 & 8, 1/F, Block B, Phase II of Longquan Changqingting Garden, Shanghai Road, Huichuan District, Zunyi, Guizhou Province	563000
72	Zunyi	Zunyi Court Street sub-branch of Bank of Guizhou Co., Ltd.	Shops B11, B12, B13 & B14, 1/F, Zone B, Longhua Laocheng New Street, Honghuagang District, Zunyi, Guizhou Province	563000

APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
73	Zunyi	Zunyi Xima Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, Block B, Meilunhuaxiang, Xima Road, Zunyi, Guizhou Province	563000
74	Zunyi	Zunyi Honghuagang sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Haier Avenue, Honghuagang District, Zunyi, Guizhou Province	563000
75	Zunyi	Zunyi Nanzhou Road sub-branch of Bank of Guizhou Co., Ltd.	No. 270 Nanzhou Road, Honghuagang District, Zunyi, Guizhou Province	563000
76	Zunyi	Zunyi Haier Avenue sub-branch of Bank of Guizhou Co., Ltd.	2-1 Yongcheng Building, Yongshengting Ruiyuan, Haier Avenue, Honghuagang District, Zunyi, Guizhou Province	563000
77	Zunyi	Zunyi Lanjiabao sub-branch of Bank of Guizhou Co., Ltd.	Shops 8-9, Block 18, Lanjiabao Community, Honghuagang District, Zunyi, Guizhou Province	563000
78	Zunyi	Zunyi Yinghong Bridge sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-392, 1/F, Phase I Podium, Zone A, Zhongtian Wanli Xiangjiang, Wanli Road, Honghuagang District, Zunyi, Guizhou Province	563000
79	Zunyi	Zunyi Bozhou sub-branch of Bank of Guizhou Co., Ltd.	Unit 1-10, 1/F, Block 5, Modern Town Square, Avenue South Section, Bozhou District, Zunyi, Guizhou Province	563100
80	Zunyi	Zunyi Goujiang sub-branch of Bank of Guizhou Co., Ltd.	Junction of Dongnan Avenue and Goujiang Avenue, Goujiang Town, Bozhou District, Zunyi, Guizhou Province	563100
81	Zunyi	Zunyi Majiawan sub-branch of Bank of Guizhou Co., Ltd.	No. 262 Tianchi Avenue, Longkeng Street, Bozhou District, Zunyi, Guizhou Province	563100
82	Zunyi	Renhuai City sub-branch of Bank of Guizhou Co., Ltd.	Commercial & Administrative Complex, Jiudu Xinjing Town Garden, east side of Guojiu Avenue, Jiudu New District, Renhuai, Zunyi, Guizhou Province	564500
83	Zunyi	Renhuai Guojiu Road sub-branch of Bank of Guizhou Co., Ltd.	No. 6-7 Guojiu Middle Road, Renhuai, Zunyi, Guizhou Province	564500
84	Zunyi	Renhuai Maotai sub-branch of Bank of Guizhou Co., Ltd.	Shop 122, Maotai Lobby Commercial Square, South of 1915 Square, Maotai Town, Renhuai City, Zunyi City, Guizhou Province	564500

No.	Region	Name of institution	Address of institution	Postal code
85	Zunyi	Renhuai City Zhongshu sub-branch of Bank of Guizhou Co., Ltd.	Units 5–8, Block 1, west side of Guojiu South Road, Zhongshu Town Street Office, Renhuai, Zunyi, Guizhou Province	564500
86	Zunyi	Chishui City sub-branch of Bank of Guizhou Co., Ltd.	Shop 8, Jinwei Jiezu, Xiangyang Road, Chishui, Zunyi, Guizhou Province	564700
87	Zunyi	Tongzi County sub-branch of Bank of Guizhou Co., Ltd.	Block 4, Zone 11, Wenbi Road, Loushanguan Town, Tongzi County, Zunyi, Guizhou Province	563200
88	Zunyi	Tongzi County Loushan sub-branch of Bank of Guizhou Co., Ltd.	Shops 40, 41 & 42, Central Commercial Town, Shiji Xincheng, South Section of Dongqing Road, Tongzi County, Zunyi, Guizhou Province	563200
89	Zunyi	Xishui County sub-branch of Bank of Guizhou Co., Ltd.	Units 1–13, 1/F, "Huijing Xincheng • Wealth Square", Cross of Ruijin Road and Zunyi Road, Xiancheng West Area, Xishui County, Zunyi, Guizhou Province	564600
90	Zunyi	Yuqing sub-branch of Bank of Guizhou Co., Ltd.	Xinglong Road, Baini Town, Yuqing County, Zunyi, Guizhou Province	564400
91	Zunyi	Fenggang sub-branch of Bank of Guizhou Co., Ltd.	Xinggangwan Community, Longquan Town, Fenggang County, Zunyi, Guizhou Province	564200
92	Zunyi	Zheng'an sub-branch of Bank of Guizhou Co., Ltd.	Nos. B-11, B-12 & B-13, Shizishan Relocation Community, Shiji Fuyuan, Tongdu Avenue, Chengdong Area, Fengyi Town, Zheng'an County, Zunyi, Guizhou Province	563400
93	Zunyi	Zunyi Shenyang Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 17#, 18# & 19#, Block 60, Tianyang Community, Shenyang Road, Huichuan District, Zunyi, Guizhou Province	563000
94	Zunyi	Chishui Hongjun Avenue sub-branch of Bank of Guizhou Co., Ltd.	Units 1–9, 1–10 & 1–11, Mingyi Building, "Junhao Town Garden", Hongjun Avenue, Chishui, Zunyi, Guizhou Province	564700
95	Zunyi	Zunyi Nanbai sub-branch of Bank of Guizhou Co., Ltd.	Shop 2, Block 8, Zone B, Yangguang Garden, Bozhou District, Zunyi, Guizhou Province	563100



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
96	Zunyi	Wuchuan sub-branch of Bank of Guizhou Co., Ltd.	Shops 2-1-8, 2-1-9 & 2-1-10, 1/F, Block 2, Wuxing Xingang, Dongsheng Avenue, Yangcun Village, Duru Town, Wuchuan Mulao and Miao Autonomous County, Zunyi, Guizhou Province	564300
97	Zunyi	Daozhen sub-branch of Bank of Guizhou Co., Ltd.	Basement 1, Block 1, Linda Yangguang Jiayuan, Zunyi Road, Yuxi Town, Daozhen Mulao and Miao Autonomous County, Zunyi, Guizhou Province	563500
98	Zunyi	Suiyang sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-1, 1-2, 1-3, 1-4, 1-15, 1-16, 1-17 & 1-18, Zone K, Group II Project, Phase I of "Luyuan Town Square" Binhe 1st Road, Yangchuan Town, Suiyang County, Zunyi, Guizhou Province	563300
99	Zunyi	Zunyi Xiazi sub-branch of Bank of Guizhou Co., Ltd.	South side of 1/F, Block 5#, R&D Zone, Xinpu Economic Development Area, Xiazi Town, Honghuagang District, Zunyi, Guizhou Province	563000
100	Zunyi	Xishui County Fuxi Road sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guifu Haoyuan, Fuxi Road, Xishui County, Zunyi, Guizhou Province	564600
101	Zunyi	Zunyi Hexing Avenue sub-branch of Bank of Guizhou Co., Ltd.	Shops B33-1-70 & B33-2-54, Zhongjian • Happiness Town, west side of Hexing Avenue, Xinpu New District, Zunyi, Guizhou Province	563000
102	Zunyi	Zunyi Dongxin Avenue sub-branch of Bank of Guizhou Co., Ltd.	Commercial Units 2-11, -2-12 & -2-13, Block D49.50, Zone 4, Group D, Dongxin Caihong Town, Dongxin Avenue, Honghuagang District, Zunyi, Guizhou Province	563000
103	Zunyi	Meitan County Zunyihong Road sub-branch of Bank of Guizhou Co., Ltd.	Units 2-2-14, 2-2-15 & 2-2-16, 2/F, Block 2, Meijiang Haoyuan (Podium), Zunyihong Road, Meijiang Town, Meitan County, Zunyi, Guizhou Province	564100

No.	Region	Name of institution	Address of institution	Postal code
104	Zunyi	Zunyi Biyun sub-branch of Bank of Guizhou Co., Ltd.	Shops 2–3, Housing Office Alternation, Chengdu Military Region, No. 01–1-08 Biyun Road, Honghuagang District, Zunyi, Guizhou Province	563000
105	Zunyi	Zunyi Xinpu sub-branch of Bank of Guizhou Co., Ltd.	No. 1–2, Building 1, Linda Yangguang New Town, Xinpu New District, Bozhou Avenue, Xinpu New City, Zunyi, Guizhou Province	563100
106	Anshun	Anshun Xihang Road sub-branch of Bank of Guizhou Co., Ltd.	No. 136, Xihang Road, Economic and Technological Development Zone, Anshun, Guizhou Province	561000
107	Anshun	Pingba sub-branch of Bank of Guizhou Co., Ltd.	Zhongshan Building, Zhongshan Road, Pingba District, Anshun, Guizhou Province	561100
108	Anshun	Puding County sub-branch of Bank of Guizhou Co., Ltd.	No.116, Guangming Road, Chengguan Town, Puding County, Anshun, Guizhou Province	562100
109	Anshun	Zhenning County sub-branch of Bank of Guizhou Co., Ltd.	Shops 24–31, 1/F, “Longcheng Impression”, south side of Yanhe Road, Zhenning County, Anshun, Guizhou Province	561200
110	Anshun	Guanling County sub-branch of Bank of Guizhou Co., Ltd.	Block U, Yincheng Xinyuan, Guansuo Town, Guanling County, Guizhou Province	561300
111	Anshun	Anshun Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Tashan East Road, Xixiu District, Anshun, Guizhou Province	561000
112	Anshun	Anshun Dongguan sub-branch of Bank of Guizhou Co., Ltd.	Dongsheng Xingyuan at intersection of Ruofei East Road and Jianshe Road, Anshun, Guizhou Province	561000
113	Anshun	Anshun Tuobao Mountain sub-branch of Bank of Guizhou Co., Ltd.	Xixiu District Government Financial Center, Tuobao Mountain, Huangguoshu Street, Xixiu District, Anshun	561000
114	Anshun	Anshun Xiaoshizi sub-branch of Bank of Guizhou Co., Ltd.	Shops 1–4&1–5, Block 1-B, Xichun Garden, Zhonghua North Road, Anshun	561000
115	Anshun	Anshun Gufu Street sub-branch of Bank of Guizhou Co., Ltd.	Shops 14&15, Block 5, Tushu Road, Anshun, Guizhou Province	561000



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
116	Anshun	Anshun Fenghuangshan sub-branch of Bank of Guizhou Co., Ltd.	Nos. 54, 55, 56, 57, "Longfeng Chengxiang" Basement 2, Longquan Road, Anshun, Guizhou Province	561000
117	Anshun	Anshun Longqing Road sub-branch of Bank of Guizhou Co., Ltd.	Nos. 1-9&1-10, Yincheng Dijing, Longqing Road, Xixiu District, Anshun, Guizhou Province	561000
118	Anshun	Anshun Development Zone sub-branch of Bank of Guizhou Co., Ltd.	Basement 3-2, Block A3, Jiangshan Garden (Panshan Longting) on Jianyanpo, west side of North 2nd Ring Road, Anshun, Guizhou Province	561000
119	Anshun	Anshun Xixiu sub-branch of Bank of Guizhou Co., Ltd.	Office Building No. 1, No. 64 Zhonghua South Road, Anshun, Guizhou Province	561000
120	Anshun	Anshun Nanhua sub-branch of Bank of Guizhou Co., Ltd.	Block A, Shun'an Shiji New Town, Nanhua Road, Anshun, Guizhou Province	561000
121	Anshun	Anshun Jian'an sub-branch of Bank of Guizhou Co., Ltd.	Block 1, Plot 3, Group three, phase two, Dongguan Economically Affordable Housing Community, Zhonghua East Road, Xixiu District, Anshun, Guizhou Province	561000
122	Anshun	Anshun Qianzhong sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-8, 1-9, 1-10, Cuilu Jincheng, Anshun, Guizhou Province	561000
123	Anshun	Anshun Wumiao sub-branch of Bank of Guizhou Co., Ltd.	Shops 0-2, Guozhao Community, Ruofei North Road, Anshun, Guizhou Province	561000
124	Anshun	Ziyun sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 101, 1/F, Block C, Hongtai Trade Mart, middle section of Getu Avenue, Ziyun County	560800
125	Anshun	Huangguoshu New City sub-branch of Bank of Guizhou Co., Ltd.	No. 1, 1/F, Suofei'er Hotel, Huangguoshu New City, Guanling County, Guizhou Province	561200
126	Anshun	Anshun Ruofei sub-branch of Bank of Guizhou Co., Ltd.	New Administrative Center of the Municipal Government on intersection of Wudang Road and North 2nd Ring Road, Anshun	561000
127	Anshun	Anshun sub-branch of Bank of Guizhou Co., Ltd.	1-5/F, Block B, Yinxiang Anshun Wealth Center, Huangguoshu Street, Xixiu District, Anshun, Guizhou Province	561000
128	Qiannan	Duyun Jianjiang sub-branch of Bank of Guizhou Co., Ltd.	Shops B4-B7, 1/F, Block B, Gangwan Lidu, Longshan Avenue, Duyun, Qiannan Prefecture, Guizhou Province	558000

No.	Region	Name of institution	Address of institution	Postal code
129	Qiannan	Longli sub-branch of Bank of Guizhou Co., Ltd.	Shop 1 Basement 2 & Shop 2 Basement 2, Block A & Block B, Laiyinbao Community, Jinlong West Road, Guanshan Street, Longli County, Qiannan Prefecture, Guizhou Province	551200
130	Qiannan	Fuquan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, 6#, Block 4, Zhongxincheng • Tianjie, Chaoyang Road, Fuquan, Qiannan Prefecture, Guizhou Province	550500
131	Qiannan	Guiding sub-branch of Bank of Guizhou Co., Ltd.	No. 71 Hongqi Road, Guiding County, Qiannan Prefecture, Guizhou Province	551300
132	Qiannan	Weng'an sub-branch of Bank of Guizhou Co., Ltd.	Block 1, Zone B, Lvcheng Central Park, Hexi New District, Yongyang Town, Weng'an County, Qiannan Prefecture, Guizhou Province	550400
133	Qiannan	Qiannan branch of Bank of Guizhou Co., Ltd.	Huaxin Building, No. 62 Jianjiang Middle Road, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province	558000
134	Qiannan	Huishui sub-branch of Bank of Guizhou Co., Ltd.	Shops 1–4, 1/F, Block 8, Bouyei Water Village • Huanle Island, Lianjian North Road, Lianjiang Community, Huishui County, Qiannan Prefecture, Guizhou Province	550600
135	Qiannan	Duyun Economic Development Area sub-branch of Bank of Guizhou Co., Ltd.	Units 2–10, 11 & 12, 1/F, Block B, Yundu Guoji, Duyun Economic Development Area, Qiannan Prefecture, Guizhou Province	558000
136	Qiannan	Changshun sub-branch of Bank of Guizhou Co., Ltd.	Units 2, 3 & 4, 1/F, Block 2, Xinhe Building, Chengnan Avenue, Chengnan New District, Changshun County, Qiannan Prefecture, Guizhou Province	550700
137	Qiannan	Sandu sub-branch of Bank of Guizhou Co., Ltd.	Units 1 & 2, 1/F, Commercial Building, 68 Fudi, Zhonghua Road, Sanhe Town, Sandu County, Qiannan Prefecture, Guizhou Province	558100
138	Qiannan	Pingtang sub-branch of Bank of Guizhou Co., Ltd.	Shops 22–25, 1/F & Shops 21–22, 2/F, Podiums 3 & 4, Central Street Community, Pingtang County, Qiannan Prefecture, Guizhou Province	558300
139	Qiannan	Dushan sub-branch of Bank of Guizhou Co., Ltd.	Unit 11, 1/F, Fuzun Huating Commerce, Zhongnan Road, Dushan County, Qiannan Prefecture, Guizhou Province	558200

APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
140	Qiannan	Luodian sub-branch of Bank of Guizhou Co., Ltd.	Units 4–9, 1/F, Commercial Building 2, Anbang Huacheng, Chengdong New District, Longping Town, Luodian County, Qiannan Prefecture, Guizhou Province	550100
141	Qiannan	Libo sub-branch of Bank of Guizhou Co., Ltd.	Units 101 & 102, No. 4 Zhangjiang East Road, Yuping Town, Libo County, Qiannan Prefecture, Guizhou Province	558400
142	Qiannan	Duyun Dalong sub-branch of Bank of Guizhou Co., Ltd.	Shops 5–7 & 18–19, 1/F, Block 8, Yudufu, Dalong Avenue, Duyun, Qiannan Prefecture, Guizhou Province	558000
143	Qiannan	Weng'an Middle Street sub-branch of Bank of Guizhou Co., Ltd.	Units 1–8 & 9, Block 7, Wenfeng Middle Road, Wengshui Huazhu Community, Weng'an County, Qiannan Prefecture, Guizhou Province	550400
144	Qiannan	Duyun Shidai sub-branch of Bank of Guizhou Co., Ltd.	1/F, Times Square, No. 66 Jianjiang Middle Road, Duyun, Qiannan Prefecture, Guizhou Province	558000
145	Qiandongnan	Kaili Ningbo Road sub-branch of Bank of Guizhou Co., Ltd.	Shops 1 & 2, Block B1, Xinding Guoji Mingju, No. 33 Ningbo Road, Kaili, Guizhou Province	556000
146	Qiandongnan	Kaili Dashizi sub-branch of Bank of Guizhou Co., Ltd.	No. 11, Beijing East Road, Kaili City, Guizhou Province	556000
147	Qiandongnan	Rongjiang sub-branch of Bank of Guizhou Co., Ltd.	Huilong Commercial Square, No. 9–1 Dongbingjiang Avenue, Rongjiang County, Guizhou Province	557299
148	Qiandongnan	Danzhai sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Cultural, Sports, Broadcast, Television & Tourism Bureau Building, east side of middle section of Longquan Avenue, Danzhai County, Guizhou Province	557500
149	Qiandongnan	Jianhe sub-branch of Bank of Guizhou Co., Ltd.	No. 3 Yang'ashadong Avenue, Gedong Town, Jianhe County, Guizhou Province	556499
150	Qiandongnan	Tianzhu sub-branch of Bank of Guizhou Co., Ltd.	Old Office Building, Land Tax Bureau, Commercial Zone II Road, Fengcheng Town, Tianzhu County, Guizhou Province	556699
151	Qiandongnan	Kaili Century Town sub-branch of Bank of Guizhou Co., Ltd.	Shops 9 & 10, 1/F, Century Town, No. 22 Wenhua North Road, Kaili, Guizhou Province	556000
152	Qiandongnan	Qiandongnan branch of Bank of Guizhou Co., Ltd.	1/F-3/F, Fengqiu Xintiandi, Yingbin Avenue, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province	556000
153	Qiandongnan	Huangping sub-branch of Bank of Guizhou Co., Ltd.	No. 2 Feiyun Road, Xinzhou Town, Huangping County, Guizhou Province	556100

No.	Region	Name of institution	Address of institution	Postal code
154	Qiandongnan	Taijiang sub-branch of Bank of Guizhou Co., Ltd.	No. 8 Miaojiang East Avenue, Taigong Town, Taijiang County, Guizhou Province	556300
155	Qiandongnan	Liping sub-branch of Bank of Guizhou Co., Ltd.	Shops 12–15 and portion of 2/F, Block 8, Li'nan Jiayuan, Wukai South Road, Defeng Town, Liping County, Guizhou Province	557300
156	Qiandongnan	Zhenyuan sub-branch of Bank of Guizhou Co., Ltd.	Former Hardware Factory's Dormitory, Lianhe Street, Wuyang Town, Zhenyuan County, Guizhou Province	557700
157	Qiandongnan	Sansui sub-branch of Bank of Guizhou Co., Ltd.	Shops 1–3 and portion of 3/F, Jinxiu Qiancheng, Fuzheng West Road, Bagong Town, Sanshui County, Guizhou Province	556599
158	Qiandongnan	Congjiang sub-branch of Bank of Guizhou Co., Ltd.	Block 1 & Block 2, Trade Town, Jian'an Road, Bingmei Town, Congjiang County, Guizhou Province	557499
159	Qiandongnan	Leishan sub-branch of Bank of Guizhou Co., Ltd.	No. 115 Leigongshan Avenue, Danjiang Town, Leishan County, Guizhou Province	557199
160	Qiandongnan	Majiang sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Land and Resources Bureau Building, Fenghuang Avenue, Xingshan Town, Majiang County, Guizhou Province	557699
161	Qiandongnan	Jinping sub-branch of Bank of Guizhou Co., Ltd.	Shops 13–18, State-owned company settlement building, north side of Binjiang Avenue, Sanjiang Town, Jinping County, Guizhou Province	556700
162	Qiandongnan	Cengong sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, south side of Waihuan West Road (Yukai Express Exit- Dayuan Road Link), Cengong County, Guizhou Province	557801
163	Qiandongnan	Shibing sub-branch of Bank of Guizhou Co., Ltd.	1/F, Office Building, Water Resources Bureau, Zhongsha Avenue, Chengguan Town, Shibing County, Guizhou Province	556299
164	Qiandongnan	Kaili Weilaicheng sub-branch of Bank of Guizhou Co., Ltd.	Shops 90, 92–97, 101, 1/F, North Zone of the Commercial Plaza, Jiahe Shengshi Phase Two, No. 140, Kaimian Road, Kaili, Guizhou Province	556000

APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
165	Tongren	Tongren branch of Bank of Guizhou Co., Ltd.	No. 256 Jinlin Avenue, Wanshan District, Tongren, Guizhou Province	554300
166	Tongren	Dejiang sub-branch of Bank of Guizhou Co., Ltd.	No. 4 Wujiang North Road, Qinglong Street, Dejiang County, Tongren, Guizhou Province	565200
167	Tongren	Songtao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Block 1, Zone C, Bingjiang Garden, Qixing Avenue, Liaogao Street Office, Songtao Miao Autonomous County, Tongren, Guizhou Province	554100
168	Tongren	Tongren Dashizi sub-branch of Bank of Guizhou Co., Ltd.	Unit 101-3, Fulin Building, Jiefang Road, Bijiang District, Tongren, Guizhou Province	554300
169	Tongren	Tongren Train Station sub-branch of Bank of Guizhou Co., Ltd.	7#, Planned Zone D, Railway Station Square, Bijiang District, Tongren, Guizhou Province	554300
170	Tongren	Yuping sub-branch of Bank of Guizhou Co., Ltd.	1/F, Yuanda Caizhi Center, Yuping, Maoping New District, Yuping Dong Autonomous County, Tongren, Guizhou Province	554000
171	Tongren	Yanhe sub-branch of Bank of Guizhou Co., Ltd.	Tuanjie Avenue, Development Area, Yanhe Tujia Autonomous County, Tongren, Guizhou Province (Opposite to County SAT Bureau)	565300
172	Tongren	Si'nan sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Water Resources Bureau Office Building, Guizhou Xinyue Group Shengshi Haoting, Chengbei Street, Si'nan County, Tongren, Guizhou Province	565100
173	Tongren	Yinjiang sub-branch of Bank of Guizhou Co., Ltd.	Xiyuan Road, Eling Town, Yinjiang Tujia and Miao Autonomous County, Tongren, Guizhou Province (1/F, Commercial & Residential Building, Duowei Guoji)	555200
174	Tongren	Tongren Jinjiang sub-branch of Bank of Guizhou Co., Ltd.	Ancillary Building, Jinjiang Hotel, No. 8 Jinjiang South Road, Tongren, Guizhou Province	554300
175	Tongren	Jiangkou sub-branch of Bank of Guizhou Co., Ltd.	Foguang Road, Shuangjiang Street Office, Jiangkou County, Tongren, Guizhou Province	554400
176	Tongren	Shiqian sub-branch of Bank of Guizhou Co., Ltd.	1/F, Guoji Minghao, Fodingshan South Road, Wenbi Community, Quandu Street Office, Shiqian County, Tongren, Guizhou Province	555100

No.	Region	Name of institution	Address of institution	Postal code
177	Tongren	Tongren Bijiang sub-branch of Bank of Guizhou Co., Ltd.	Unit 3, 1/F, Block B, Bandao Haoyuan, No. 19 Nanchangcheng Road, Bijiang District, Tongren, Guizhou Province	554300
178	Bijie	Bijie Dujuan sub-branch of Bank of Guizhou Co., Ltd.	No. 2, 1/F, Block A, Shangcheng International, Biyang Avenue, Qixingguang District, Bijie, Guizhou Province	551700
179	Bijie	Jinsha sub-branch of Bank of Guizhou Co., Ltd.	Block F0026, Zone B, Kaiming Tongxin City, Yuping Community, Guchang Street,, Jinsha County, Bijie, Guizhou Province	551800
180	Bijie	Zhijin sub-branch of Bank of Guizhou Co., Ltd.	Zijin Huafu, No. 2 Jinan Road, Chengguan Town, Zhijin County, Bijie, Guizhou Province	552100
181	Bijie	Qianxi sub-branch of Bank of Guizhou Co., Ltd.	Fulin International, Wenhua Road, Qianxi County, Bijie, Guizhou Province	551500
182	Bijie	Weining sub-branch of Bank of Guizhou Co., Ltd.	Building No. 1, Yangguang 100 International New City, Binhai Avenue, Weining County, Bijie, Guizhou Province	553100
183	Bijie	Bijie branch of Bank of Guizhou Co., Ltd.	Block A, Jinyuanda Time Square, Baili Dujuan Road, Qixingguang District, Bijie, Guizhou Province	551700
184	Bijie	Nayong sub-branch of Bank of Guizhou Co., Ltd.	1/F Yonghuafu, Jingsi Road, Yongxi Town, Nayong County, Bijie, Guizhou Province	553300
185	Bijie	Dafang sub-branch of Bank of Guizhou Co., Ltd.	1/F, Dongfang Hotel, west side of middle section of Shexiang Avenue, Dafang County, Bijie, Guizhou Province	551600
186	Bijie	Hezhang sub-branch of Bank of Guizhou Co., Ltd.	Longquan Road, Chengguan Town, Hezhang County, Bijie, Guizhou Province	553200
187	Bijie	Bijie Jinhaihu New District sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 1, Jinhai Xinyuan, Jinhaihu New District, Bijie, Guizhou Province	551700
188	Bijie	Bijie Hongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F, Hongshan Wealth International, No. 5 Hongshan Road, Qixingguang District, Bijie, Guizhou Province	551700

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No.	Region	Name of institution	Address of institution	Postal code
189	Bijie	Weining Liuqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Jinse Yangguang Building, west side of Renmin North Road, Liuqiao Street, Weining County, Bijie, Guizhou Province	553100
190	Bijie	Bijie Tianhe sub-branch of Bank of Guizhou Co., Ltd.	1/F Block 9, Tianhe Farmer's Market, Tianhe Road, Qixinguan District, Bijie, Guizhou Province	551700
191	Bijie	Baili Dujian sub-branch of Bank of Guizhou Co., Ltd.	1/F, Building No. 23, Pengcheng Community, Pudi Township, Dafang County, Bijie, Guizhou Province	551600
192	Bijie	Jinsha Zhonghua sub-branch of Bank of Guizhou Co., Ltd.	No. 157 Zhonghua Road, Guchang Street, Jinsha County, Bijie, Guizhou Province	551800
193	Liupanshui	Liupanshui branch of Bank of Guizhou Co., Ltd.	Baolong International Building, No.36 Zhongshan West Road, Liupanshui, Guizhou Province	553000
194	Liupanshui	Liupanshui Liangdu sub-branch of Bank of Guizhou Co., Ltd.	No. 37, Zhongshan West Road, Liupanshui, Guizhou Province	553000
195	Liupanshui	Liupanshui Qunli sub-branch of Bank of Guizhou Co., Ltd.	Shops 1-1 & 1-2, Block A, Jiusheng Building, east side of Guangchang Road, Liupanshui, Guizhou Province	553000
196	Liupanshui	Liupanshui Jinxing sub-branch of Bank of Guizhou Co., Ltd.	Nos. 8, 9, 10 affiliated to No. 14, Renmin Middle Road, Liupanshui, Guizhou Province	553000
197	Liupanshui	Liupanshui Yinxing sub-branch of Bank of Guizhou Co., Ltd.	Room 103 affiliated to No. 25, Zhongshan Middle Road, Liupanshui, Guizhou Province	553000
198	Liupanshui	Liuzhite District sub-branch of Bank of Guizhou Co., Ltd.	A-08 & A-09, 1/F Gongkuang Building, No. 22 Renmin Road, Pingzhai Town, Liuzhite District, Liupanshui, Guizhou Province	553400
199	Liupanshui	Panzhou Shuangfeng sub-branch of Bank of Guizhou Co., Ltd.	No. 57 Yanhe South Road, Shuangfeng Town, Panzhou City, Liupanshui, Guizhou Province	553500
200	Liupanshui	Panzhou sub-branch of Bank of Guizhou Co., Ltd.	1/F, Shangpin International Commercial Square, Shengjing Avenue, Yizi Street, Panzhou City, Liupanshui, Guizhou Province	553500
201	Liupanshui	Liupanshui Guanting sub-branch of Bank of Guizhou Co., Ltd.	No. 101 affiliated to No. 24 Renmin East Road, Zhongshan District, Liupanshui, Guizhou Province	553000

No.	Region	Name of institution	Address of institution	Postal code
202	Liupanshui	Liupanshui Hecheng sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Block B, Mingdu Commercial Plaza, Zhongshan District, Liupanshui, Guizhou Province	553000
203	Liupanshui	Liupanshui Huangtupo sub-branch of Bank of Guizhou Co., Ltd.	Opposite to Suning Appliance, intersection of Kangle South Road, Zhongshan District, Liupanshui, Guizhou Province	553000
204	Liupanshui	Shuicheng sub-branch of Bank of Guizhou Co., Ltd.	No. 126 Jinshan Road, Shuangshui Development Area, Shuicheng County, Liupanshui, Guizhou Province	553000
205	Liupanshui	Panzhou Boguo sub-branch of Bank of Guizhou Co., Ltd.	1/F, Jianhe Commercial Center, Yanjiang West Road, Boguo Town, Panzhou City, Liupanshui, Guizhou Province	553500
206	Liupanshui	Liupanshui Gangcheng sub-branch of Bank of Guizhou Co., Ltd.	No. 452279, Shuigang Baxi Middle Road, Liupanshui, Guizhou Province	553000
207	Liupanshui	Panzhou Panjiang sub-branch of Bank of Guizhou Co., Ltd.	No. 5 Panjiang North Road, Hanlin Street, Panzhou City, Guizhou Province	553500
208	Liupanshui	Liupanshui Qilin sub-branch of Bank of Guizhou Co., Ltd.	1/F, Housing Provident Fund Management Center, Qilin Road, Zhongshan District, Liupanshui, Guizhou Province	553000
209	Liupanshui	Liupanshui Zhongshan sub-branch of Bank of Guizhou Co., Ltd.	1/F for commercial purpose, Block A3, Deyuan • Future City, Fenghuang New District, Zhongshan District, Liupanshui, Guizhou Province	553000
210	Liupanshui	Liupanshui Jintai sub-branch of Bank of Guizhou Co., Ltd.	Jintai Building, No. 73, Zhongshan Middle Road, Liupanshui	553000
211	Liupanshui	Liuzhi Jiankang sub-branch of Bank of Guizhou Co., Ltd.	1/F & 2/F, Block E, Jiankang Road, Pingzhai Town, Liuzhite District	553400
212	Liupanshui	Liupanshui Dexinyuan sub-branch of Bank of Guizhou Co., Ltd.	Shop No. 10, 1/F, Building No. 10, Shuikuang Dexinyuan Community, Dewu New sub-district, Zhongshan District, Liupanshui, Guizhou Province	553000



APPENDIX: LIST OF BRANCHES AND SUB-BRANCHES

No.	Region	Name of institution	Address of institution	Postal code
213	Liupanshui	Panzhou Hongguo sub-branch of Bank of Guizhou Co., Ltd.	1/F, Office Building, Guizhou Panxing Energy Development Investment Limited, Yizi Street, Panzhou City, Liupanshui, Guizhou Province	553500
214	Liupanshui	Liupanshui Hongqiao sub-branch of Bank of Guizhou Co., Ltd.	1/F, Outlets International Plaza, Hongqiao New District, Liupanshui	553000
215	Qianxinan	Qianxinan branch of Bank of Guizhou Co., Ltd.	1/F-2/F, Aocheng Community, Ruijin Avenue, Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province	562400
216	Qianxinan	Xingren sub-branch of Bank of Guizhou Co., Ltd.	Middle Section of Zhenxing Avenue, Donghu Street Office, Xingren, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province	562300
217	Qianxinan	Zhenfeng sub-branch of Bank of Guizhou Co., Ltd.	Yongfeng Avenue, Mingu Town, Zhenfeng County, Guizhou Province	562200
218	Qianxinan	Xingyi Mujia sub-branch of Bank of Guizhou Co., Ltd.	Shops 108-113, Block A1, Mujia Goods Wholesales Logistics Town, Xingyi, Qianxinan Prefecture, Guizhou Province	562400
219	Qianxinan	Anlong sub-branch of Bank of Guizhou Co., Ltd.	Kaifa Avenue, Xicheng District, Xinan Town, Anlong County, Guizhou Province (Unit 108, Stone Factory Group, Xihe Village)	552400
220	Qianxinan	Xingyi Ruijin sub-branch of Bank of Guizhou Co., Ltd.	No. 1 Panjiang Road, Xingyi, Qianxinan Prefecture, Guizhou Province	562400
221	Qianxinan	Puan sub-branch of Bank of Guizhou Co., Ltd.	Units 1-4, 1/F, Block 2, Jinqiao Baihui, Nanhu Street Office, Puan County, Qianxinan Prefecture, Guizhou Province	561500
222	Qianxinan	Qinglong sub-branch of Bank of Guizhou Co., Ltd.	Civil Affairs Bureau's Office Building, Lainan Road, Liancheng Town, Qinglong County, Qianxinan Prefecture, Guizhou Province	561400
223	Qianxinan	Wangmo sub-branch of Bank of Guizhou Co., Ltd.	Units 6-9, 1/F, Guanshanyue Hotel, south side of Wangmu Square, Wangmo County, Qianxinan Prefecture, Guizhou Province	552300
224	Qianxinan	Ceheng sub-branch of Bank of Guizhou Co., Ltd.	Former SAT Bureau Office Building, Crossroad of Qianjin Road, Ceheng County, Qianxinan Prefecture, Guizhou Province	552200
225	Qianxinan	Xingyi Wanfeng sub-branch of Bank of Guizhou Co., Ltd.	Side of Civil Aviation Avenue in Xingyi City	562400