

 **贵州银行股份有限公司**
BANK OF GUIZHOU COMPANY LIMITED

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

Stock Code:6199



**跃十年
悦多彩**
2012-2022 BANK OF GUIZHOU
贵州银行成立十周年

2022

INTERIM REPORT

SERVING WITH
HEART


BANK OF GUIZHOU

A large, stylized white '10' with 'YEARS' written inside the zero, set against a red background with colorful abstract shapes.

YEARS

CONTENTS

| | Page |
|--|-------------|
| Definitions | 2 |
| Chapter 1 Company Profile | 4 |
| Chapter 2 Summary of Accounting Data and Financial Indicators | 7 |
| Chapter 3 Management Discussion and Analysis | 10 |
| Chapter 4 Changes in Share Capital and Information on Shareholders | 54 |
| Chapter 5 Directors, Supervisors, Senior Management, Employees and Organizations | 68 |
| Chapter 6 Corporate Governance | 95 |
| Chapter 7 Major Events | 107 |
| Chapter 8 Report on Review of Interim Financial Information | 112 |
| Chapter 9 Financial Statements and Notes to the Unaudited Interim Financial Report | 114 |
| Chapter 10 Unaudited Supplementary Financial Information | 219 |
| Appendix List of Branches and Sub-branches | 223 |

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 or deposit-taking business in Hong Kong.

Definitions

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

| | |
|--|---|
| “Articles of Association” or “Articles” | the articles of association of the Bank, the version of which was passed by our shareholders at the extraordinary general meeting held on 19 January 2021, and has been approved by the CBIRC Guizhou Office and came into effect on 21 June 2021 |
| “Board” | the board of Directors of the Bank |
| “Board of Supervisors” | the board of Supervisors of the Bank |
| “Director(s)” | the director(s) of the Bank |
| “Supervisor(s)” | the supervisor(s) of the Bank |
| “CBIRC” 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) |
| “Bank”, “We”, “Our”, “us” or “Bank of Guizhou” | Bank of Guizhou Co., Ltd. (貴州銀行股份有限公司), a joint stock company incorporated on 28 September 2012 in Guizhou Province, China, with limited liability in accordance with the PRC laws and regulations and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches |
| “Banking Ordinance” | the Banking Ordinance, Chapter 155 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time |
| “CSRC” | China Securities Regulatory Commission (中國證券監督管理委員會) |
| “commercial banks” | all the banking financial institutions in the PRC other than policy banks, including the large commercial banks, the joint-stock commercial banks, city commercial banks, foreign banks and other banking financial institutions |
| “Domestic Shares” | ordinary shares issued by the Bank in the PRC, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in full for in Renminbi |
| “H Shares” | overseas-listed shares in the share capital of the Bank, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are listed on the Hong Kong Stock Exchange |
| “H Shares Registrar” | Computershare Hong Kong Investor Services Limited |

Definitions (Continued)

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

1. Basic Information

LEGAL CHINESE NAME:

貴州銀行股份有限公司

ENGLISH NAME:

BANK OF GUIZHOU CO., LTD.

LEGAL REPRESENTATIVE:

Mr. Yang Mingshang

AUTHORISED REPRESENTATIVES FOR THE HONG KONG STOCK EXCHANGE:

Mr. Yang Mingshang, Mr. Zhou Guichang

BOARD SECRETARY:

Mr. Zhou Guichang

JOINT COMPANY SECRETARIES:

Mr. Zhou Guichang, Dr. Ngai Wai Fung Maurice

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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1. Basic Information (Continued)

PLACE OF LISTING, STOCK NAME AND STOCK CODE:

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

CORPORATE UNIFORM SOCIAL CREDIT CODE:

915200000550280000

FINANCIAL LICENSE INSTITUTION NUMBER:

B1383H252010001

AUDITORS:

Overseas Auditor: BDO Limited

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

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE:

Computershare Hong Kong Investor Services Limited

2. Company Profile

Officially listed on 11 October 2012, and headquartered in Guiyang City, Guizhou Province, Bank of Guizhou is a legal person financial institution established through the merger and reorganization of Zunyi City Commercial Bank, Anshun City Commercial Bank and Liupanshui City Commercial Bank. The Bank has been listed on the main board of The Hong Kong Stock Exchange on 30 December 2019 with its stock code of 6199.HK. 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 RMB528,272 million, total deposits from customers of RMB324,376 million and total loans and advances to customers of RMB278,555 million, recorded profit before tax of RMB2,514 million, net profit of RMB2,185 million, non-performing loan ratio of 1.17% and provision coverage rate of 432.54%. As at the end of the Reporting Period, there were 229 licensed institutions of the Bank, with 5,269 regular employees. All branches of the Bank are located within Guizhou Province, realizing the full coverage of city (prefecture) and county (district) institutions in Guizhou Province.

The Bank of Guizhou always adheres to the 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 251st in the world in the list of "2022 Top 1000 Global Banks" released by the British Magazine "the Banker", and ranked 46th in the "2022 China Top 100 Bank List" released by the China Banking Association.

Summary of Accounting Data and Financial Indicators

The financial information contained herein is prepared under the International Accounting Standards. Unless otherwise stated, such information is denominated in RMB.

| | For the six months ended 30 June | | Year-on-Year |
|---|--|------------|---------------------------|
| | 2022 | 2021 | |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | |
| Operation results | | | Rate of change (%) |
| Net interest income | 5,056.53 | 4,701.52 | 7.55 |
| Net fee and commission income | 251.45 | 233.45 | 7.71 |
| Operating income | 6,015.08 | 5,718.64 | 5.18 |
| Operating expenses | (1,643.27) | (1,699.34) | (3.30) |
| Impairment losses on assets | (1,863.15) | (1,467.40) | 26.97 |
| Profit before tax | 2,513.77 | 2,566.51 | (2.05) |
| Net profit | 2,184.53 | 2,125.27 | 2.79 |
| Per share (RMB) | | | Rate of change (%) |
| Net assets per share | 2.77 | 2.56 | 8.20 |
| Basic earnings per share | 0.15 | 0.15 | - |
| Profitability indicators (%) | | | Change (%) |
| Return on average total assets ⁽¹⁾ | 0.85% | 0.89% | (0.04) |
| Return on average equity ⁽²⁾ | 11.01% | 11.60% | (0.59) |
| Net interest spread ⁽³⁾ | 2.30% | 2.35% | (0.05) |
| Net interest margin ⁽⁴⁾ | 2.26% | 2.29% | (0.03) |
| Net fee and commission income to operating income | 4.18% | 4.08% | 0.10 |
| Cost-to-income ratio ⁽⁵⁾ | 26.04% | 28.98% | (2.94) |

Summary of Accounting Data and Financial Indicators (Continued)

| | 30 June 2022 | 31 December 2021 | First half of 2022 over the end of 2021 |
|--|-------------------|------------------|---|
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Scale indicators | | | Rate of change (%) |
| Total assets | 528,271.67 | 503,880.17 | 4.84 |
| Including: Gross loans and advances to customers | 278,554.83 | 250,486.58 | 11.21 |
| Net loans and advances to customers ⁽⁶⁾ | 265,479.65 | 238,834.74 | 11.16 |
| Total liabilities | 487,905.28 | 464,892.34 | 4.95 |
| Including: Deposits from customers ⁽⁷⁾ | 324,376.39 | 305,521.02 | 6.17 |
| Share capital | 14,588.05 | 14,588.05 | – |
| Total equity | 40,366.39 | 38,987.83 | 3.54 |
| Asset quality indicators | | | Change (%) |
| Non-performing loan ratio ⁽⁸⁾ | 1.17% | 1.15% | 0.02 |
| Allowance coverage ratio ⁽⁹⁾ | 432.54% | 426.41% | 6.13 |
| Allowance to gross loans ⁽¹⁰⁾ | 5.05% | 4.90% | 0.15 |
| Capital adequacy ratio indicators⁽¹¹⁾ | | | Change (%) |
| Core tier-one capital adequacy ratio | 11.41% | 11.79% | (0.38) |
| Tier-one capital adequacy ratio | 11.41% | 11.79% | (0.38) |
| Capital adequacy ratio | 13.36% | 13.78% | (0.42) |
| Total equity to total assets | 7.64% | 7.74% | (0.10) |
| Other indicators | | | Change (%) |
| Liquidity coverage ratio | 345.84% | 334.63% | 11.21 |
| Liquidity ratio | 106.72% | 112.85% | (6.13) |
| Loan-to-deposit ratio | 86.92% | 82.94% | 3.98 |

Summary of Accounting Data and Financial Indicators (Continued)

Notes:

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

Management Discussion and Analysis

3.1 ANALYSIS OF OPERATION PERFORMANCE

3.1.1 Development strategies and future development prospects

With high-quality development as the guiding principle, the Bank adheres to the service concept of “bank with heart”, consolidates and strengthens its urban business and vigorously expands the rural market, striving to become the most heartfelt top-notch regional bank in China. Looking ahead, the Bank will thoroughly implement the spirit of the Opinions of the State Council on Supporting Guizhou to Break New Paths in Western Development in the New Era (Guo Fa [2022] No. 2) (國務院關於支持貴州在新時代西部大開發上闖新路的意見) (國發[2022] 2號) and actively implement the working idea of “One, Two, Three, Four” put forward by Guizhou government, study and formulate a new round of development strategic planning and vigorously promote high-quality development. The main directions for future development are as follows:

I. Become a leading regional bank. Focus on the market of Guizhou, help Guizhou’s high-quality development, improve the depth of operation, and strive to achieve sustainable and coordinated development of scale, speed, structure, efficiency and quality.

II. Become a bank recognized by the Communist Party of China (hereinafter referred to as the “Party”) and government. Adhere to and strengthen the overall leadership of the Party, closely focus on the strategic deployment of local economic and social development, give full play to the advantages of short decision-making chain and quick response time of local corporate banks, and strive to provide high-quality and efficient financial services for local economic and social development.

III. Become a bank trusted by regulators. Respect regulation, comply with regulation, revere regulation, strictly implement regulatory requirements, continuously strengthen internal control management and continuously improve the level of compliant operation.

IV. Become a bank with contributions to rural revitalization. Make service to the rural areas a priority, continuously enrich and improve the functions of the service outlets and make every effort to market product services such as assets, liabilities, wealth management and settlement so as to make a breakthrough.

V. Become a bank with improving customer satisfaction. Provide effective services to customers and keep it as the direction of our work and the yardstick of value evaluation, insist on the concept of customer-centric, customer-oriented and earnestly safeguard the legitimate rights and interests of customers.

VI. Become a bank trusted by shareholders. Adhere to the concept of high-quality development, carry out timely and standardized information disclosure in accordance with the requirements of corporate governance and improve the compliance level of equity management and management of related party transactions so as to create value for shareholders.

VII. Become a bank with happy employees. Construct the core value system of the Bank, adhere to the talent as the first resource, respect the value of people, unite employees and continuously stimulate the enthusiasm and creativity of the staff.

Management Discussion and Analysis (Continued)

3.1.2 Analysis of overall operation performance

In the opening year of the 14th Five-Year Plan, Guizhou Province proposes the general principle of high-quality development, and sets the main goal of breaking new paths in the development of the western region in China in the new era, achieving new results in rural revitalization, seizing new opportunities in the implementation of the digital economy strategy, making new achievements in the construction of ecological civilization, focuses on new industrialization, new urbanization, agricultural modernization and tourism industrialization and strives to write a new chapter in the high-quality development of Guizhou in the new era. In the first half of 2022, the Bank adhered to the general principle of high-quality development, focused on the “One, Two, Three, Four” working ideas, seized the major opportunities of the new No.2 Document of State Council, and pushed forward various businesses steadily based on the “four zones and one highland (四區一高地)” and “Four News” serving “Four-zations”. The overall business situation was stable and positive.

Profitability improved steadily. During the Reporting Period, the Bank achieved operating income of RMB6.015 billion, representing a year-on-year increase of RMB296 million or 5.18%; net profit of RMB2.185 billion, representing a year-on-year increase of RMB59 million or 2.79%; basic earnings per share of RMB0.15 which is the same as the previous year; cost-to-income ratio of 26.04%, representing a year-on-year decrease of 2.94 percentage points; return on average total assets of 0.85% and return on average equity of 11.01%.

The scale of business grew steadily. As of the end of the Reporting Period, the Bank recorded total assets of RMB528.272 billion, representing an increase of RMB24.392 billion or 4.84% from the beginning of the year; total loans and advances to customers of RMB278.555 billion, representing an increase of RMB28.068 billion or 11.21% from the beginning of the year; total liabilities of RMB487.905 billion, representing an increase of RMB23.013 billion or 4.95% from the beginning of the year; total deposits from customers of RMB324.376 billion, representing an increase of RMB18.855 billion or 6.17% from the beginning of the year.

Asset quality remained stable. As of the end of the Reporting Period, the Bank recorded non-performing loan balance of RMB3.254 billion, with a non-performing loan ratio of 1.17%. The percentage of loans classified as special mention was 1.82%, down 0.15 percentage points from the beginning of the year. The provision coverage ratio was 432.54%, up 6.13 percentage points from the beginning of the year.

Capital strength has been continuously strengthened. The Bank adheres to the capital replenishment policy of mainly endogenous capital replenishment, supplemented by exogenous capital replenishment. As of the end of the Reporting Period, the Bank’s core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio were 11.41%, 11.41% and 13.36%, respectively. Over the long term, the Bank’s capital adequacy ratio and other indicators have consistently met regulatory requirements.

Management Discussion and Analysis (Continued)

3.1.3 Business summary

I. Fully promoting the transformation of the corporate business

The Bank has taken the construction of “Four-zations” in Guizhou Province as an important development opportunity and business growth point for its corporate business. The Bank actively supports rural revitalization, vigorously develops green finance, steadily develops transaction banking, greatly develops institutional business, continuously improves the ability to serve the real economy, and continues to strengthen the foundation of corporate business which has become the core business of the Bank.

Business income increased steadily. During the Reporting Period, the Bank’s corporate banking business recorded operating income of RMB3.785 billion, representing a year-on-year increase of RMB266 million or 7.56%; net interest income of RMB3.580 billion, representing a year-on-year increase of RMB270 million or 8.15%. **The scale of loans grew steadily.** As of the end of the Reporting Period, the Bank’s total corporate loans and advances amounted to RMB228.955 billion, representing an increase of RMB15.490 billion or 7.26% from the beginning of the year. **Asset quality remained stable.** As of the end of the Reporting Period, the Bank’s non-performing loan ratio for corporate loans and advances was 1.15%, unchanged from the beginning of the year. **Customer base has been consolidated.** As of the end of the Reporting Period, the Bank had 35,300 active corporate customers, representing a year-on-year increase of 11.36%. The Bank had 19,300 institutional accounts, representing an increase of 4.28% from the beginning of the year.

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

The Bank focused on the key areas and projects of the “Four-zations”, strongly supported the construction of “Four-zations” and promoted high-quality development. During the Reporting Period, the total loans granted for new industrialization was RMB4.077 billion with a balance of RMB16.273 billion; the total loans granted for new urbanization was RMB13.551 billion with a balance of RMB143.151 billion; the total loans granted for agricultural modernization was RMB2.663 billion with a balance of RMB14.862 billion; the total loans granted for tourism industrialization was RMB1.824 billion with a balance of RMB16.802 billion.

(II) Fully supporting the real economy

Focusing on key enterprises and projects in the province, the Bank continued to increase its credit resources to the real economy and comprehensively enhanced its ability and level of financial support for the development of the real economy. As of the end of the Reporting Period, the financing balance of the Bank for the real economy was RMB159.428 billion, representing an increase of RMB15.604 billion or 10.85% from the beginning of the year. The Bank insists on growing with market players and fully supported the development of private enterprises. As of the end of the Reporting Period, the loan balance of the Bank for private enterprises was RMB41.007 billion, representing an increase of RMB3.027 billion or 7.97% as compared with the beginning of the year.

Management Discussion and Analysis (Continued)

(III) Deeply practicing the concept of green development

The Bank has actively implemented the national strategy of “Carbon Peak and Carbon Neutrality” and promoted the high-quality development of green finance business of the Bank. During the Reporting Period, the Bank successfully issued green financial bonds of RMB3 billion, innovated and launched special products and service models such as “Green Water Supply Project Income Support Loan (綠色供水項目收益支持貸款)” and “Carbon Emission Quota Pledged Financing (碳排放配額質押融資)”, and successfully granted the first carbon emission quota pledged loan and completed the first forestry carbon certificate credit enhancement financing business (林業碳票增信融資業務) in the province. As of the end of the Reporting Period, the Bank’s green credit balance was RMB38.528 billion, of which the balance of corporate green loans was RMB38.311 billion, up RMB3.450 billion or 9.89% from the beginning of the year; the percentage of corporate green loans was 19.42%, up 0.69 percentage points from the beginning of the year, and the total amount of corporate green loans was RMB6.371 billion.

(IV) Actively contributing to rural revitalization

Focusing on the goal of agricultural modernization in the province, the Bank actively builds new channels of financial services to help farmers, benefit farmers and provide convenience for farmers, and promotes the flow of various resources and the extension of modern services to the rural areas. The Bank vigorously supports the development of 12 major advantageous and characteristic agricultural industries, forestry industry and forest economy in Guizhou Province, and effectively satisfies the financial needs of developing leading companies and creating local brand, and development of new rural business entities in the agricultural industry. During the Reporting Period, the Bank placed rural revitalization loans of RMB7.623 billion and the balance of rural revitalization loans reached RMB50.120 billion, representing an increase of RMB3.227 billion from the beginning of the year.

(V) Steadily developing the transaction banking business

Based on the industrial chain, the Bank has steadily developed transaction banking business and strongly supported the real economy. During the Reporting Period, the Bank placed trade financing at a total amount of RMB6.974 billion, representing a year-on-year increase of 14.95%, and the balance of trade financing was RMB10.560 billion, an increase of 12.22% compared with the beginning of the year. Relying on the cash management system, the Bank provides customers with financial management solutions adapted to their own business and financial management models. As of the end of the Reporting Period, the Bank had 1,501 contracted cash management business customers. During the Reporting Period, leveraging on its product advantages, the Bank handled a total of RMB16.600 billion of off-balance sheet business in the form of “Bills and Letters” and achieved an international settlement volume of USD132 million.

Management Discussion and Analysis (Continued)

(VI) Greatly developing institutional business

During the Reporting Period, focusing on customer needs and pain points, the Bank optimized and upgraded the key systems such as FES for medical insurance, provident fund, financial non-taxation and 12123, launched the “Guiyang City Housing and Construction Security Fee System (貴陽市住建安措費系統)”, and implemented the “Public Resources Transaction Center Security Deposit System (公共資源交易中心保證金系統)” for Tongren City, Qianxinan Prefecture and Liupanshui City. The Bank has also been selected as the bankruptcy management cooperative bank of the Guizhou High People’s Court, successfully obtained the authorization of “Guizhou Intelligent Bankruptcy Case Handling Platform (貴州智破雲平台)”, and successfully obtained the qualification of the tender deposit payment agent of engineering and property rights of Qianxinan Prefecture, thus the business scope was continuously expanded. As of the end of the Reporting Period, the Bank’s institutional deposit balance was RMB68.440 billion, an increase of RMB1.087 billion or 1.61% compared with the beginning of the year.

II. Deeply cultivating retail business

The Bank worked hard on its retail business and strived to develop it into a guarantee of the Bank’s businesses. During the Reporting Period, the Bank focused on key customer bases, deepened, refined and strengthened its retail business, promoting the increase in the quantity and quality of retail customers, the rapid development of micro and small enterprise business and the continuous enhancement of online and offline service capabilities. **Business scale grew steadily.** As of the end of the Reporting Period, the total personal deposits in the Bank amounted to RMB139.072 billion, representing an increase of RMB17.359 billion or 14.26% compared with the beginning of the year. Total personal loans amounted to RMB35.819 billion, representing an increase of RMB1.906 billion or 5.62% compared with the beginning of the year. **Business income sustained growth.** During the Reporting Period, the retail banking of the Bank recorded business income of RMB1.094 billion, representing a year-on-year increase of RMB134 million or 13.98%; recorded profit before tax of RMB577 million, representing a year-on-year increase of RMB183 million or 46.56%. **The business structure has been continuously optimized.** As of the end of the Reporting Period, the retail banking income accounted for 18.19% of the Bank’s operating income, representing a year-on-year increase of 1.40 percentage points; personal deposits accounted for 43.40% of the Bank’s deposits, an increase of 3.10 percentage points from the beginning of the year. **The customer base has been consolidated.** As of the end of the Reporting Period, the total number of non-retail customers¹ and VIP customers² were 6,409,500 and 511,400, representing increases of 5.95% and 5.66% respectively compared with the beginning of the year, and the later accounting for 7.98% of the former. The total number of mobile banking customers reached 4,932,800, representing an increase of 10.95% from the beginning of the year, and the number of monthly active customers reached 678,400 in June, representing an increase of 20.81% from the beginning of the year. The number of inclusive small and micro enterprise loan customers as defined by CBIRC reached 24,937, representing an increase of 35.84% over the beginning of the year.

1. Non-retail customers refer to one-star and above customers with a comprehensive evaluation value of more than RMB0.

2. VIP customers refer to three-star and above customers with a comprehensive evaluation value of more than RMB50,000.

Comprehensive evaluation value = (rolling year average daily financial assets + 0.5 * rolling year average daily loan balance + 20 * annual contribution to intermediate business income) * stickiness adjustment coefficient.

Management Discussion and Analysis (Continued)

(I) Fully promoting retail debt business

The Bank focused on its core customer base and further activated its zero-star customers by enriching the rights and benefits of union customers, seizing the golden period of consumption such as Spring Festival and May Day, and building scenarios of the rights and benefits of union card customers for supermarket consumption. The Bank greatly improved the comprehensive income of the customer group for which the Bank pays salaries on behalf of by strengthening the linkage between the companies, implementing the account management system, formulating comprehensive service plans, and carrying out the “serving private companies and public institutions (走進單位)” publicity and marketing activities. As of the end of the Reporting Period, the personal deposit balance of the Bank was RMB139.072 billion, up RMB17.359 billion or 14.26% from the beginning of the year, ranking first in the banking industry in the province.

(II) Steadily promoting credit card business

The Bank has actively responded to the deployment of rural revitalization strategy by developing and designing the first Digital Bank Card (無界卡) of Bank of Guizhou – Rural Revitalization Card, which effectively solved the time and space barrier for rural customers, removing the procedures of application, delivery and activation for traditional credit cards. The Bank has been deeply cultivating key customer groups and actively carrying out special marketing activities of credit cards for union card customers, customers for which the Bank pays salaries on behalf of, employees of small and micro enterprises and mortgage customers. During the Reporting Period, the Bank’s credit card business recorded operating income of RMB179 million, representing a year-on-year increase of RMB109 million or 156.26%.

(III) Vigorously developing small and micro enterprise business

Focusing on the needs of frequent small and micro enterprise customers requiring small loan, the Bank continued to improve its comprehensive financial service capabilities for small and micro enterprise customers. As of the end of the Reporting Period, the balance of the inclusive small and micro enterprise loans as defined by CBIRC was RMB33.582 billion, representing an increase of RMB5.696 billion or 20.43% from the beginning of the year. The Bank continued to enrich its product functions and improve the service quality and efficiency of its “online products for small and micro enterprises”, which granted a total of RMB1.395 billion to 10,709 customers during the Reporting Period.

Management Discussion and Analysis (Continued)

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

The Bank regards the construction of rural service outlets as an important carrier and key channel to expand the market for rural customers, and continuously improves the comprehensive service capacity of rural service outlets. During the Reporting Period, the Bank opened 917 rural service outlets. During the Reporting Period, the Bank actively promoted the effective connection between poverty alleviation and rural revitalization, and provided total credit amount of RMB1.229 billion to 337 professional cooperatives and 24 “special agricultural industry” projects in the province through the “bank + leading enterprises + cooperatives + farmers” small and micro enterprise financing model. To further enhance product service capability, the Bank launched the “Agriculture Revitalization Loan (興農貸)” product in March this year. As of the end of the Reporting Period, “Agriculture Revitalization Loan (興農貸)” had provided financial support to 6,608 farmers with a loan balance of RMB990 million.

(V) Steadily promoting the development of online + offline integration

The Bank continued to enrich its product functions and enhance its online service capability. As of the end of the Reporting Period, the Bank’s electronic channel financial transactions accounted for 99.09%, with a total of 202 million transactions, representing a year-on-year increase of 45.98%. The Bank steadily promoted the construction of education, medical and e-commerce scenarios and steadily increased the volume of transactions and the number of customers. As of the end of the Reporting Period, the education scenario “Bank-School Payment System (銀校寶)” has expanded to 1,161 educational institutions, representing an increase of 107% compared with the beginning of the year. The “Bank-Hospital Express (銀醫通)” scenario has established cooperation with 45 hospitals, with a total of 2,396,700 transactions and a transaction amount of RMB675 million. The “One Code in Guizhou (一碼貴州)” e-commerce fund management business facilitates “marketing goods out of the Guizhou province (黔貨出山)”. The number of merchants on the platform increased by 85% and the fund management of e-commerce transactions continued to increase. The Bank won the Silver Award for “Digital Marketing” in CFCA’s 5th (2022) Digital Finance Innovation Competition.

III. Strengthening the foundation of financial market

The Bank focused on the policy opportunities of the new No.2 Document of State Council, actively contributed to the construction of “Four-zations” in the province, consolidated the foundation of its financial market business, continuously enhanced its asset portfolio management and initiative debt capabilities, continuously strengthened the depth and breadth of interbank cooperation, optimized asset allocation, and promoted the steady development of its financial market business in an orderly manner. During the Reporting Period, the financial markets business of the Bank recorded profit before tax of RMB691 million, representing a year-on-year increase of 113 million or 19.54%. As of the end of the Reporting Period, the net financial investment of the Bank amounted to RMB197.715 billion, representing an increase of RMB8.703 billion or 4.60% compared with the beginning of the year.

Management Discussion and Analysis (Continued)

(I) Steady growth in the scale of financial assets and continuous optimization of asset structure

The financial assets of the Bank were allocated in accordance with the balanced principles of safety, liquidity and efficiency, and the scale of financial assets maintained steady growth in the first half of the year. The Bank increased the allocation of high-quality liquid assets and further optimized the asset structure with a more balanced asset portfolio. As of the end of the Reporting Period, the net investment in financial assets of the Bank amounted to RMB197.715 billion, accounting for 37.43% of the Bank's total assets.

(II) Continuous growth of self-operated investment income and more diversified income structure

The Bank has expanded investment channels, enriched investment varieties, strengthened market research and judgment, grasped market opportunities, explored the value of bond transactions, and improved the liquidity of bond assets, resulting in continuous growth in financial investment income and more diversified income structure, achieving non-interest income of RMB959 million, accounting for 15.94% of the Bank's operating income.

(III) The enriched and enhanced inter-bank cooperation

The Bank has actively broadened its "circle of friends" and strengthened cooperation with non-bank inter-bank clients, resulting in an increasing activity in the financial market. During the Reporting Period, the Bank carried out the underwriting and distribution of government bonds, financial bonds of China Development Bank and local government bonds of Guizhou Province in an orderly manner, further opening up distribution channels and increasing the activity of the bond market.

(IV) Comprehensive net value management of wealth management products and actively contributing to business transformation and development

In strict accordance with the regulatory requirements, the Bank comprehensively promoted the management of net value of the Bank's wealth management products to facilitate business transformation and development. As of the end of the Reporting Period, the net value balance of the Bank's existing wealth management products was RMB24.523 billion, all of which were net value wealth management products. Among them, the net balance of periodic open-ended products was RMB18.163 billion, accounting for 74.07%; the net balance of fixed-term open-ended products was RMB6.360 billion, accounting for 25.93%. In June 2022, the Bank was awarded the "Outstanding Operational Management Capability Bank" and "Bank with Excellent Transformation and Development" in the PY Standard 2022 Golden Honor Award (普益標準2022年「金譽獎」), and the industry recognition of its asset management business has been continuously improved.

Management Discussion and Analysis (Continued)

3.2 ANALYSIS OF PROFIT STATEMENTS

In the first half of 2022, the Bank recorded profit before tax of RMB2,514 million; net profit of RMB2,185 million, representing an increase of 2.79% as compared with the corresponding period of the previous year.

| | For the six months ended | | | |
|--------------------------------------|--|------------|----------|----------------|
| | 30 June | | | |
| | 2022 | 2021 | Change | Rate of change |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | <i>(%)</i> |
| Interest income | 11,081.85 | 10,282.67 | 799.18 | 7.77 |
| Interest expense | (6,025.32) | (5,581.15) | (444.17) | 7.96 |
| Net interest income | 5,056.53 | 4,701.52 | 355.01 | 7.55 |
| Fee and commission income | 327.19 | 276.45 | 50.74 | 18.35 |
| Fee and commission expense | (75.74) | (43.00) | (32.74) | 76.14 |
| Net fee and commission income | 251.45 | 233.45 | 18.00 | 7.71 |
| Net trading profit | 269.29 | 356.30 | (87.01) | (24.42) |
| Net gains on investment securities | 403.19 | 375.14 | 28.05 | 7.48 |
| Other operating income | 34.62 | 52.23 | (17.61) | (33.72) |
| Operating income | 6,015.08 | 5,718.64 | 296.44 | 5.18 |
| Operating expenses | (1,643.27) | (1,699.34) | 56.07 | (3.30) |
| Impairment losses on assets | (1,863.15) | (1,467.40) | (395.75) | 26.97 |
| Share of gains of associates | 5.11 | 14.61 | (9.50) | (65.02) |
| Profit before tax | 2,513.77 | 2,566.51 | (52.74) | (2.05) |
| Income tax expense | (329.24) | (441.24) | 112.00 | (25.38) |
| Net profit | 2,184.53 | 2,125.27 | 59.26 | 2.79 |

Management Discussion and Analysis (Continued)

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

In the first half of 2022, the Bank's net interest income amounted to RMB5,057 million, accounting for 84.06% of the operating income.

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

| | For the six months ended 30 June | | | | | |
|--|--|------------------------------|---------------------------------------|-----------------|------------------------------|---------------------------------------|
| | Average balance | 2022 Interest income/expense | Average yield/cost ⁽¹⁾ (%) | Average balance | 2021 Interest income/expense | Average yield/cost ⁽¹⁾ (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | | | |
| Assets | | | | | | |
| Total loans and advances to customers | 265,908.25 | 7,683.41 | 5.78 | 224,655.31 | 6,382.21 | 5.68 |
| Financial investments ⁽²⁾ | 135,460.92 | 3,018.47 | 4.46 | 141,226.17 | 3,527.24 | 5.00 |
| Cash and deposits with the central bank | 19,961.10 | 147.82 | 1.48 | 24,240.49 | 172.06 | 1.42 |
| Deposits with banks and other financial institutions | 2,209.72 | 14.61 | 1.32 | 1,249.73 | 6.52 | 1.04 |
| Financial assets held under resale agreements | 23,665.40 | 217.54 | 1.84 | 19,089.97 | 194.64 | 2.04 |
| Total interest-earning assets | 447,205.39 | 11,081.85 | 4.96 | 410,461.67 | 10,282.67 | 5.01 |
| Liabilities | | | | | | |
| Deposits from customers | 305,743.55 | 3,949.13 | 2.58 | 293,885.32 | 3,661.73 | 2.49 |
| Deposits from banks and other financial institutions | 21,799.45 | 334.37 | 3.07 | 28,757.72 | 503.17 | 3.50 |
| Borrowings from the central bank | 34,335.02 | 476.10 | 2.77 | 28,604.31 | 411.11 | 2.87 |
| Placements from banks and other financial institutions | 4,230.53 | 70.68 | 3.34 | 2,746.96 | 50.60 | 3.68 |
| Financial assets sold under repurchase agreements | 12,972.48 | 112.50 | 1.73 | 10,564.29 | 102.38 | 1.94 |
| Debt securities issued | 74,232.36 | 1,082.54 | 2.92 | 54,509.19 | 852.16 | 3.13 |
| Total interest-bearing liabilities | 453,313.39 | 6,025.32 | 2.66 | 419,067.79 | 5,581.15 | 2.66 |
| Net interest income | | 5,056.53 | | | 4,701.52 | |
| Net interest spread ⁽³⁾ | | 2.30% | | | 2.35% | |
| Net interest margin ⁽⁴⁾ | | 2.26% | | | 2.29% | |

Notes:

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

Management Discussion and Analysis (Continued)

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

| Item | For the six months ended 30 June 2022 compared to 2021 Increase/(decrease) as a result of | | |
|--|---|------------------------------|--|
| | Scale ⁽¹⁾ | Interest rate ⁽²⁾ | Net increase/ (decrease) ⁽³⁾ |
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Interest-earning assets | | | |
| Total loans and advances to customers | 1,192.00 | 109.20 | 1,301.20 |
| Financial investments | (128.47) | (380.30) | (508.77) |
| Deposits with the central bank | (31.69) | 7.45 | (24.24) |
| Deposits with banks and other financial institutions | 6.35 | 1.74 | 8.09 |
| Financial assets held under resale agreements | 42.06 | (19.16) | 22.90 |
| Changes in interest income | 1,080.25 | (281.07) | 799.18 |
| Interest-bearing liabilities | | | |
| Deposits from customers | 153.17 | 134.22 | 287.39 |
| Deposits from banks and other financial institutions | (106.73) | (62.07) | (168.80) |
| Borrowings from central bank | 79.46 | (14.47) | 64.99 |
| Placements from banks and other financial institutions | 24.79 | (4.70) | 20.09 |
| Financial assets sold under repurchase agreements | 20.88 | (10.76) | 10.12 |
| Debts securities issued | 287.62 | (57.24) | 230.38 |
| Changes in interest expenses | 459.19 | (15.02) | 444.17 |
| Changes in net interest income | 621.06 | (266.05) | 355.01 |

Notes:

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

Management Discussion and Analysis (Continued)

3.2.2 Analysis on interest income

In the first half of 2022, the Bank realized interest income of RMB11,082 million, representing a year-on-year increase of RMB799 million or 7.77%.

I. Interest income from loans and advances to customers

In the first half of 2022, the Bank's interest income from loans to customers was RMB7,683 million, representing a year-on-year increase of RMB1,301 million or 20.39%.

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 | | | | | |
|--|--|-----------------|-------------------|-------------------|-----------------|-------------------|
| | 2022 | | | 2021 | | |
| | Average balance | Interest income | Average yield (%) | Average balance | Interest income | Average yield (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | | | |
| Corporate loans and advances | 221,629.31 | 6,720.95 | 6.07 | 178,713.02 | 5,416.21 | 6.06 |
| Personal loans and advances | 34,521.66 | 873.23 | 5.06 | 31,025.94 | 798.60 | 5.15 |
| Discounted bills | 9,757.28 | 89.23 | 1.83 | 14,916.35 | 167.40 | 2.24 |
| Total loans and advances to customers | 265,908.25 | 7,683.41 | 5.78 | 224,655.31 | 6,382.21 | 5.68 |

II. Interest income from financial investments

In the first half of 2022, the Bank's interest income from financial investments was RMB3,018 million.

III. Interest income from deposits with the Central Bank

In the first half of 2022, the Bank's interest income from deposits with the central bank amounted to RMB148 million, representing a year-on-year decrease of RMB24 million.

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

In the first half of 2022, the Bank's interest income from deposits with banks and other financial institutions was RMB15 million, representing a year-on-year increase of RMB8 million.

V. Interest income from financial assets held under resale agreements

In the first half of 2022, the Bank's interest income from financial assets held under resale agreements was RMB218 million, representing a year-on-year increase of RMB23 million or 11.77%.

Management Discussion and Analysis (Continued)

3.2.3 Analysis on interest expenses

In the first half of 2022, the Bank's interest expense amounted to RMB6,025 million, representing a year-on-year increase of RMB444 million or 7.96%.

I. Interest expense on deposits from customers

In the first half of 2022, the Bank's interest expense on deposits from customers amounted to RMB3,949 million, representing a year-on-year increase of RMB287 million or 7.85%.

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

In the first half of 2022, the Bank's interest expense on deposits from banks and other financial institutions amounted to RMB334 million, representing a year-on-year decrease of RMB169 million or 33.55%.

III. Interest expense on financial assets sold under repurchase agreements

In the first half of 2022, the Bank's interest expense on financial assets sold under repurchase agreements was RMB113 million, representing a year-on-year increase of RMB10 million or 9.89%.

IV. Interest expense on debt securities issued

In the first half of 2022, the Bank's interest expense on debt securities issued was RMB1,083 million, representing a year-on-year increase of RMB230 million or 27.03%.

V. Interest expense on borrowings from Central Bank

In the first half of 2022, the Bank's interest expense on borrowings from central bank amounted to RMB476 million, representing a year-on-year increase of RMB65 million or 15.81%.

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

In the first half of 2022, the interest expenses on placements from banks and other financial institutions was RMB71 million, representing a year-on-year increase of RMB20 million or 39.70%.

Management Discussion and Analysis (Continued)

3.2.4 Analysis on non-interest income

I. Fee and commission income

In the first half of 2022, the Bank's net fee and commission income amounted to RMB251 million, representing a year-on-year increase of RMB18 million or 7.71%.

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

| | For the six months ended 30 June | | | |
|--|--|---------|---------|--------------------|
| | 2022 | 2021 | Change | Rate of change (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Acceptance and guarantee services fees | 171.98 | 129.33 | 42.65 | 32.98 |
| Agency services fees | 75.47 | 68.08 | 7.39 | 10.85 |
| Settlement and clearing fees | 17.25 | 27.40 | (10.15) | (37.04) |
| Fund supervision services fees | 22.79 | 25.37 | (2.58) | (10.17) |
| Bank card services fees | 36.75 | 25.05 | 11.70 | 46.71 |
| Consultancy services fees | 2.95 | 1.22 | 1.73 | 141.80 |
| Fee and commission income | 327.19 | 276.45 | 50.74 | 18.35 |
| Bank card services expenses | (54.62) | (30.39) | (24.23) | 79.73 |
| Other fee and commission expenses | (21.12) | (12.61) | (8.51) | 67.49 |
| Fee and commission expenses | (75.74) | (43.00) | (32.74) | 76.14 |
| Net fee and commission income | 251.45 | 233.45 | 18.00 | 7.71 |

II. Net trading gains

In the first half of 2022, the Bank's net trading gains amounted to RMB269 million, representing a year-on-year decrease of RMB87 million or 24.42%.

III. Net gains arising from investment securities

In the first half of 2022, the Bank's net gains arising from investment securities amounted to RMB403 million, representing a year-on-year increase of RMB28 million or 7.48%.

IV. Other operating income

In the first half of 2022, the Bank's other operating income was RMB35 million, representing a year-on-year decrease of RMB18 million or 33.72%.

Management Discussion and Analysis (Continued)

3.2.5 Analysis on operating expenses

In the first half of 2022, the Bank's operating expenses amounted to RMB1,643 million, representing a year-on-year decrease of RMB56 million or 3.30%.

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

| | For the six months ended 30 June | | | |
|---|--|----------|---------|--------------------|
| | 2022 | 2021 | Change | Rate of change (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Staff costs | 1,099.00 | 1,085.50 | 13.50 | 1.24 |
| Depreciation and amortization | 173.53 | 174.90 | (1.37) | (0.78) |
| Rental and property management expenses | 17.00 | 16.45 | 0.55 | 3.34 |
| Taxes and surcharges | 76.81 | 42.09 | 34.72 | 82.49 |
| Depreciation of right-of-use assets | 71.68 | 84.19 | (12.51) | (14.86) |
| Interest expense on lease liabilities | 7.53 | 16.69 | (9.16) | (54.88) |
| Other general and administrative fees | 197.72 | 279.52 | (81.80) | (29.26) |
| Total operating expenses | 1,643.27 | 1,699.34 | (56.07) | (3.30) |

In the first half of 2022, the Bank's staff costs were RMB1,099 million, representing a year-on-year increase of RMB14 million or 1.24%.

In the first half of 2022, depreciation and amortization of the Bank amounted to RMB174 million, representing a year-on-year decrease of RMB1 million or 0.78%.

In the first half of 2022, the Bank's other general and administrative fees amounted to RMB198 million, representing a year-on-year decrease of RMB82 million or 29.26%.

In the first half of 2022, the Bank's tax and surcharges amounted to RMB77 million, representing a year-on-year increase of RMB35 million.

In the first half of 2022, the Bank's depreciation of right-of-use assets amounted to RMB72 million, representing a year-on-year decrease of RMB13 million or 14.86%.

Management Discussion and Analysis (Continued)

3.2.6 Impairment losses on assets

In the first half of 2022, the Bank's impairment loss amounted to RMB1,863 million, representing a year-on-year increase of RMB396 million or 26.97%.

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

| | For the six months ended 30 June | | | |
|---|--|----------|----------|--------------------|
| | 2022 | 2021 | Change | Rate of change (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Loans and advances to customers | 1,781.37 | 1,265.66 | 515.71 | 40.75 |
| Financial investments | (25.67) | 195.32 | (220.99) | (113.14) |
| Credit commitments | 103.36 | 6.78 | 96.58 | 1,424.48 |
| Deposit with banks and other financial institutions | 0.42 | 0.67 | (0.25) | (37.31) |
| Financial assets held under resale agreements | 0.77 | – | 0.77 | – |
| Others | 2.90 | (1.03) | 3.93 | (381.55) |
| Total | 1,863.15 | 1,467.40 | 395.75 | 26.97 |

3.2.7 Income tax

In the first half of 2022, the Bank's income tax amounted to RMB329 million, representing a year-on-year decrease of RMB112 million or 25.38%.

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

| | For the six months ended 30 June | | | |
|-----------------------------|--|----------|----------|--------------------|
| | 2022 | 2021 | Change | Rate of change (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Current income tax expense | 792.03 | 750.48 | 41.55 | 5.54 |
| Deferred income tax expense | (462.79) | (309.24) | (153.55) | 49.65 |
| Income tax | 329.24 | 441.24 | (112.00) | (25.38) |

Management Discussion and Analysis (Continued)

3.3 ANALYSIS ON MAJOR ITEMS IN THE BALANCE SHEET

3.3.1 Assets

As at 30 June 2022, the Bank's total assets amounted to RMB528,272 million, representing an increase of RMB24,392 million or 4.84% 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 2022 | | As at 31 December 2021 | |
|--|--|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Gross loans and advances to customers | 278,554.83 | 52.72 | 250,486.58 | 49.71 |
| Add: Accrued interest | 1,000.72 | 0.19 | 630.45 | 0.13 |
| Less: allowance for impairment losses on assets | (14,075.90) | (2.66) | (12,282.29) | (2.44) |
| Net loans and advances to customers | 265,479.65 | 50.25 | 238,834.74 | 47.40 |
| Financial investments | 197,714.51 | 37.43 | 189,011.90 | 37.51 |
| Cash and deposits with the central bank | 32,668.78 | 6.18 | 35,681.95 | 7.08 |
| Deposits with banks and other financial institutions | 6,594.04 | 1.25 | 3,517.08 | 0.70 |
| Financial assets held under resale agreements | 16,158.20 | 3.06 | 27,556.99 | 5.47 |
| Other assets ⁽¹⁾ | 9,656.49 | 1.83 | 9,277.51 | 1.84 |
| Total assets | 528,271.67 | 100.00 | 503,880.17 | 100.00 |

Note:

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

Management Discussion and Analysis (Continued)

(1) Loans and advances to customers

As at 30 June 2022, the Bank's total loans and advances to customers amounted to RMB278,555 million, representing an increase of RMB28,068 million or 11.21% as compared to the end of last year. The following table sets out, at the dates indicated, a breakdown of the Bank's loans by business lines.

| | As at 30 June 2022 | | As at 31 December 2021 | |
|--|--------------------|----------------|------------------------|----------------|
| | 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 | 228,954.72 | 82.19 | 213,009.34 | 85.04 |
| Personal loans and advances | 35,818.95 | 12.86 | 33,912.76 | 13.54 |
| Sub-total | 264,773.67 | 95.05 | 246,922.10 | 98.58 |
| Loans and advances to customers measured at fair value through other comprehensive income | | | | |
| Corporate loans and advances | - | - | 455.11 | 0.18 |
| Discounted bills | 13,781.16 | 4.95 | 3,109.37 | 1.24 |
| Sub-total | 13,781.16 | 4.95 | 3,564.48 | 1.42 |
| Total loans and advances to customers | 278,554.83 | 100.00 | 250,486.58 | 100.00 |

1. Corporate loans and advances

As at 30 June 2022, the Bank's corporate loans and advances amounted to RMB228,955 million, representing an increase of RMB15,490 million or 7.26% as compared with the end of last year.

2. Personal loans and advances

As at 30 June 2022, the Bank's personal loans and advances amounted to RMB35,819 million, representing an increase of RMB1,906 million or 5.62% as compared to the end of last year.

Management Discussion and Analysis (Continued)

(2) Investment securities and other financial assets

As at 30 June 2022, the Bank's investment securities and other financial assets amounted to RMB197,715 million, representing an increase of RMB8,703 million or 4.60% 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 2022 | | As at 31 December 2021 | |
|--|--------------------|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | | |
| Financial investments | | | | |
| Financial investments at fair value through profit or loss | 59,915.04 | 30.30 | 55,336.49 | 29.28 |
| Financial investments at fair value through other comprehensive income | 61,526.31 | 31.12 | 55,661.20 | 29.45 |
| Financial investments at amortised cost | 76,273.16 | 38.58 | 78,014.21 | 41.27 |
| Net financial investments | 197,714.51 | 100.00 | 189,011.90 | 100.00 |

Management Discussion and Analysis (Continued)

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

| Distribution of financial investments | As at 30 June 2022 | | As at 31 December 2021 | |
|--|--|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Bonds | | | | |
| Debt securities issued by central and local governments | 67,304.74 | 34.04 | 62,082.66 | 32.84 |
| Debt securities issued by policy banks | 39,413.30 | 19.93 | 33,315.97 | 17.63 |
| Debt securities issued by banks and other financial institutions | 4,791.62 | 2.42 | 7,825.56 | 4.14 |
| Debt securities issued by enterprises | 25,755.23 | 13.03 | 25,507.78 | 13.50 |
| Sub-total | 137,264.89 | 69.42 | 128,731.97 | 68.11 |
| Other financial assets | | | | |
| Asset-backed securities | 400.17 | 0.20 | 571.20 | 0.30 |
| Structured notes issued by securities companies | 255.86 | 0.13 | 197.78 | 0.10 |
| Investment funds managed by mutual fund managers ⁽¹⁾ | 35,313.00 | 17.86 | 31,520.24 | 16.68 |
| Equity investments | 37.75 | 0.02 | 37.75 | 0.02 |
| Investment management products managed by asset management companies | 14,238.61 | 7.20 | 17,285.49 | 9.15 |
| Private debt financing plans | 414.00 | 0.21 | 414.00 | 0.22 |
| Other debt investments | 9,086.53 | 4.60 | 9,931.25 | 5.25 |
| Sub-total | 59,745.92 | 30.22 | 59,957.71 | 31.72 |
| Accrued interest | 2,244.86 | 1.14 | 2,091.13 | 1.11 |
| Allowance for impairment losses on assets | (1,541.16) | (0.78) | (1,768.91) | (0.94) |
| Net financial investments | 197,714.51 | 100.00 | 189,011.90 | 100.00 |

Notes:

- (1) Mainly include monetary funds and bond funds.
- (2) As at the end of the Reporting Period, the financial investment of the Bank were all financial markets business within the scope of operation approved by the CBIRC. The Bank has conducted a review according to the disclosure requirements for material investments as set out in Appendix 16 to the Hong Kong Listing Rules, and to the best knowledge of the Bank, there is no book value of the above investments accounting for 5% or more of the Bank's total assets as at 30 June 2022.
- (3) For details of pledged assets, please refer to Note 22 "PLEGDED ASSETS" to the financial statements.

Management Discussion and Analysis (Continued)

3.3.2 Liabilities

As at 30 June 2022, the Bank's total liabilities amounted to RMB487,905 million, representing an increase of RMB23,013 million or 4.95% as compared to the end of last year.

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

| | As at 30 June 2022 | | As at 31 December 2021 | |
|--|--|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Borrowings from the central bank | 37,775.30 | 7.74 | 32,219.50 | 6.93 |
| Deposits from customers | 324,376.39 | 66.48 | 305,521.02 | 65.72 |
| Deposits from banks and other financial institutions | 21,456.07 | 4.40 | 23,920.24 | 5.15 |
| Placements from banks and other financial institutions | 5,143.81 | 1.05 | 3,368.31 | 0.72 |
| Financial assets sold under repurchase agreements | 20,063.82 | 4.11 | 23,198.25 | 4.99 |
| Debt securities issued | 74,575.76 | 15.28 | 72,394.28 | 15.57 |
| Other liabilities ⁽¹⁾ | 4,514.13 | 0.94 | 4,270.74 | 0.92 |
| Total liabilities | 487,905.28 | 100.00 | 464,892.34 | 100.00 |

Note:

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

Management Discussion and Analysis (Continued)

I. Deposits from customers

Deposits from customers are the main source of funds for the Bank. As at 30 June 2022, deposits from customers of the Bank amounted to RMB324,376 million, representing an increase of RMB18,855 million or 6.17% as compared with the end of last year.

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

| | As at 30 June 2022 | | As at 31 December 2021 | |
|---------------------------------------|--|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Demand deposits | | | | |
| – Corporate deposits | 100,218.06 | 30.90 | 92,150.74 | 30.16 |
| – Individual deposits | 35,634.28 | 10.99 | 35,382.74 | 11.58 |
| Sub-total | 135,852.34 | 41.89 | 127,533.48 | 41.74 |
| Time deposits | | | | |
| – Corporate deposits | 70,233.44 | 21.65 | 78,731.32 | 25.77 |
| – Individual deposits | 103,437.78 | 31.89 | 86,330.37 | 28.26 |
| Sub-total | 173,671.22 | 53.54 | 165,061.69 | 54.03 |
| Pledged deposits | 10,640.09 | 3.27 | 9,340.08 | 3.06 |
| Fiscal deposits | 0.32 | – | 45.07 | 0.01 |
| Inward and outward remittances | 308.86 | 0.10 | 41.08 | 0.01 |
| Sub-total | 10,949.27 | 3.37 | 9,426.23 | 3.08 |
| Accrued interest | 3,903.56 | 1.20 | 3,499.62 | 1.15 |
| Total deposits from customers | 324,376.39 | 100.00 | 305,521.02 | 100.00 |

II. Deposits from banks and other financial institutions

As at 30 June 2022, the Bank's deposits from banks and other financial institutions amounted to RMB21,456 million, representing a decrease of RMB2,464 million or 10.30% as compared to the end of last year.

III. Debt securities issued

As at 30 June 2022, the Bank's debt securities issued amounted to RMB74,576 million, representing an increase of RMB2,181 million or 3.01% as compared to the end of last year.

Management Discussion and Analysis (Continued)

3.3.3 Equity

As at 30 June 2022, the total shareholders' equity of the Bank amounted to RMB40,366 million, representing an increase of RMB1,379 million or 3.54% 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 2022 | | As at 31 December 2021 | |
|---|--|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Share capital | 14,588.05 | 36.14 | 14,588.05 | 37.42 |
| Capital reserve | 8,670.09 | 21.48 | 8,670.09 | 22.24 |
| Surplus reserve | 2,228.70 | 5.52 | 2,228.70 | 5.72 |
| General reserve | 5,070.00 | 12.56 | 4,690.00 | 12.03 |
| Fair value reserve | (185.67) | (0.46) | (152.24) | (0.39) |
| Impairment reserve | 378.40 | 0.94 | 280.06 | 0.72 |
| Deficit on remeasurement of net defined benefit liability | (22.20) | (0.05) | (26.60) | (0.07) |
| Retained earnings | 9,639.02 | 23.87 | 8,709.77 | 22.33 |
| Total equity | 40,366.39 | 100.00 | 38,987.83 | 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 2022 | As at 31 December 2021 |
|-------------------------|--|------------------------|
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | |
| Acceptances | 17,419.07 | 13,555.39 |
| Letters of credit | 821.83 | 1,633.63 |
| Credit card commitments | 11,015.24 | 9,057.50 |
| Letters of guarantee | 1,034.21 | 904.70 |
| Total | 30,290.35 | 25,151.22 |

As at 30 June 2022, the details of the Bank's commitments and contingent liabilities were set out in Note 40 "COMMITMENTS AND CONTINGENT LIABILITIES" to the financial statements.

Management Discussion and Analysis (Continued)

3.5 ANALYSIS ON LOANS QUALITY

3.5.1 Loan distribution by the five-category classification

| Five-category classification | As at 30 June 2022 | | As at 31 December 2021 | |
|--|--------------------|----------------|------------------------|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | | |
| Normal | 270,226.85 | 97.01 | 242,660.37 | 96.88 |
| Special mention | 5,073.71 | 1.82 | 4,945.84 | 1.97 |
| Substandard | 2,404.65 | 0.86 | 2,144.92 | 0.86 |
| Doubtful | 552.70 | 0.20 | 455.69 | 0.18 |
| Loss | 296.92 | 0.11 | 279.76 | 0.11 |
| Gross loans and advances to customers | 278,554.83 | 100.00 | 250,486.58 | 100.00 |
| Non-performing loans and non-performing loans ratio | 3,254.27 | 1.17 | 2,880.37 | 1.15 |

During the Reporting Period, affected by the downward of the economy and the pandemic, the balance of non-performing loans and non-performing loans ratio of the Bank increased as compared to the beginning of the year. The balance of non-performing loans amounted to RMB3,254 million, representing an increase of RMB374 million as compared to the beginning of the year. The non-performing Loans ratio was 1.17%, representing an increase of 0.02 percent points as compared to the beginning of the year. Loans classified as special mention accounted for 1.82% of the total loans, representing a decrease of 0.15 percent points as compared to the beginning of the year.

Management Discussion and Analysis (Continued)

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

| Item | As at 30 June 2022 | | | | As at 31 December 2021 | | | |
|--|--------------------|----------------|--------------------------------|-------------------------------|------------------------|----------------|--------------------------------|-------------------------------|
| | Loan amount | Percentage (%) | Amount of non-performing loans | Non-performing loan ratio (%) | Loan amount | Percentage (%) | Amount of non-performing loans | Non-performing loan ratio (%) |
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | | | | | | |
| Loans and advances to customers measured at amortised cost | | | | | | | | |
| Corporate loans and advances | | | | | | | | |
| Working capital loans | 64,595.74 | 23.19 | 611.92 | 0.95 | 59,765.40 | 23.86 | 779.97 | 1.31 |
| Fixed assets loans | 154,190.23 | 55.35 | 2,028.95 | 1.32 | 144,436.88 | 57.66 | 1,666.47 | 1.15 |
| Others | 10,168.75 | 3.65 | - | - | 8,807.07 | 3.52 | - | - |
| Sub-total | 228,954.72 | 82.19 | 2,640.87 | 1.15 | 213,009.35 | 85.04 | 2,446.44 | 1.15 |
| Personal loans and advances | | | | | | | | |
| Personal residential mortgage loans | 19,857.81 | 7.13 | 139.53 | 0.70 | 20,008.52 | 7.99 | 51.78 | 0.26 |
| Personal business loans | 8,117.32 | 2.91 | 360.65 | 4.44 | 8,022.34 | 3.20 | 313.78 | 3.91 |
| Personal consumption loans | 354.87 | 0.13 | 11.25 | 3.17 | 440.52 | 0.18 | 21.57 | 4.89 |
| Credit cards | 7,488.95 | 2.69 | 101.97 | 1.36 | 5,441.38 | 2.17 | 46.81 | 0.86 |
| Sub-total | 35,818.95 | 12.86 | 613.40 | 1.71 | 33,912.76 | 13.54 | 433.93 | 1.28 |
| Loans and advances to customers measured at fair value through other comprehensive income | | | | | | | | |
| Discounted bills | 13,781.16 | 4.95 | - | - | 3,109.36 | 1.24 | - | - |
| Corporate loans and advances | - | - | - | - | 455.11 | 0.18 | - | - |
| Total | 278,554.83 | 100.00 | 3,254.27 | 1.17 | 250,486.58 | 100.00 | 2,880.37 | 1.15 |

During the Reporting Period, the Bank increased its support for the real economy and inclusive finance, achieving steady growth in business scale. As at the end of the Reporting Period, the balance of corporate loans and advances amounted to RMB228,955 million, up RMB15,490 million from the beginning of the year, representing a decrease of 3.03 percentage points of total loans and the non-performing ratio of such loans was the same as that at the beginning of the year. The balance of personal loans and advances amounted to RMB35,819 million, up RMB1,906 million from the beginning of the year, representing a decrease of 0.68 percentage points of total loans and the non-performing ratio of such loans was decreased by 0.43 percentage points from the beginning of the year. The discounted bills increased by RMB10,672 million compared with the beginning of the year, accounting for an increase of 3.71 percentage points of total loans.

Management Discussion and Analysis (Continued)

3.5.3 Distribution of loans and non-performing loans by industry

| Industry | As at 30 June 2022 | | | | As at 31 December 2021 | | | |
|--|--------------------|----------------|--------------------------------|-------------------------------|------------------------|----------------|--------------------------------|-------------------------------|
| | 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 | 107,888.81 | 38.73 | 762.65 | 0.71 | 105,645.48 | 42.18 | 782.70 | 0.74 |
| Wholesale and retail trade | 24,152.19 | 8.67 | 69.85 | 0.29 | 19,119.32 | 7.63 | 48.93 | 0.26 |
| Water resources, environment and public facilities management | 21,164.07 | 7.60 | 69.87 | 0.33 | 16,969.44 | 6.77 | 69.87 | 0.41 |
| Construction | 14,593.88 | 5.24 | 124.49 | 0.85 | 14,825.62 | 5.92 | 138.41 | 0.93 |
| Mining | 9,023.91 | 3.24 | 908.13 | 10.06 | 8,967.27 | 3.58 | 923.94 | 10.30 |
| Real estate | 8,562.77 | 3.07 | 43.46 | 0.51 | 8,903.12 | 3.55 | 73.79 | 0.83 |
| Education | 8,995.97 | 3.23 | 1.21 | 0.01 | 8,875.43 | 3.54 | 1.29 | 0.01 |
| Transportation, storage and postal services | 7,310.12 | 2.62 | 272.00 | 3.72 | 5,545.63 | 2.21 | 5.99 | 0.11 |
| Agriculture, forestry, animal husbandry and fishery | 7,131.89 | 2.56 | 324.90 | 4.56 | 5,501.94 | 2.20 | 329.63 | 5.99 |
| Manufacturing | 5,502.96 | 1.98 | 21.53 | 0.39 | 5,362.16 | 2.14 | 13.46 | 0.25 |
| Health and social work | 4,037.50 | 1.45 | 25.50 | 0.63 | 3,774.11 | 1.51 | 30.00 | 0.79 |
| Production and supply of electric power, gas and water | 3,594.45 | 1.29 | - | - | 3,100.49 | 1.24 | - | - |
| Finance | 2,569.33 | 0.92 | - | - | 1,947.41 | 0.78 | - | - |
| Accommodation and catering industry | 949.49 | 0.34 | 7.74 | 0.82 | 1,817.53 | 0.73 | 18.80 | 1.03 |
| Culture, sports and entertainment | 694.81 | 0.25 | - | - | 388.02 | 0.15 | - | - |
| Others | 2,782.57 | 1.00 | 9.54 | 0.34 | 2,721.50 | 1.09 | 9.63 | 0.35 |
| Corporate loans and advances | 228,954.72 | 82.19 | 2,640.87 | 1.15 | 213,464.47 | 85.22 | 2,446.44 | 1.15 |
| Personal loans and advances | 35,818.95 | 12.86 | 613.40 | 1.71 | 33,912.76 | 13.54 | 433.93 | 1.28 |
| Discounted bills | 13,781.16 | 4.95 | - | - | 3,109.36 | 1.24 | - | - |
| Total | 278,554.83 | 100.00 | 3,254.27 | 1.17 | 250,486.58 | 100.00 | 2,880.37 | 1.15 |

During the Reporting Period, the Bank seized the significant opportunities of the new No. 2 Document of State Council, comprehensively implemented the national macro-control policies, industrial development policies and regional strategic plans, focused on the construction of "new industrialization, new urbanization, agricultural modernization and tourism industrialization" projects and high-quality customers, and promoted high-quality business development. As at the end of the Reporting Period, the proportion of loans to wholesale and retail trade, and water resources, environment and public facilities management increased by 1.04 and 0.83 percentage points compared with the beginning of the year, respectively, and the proportion of loans to leasing and commercial services decreased by 3.45 percentage points compared with the beginning of the year. The non-performing loan ratio of agriculture, forestry, animal husbandry and fishery, real estate and mining industries decreased by 1.43, 0.32 and 0.24 percentage points from the beginning of the year, respectively. The non-performing loan ratio of transportation, storage and postal services industry increased by 3.61 percentage points compared with the beginning of the year.

Management Discussion and Analysis (Continued)

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

| Item | As at 30 June 2022 | | | | As at 31 December 2021 | | | |
|--|--------------------|----------------|--------------------------------|-------------------------------|------------------------|----------------|--------------------------------|-------------------------------|
| | 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 | 47,664.21 | 17.11 | 124.21 | 0.26 | 33,561.89 | 13.39 | 59.52 | 0.18 |
| Guaranteed loans | 142,326.96 | 51.09 | 1,037.80 | 0.73 | 131,969.42 | 52.69 | 1,064.88 | 0.81 |
| Collateralised loans | 45,734.75 | 16.42 | 1,974.26 | 4.32 | 44,076.50 | 17.60 | 1,638.57 | 3.72 |
| Pledged loans | 42,828.91 | 15.38 | 118.00 | 0.28 | 40,878.77 | 16.32 | 117.40 | 0.29 |
| Total | 278,554.83 | 100.00 | 3,254.27 | 1.17 | 250,486.58 | 100.00 | 2,880.37 | 1.15 |

During the Reporting Period, the Bank's unsecured loans balance increased by RMB14,102 million compared with the beginning of the year, representing an increase of 3.72 percentage points of total loans. The non-performing ratio of loans under each security method remained basically stable from the beginning of the year.

3.5.5 Distribution of loans by overdue period

| Category | As at 30 June 2022 | | As at 31 December 2021 | |
|--|--------------------|----------------|------------------------|----------------|
| | Total | Percentage (%) | Total | Percentage (%) |
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | | |
| Loans not past due | 273,741.64 | 98.27 | 248,672.42 | 99.28 |
| Overdue loans | | | | |
| Within 3 months | 3,258.91 | 1.17 | 440.24 | 0.18 |
| Over 3 months but within 1 year | 778.95 | 0.28 | 1,108.05 | 0.44 |
| Over 1 year but within 3 years | 744.47 | 0.27 | 233.96 | 0.09 |
| Over 3 years | 30.86 | 0.01 | 31.91 | 0.01 |
| Overdue loans and overdue ratio | 4,813.19 | 1.73 | 1,814.16 | 0.72 |
| Total loans | 278,554.83 | 100.00 | 250,486.58 | 100.00 |

As of the end of the Reporting Period, the overdue loan balance of the Bank was RMB4,813 million, representing an increase of RMB2,999 million over the beginning of the year, with an overdue rate of 1.73%, representing an increase of 1.01 percentage points over the beginning of the year. During the Reporting Period, due to the economic downturn and the continued impact of the epidemic, the proportion of overdue loans within three months increased by 0.99 percentage points compared with the beginning of the year.

Management Discussion and Analysis (Continued)

3.5.6 Loan concentration

| Industry | As at 30 June 2022 | | | Five-category classification |
|--|--------------------|-------------------------------|-------------------------------|------------------------------|
| | Balance | Percentage of total loans (%) | Percentage of net capital (%) | |
| (Expressed in millions of RMB, unless otherwise stated) | | | | |
| Mining | 3,591.25 | 1.29 | 7.78 | Normal |
| Leasing and commercial service | 3,220.29 | 1.16 | 6.98 | Normal |
| Leasing and commercial service | 2,965.50 | 1.06 | 6.43 | Normal |
| Leasing and commercial service | 2,396.70 | 0.86 | 5.19 | Normal |
| Wholesale and retail trade | 2,228.00 | 0.80 | 4.83 | Normal |
| Leasing and commercial service | 2,033.00 | 0.73 | 4.41 | Normal |
| Real estate | 1,963.90 | 0.71 | 4.26 | Normal |
| Finance | 1,922.00 | 0.69 | 4.16 | Normal |
| Construction | 1,794.90 | 0.64 | 3.89 | Normal |
| Water conservation, environment and public facilities management | 1,785.00 | 0.64 | 3.87 | Normal |
| Total | 23,900.54 | 8.58 | 51.79 | |

As at the end of the Reporting Period, the balance of loan to the Bank's largest single borrower amounted to RMB3,591 million, representing 7.78% of the net capital, and the total amount of loans to the ten largest single borrowers was RMB23,901 million, representing 8.58% of the total loans.

Management Discussion and Analysis (Continued)

3.6 SEGMENT REPORTING

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

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

(Expressed in millions of RMB, unless otherwise stated)

Management Discussion and Analysis (Continued)

| | 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 |

Notes:

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

Management Discussion and Analysis (Continued)

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

| | For the six months ended 30 June 2022 | | For the six months ended 30 June 2021 | |
|-----------------------|--|-----------------------------------|--|-----------------------------------|
| | Amount | Percent of total amount (%) | Amount | Percent of total amount (%) |
| | <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | | |
| Corporate Banking | 3,784.59 | 62.92 | 3,518.52 | 61.52 |
| Retail Banking | 1,094.07 | 18.19 | 959.88 | 16.79 |
| Financial Markets | 1,135.24 | 18.87 | 1,227.23 | 21.46 |
| Others ⁽¹⁾ | 1.18 | 0.02 | 13.01 | 0.23 |
| Total | 6,015.08 | 100.00 | 5,718.64 | 100.00 |

Note:

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

Management Discussion and Analysis (Continued)

3.7 ANALYSIS OF CAPITAL ADEQUACY RATIO

As at 31 December 2021 and 30 June 2022, the Bank's core tier-one capital adequacy ratio were 11.79% and 11.41%, respectively, the Bank's tier-one capital adequacy ratio were 11.79% and 11.41%, respectively, and the Bank's capital adequacy ratio were 13.78% and 13.36%, respectively.

| | As at 30 June 2022 | As at 31 December 2021 |
|--|-----------------------|---------------------------|
| <i>(Expressed in millions of RMB, unless otherwise stated)</i> | | |
| Total core tier-one capital | | |
| Share capital | 14,588.05 | 14,588.05 |
| Qualifying portion of capital reserve | 8,670.09 | 8,670.09 |
| Other comprehensive income | 170.53 | 101.22 |
| Surplus reserve | 2,228.70 | 2,228.70 |
| General reserve | 5,070.00 | 4,690.00 |
| Retained earnings | 9,639.02 | 8,709.77 |
| Core tier-one capital | 40,366.39 | 38,987.83 |
| Core tier-one capital deductions | (930.57) | (718.98) |
| Net core tier-one capital | 39,435.82 | 38,268.85 |
| Tier-two capital | | |
| Instruments issued and share premium | 2,794.58 | 2,794.22 |
| Surplus provision for loan impairment | 3,920.19 | 3,671.16 |
| Net tier-two capital | 6,714.77 | 6,465.38 |
| Total net capital | 46,150.59 | 44,734.23 |
| Total risk-weighted assets | 345,496.30 | 324,577.68 |
| Core tier-one capital adequacy ratio | 11.41% | 11.79% |
| Tier-one capital adequacy ratio | 11.41% | 11.79% |
| Capital adequacy ratio | 13.36% | 13.78% |

Management Discussion and Analysis (Continued)

3.8 RISK MANAGEMENT

3.8.1 *Credit risk management*

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

The Board is the Bank's highest decision-making body for credit risk management, which undertakes the ultimate responsibility of credit risk management. Senior management is responsible for the implementation of credit risk management strategies set by the Board, putting into practice credit risk appetite and limit, and optimizing the credit risk management system. The Credit Risk Management Committee subordinate to the senior management has centralised the decision-making, coordination and management in respect of credit risk management of the Bank within their authorization. The Bank has established "three lines of defense" against credit risk management. The first line of defense is formed by various business departments of our head office, branches and sub-branches. The second line of defense includes our Risk Management Department, Credit Evaluation Department, Legal and Compliance Department and other risk management-related departments. The third line of defense relies on credit risk management conducted by the Internal Audit Department.

In the first half of 2022, the Bank adhered to the general principle of seeking progress while maintaining stability. Centred around high-quality development which is taken as the guiding principle, the Bank implemented the "steady and balanced" risk appetite, continued to improve the credit policy and system, optimized the organizational structure, consolidated the fundamental management of credit extension, enhanced risk management and control in key areas and maintained the assets quality stable.

Management Discussion and Analysis (Continued)

3.8.2 Market risk management

Market risk refers to the risk of loss on the Bank's on-and-off-balance sheet businesses due to the adverse changes in interest rates, foreign exchange rates, stock prices and commodity prices. The Bank complies with the relevant regulatory requirements on market risks, has established an independent market risk management framework covering the Board, the Board of Supervisors, the senior management and front, middle and back sections to identify, measure, monitor and control market risk, and uses duration analysis, sensitivity analysis, gap analysis and stress tests to measure and monitor market risk.

The main market risk exposed to the Bank includes interest rate risk. Following the principle of "penetrating" management, the Bank has continued to implement risk supervision by dispatching personnel to financial market and achieved continuous results of centralized market risk management, further enhancing the second line of defense on market risk. During the Reporting Period, the Bank's construction results of the market risk under the new capital agreements were applied at a steadily accelerated pace. After the market risk measurement tools were put into use, the analysis functions of pre-investment portfolio risk forecast, in-investment risk limit management and post-investment profit and loss attribution were steadily enriched. The management tools of asset valuation, risk measurement, threshold tests and risk early warning were improved gradually. The Bank actively responded to the adverse impact of public defaults on bond and interest rate market fluctuations and strongly support for financial markets business strategic transformation.

Impacted by recurring pandemic, slowing down in economic growth and the US dollar shrinking of balance sheet and raising interest rates and other uncertainties, the internal and external environment of the bond market remains uncertain, and it is still need to pay continuous attention to market risk control.

3.8.3 Operational risk management

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

The Board is ultimately responsible for our operational risk management and the senior management leads our day-to-day operational risk management. The Bank has established "three lines of defense" against operational risk. The first line of defense is formed by various business departments of our head office, branches and sub-branches. The second line of defense includes our Risk Management Department, Legal and Compliance Department and other risk management-related departments. The third line of defense is our Internal Audit Department, which is responsible for conducting independent valuation of our operational risk management system and monitoring the implementation and effectiveness of our operational risk management policies. In the first half of 2022, the Bank clarified the operational risk management policy, improved the operational risk management structure, continuously strengthened the application of operational risk management tools, enhanced the construction of the internal control system, conducted in-depth supervision and inspection, actively addressed operational risks in all lines, and further promoted the Bank's operational risk management capability.

Management Discussion and Analysis (Continued)

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

3.8.4 Information technology risk management

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

During the Reporting Period, the Bank's capabilities to manage information technology risk kept improving, which has provided effective support for its business development. Firstly, the Bank continuously improved information technology risk management system to provide a regulated system guarantee for information technology risk management; secondly, the Bank continuously improved 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; thirdly, the Bank continuously enhanced 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 information systems.

During the Reporting Period, the Bank recorded no regional, systemic cases on information technology risk.

3.8.5 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.

Management Discussion and Analysis (Continued)

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

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

3.8.6 Interest rate risk management of banking book

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

The Bank mainly adopts repricing gap analysis, duration analysis, net interest income analysis, economic value analysis, limit management 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, structure and duration to achieve active gap management and good income and value stability management. The Bank constrained the fluctuation range of interest rate 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.

During the Reporting Period, the Bank's interest rate risk in the banking book was within the scope of limit management and the overall risk was controllable.

Management Discussion and Analysis (Continued)

3.8.7 Money laundering risk management

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

During the Reporting Period, the Bank continued to improve the anti-money laundering system, strengthened the anti-money laundering coordination mechanism, enhanced the use of anti-money laundering technology, actively submitted suspicious transaction clues to help combat money laundering crimes, and continuously improved the anti-money laundering management standards. Firstly, the Bank improved its system and standardized the business operations to effectively guide the anti-money laundering; secondly, the Bank strengthened compliance checks to prevent money laundering risks at the source of business development and to promote high quality business development; thirdly, the Bank enhanced technological empowerment, optimized the monitoring model, improved the accuracy rate of the model, and effectively improved ability to identify money laundering crimes; fourthly, the Bank assisted the authorities in catching money laundering suspects by actively submitting suspicious transaction clues; fifthly, the Bank emphasized education and training and organized special anti-money laundering training to enhance the ability of staff to perform their duties.

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

3.8.8 Strategic risk management

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

During the Reporting Period, under overall principle of the Bank's strategic risk management of "clear responsibility, rapid identification, comprehensive assessment and proactive response", the Bank continued to persevere in the "three services" development orientation, proactively serve and be fully integrated into the overall local economic and social development, timely formulate the Bank's operation management objectives and medium and long-term development strategies with implementation review per annual, and steadily enhance its strategic risk management capabilities. The overall strategic risk level of the whole Bank was stable and strategic risks were effectively managed.

Management Discussion and Analysis (Continued)

3.8.9 Exchange rate risk management

Exchange rate risk refers to the risk that foreign currency exposures arising from unbalanced currency structure of the foreign exchange assets and liabilities will be adversely affected by fluctuations in exchange rates. The Bank controls foreign currency exposures and hedges exchange rate risk mainly by means of foreign currency asset-liability matching, limits management and real-time termination.

During the Reporting Period, the Bank implemented a prudent exchange rate risk management strategy, continued to improve exchange rate risk management, dynamically monitored and analyzed changes in the Bank's exchange rate exposures, took measures to control exposure fluctuations, and maintained its foreign exchange exposure position at a relatively low level.

3.8.10 Legal and compliance risk management

I. Legal risk management

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

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

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

Management Discussion and Analysis (Continued)

II. *Compliance risk management*

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

The Bank consistently establishes a sound compliance risk management mechanism to achieve effective identification, assessment and prevention of compliance risks, promoting the construction of a comprehensive risk management system and ensuring compliance operation in accordance with the law as the objective of compliance risk management. 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.

During the Reporting Period, the Bank adopted the following major measures to strengthen compliance risk management: The Bank continued to carry out compliance management year activities, formulated and issued the Activity Plan for the "Internal Control and Compliance Management Construction Year" for 2022, and continuously improved its ability to prevent and resolve major risks through improving system, implementing rectification of problems and focusing on key business governance; the Bank formulated 263 bank-wide compliance inspection plans for the year 2022, carried out effective compliance checks and greatly promoted the function of "three lines of defense"; the Bank carried out annual special investigation and rectification activities for abnormal behavior of employees, focusing on rectifying violations in 14 areas such as participation in private lending, illegal fund raising, acting as a fund broker, and participation in business to lay a solid awareness of employees compliance; the Bank has built the publicity and education platform of compliance culture, deepened to promote construction of compliance culture, broadened the publicity and education channels of compliance culture, and continuously strengthened the compliance concept promotion within the Bank.

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

3.8.11 *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. Specifically, external factors mainly 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 mainly include the maturity and business structure of assets and liabilities, stability of deposits, market financing capability and various unexpected events.

Management Discussion and Analysis (Continued)

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

During the Reporting Period, the Bank continued to implement the “steady, compliant, prudent” liquidity risk management appetite. Taking into account the Bank’s strategic development objectives, the Bank strictly controlled the loan-to-deposit ratio and the interbank liabilities ratio, increased the regulation of asset and liability maturities and insisted on the bottom line of safe operation of liquidity risk management.

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

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

Management Discussion and Analysis (Continued)

As at the end of the Reporting Period, the Bank's liquidity coverage ratio was 345.84%; the qualified current assets amounted to RMB64,017 million; the net cash outflow for the next 30 days was RMB18,511 million; the current ratio was 106.72%. The net stable funding ratio was set out in the table below:

Net Stable Funding Ratio

Unit: RMB100 million, %

| No. | Item | June 2022 | March 2022 |
|-----|------------------------------|-----------|------------|
| 1 | Stable funding available | 3,062.54 | 3,072.89 |
| 2 | Stable funding needed | 2,775.03 | 2,704.72 |
| 3 | Net stable funding ratio (%) | 110.36 | 113.61 |

3.9 INFORMATION TECHNOLOGY DEVELOPMENT

In the first half of 2022, the Bank focused on the target of digital transformation, strengthened project progress and made efforts to improve the digital level of the Bank's business operation and management as well as data and technology support capabilities.

- I. **Focus on leading technology and fully promoting the digital transformation of the Bank.** First, focusing on the business development goals, the Bank organized a digital transformation survey to find out the digital transformation needs of the Bank. Secondly, the Bank organized many in-depth exchanges with leading internet enterprises and financial peers, and fully drew on successful cases of inter-bank peers and leading internet enterprises to integrate them into the Bank's digital transformation work. With the help of Tencent and other external experts, the Bank reviewed, analyzed and positioned the current status of its digital transformation according to the MAX maturity model of digital transformation, defined the current status of digital transformation capabilities of the Bank, and provided a basis for promoting systematical digital transformation of the Bank. Third, the Bank clarified the digitalization targets, tasks and paths. It completed the preparation of Digital Transformation Plan for 2022-2025 of Bank of Guizhou, which clarified the digital transformation targets, tasks and paths. In line with the three levels of "strategy, business and capacity support" and the five aspects of "digital transformation system planning, business operation and management, data capability, technology capability and risk prevention and control" and 25 work requirements proposed by regulators, the Bank has put forward specific implementation measures according to the actual situation of the Bank. The digital transformation work of the Bank has been decomposed into 83 detailed tasks and implemented to specific departments, so as to promote the digital transformation work of the Bank in an orderly manner. Fourthly, the Bank strengthened the learning and training of digital transformation for all employees. It organized in-depth study and exchange with Huawei, Tencent and other leading internet enterprises, invited expert teams to the Bank to conduct digital transformation training. More than 300 employees received training. Through detailed contents and vivid cases, the training provided positive references for Bank of Guizhou to accelerate digital transformation.

Management Discussion and Analysis (Continued)

II. Advancing product development and enhancing the Bank's digital level of operation and management.

Firstly, we rapidly developed third-generation social security cards, becoming one of the first batch banks in the province to formally issue the third-generation social security cards. We added functions such as social security information collection, social security card leaflets business card printing, social security card batch business card printing, social security card activation and social security card financial function feedback in counter system, mobile marketing system, mobile banking and other channels, providing strong technology support for the Bank to explore third-generation social security cards market in the province. Secondly, we launched "Agriculture Revitalization Loan (興農貸)" in a timely manner with the aim to enable farmers to have a quick access to loan and handle business on mobile phone, which enhanced the market competitiveness of serving rural revitalization and developing inclusive finance by the Bank. Thirdly, the launch of "Payroll E Loan (薪E貸)", as the Bank's first consumer online loan product for C-side scenarios (individual user), has realized automatic risk control and intelligent approval, significantly improved the efficiency of business operation, and promoted the integration of consumption loans and consumption scenarios. Fourthly, we continued to optimize Bank Tax Loan (銀稅貸), Tobacco Business Loan (煙商貸), Drug Purchase Loan (藥採貸), T+1 cash management wealth management products to enhance customer experience. Fifthly, the development of "One-Code Loan" and "Electronic Letter of Guarantee" was speeded up in response to the requirement of market.

III. Enhancing scenarios and channels construction to improve customer experience.

Firstly, the project "i Moutai (i茅台)" payment and settlement project undertaken by the Bank has been officially put into operation, and the supply chain financing products with focus on "Guizhou Provincial means of production transaction" have realized the ERP online connection of Guizhou Provincial means of production transaction, laying the foundation for supply chain financing business. Secondly, works regarding code scanning in Guiyang's bus and subway, smart parking, and functions such as account opening, reloading, cash withdrawal and payment of accounts for Three Types of Households (三類戶) have been put into trial operation and the Bank has promoted the construction of "Guiren Code (貴人碼)" project. Thirdly, remote banking project has been put into operation and digital service capabilities and means have been improved to construct a broad range of service channels and service means as well as whole-process intelligent customer service capabilities. Fourthly, the construction of "unified network (一張網)" for public resources trading has been advanced. The margin system of the Public Resources Trading Centre of Liupanshui city has been connected with that of the Public Resources Trading Centre of the Tongren city and both have been put into operation, aiming to provide strong technology support for the construction of local "unified network(一張網)" for public resources trading. Fifthly, smart parking project has been advanced in an orderly manner. As an important project of the Bank's scenario-based customer acquisition, smarting parking has been put into operation in 23 parking lots and 37 parking lots are in the process of joint debugging. Sixthly, we promoted the platform of "Bank of Guizhou With You (貴銀隨身行)" throughout the Bank and the external expansion capabilities of the customer relationship managers was enhanced.

Management Discussion and Analysis (Continued)

3.10 SOCIAL RESPONSIBILITIES

I. Fully promoting rural revitalization. The Bank focused on promoting the comprehensive rural revitalization and made every effort to promote the high-quality development of the Bank's rural revitalization business, actively helping the development of the 12 major advantageous and characteristic agricultural industries, forestry industry and forest economy in Guizhou Province. As of the end of the Reporting Period, the balance of the Bank's loans for rural revitalization was RMB50.120 billion and the balance of loans for agricultural modernization was RMB14.862 billion. The Bank gives full play to the advantages of local legal entities, builds new channels of financial services to help, benefit and facilitate farmers, promotes the flow of various resources to the countryside and the extension of modern services to the rural areas, and accelerates the construction of rural service outlets. During the Reporting Period, the Bank opened 917 rural service outlets. The Bank provides villagers with comprehensive services such as small cash withdrawals, remittance, balance inquiries, social security, medical insurance, traffic fines and convenient payment, enabling rural residents to enjoy convenient and safe financial services just out of their doors.

II. Sincerely serving micro and small private enterprises. The Bank continuously increased credit resources to the real economy, so as to comprehensively improve the ability and level of financial support for the development of the real economy. As of the end of the Reporting Period, the Bank's real economy financing balance was RMB159.428 billion, an increase of RMB15.604 billion or 10.85% from the beginning of the year. The balance of loans to private enterprises was RMB41.007 billion, an increase of RMB3.027 billion or 7.97% from the beginning of the year. With the goal of "strengthening the foundation and expanding the coverage, improving quality and increasing efficiency (強基擴面、提質增效)", the Bank has established a mechanism of "able, willing, dare and sure to lend (能貸、願貸、敢貸、會貸)" for micro and small private enterprises, and the quality and efficiency of inclusive financial services have been continuously improved. As of the end of the Reporting Period, the balance of the Bank's loans to micro and small private enterprises in the inclusive category accounted for a continuous increase of 0.93 percentage points over the beginning of the year.

III. Relentless efforts in building Green Bank. The Bank focused on the goal of "Carbon Peak" and "Carbon Neutrality", and actively implemented 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》). As of the end of the Reporting Period, the Bank's balance of green loan for corporate business was RMB38.311 billion, an increase of RMB3.450 billion or 9.89% from the beginning of the year, and the percentage of green loans for corporate business was 19.42%. During the Reporting Period, the Bank successfully issued RMB3 billion of green financial bonds, providing financial support for the construction of key projects such as modern chemical industry, water supply quality improvement, eco-tourism and green agriculture in the province, and comprehensively promoting the transformation of the province's lucid waters and lush mountains into "happy real estate" and "green cash machine".

Management Discussion and Analysis (Continued)

IV. Effective protection of consumer rights and interests. The Bank continued to promote consumer education activities and organized a total of 623 online and offline education and publicity activities during the “3•15” consumer rights protection education and publicity week, which involves 150,500 consumers. The Bank has set up 193 education and publicity areas through its branches and placed 216 electronic screens with education and publicity information, and was awarded the most beautiful outlets of the national outdoor workers’ service outlet. The Bank has continuously increased the publicity of “inclusive finance knowledge, keep the ‘money bag’” and launched a total of 744 activities, involving 108,700 consumers, distributing 75,200 copies of publicity materials and further enhancing the financial consumption risk prevention and self-protection awareness of the public.

V. Actively contributing to improve social welfare. The Bank actively fulfills its social responsibilities and strives to be a “warm” bank. During the Reporting Period, the Bank continued to carry out “I do practical things for the public” and “I do practical things for the youth” activities, continued to pay close attention to the production and living needs of the poor people, and made donations to the poor people in Baiqiao Village, Lingsuo Village and Guishang Village in Rongjiang County, actively organized public welfare activities, such as the promotion of laws and regulations on the protection of women workers’ rights and interests, the “Love for Her (愛為她)” seminar on women’s health and the summer caring event of the integrated service station for outdoor workers, in order to enhance public satisfaction. The Bank has led young people to join the public welfare practice, and actively carried out youth volunteer services such as “Youthful Guiyin for Rural Revitalization (青春貴銀助力鄉村振興)” and “Be a Better Youth of Guiyin in the New Era (做新時代貴銀好青年)”, with a total of 41 times of volunteer service activities and about 3,000 times of service to the public. The Bank organized the “3•15” consumer rights protection education and publicity week and 2,318 online and offline education and publicity activities of the youth financial knowledge popularization group “in campus, in community, in enterprise, in rural areas”, which involves 190,000 targeted consumers and demonstrates the responsible spirit of Bank of Guizhou.

VI. Vigorously promoting the development of talents. The Bank has been making solid efforts to promote the “Six Stability” and implement the “Six Security” work, and has made use of the platform of the 10th Guizhou Professionals Convention (貴州省第十屆人才博覽會) to publish 38 job positions covering various fields of the head office and branches with more than 200 people being recruited covering financial technology, asset management, operation and marketing where professionals are in short supply for the Bank. On top of the “Sailing Plan (揚帆計劃)” of the provincial Party Committee, the Bank has fully explored diversified and high-quality positions that meet the needs of students, and announced 222 internship positions during the Reporting Period, helping potential job seekers to reserve work experience and bringing fresh new human resources into the Bank, while effectively fulfilling the social responsibility of state-owned enterprises.

Changes in Share Capital and Information on Shareholders

4.1 CHANGES IN SHARE CAPITAL

As at 30 June 2022, total share capital of the Bank was 14,588,046,744, comprising 12,388,046,744 Domestic Shares and 2,200,000,000 H Shares.

| Item | As at 31 December 2021 | | Changes in shares during the Reporting Period (share) | As at 30 June 2022 | |
|---------------------------------|--------------------------|----------------|---|--------------------------|----------------|
| | Number of shares (share) | Percentage (%) | | Number of shares (share) | Percentage (%) |
| Domestic Shares | 12,388,046,744 | 84.92 | 0 | 12,388,046,744 | 84.92 |
| H Shares | 2,200,000,000 | 15.08 | 0 | 2,200,000,000 | 15.08 |
| Total number of ordinary shares | 14,588,046,744 | 100.00 | 0 | 14,588,046,744 | 100.00 |

4.2 INFORMATION ON SHAREHOLDERS

4.2.1 Total number of domestic shareholders

As at 30 June 2022, the Bank had 5,298 domestic shareholders in total, consisting of 10 state-owned shareholders, 60 state-owned legal person shareholders, 121 private enterprise legal person shareholders and 5,107 natural person shareholders.

4.2.2 Top ten holders of the Domestic Shares

As at 30 June 2022, the shareholdings of top ten Domestic Shareholders of the Bank are detailed as follow:

Changes in Share Capital and Information on Shareholders (Continued)

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

Changes in Share Capital and Information on Shareholders (Continued)

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 2022, 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 | Nature of interests | Number of Shares (Unit: Share) | Approximate percentage of the relevant class of share capital issued of the Bank (%) | Approximate percentage of the total issued share capital of the Bank (%) |
|---|-----------------|--------------------------|--|-----------------------------------|--|--|
| Guizhou Provincial Finance Bureau (貴州省財政廳) | Domestic Shares | Long positions | Beneficial owner | 2,518,500,000 | 20.33 | 17.26 |
| China Kweichow Moutai Distillery (Group) Co., Ltd. ⁽¹⁾ (中國貴州茅台酒廠(集團)有限責任公司) | Domestic Shares | Long positions | Beneficial owner | 1,750,000,001 | 14.13 | 12.00 |
| State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province ⁽¹⁾ (貴州省人民政府國有資產監督管理委員會) | Domestic Shares | Long positions | Interest in controlled corporation | 1,750,000,001 | 14.13 | 12.00 |
| Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. ⁽²⁾ (遵義市名城國有資產投資經營有限公司) | Domestic Shares | Long positions | Beneficial owner | 34,065,055 | 0.27 | 0.23 |
| Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. ⁽²⁾ (遵義市國有資產投融資經營管理有限責任公司) | Domestic Shares | Long positions | Beneficial owner Interest in controlled corporation | 955,477,904 34,065,055 | 7.71 0.27 | 6.55 0.23 |
| Zunyi State-owned Capital Operation Co., Ltd. ⁽²⁾ (遵義市國有資本運營有限公司) | Domestic Shares | Long positions | Interest in controlled corporation | 989,542,959 | 7.98 | 6.78 |
| State-owned Assets Supervision and Administration Commission of Zunyi Municipality ⁽²⁾ (遵義市國有資產監督管理委員會) | Domestic Shares | Long positions | Interest in controlled corporation | 989,542,959 | 7.98 | 6.78 |

Changes in Share Capital and Information on Shareholders (Continued)

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

Changes in Share Capital and Information on Shareholders (Continued)

Notes:

- (1) China Kweichow Moutai Distillery (Group) Co., Ltd. is 90% owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province (貴州省人民政府國有資產監督管理委員會). In virtue of the SFO, the State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province is deemed to be interested in the shares of the Bank held by China Kweichow Moutai Distillery (Group) Co., Ltd.
- (2) Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. is wholly owned by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. 79.44% interests of which is held by Zunyi State-owned Capital Operation Co., Ltd. Zunyi State-owned Capital Operation Co., Ltd. is 98% owned by the State-owned Assets Supervision and Administration Commission of Zunyi Municipality. In virtue of the SFO, Zunyi City State-owned Assets Investment and Financing Management Co., Ltd., Zunyi State-owned Capital Operation Co., Ltd. and the State-owned Assets Supervision and Administration Commission of Zunyi Municipality are all deemed to be interested in the shares of the Bank held by Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd. Both Zunyi State-owned Capital Operation Co., Ltd. and the State-owned Assets Supervision and Administration Commission of Zunyi Municipality are deemed to be interested in the shares of the Bank held by Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.
- (3) Guizhou Water Investment Water Affairs Group Co., Ltd. is 87.47% owned by Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) 91.31% interests of which is held by State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province. In virtue of the SFO, both Guizhou Water Conservancy Investment Group Co., Ltd. and State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou Province are deemed to be interested in the shares of the Bank held by Guizhou Water Investment Water Affairs Group Co., Ltd.
- (4) Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. is 73.23% owned by State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture. In virtue of the SFO, State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture is deemed to be interested in the shares of the Bank held by Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd.
- (5) Renhuai Sauce-flavored Liquor (Group) Co., Ltd. is 92.61% owned by the People's Government of Renhuai Municipality. In virtue of the SFO, the People's Government of Renhuai Municipality is deemed to be interested in the shares of the Bank held by Renhuai Sauce-flavored Liquor (Group) Co., Ltd.
- (6) Tongren State-owned Assets Supervision and Administration Bureau holds 67.77% interests in Guizhou Fanjingshan Investment Holding Group Co., Ltd.. In virtue of the SFO, Tongren State-owned Assets Supervision and Administration Bureau is deemed to be interested in the shares of the Bank held by Guizhou Fanjingshan Investment Holding Group Co., Ltd.
- (7) Changsheng Fund Management Co. Ltd is the investment manager of the asset management plan products of Changsheng Fund Zunyi No.1 Single Asset Management Plan.

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

Save as disclosed above, the Bank is not aware of any other person (other than the Directors, Supervisors and chief executives of the Bank) having any interests or short positions in the shares or underlying shares of the Bank as at 30 June 2022 as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

4.2.4 Shareholders holding 5% or more of the shares

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

Changes in Share Capital and Information on Shareholders (Continued)

4.2.5 Other substantial shareholders

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

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

| Name of Shareholder | Class of Shares | Long positions/ Short positions/ | | Nature of Interests | Number of shares (Unit: Share) | Approximate |
|--|-----------------|-------------------------------------|--|------------------------------------|-----------------------------------|--|
| | | | | | | percentage of the total issued share capital of the Bank |
| | | | | | | % |
| Shenzhen Expressway Corporation Limited ⁽¹⁾ (深圳高速公路集團股份有限公司) | Domestic Shares | Long positions | | Beneficial owner | 426,000,000 | 2.92 |
| | H Shares | Long positions | | Interest in controlled corporation | 76,207,000 | 0.52 |
| Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司) | Domestic Shares | Long positions | | Beneficial owner | 334,000,000 | 2.29 |
| | H Shares | Long positions | | Beneficial owner | 314,030,000 | 2.15 |
| Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) | Domestic Shares | Long positions | | Beneficial owner | 300,000,000 | 2.06 |
| Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司) | H Shares | Long positions | | Beneficial owner | 309,382,000 | 2.12 |
| Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司) | H Shares | Long positions | | Beneficial owner | 310,487,000 | 2.13 |
| Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) | Domestic Shares | Long positions | | Beneficial owner | 104,065,055 | 0.71 |

Note:

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

Changes in Share Capital and Information on Shareholders (Continued)

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

| Company Name | Registry | Registered capital (RMB'000) | Percentage of shares held in the Bank as at 30 June 2022 (including Domestic Shares and H Shares) | Percentage of shares held in the Bank as at 31 December 2021 (including Domestic Shares and H Shares) | Economic nature or type | Legal representative or person in charge |
|--|---|---------------------------------|--|--|--|--|
| Guizhou Provincial Finance Bureau (貴州省財政廳) | Guiyang, Guizhou Province | N/A | 17.26% | 17.26% | Provincial government department | SHI Huaqing (石化清) |
| China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) | Guiyang, Guizhou Province | 10,000,000 | 12.00% | 12.00% | Limited liability company (state-controlled) | DING Xiongjun (丁雄軍) |
| Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司) | Zunyi, Guizhou Province | 8,163,400 | 6.78% | 6.78% | Limited liability company (state-controlled) | SUN Junwei (孫俊偉) |
| Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司) | Guiyang, Guizhou Province | 1,207,606 | 4.44% | 4.44% | Limited liability company (state-controlled) | WANG Wencheng (王文成) |
| Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司) | Shenzhen, Guangdong Province | 2,180,770 | 3.44% | 3.44% | Joint-stock company | HU Wei (胡偉) |
| Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. (黔西南州宏升資本營運有限責任公司) | Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province | 173,690 | 2.13% | 2.13% | Limited liability company (state-controlled) | LV Jiyan (呂紀焱) |
| Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司) | Renhuai, Guizhou Province | 1,011,237 | 2.12% | 2.12% | Limited liability company (state-controlled) | LI Wu (李武) |
| Guizhou Expressway Group Co., Ltd. (貴州高速公路集團有限公司) | Guiyang, Guizhou Province | 11,105,372 | 2.06% | 2.06% | Limited liability company (state-controlled) | LONG Pingjiang (龍平江) |
| Renhuai State-owned Assets Investment and Management Co., Ltd. (仁懷市國有資產投資經營有限責任公司) | Renhuai, 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 (Continued)

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 17.26% of the total share capital of the Bank. The shares held by Guizhou Provincial Finance Bureau are state-owned shares, and the ultimate owner is Guizhou Provincial Finance Bureau.

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

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

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

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

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

Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank and its related party, Zunyi Mingcheng State-owned Assets Investment and Operation Co., Ltd. (遵義市名城國有資產投資經營有限公司) holds 34,065,055 Domestic Shares of the Bank, representing 6.78% of the total share capital of the Bank in total. Zunyi State-owned Capital Operation Co., Ltd. holds 79.44% equity of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. and is 98% owned by State-owned Assets Supervision and Administration Commission of Zunyi Municipality. Therefore, State-owned Assets Supervision and Administration Commission of Zunyi Municipality is an actual controller and the ultimate beneficial owner of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd.. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. included, among others, Zunyi State-owned Capital Operation Co., Ltd. and Zunyi City Mingcheng State-owned Assets Investment and Operation Co., Ltd.

Changes in Share Capital and Information on Shareholders (Continued)

The main businesses of Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. are operation and management of state-owned assets and capital within the scope of authorization, foreign investment, leasing, joint venture, cooperation, share-controlling, shareholding, acquisition, merger, reorganization, and asset disposal, industrial investment, equity investment, land development and consolidation relying on the advantages of assets, resources and capital, and corporate financing services. Projects involving licensed operation shall be operated only after obtaining permission from relevant departments.

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

Guizhou Water Investment Water Affairs Group Co., Ltd. holds 334,000,000 Domestic Shares and 314,030,000 H Shares of the Bank, with a total shareholding of 648,030,000 Shares, accounting for 4.44% of the entire share capital of the Bank. Guizhou Water Conservancy Investment Group Co., Ltd. (貴州省水利投資(集團)有限責任公司) holds 87.47% equity of Guizhou Water Investment Water Affairs Group Co., Ltd.. State-owned Assets Supervision and Administration Commission of Guizhou Province holds 91.31% equity of Guizhou Water Conservancy Investment Group Co., Ltd. Therefore, the actual controller and the ultimate beneficial owner of Guizhou Water Investment Water Affairs Group Co., Ltd is State-owned Assets Supervision and Administration Commission of Guizhou Province. According to the relevant regulations in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Guizhou Water Investment Water Affairs Group Co., Ltd. included, among others, Guizhou Water Investment Water Affairs Technology Co., Ltd. (貴州水投水務科技有限公司) and Guizhou Water Investment Water Affairs Group Songtao Co., Ltd. (貴州水投水務集團松桃有限公司).

The main businesses of Guizhou Water Investment Water Affairs Group Co., Ltd. are investment, financing, construction and operation management of water source projects, water supply integration projects in towns and industrial parks, production and sales of drinking water in-depth development, sales, installation and maintenance of water supply and supporting equipment, development and application of new technologies, new materials and new processes for water supply projects, and construction, installation, commissioning, economic and technical cooperation, technical consultation, survey design and training of water supply investment and development projects.

Changes in Share Capital and Information on Shareholders (Continued)

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

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

The main businesses of Shenzhen Expressway Corporation Limited are 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. The State-owned Assets Supervision and Administration Commission of the People's Government of Qianxinan Prefecture (黔西南州人民政府國有資產監督管理委員會) holds 73.23% equity of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. and is its actual controller and ultimate beneficiary owner. According to the relevant regulations as provided in the Interim Measures for the Equity Management of Commercial Banks, as at the end of the Reporting Period, the related parties of Qianxinan Prefecture Hongsheng Capital Operation Co., Ltd. included 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.

Changes in Share Capital and Information on Shareholders (Continued)

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

Renhuai Sauce-flavored Liquor (Group) Co., Ltd. holds 309,382,000 H Shares of the Bank, representing 2.12% of the total share capital of the Bank. Renhuai Sauce-flavored Liquor (Group) Co., Ltd. is owned as to 92.61% 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 Sauce-flavored Liquor (Group) Co., Ltd. included, among others, Guizhou Renhuai Sugar Tobacco & Alcohol Co., Ltd. (貴州省仁懷市糖業煙酒有限責任公司) and Guizhou Renhuai Sauce-flavored Liquor Supply Chain Management Co., Ltd. (貴州省仁懷市醬香酒供應鏈管理有限公司).

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

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

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

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

Changes in Share Capital and Information on Shareholders (Continued)

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

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

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

4.2.7 Pledge of equity by substantial shareholders

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

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

4.2.8 Pledge of equity by major shareholders

- I. Zunyi City State-owned Assets Investment and Financing Management Co., Ltd. holds 955,477,904 Domestic Shares of the Bank, of which 446,932,193 shares have been pledged.
- II. Renhuai City State-owned Assets Investment and Management Co., Ltd. holds 104,065,055 Domestic Shares of the Bank, of which 100 million shares have been pledged.

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

Changes in Share Capital and Information on Shareholders (Continued)

4.2.9 Nomination of Directors and Supervisors by the shareholders

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

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

Nil.

Changes in Share Capital and Information on Shareholders (Continued)

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

- I. As of the end of the Reporting Period, to the best knowledge of the Bank, 389,647,013 pledged shares held by 5 domestic shareholders of the Bank were involved in freezing and 145,600,000 pledged shares held by 1 domestic shareholder were involved in judicial auction.
- II. According to the Articles of Association of the Bank, when the number of shares pledged by a shareholder of the Bank reaches or exceeds 50% of the shares of the Bank held by the shareholder, the shareholder may not exercise the right to vote on the pledged part of the shares at the shareholders' general meeting during the pledge period. As of the end of the Reporting Period, to the best knowledge of the Bank, 14 domestic shareholders of the Bank have pledged equity interests reaching or exceeding 50% of their equity interests in the Bank, with a total of 914,604,118 shares subject to restrictions on voting rights, representing 6.27% of the total number of shares in the Bank.

Save as disclosed above and to the best knowledge of the Bank, as of the end of the Reporting Period, the Bank has no other pledged shares being frozen, judicially auctioned, or subject to voting restriction or other restrictions under the law.

4.2.12 Purchase, sale or redemption of listed securities

As of 30 June 2022, the Bank did not purchase, sell or redeem any of its listed securities.

Directors, Supervisors, Senior Management, Employees and Organizations

5.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

5.1.1 Directors

As at the date of this report, the Board of the Bank consists of fifteen Directors (of which the qualification of two Directors is subject to approval), including three executive Directors, five non-executive Directors, and seven independent non-executive Directors. The Directors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an independent non-executive Director shall not exceed six years pursuant to the relevant PRC laws and regulations. The details are as follows:

| Name | Gender | Date of birth | Date of appointment | Position in the Bank |
|--|--------|----------------|---------------------|--|
| YANG Mingshang (楊明尚) | Male | November 1965 | July 2021 | Chairman of the Board, executive Director |
| XU An (許安) | Male | October 1963 | August 2018 | Executive Director, President |
| CAI Dong (蔡東) | Male | September 1966 | August 2021 | Executive Director |
| CHEN Jingde (陳景德) | Male | December 1969 | August 2021 | Non-executive Director |
| CHEN Hanqing (陳含青) | Male | February 1984 | August 2021 | Non-executive Director |
| GONG Taotao (龔濤濤) | Female | February 1973 | November 2016 | Non-executive Director |
| WANG Wencheng (王文成) | Male | October 1977 | August 2021 | Non-executive Director |
| ZHAO Yong (趙勇) | Male | May 1969 | August 2021 | Non-executive Director |
| WANG Gefan (王革凡) ⁽¹⁾ | Male | June 1957 | August 2018 | Independent non-executive Director |
| TANG Xin (湯欣) ⁽¹⁾ | Male | September 1971 | August 2018 | Independent non-executive Director |
| SONG Ke (宋科) ⁽¹⁾ | Male | April 1982 | August 2018 | Independent non-executive Director |
| LEE Hoey Simon (李浩然) | Male | March 1977 | May 2022 | Independent non-executive Director |
| SUN Li (孫莉) | Female | October 1970 | August 2022 | Independent non-executive Director |
| JIA Xiangsen (賈祥森) ⁽²⁾ | Male | April 1955 | — | Independent non-executive Director |
| JIANG Shangjun (姜尚君) ⁽²⁾ | Male | July 1954 | — | Independent non-executive Director |

Notes:

- (1) Mr. WANG Gefan, Mr. TANG Xin, Mr. SONG Ke acted as independent non-executive Directors of the second session of the Board of the Bank from August 2018 to June 2021.
- (2) The qualifications of Mr. JIA Xiangsen and Mr. JIANG Shangjun as independent non-executive Directors of the Bank are subject to approval.

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

5.1.2 Supervisors

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

| Name | Gender | Date of birth | Date of appointment | Position in the Bank |
|------------------------------------|--------|---------------|---------------------|--|
| WU Fan (吳帆) | Female | August 1968 | June 2021 | Chairman of the Board of Supervisors, Employee Supervisor |
| ZHANG Hui (張惠) | Female | October 1973 | June 2021 | Employee Supervisor |
| WANG Wei (王薇) | Female | February 1978 | June 2022 | Employee Supervisor |
| CHENG Yunlong (程雲龍) | Male | October 1976 | June 2021 | Shareholder Supervisor |
| HE Xinzhang(何信彰) | Male | July 1965 | June 2022 | Shareholder Supervisor |
| SU Zhi (蘇治) ⁽¹⁾ | Male | December 1977 | May 2018 | External Supervisor |
| YIN Xinquan (尹新全) | Male | August 1957 | June 2021 | External Supervisor |
| CHEN Houyi (陳厚義) ⁽²⁾ | Male | January 1956 | April 2017 | External Supervisor |

Notes:

- (1) Mr. SU Zhi served as an external Supervisor of the second session of the Board of Supervisors of the Bank from May 2018 to June 2021.
- (2) Mr. CHEN Houyi served as an external Supervisor of the first session of the Board of Supervisors of the Bank from April 2017 to May 2018 and an 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 comprises a total of six members. Details are as follows:

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

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

5.2 CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

5.2.1 Changes of Directors

- (1) On 16 May 2022, the Bank received the Approval of the Qualification of LEE Hoey Simon of Bank of Guizhou Co., Ltd. by the CBIRC Guizhou Office (Gui Yin Bao Jian Fu [2022] No. 95) (《貴州銀保監局關於貴州銀行股份有限公司李浩然任職資格的批覆》(貴銀保監復[2022]95號)), and CBIRC Guizhou Office has approved the qualification of Mr. Lee Hoey Simon to serve as an independent non-executive Director of the Bank. The term of office of such Director shall commence on 17 May 2022 until the term of the third session of the Board expires.
- (2) Mr. WANG Xiaoyong resigned as a Director of the Bank on 27 June 2022 due to work arrangements and his resignation took effect on the same date.
- (3) Mr. CHEN Hua resigned as a Director of the Bank on 13 July 2022 due to work arrangements and his resignation took effect on the same date.
- (4) On 29 November 2021, Mr. LAW Cheuk Kin Stephen resigned as an independent non-executive Director of the Bank due to work arrangements with effect from 25 August 2022.
- (5) On 25 August 2022, the Bank received the Approval of the Qualification of SUN Li of Bank of Guizhou Co., Ltd. by the CBIRC Guizhou Office (Gui Yin Bao Jian Fu [2022] No. 160) (《貴州銀保監局關於貴州銀行股份有限公司孫莉任職資格的批覆》(貴銀保監復[2022]160號)), and CBIRC Guizhou Office has approved the qualification of Ms. SUN Li to serve as an independent non-executive Director of the Bank. The term of office of such Director shall commence on 25 August 2022 until the term of the third session of the Board expires.

5.2.2 Changes of Supervisors

- (1) Mr. JIAO Zhengjun resigned as an employee Supervisor and a member of the Supervision Committee of the Bank on 16 April 2022 due to work arrangements and his resignation took effect on the same date.
- (2) Mr. HE Xinzhang was newly elected as a shareholder Supervisor of the Bank at the 2021 annual general meeting of the Bank on 16 June 2022 and his term of office is the same as that of the third session of the Board of Supervisors.
- (3) Ms. WANG Wei was newly elected as an employee Supervisor of the Bank at the eighth meeting of the second session of employee representatives of the Bank on 30 June 2022 and her term of office is the same as that of the third session of the Board of Supervisors.

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

5.2.3 Changes of senior management

- (1) On 16 February 2022, Mr. QIN Wei was appointed as the vice president of the Bank.
- (2) On 1 April 2022, Mr. WANG Xiangdong ceased to be the chief officer of the Bank due to work arrangement by the Bank.
- (3) Mr. JIAO Zhengjun was appointed as the chief compliance officer of the Bank on 23 May 2022.

5.2.4 Changes in information of Directors and Supervisors

- (1) Mr. SONG Ke, an independent non-executive Director of the Bank, has served as an independent director of Bank of Zhengzhou Co., Ltd. (SEHK stock code: 6196; SZSE stock code: 002936) since January 2022. He ceased to be the deputy secretary of the Party Committee of the Finance School of Renmin University of China in July 2022; and has been the deputy director of the Academic Affairs Office of Renmin University of China since July 2022.
- (2) Ms. GONG Taotao, a non-executive Director of the Bank, has ceased to serve as the secretary of the board of directors and joint company secretary of Shenzhen Expressway Corporation Limited since March 2022.
- (3) Mr. TANG Xin, an independent non-executive Director of the Bank, has ceased to serve as an independent director of China Life Insurance Company Limited (SSE stock code: 601628) since July 2022.
- (4) Mr. ZHAO Yong, a non-executive Director of the Bank, has been the general manager of Guizhou Transportation Investment and Management Co., Ltd. since July 2022.
- (5) Mr. CHEN Hanqing, a non-executive Director of the Bank, ceased to serve as the deputy head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) in August 2022; he has served as a member of the Party Committee and deputy general manager of Guizhou Financing Guarantee Co., Ltd. (貴州省融資擔保有限責任公司) since August 2022.
- (6) Mr. SU Zhi, a Supervisor of the Bank, has served as a non-executive director of Fujian Start Group Co., Ltd.(福建實達集團股份有限公司) (SSE Main Board stock code: 600734) since March 2022; has served as an external supervisor of Bank of Communications Co., Ltd. (交通銀行股份有限公司) (SEHK stock code: 3328; SSE Main Board stock code: 601328) since July 2022.

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

5.3 BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGERMENTS**5.3.1 Biographical details of Directors**

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

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

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

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

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

Mr. Xu successively engaged in depositing and accounting work in the PBOC Pingba Sub-branch from December 1980 to July 1983. Mr. Xu studied in Guizhou Radio & TV University from July 1983 to July 1986. He successively served in several positions in Industrial and Commercial Bank of China (中國工商銀行) (“ICBC”) Anshun Central Sub-branch, including auditor from July 1986 to August 1992; deputy director of business department from August 1992 to May 1995; manager of international business department from May 1995 to August 1996; director of business department and manager of international business department from August 1996 to February 1998; the secretary of the Party committee and the president in ICBC Anshun Sub-branch from February 1998 to April 1999; the secretary of the Party committee and the president in ICBC Anshun Tashan Sub-branch from April 1999 to September 2000; the chief of industrial and commercial credit division in ICBC Anshun Branch from September 2000 to December 2001. He served as the deputy secretary of the Party committee, vice chairman of the board and general manager in Anshun Urban Credit Cooperative (安順市城市信用社) from December 2001 to April 2009, and secretary of the Party committee and chairman of the board in Anshun City Commercial Bank (安順市商業銀行) from April 2009 to August 2012. Mr. Xu was a member of the Party Committee and Vice President of our Bank from August 2012 to January 2018; and has been the Deputy Secretary of the Party Committee of our Bank since January 2018, President of our Bank since April 2018 and executive Director of our Bank since August 2018.

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

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

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

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

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

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

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

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

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

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

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

Mr. Chen successively worked as an intern in the budget department, comprehensive department and payment centre of the Guizhou Provincial Finance Bureau from December 2007 to December 2008; and served as a clerk of the Guizhou Provincial Finance Bureau from December 2008 to June 2009; a clerk (grade 25 civil servant) of the State Treasury Payment Centre of Guizhou Provincial Finance Bureau from June 2009 to April 2010; a clerk of the non-tax revenue management department of the Guizhou Provincial Finance Bureau (registered in the Payment Centre) from April 2010 to February 2012; a deputy director of the non-tax revenue management department of the Guizhou Provincial Finance Bureau (registered in the Payment Centre) from February 2012 to August 2013; a deputy director of the budget department of the Guizhou Provincial Finance Bureau from August 2013 to May 2014. He worked in the finance department of Guizhou Guimin Investment Co., Ltd. (貴州省貴民投資有限責任公司) from May 2014 to June 2014; and served as the business executive of the finance department of Guizhou Guimin Investment Co., Ltd. from June 2014 to July 2014; the business executive of the finance department of Guizhou Guimin Investment Co., Ltd. and the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. (貴州省貴鑫瑞和創業投資管理有限責任公司) from July 2014 to July 2015; the business executive of the finance department of Guizhou Guimin Investment Co., Ltd. (renamed as Guizhou Guimin Development Investment Co., Ltd. (貴州省貴民發展投資有限責任公司) in December 2016), the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. and the director of Qianxinan Venture Capital Fund Co., Ltd. (黔西南州創業投資基金有限公司) from July 2015 to January 2017; the head of the finance department of Guizhou Guimin Investment Group Co., Ltd. (貴州省貴民投資集團有限責任公司) (renamed as Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) in January 2018), the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. and the director of Qianxinan Venture Capital Fund Co., Ltd. from January 2017 to September 2018; the head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.), the director of Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. and the director of Qianxinan Venture Capital Fund Co., Ltd. from September 2018 to February 2019; the head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) and the director of Qianxinan Venture Capital Fund Co., Ltd. from February 2019 to March 2019; the deputy director of the Finance and Economics Committee of Changshun County Committee of Qiannan Prefecture and a member of the Party Group of the County People's Government (temporary position) from June 2020 to July 2021; he served as the deputy head of the finance department of Guizhou Financial Holding Group Co., Ltd. (Guizhou Guimin Investment Group Co., Ltd.) (貴州金融控股集團有限責任公司(貴州貴民投資集團有限責任公司)) from March 2019 to August 2022; he has served as the director of Qianxinan Venture Capital Fund Co., Ltd. since March 2019; he has served as a member of the Party Committee and deputy general manager of Guizhou Financing Guarantee Co., Ltd. (貴州省融資擔保有限責任公司) since August 2022; he has served as a non-executive Director of the Bank since August 2021.

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

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

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

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

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

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

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

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

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

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

Mr. Zhao worked in Xintian Precision and Optical Instrument Company Limited (新天精密光學儀器公司) from August 1991 to June 1995; served as the deputy manager of the information technology department of the Guizhou branch company, manager of the information technology department of the Sichuan branch company, manager of the information technology department of the Chengdu branch company, the general manager of the Panzhihua branch company and the general manager of the Guangyuan Center branch company of China Pacific Insurance (Group) Co., Ltd. (中國太平洋人壽保險股份有限公司) from January 1996 to April 2005; served as the preparatory office staff of the Deyang Center branch company of Taiping Insurance Co., Ltd. (太平保險股份有限公司) from April 2005 to December 2005; served as the deputy general manager of Deyang Center branch company of Taiping Insurance Co., Ltd. from December 2005 to October 2007; served as the preparatory office staff of the Guizhou branch company of Taiping Insurance Co., Ltd. from October 2007 to March 2008; served as the general manager of the marketing department and assistant general manager of the Guizhou branch company of Taiping Insurance Co., Ltd. (during which, he served the temporary position as the assistant general manager of Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司) from January 2016 to January 2018) from March 2008 to March 2018; served as assistant to the general manager of Guizhou Expressway Group Company Limited from March 2018 to September 2018; the deputy secretary of the Party branch of Guizhou Transportation Investment and Management Co., Ltd. (presiding the overall work) (貴州交通投資管理有限公司) from September 2018 to May 2019; the secretary of the party branch of Guizhou Transportation Investment and Management Co., Ltd. since May 2019; a director and chairman of the board of Guizhou Transportation Investment and Management Co., Ltd. since June 2019; a director and chairman of the board of Guizhou Transportation Industry Development Fund Co., Ltd. (貴州交通產業發展基金有限責任公司) from June 2019 to September 2020; a director and general manager of Guizhou Transportation Industry Development Fund Co., Ltd. since September 2020; the general manager of Guizhou Transportation Investment and Management Co., Ltd. since July 2022; and a non-executive Director of the Bank since August 2021.

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

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

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

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

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

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

Mr. TANG Xin (湯欣) is an independent non-executive Director of the Bank. Mr. Tang has successively conducted post-doctoral research in law major at Peking University Law School from July 1998 to June 2000 and has been teaching in Tsinghua University School of Law since 2000; was promoted to Associate Professor of Tsinghua University School of Law in February 2001, was promoted to Professor of Tsinghua University School of Law in January 2015 and served as the director of the Research Center of Commercial Law of Tsinghua University since January 2021. Mr. Tang has been a member of the listing committee of the SSE since August 2012, the head of the committee of independent directors of the China Association for Public Companies (中國上市公司協會) since September 2014, an independent director of Harvest Fund Management Co., Ltd. (嘉實基金管理有限公司) since October 2017 and a member of the Legal Professional Advisory Committee of SZSE (深交所法律專業諮詢委員會) since December 2020. Mr. Tang has been an independent non-executive Director of our Bank since August 2018.

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

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

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

Mr. Song has successively served as the secretary of the communist youth league committee of the School of Finance of Renmin University of China from July 2004 to September 2009; engaged in post-doctoral research in the School of Statistics of Renmin University of China from July 2012 to July 2015; served as a deputy head of International Monetary Institute of Renmin University of China since January 2014; served as a teacher of Department of Money and Finance of the School of Finance of Renmin University of China since September 2015; served as a deputy secretary of the Party committee of the School of Finance of Renmin University of China from April 2019 to July 2022; Mr. Song has been an independent director of Bank of Zhengzhou Co., Ltd. (SEHK stock code: 6196; SZSE stock code: 002936) since January 2022; has been the deputy director of the Academic Affairs Office of Renmin University of China since July 2022 and an independent non-executive Director of our Bank since August 2018.

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

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

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

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

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

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

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

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

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

5.3.2 Biographical details of Supervisors

Ms. WU Fan (吳帆) is a member of the Party Committee, Chairlady of the Board of Supervisors and employee Supervisor of the Bank.

Ms. Wu worked in China Construction Bank (中國建設銀行) (“CCB”) from July 1992 to March 2013. In particular, she held a post in relation to international settlement and credit in the international business department of CCB Guizhou Branch from July 1992 to December 1995; and served as general manager assistant of the international business department and manager of the credit department of CCB Guizhou Branch from December 1995 to November 1996; deputy general manager of the international business department of CCB Guizhou Branch from November 1996 to May 1998; vice president of Chengbei Sub-branch directly under CCB Guizhou Branch from May 1998 to July 1999; deputy general manager of the international business department and vice president of Guiyang Jinyang Sub-branch of CCB Guizhou Branch from July 1999 to July 2001; deputy general manager of the international business department of CCB Guizhou Branch from July 2001 to February 2006; general manager of the international business department of CCB Guizhou Branch from February 2006 to June 2006; general manager of the corporate business department of CCB Guizhou Branch from June 2006 to July 2012; and served successively as secretary of the Party committee and president of branch of Guiyang Chengbei Sub-branch of CCB Guizhou Branch from July 2012 to February 2013; served as marketing director of the Bank from February 2013 to January 2014; and served as an assistant to the president of the Bank from January 2014 to April 2019 (during which, she concurrently served as general manager of Guiyang Management Department of the Bank from March 2014 to November 2014 and executive deputy secretary of the Party committee of Guiyang Management Department of the Bank from November 2014 to March 2016); served as a member of the Party Committee of the Bank from March 2019 to April 2019; served as a member of the Party Committee and the vice president of the Bank from April 2019 to June 2021; and has been a member of the Party Committee, Chairlady of the Board of Supervisors and employee Supervisor of the Bank since June 2021.

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

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

Ms. ZHANG Hui (張惠) is the deputy Chairlady of the labor union and employee Supervisor of the Bank.

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

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

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

Ms. Wang served as a member of the Bank Card Center of the Retail Business Department of Bank of China Guizhou Branch from November 2001 to June 2003; a member of the Savings Fund Management Section of the Retail Business Department of Bank of China Guizhou Branch from June 2003 to June 2005; the business manager of the channel management team of Bank of China Guizhou Branch from June 2005 to February 2008; the wealth management manager of the wealth management team of Bank of China Guizhou Branch from February 2008 to November 2009; the director of the channel management team of Bank of China Guizhou Branch from November 2009 to June 2013; the director of the Retail, Operation and Protection Department of the head office of Bank of Guizhou from June 2013 to July 2014; the director of the Retail Banking Department of the head office of Bank of Guizhou from July 2014 to March 2018; the deputy general manager of the Personal Business Department of Bank of Guizhou from March 2018 to May 2019; and has been the deputy director of the Organization Department of the Party Committee/deputy general manager of the Human Resources Department of Bank of Guizhou since May 2019. She has been an employee Supervisor of the third session of the Board of Supervisors of the Bank since 30 June 2022.

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

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

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

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

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

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

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

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

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

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

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

Mr. Su has worked at the Central University of Finance and Economics (中央財經大學) since June 2009, and has been the deputy director of the academic committee of the Institute of International Technology and Economy under the Development Research Center of the State Council (國務院發展研究中心國際技術經濟研究所) since July 2018. He has served as professor and doctoral supervisor of both the School of Finance and the School of Statistics and Mathematics of the Central University of Finance and Economics since October 2016; the head of the Department of Financial Technology of the School of Finance of Central University of Finance and Economics since January 2017. Mr. Su has also worked as executive deputy director of the Central University of Finance and Economics and University of Electronic Science and Technology of China Joint Research Data Center (電子科技大學聯合數據研究中心) since September 2018. Mr. Su has been appointed as an independent non-executive directors of the Board of Shanghai Haohai Biological Technology Co., Ltd. (上海昊海生物科技股份有限公司) (SEHK stock code: 6826; Star Market of the Shanghai Stock Exchange stock code: 688366) on 29 June 2020; an non-executive director of Changzhou Kaneken Steel Section Co., Ltd. (常州鋼勁型鋼股份有限公司) (NEEQ stock code: 672632) since August 2020; an non-executive director of Fujian Start Group Co., Ltd. (福建實達集團股份有限公司) (Main Board of the Shanghai Stock Exchange stock code: 600734) since March 2022; and an external Supervisor of Bank of Communications Co. Ltd. (Hong Kong Stock Exchange stock code: 3328; Main Board of the Shanghai Stock Exchange stock code: 601328) since July 2022. Mr. Su has been an external Supervisor of the Bank since May 2018.

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

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

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

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

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

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

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

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

5.3.3 Biographical details of senior management

Mr. XU An (許安), see "Biographical details of Directors" for his biography.

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

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

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

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

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

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

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

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

Mr. QIN Wei (覃偉) is a member of the Party Committee and Vice President of the Bank.

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

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

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

Mr. Zhou served as an accountant in Beijing Road department of Zunyi Honghuagang Sub-Branch of Agricultural Bank of China ("ABC") from July 1997 to July 1998; served as a secretary of the general office in Zunyi Development Region Sub-Branch of ABC from July 1998 to July 1999; served as a secretary of the general office of the Zunyi Branch of ABC from July 1999 to October 2000; served as a secretary of the general office of Guizhou Branch of ABC since October 2000 to February 2004; served as a principal staff member of the general office of Guizhou Branch of ABC from February 2004 to April 2005; served as an assistant of the director of general office of Guizhou Branch of ABC from April 2005 to August 2006; served as a vice director of general office of Guizhou Branch of ABC from August 2006 to September 2007; served as vice president of Liupanshui Branch of ABC from September 2007 to May 2012; served as a vice general manager of business department of Guizhou Branch of ABC from May 2012 to August 2012; Mr. Zhou participated in the preparatory group work of the establishment of our Bank and worked in our Bank from October 2012. He served as the temporary principal of the general office of our Bank from December 2012 to December 2013; served as the vice director of general office of our Bank (temporary principal) from December 2013 to March 2014; served as the vice director of the Office of Party Committee of our Bank (presiding work) and vice director of General Office from March 2014 to March 2018; served as the director of the Office of Party Committee and director of General Office of our Bank from March 2018 to June 2020; Mr. Zhou has been the secretary to the Board of our Bank since May 2019.

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

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

Mr. JIAO Zhengjun (焦正俊) is the chief compliance officer of the Bank.

Mr. Jiao served as a clerk of the business office and the credit section of Agricultural Bank of China Xiaohe Subbranch in Guiyang from July 1999 to July 2003; a clerk and deputy director clerk of the legal affairs division of Agricultural Bank of China Guizhou Branch from July 2003 to July 2006; a director clerk and section chief of the legal and compliance division of Agricultural Bank of China Guizhou Branch from July 2006 to July 2008; assistant to division chief of the legal and compliance division of Agricultural Bank of China Guizhou Branch from July 2008 to March 2009; assistant to general manager of the legal affairs department of Agricultural Bank of China Guizhou Branch from March 2009 to December 2009; deputy general manager of the legal affairs department of Agricultural Bank of China Guizhou Branch from December 2009 to April 2012; deputy general manager of the credit card centre of Agricultural Bank of China Guizhou Branch from April 2012 to March 2013; deputy general manager level cadre of the Legal Compliance Department of the Bank of Guizhou from March 2013 to August 2013; deputy general manager of the Legal Compliance Department and the Asset Protection Department of the Bank of Guizhou from August 2013 to October 2014 (concurrently as vice president of Guiyang Zunyi Road sub-branch of Bank of Guizhou (presiding over work) from May 2013 to November 2013); deputy general manager of the Asset Protection and Legal Affairs Department of the Bank of Guizhou from October 2014 to May 2015; deputy general manager (general manager level) of the Asset Protection and Legal Affairs Department of the Bank of Guizhou from May 2015 to March 2018; general manager of the Legal Compliance Department of the Bank of Guizhou from March 2018 to May 2022; employee Supervisor of the Bank from June 2021 to April 2022; and has been the chief compliance officer and general manager of the Legal Compliance Department of the Bank since May 2022.

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

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

5.3.4 Biographical details of joint company secretaries

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

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

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

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

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

5.4 INFORMATION OF EMPLOYEES

5.4.1 Composition of employees

As of the end of June 2022, the Bank had 5,269 contracted employees, the composition of whom is set out as follows:

(I) By age:

The Bank had 1,787 employees aged 30 or under, accounting for 33.92% of the total number of employees; 1,932 employees aged between 31 and 40, accounting for 36.67% of the total number of employees; 1,014 employees aged between 41 and 50, accounting for 19.24% of the total number of employees; and 536 employees aged over 50, accounting for 10.17% of the total number of employees.

(II) By gender:

The Bank has a total of 2,501 male employees, accounting for 47.47%, and 2,768 female employees, accounting for 52.53%.

(III) By education:

The Bank has 4,510 employees with a bachelor's degree or above, accounting for 85.59% of the total number of employees. Among them, 4 employees have a doctor's degree, accounting for 0.08% of the total number of employees, 352 employees have a master's degree, accounting for 6.68% of the total number of employees, and 759 employees have a college degree or below, accounting for 14.41% of the total number of employees.

In addition to the contracted employees, the Bank has 399 dispatch employees.

5.4.2 Employee training

During the Reporting Period, the Bank continuously increased its efforts on induction training and on-the-job training for employees, newly appointed officer training and specialized training, with emphases on the professionalism of our workforce; formulated and published the 2022 Education and Training Plan for the Head Office of the Bank of Guizhou (《2022年度貴州銀行總行教育培訓計劃》), with a total of 984 practitioners in credit evaluation, risk management, transaction banking, individual business, human resources and other departments receiving training; organised examinations of professional qualifications for financial markets, operation management and other departments with a total of 1,118 persons obtaining job certificates; organised the revision of the Employee Education and Training Management Measures of the Bank of Guizhou (《貴州銀行職工教育培訓管理辦法》) and the Regulations on Internal Trainers of the Bank of Guizhou (《貴州銀行內訓師管理辦法》), expanding the reimbursement scope of vocational qualification examinations, so as to further regulate the training targets, the division of responsibilities and the implementation process and encourage employees to improve their professional quality.

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

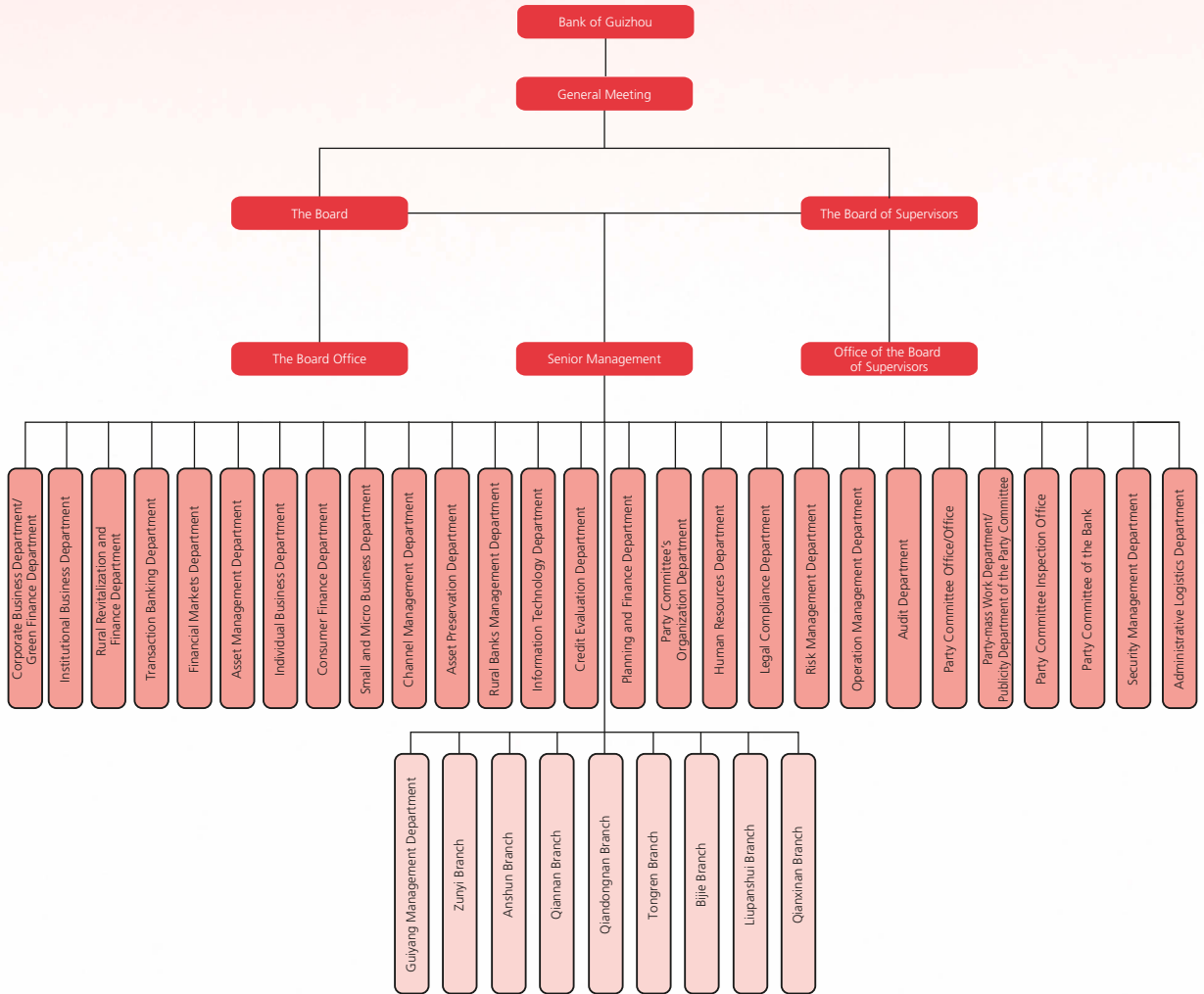
5.4.3 Remuneration policy, employee remuneration and welfare

During the Reporting Period, the Bank improved its remuneration and welfare mechanism continuously to create new effect of humanistic care for talents. In accordance with the urgency of person-post matching and relevant requirements for coordinating and improving the reform plan, the Bank revised and published Remuneration Management Measures for the Head Office of Bank of Guizhou (《貴州銀行總行薪酬管理辦法》), and completed the the professional and technical rank evaluation of 374 employees in the head office, focusing on the implementation of “same treatment for same rank”. The Bank continued to optimise and explore ways to enhance the long-term motivation of the welfare security system of the Bank on key talents, completed the procurement of work clothes laundry, labour and hygiene products and one-year supplementary medical insurance during the Reporting Period, and entered into service contracts with suppliers concerned in a timely manner, so as to relieve the worries of talents and enable them to work with peace of mind.

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

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

5.5 ORGANIZATIONAL STRUCTURE



Corporate Governance

6.1 SUMMARY OF CORPORATE GOVERNANCE

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

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

6.2 THE GENERAL MEETING

6.2.1 *Functions and powers of the general meeting*

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

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

Corporate Governance (Continued)

6.2 General meetings held

On 16 June 2022, the Bank held the 2021 annual general meeting, the 2022 First Domestic Shareholders Class Meeting and the 2022 First H Shareholders Class Meeting at the Conference Room 4501, Bank of Guizhou Head Office Building (No. 9 Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province, the PRC). The total number of the ordinary Shares entitling the shareholders of the Bank to vote in respect to the resolutions proposed at the annual general meeting was 13,692,111,983, including 11,492,111,983 Domestic Shares and 2,200,000,000 H Shares. Shareholders and proxies attending the annual general meeting represented, in aggregate, 11,162,265,607 ordinary Shares of the Bank carrying voting rights, being approximately 81.52% of the total number of the ordinary Shares carrying voting rights of the Bank as at the date of the annual general meeting. Eleven Directors including Mr. YANG Mingshang and Mr. CAI Dong attended the above meetings.

The 2021 annual general meeting considered and approved 16 resolutions, including 2021 Work Report of the Board of Directors, 2021 Work Report of the Board of Supervisors, 2021 Financial Statements Report, 2021 Profit Distribution Plan, 2022 Financial Budget Plan, Appointment of Accounting Firms for 2022 and others. The amendments to Article 132 of Articles of Association of Bank of Guizhou was considered and approved at the 2022 First Domestic Shareholders Class Meeting and the 2022 First H Shareholders Class Meeting.

6.3 THE BOARD OF DIRECTORS

6.3.1 Functions and powers of the Board

According to the laws and regulations, regulatory requirements and Articles of Association of the Bank, the Board is the executive body of the general meeting of the Bank, which is accountable to the general meeting for determining strategies, making decisions and preventing risks. Its major functions and powers include convening Shareholders' general meetings and reporting its performance at the Shareholders' general meetings; implementing resolutions of the Shareholders' general meetings; formulating the Company's business development strategies and supervising the implementation of the strategies; determining the Company's business business plans and investment plans; formulating annual financial budget plans, final account plans, profit distribution plans and loss recovery plans of the Company; formulating proposals for the Company's increase in or reduction of registered capital and issuance of bonds or other securities and the listing; formulating proposals for the Company's major asset acquisition, transfer and alienation, repurchase of the Company's shares or merger, division, dissolution and change of the form of the Company; determining the setting, merger and revocation of branches and internal management bodies of the Company; determining material external guarantees within the authorization of the Shareholders' general meeting.; considering and approving major related party transaction (a single transaction amounting to more than 10% of the net capital of the Company shall be submitted to the shareholders' general meeting for consideration); appointing or dismissing the President and the secretary to the Board according to the regulatory requirements; appointing or dismissing vice presidents and other senior management personnel based on the regulatory requirements and nominations of the President and determining their remunerations, awards or punishments thereof and supervising the performance of duties by senior management; determining the Company's risk management and internal control policies and formulating the Company's basic management system; formulating modifications to the Articles of

Corporate Governance (Continued)

Association, formulating the rules of procedure for the Shareholders' general meeting and the rules of procedure for the Board, and considering and approving the working rules of the special committees of the Board; taking charge of the information disclosures of the Company, and being ultimately responsible for the authenticity, completeness, accuracy and timeliness of the Company's accounting and financial reporting; proposing at a Shareholders' general meeting the engagement or dismissal of an accounting firm providing regular statutory audit for the Bank's financial reports; considering and determining working rules of the President, listening to his/her work reports and examining his/her work; in accordance with laws and regulations, regulatory requirements and the Articles and Association, considering and approving the Company's external investment, purchases of assets, disposal and write-off of assets, pledged assets, related transactions, data governance and other matters; formulating the capital plan of the Company and assume the ultimate responsibility for capital or solvency management; regularly evaluating and improving the corporate governance; safeguarding the legitimate rights and interests of financial consumers and other stakeholders; establishing the mechanism for identification, verification and management of the conflict of interests between the Company and Shareholders, in particular substantial Shareholders; assuming the management responsibility for affairs of Shareholders; other functions and powers stipulated by laws and regulations and these Articles of Association of the Bank and authorized by the Shareholders' general meetings.

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

Corporate Governance (Continued)

6.3.2 *Composition of the Board*

As at the date of this report, the Board of the Bank consisted of fifteen Directors (of which the qualification of two Directors is subject to approval), including three executive Directors, namely, Mr. YANG Mingshang (Chairman), Mr. XU An and Mr. CAI Dong; five non-executive Directors, namely, Mr. CHEN Jingde, Mr. CHEN Hanqing, Ms. GONG Taotao, Mr. WANG Wencheng and Mr. ZHAO Yong; and seven independent non-executive Directors, namely, Mr. WANG Gefan, Mr. TANG Xin, Mr. SONG Ke, Mr. LEE Hoey Simon, Ms. SUN Li, Mr. JIA Xiangsen⁽¹⁾ and Mr. JIANG Shangjun⁽¹⁾.

Note:

- (1) The qualification of Mr. JIA Xiangsen and Mr. JIANG Shangjun to serve as independent non-executive Directors of the Bank is subject to approval, and their directorships will become effective upon obtaining such approval.

During the Reporting Period, the Bank is unable to comply with the requirements of Rule 3.10A of the Hong Kong Listing Rules pending the approval of Mr. LEE Hoey Simon's qualification as a director. On 17 May 2022, following the approval of Mr. LEE Hoey Simon's qualification as a director, the number of members and composition of the Board of the Bank comply with the requirements of the Hong Kong Listing Rules and relevant laws and regulations. For details, please refer to the Bank's announcement published on 17 May 2022.

6.3.3 *Meetings of the Board and its special committees held*

During the Reporting Period, the Board of the Bank held a total of 6 meetings, at which 60 resolutions were considered and 29 reports were reviewed, including the regular meeting held by the Board quarterly. The special committees under the Board held a total of 20 meetings, among which, the Audit Committee held 3 meetings, at which 6 resolutions were considered and 1 resolution was reviewed; the Nomination and Remuneration Committee held 5 meetings at which 8 resolutions were considered; ESG Management Committee held a total of 3 meetings, at which 4 resolutions were considered and 1 matter was recorded; Compliance Management Committee held a total of 1 meeting, at which 3 resolutions were considered and 2 resolutions were reviewed; the Strategic Development Committee held a total of 2 meetings, at which 3 resolutions were considered and 1 resolution was reviewed; the Risk and Related Party Transactions Management Committee held a total of 6 meetings, at which 18 resolutions were considered, 6 resolutions were reviewed and 2 matters were recorded.

Corporate Governance (Continued)

6.3.4 *Work of independent non-executive Directors*

The independent non-executive Directors of the Bank possess qualifications required by the CBIRC and the Hong Kong Listing Rules. The term of office of an independent non-executive Director shall be three years, which is the same as that of other Directors. An independent Director may serve consecutive terms for re-election upon the expiry of his/her term, provided that his/her term of office shall not exceed six years on an accumulative basis. During the Reporting Period, the independent non-executive Directors conscientiously fulfilled their responsibilities by attending meetings, debriefing and other methods, and safeguarded the interests of the Bank and all shareholders. All independent non-executive Directors made in-depth research on the relevant resolutions and important documents of the Board and the general meetings, and actively expressed opinions thereon. In particular, they expressed opinions on major issues such as profit distribution, the appointment of senior management and appointment of the accounting firms that performs regular statutory audits of the Company's financial reports, which played a positive role in the scientific decision-making of the Board.

6.4 BOARD OF SUPERVISORS

6.4.1 *Functions and powers of the Board of Supervisors*

According to the Articles of the Bank, the Board of Supervisors shall exercise the following functions and powers: to examine and supervise the Company's financial activities; to supervise the implementation of resolutions made at Shareholders' general meetings and the fulfillment of duties of the Board of Directors and senior management; to supervise the fulfillment of duties of Directors, Chairman and senior management personnel; to undertake the resign audit of Directors and senior management personnel; to supervise and urge to rectify the operation decisions, risk management and internal control of the Company and guide the internal audit department of the Company in work; to address inquiries to Directors, the Chairman and senior management personnel; to supervise the Directors, Chairman and senior management personnel for any violation of laws and regulations or the Articles while they perform their duties for the Company. If any act of the Directors, Chairman and senior management personnel damages the interests of the Company, to require them to rectify such act accordingly, and where necessary, to report to the Shareholders' general meeting or banking regulatory authorities; to express independent opinions on proposals formulated by the Board and reports issued by the Company; to assess the fulfillment of duties of Directors, Supervisors and senior management and report to the Shareholders' general meeting; to propose the convening of extraordinary general meeting and interim Board meeting; to negotiate with Directors or pursue legal actions against the same on behalf of the Company; to supervise the Board in establishing a sound business philosophy, normative values, and guidance in line with the Company's development strategies; to evaluate and make a report on the scientificity, reasonableness and effectiveness of the Company's development strategies; to supervise the selection procedures of Directors; to supervise the implementation of the Company's remuneration systems and ensure that the remuneration proposals for the members of senior management are scientific and rational; to exercise any other functions and powers as specified in the laws and regulations, regulatory requirements and the Articles of Association of the Bank or as authorized by the Shareholders' general meetings.

Corporate Governance (Continued)

6.4.2 *Composition of the Board of Supervisors*

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

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

During the Reporting Period, the Board of Supervisors held a total of 3 meetings, at which 17 resolutions were reviewed, involving the annual work report of the Board of Supervisors, performance evaluation reports, financial statements report, budget plan, profit distribution plan, business plan, nomination of Supervisors, appointment of auditors and others; at which 22 special supervisions were carried out, including the supervision on development of liquidity risk management, stress tests, capital adequacy, liability quality management, related party transaction management, digital governance, anti-money laundering, agency development plan, audit work and consumer rights protection and others.

The Board of Supervisors of the Bank has set up two committees, namely the Supervision Committee and the Nomination, Remuneration and Evaluation Committee. During the Reporting Period, the Supervision Committee attended ordinary meetings of the Board and annual general meeting, convened a special supervisory meeting on the audit of the annual report and the rectification of problems prompted by the supervision of investment business. The Nomination, Remuneration and Evaluation Committee held a total of 2 meetings, at which 5 resolutions were considered, including the nomination of Supervisors, Supervisors' qualification review, annual report of the Board of Supervisors, annual performance evaluation report and other aspects.

6.4.4 *Work of external Supervisors*

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

Corporate Governance (Continued)

6.5 SENIOR MANAGEMENT

6.5.1 *Functions and powers of the senior management*

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

6.5.2 *Composition of the Senior Management*

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

6.6 DEALING IN SECURITIES BY DIRECTORS AND SUPERVISORS

The Bank has adopted the Model Code as set out in Appendix 10 of the Hong Kong Listing Rules (the "Model Code") and complied with Rules 13.67 and 19A.07B of the Hong Kong Listing Rules to regulate the securities transaction by the Directors and Supervisors of the Bank. 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.

Corporate Governance (Continued)

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

As at 30 June 2022, the interests and short positions of the Directors, Supervisors and chief executives of the Bank in the shares, underlying shares or debentures of the Bank or its associated corporations (I) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (II) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (III) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code, were as follows:

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

Save as disclosed above, none of the Directors, Supervisors and chief executives of the Bank had any interests or short positions in any shares, underlying shares or debentures of the Bank or any of its associated corporations as at 30 June 2022.

Corporate Governance (Continued)

6.8 AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE OF THE GENERAL MEETING**6.8.1 Amendments to the Articles of Association**

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

6.8.2 Amendments to the Rules of Procedure of the Shareholders' General Meeting

The resolution on amendments to the Rules of Procedure of the Shareholders' General Meeting of Bank of Guizhou Co., Ltd. was considered and approved at the 2021 annual general meeting held by the Bank on 16 June 2022. The amendments to the Rules of Procedure of the Shareholders' General Meeting were mainly made to the contents such as functions and powers of the general meeting and the notice date of the general meeting as set out in the Rules of Procedure of the Shareholders' General Meeting based on the requirements of new regulations including Corporate Governance Standards for Banking or Insurance Institutions.

6.8.3 Amendments to the Rules of Procedure of the Board of Directors

The resolution on amendments to the Rules of Procedure of the Board of Directors of Bank of Guizhou Co., Ltd. was considered and approved at the 2021 annual general meeting held by the Bank on 16 June 2022. The amendments to the Rules of Procedure of the Board of Directors were mainly made to the contents such as functions and powers of the Board, duties and responsibilities of the Board and the classification of Board meetings as set out in the Rules of Procedure of the Board of Directors based on the requirements of new regulations including Corporate Governance Standards for Banking or Insurance Institutions.

6.8.4 Amendments to the Rules of Procedure of the Board of Supervisors

The resolution on amendments to the Rules of Procedure of the Board of Supervisors of Bank of Guizhou Co., Ltd. was considered and approved at the 2021 annual general meeting held by the Bank on 16 June 2022. The amendments to the Rules of Procedure of the Board of Supervisors were mainly made to the contents such as functions and powers of the Board of Supervisors, duties and responsibilities of the Board of Supervisors, the scope of procedures of the Board of Supervisors and the classification of meetings for the Board of Supervisors as set out in the Rules of Procedure for the Board of Supervisors based on the requirements of new regulations including Corporate Governance Standards for Banking or Insurance Institutions.

Corporate Governance (Continued)

6.9 RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

6.9.1 Risk Management

During the Reporting Period, the Bank earnestly implemented various regulatory requirements in strict accordance with the working requirements of “establishing rules, serious implementation and supervision and strict accountability”. The Bank continues to improve its comprehensive risk management mechanism and enhance its elaborate management capability of risks.

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

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

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

II. Main features of risk management

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

III. Ultimate responsibility of the Board for risk management

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

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

Corporate Governance (Continued)

6.9.2 Internal Control

During the Reporting Period, the Bank insisted on the goal of “strengthening internal control, preventing risks and promoting compliance” and was driven by high quality development. In accordance with the work requirements of “strict management, strict implementation, strict supervision, strict rectification, and strict accountability”, the Bank took measures to improve the system, strengthen system implementation, focus on key businesses and improve risk control, increase supervision and focus on rectification quality and effectiveness, and continuously improved the standard of internal control management and risk prevention capability.

The Bank continues to improve the corporate governance mechanism consisting of the general meeting, the Board of Directors, the Board of Supervisors and the senior management, which is characterized by “clear division of powers and responsibilities, independent operation, effective checks and balances, and coordinated operation”, continuously improves the corporate governance structure, clarifies the internal control responsibilities at the corporate governance level, business lines and departments, branches and positions, specifies the authorization of responsibilities in decision-making, execution, supervision and reporting, and further consolidates the internal control governance structure with reasonable division of labor, clear responsibilities, checks and balances and clear reporting relationships.

The Bank has established an internal control system that basically covers all business lines and permeates the whole process of operation and management. The internal control measures cover authorization control, position rotation control, incompatible position separation control, review and reconciliation control, significant event reporting control, performance evaluation control, accounting management control, property protection control, financial budget control and operation analysis control, covering major risks.

The corporate governance personnel implements control at the corporate level by continuously improving the corporate governance structure and ensuring effective implementation of decision making, execution and supervision; the senior management implements control at the business activity level by continuously improving rules and regulations, information systems and conducting supervision and inspection; institutions and positions at all levels implement control at the business activity level by effectively implementing rules and regulations, and internal control measures are integrated throughout the entire process of decision making, execution, supervision and improvement.

During the Reporting Period, the Bank implemented internal control measures in an orderly manner and there was no material deficiency in internal control.

Corporate Governance (Continued)

6.9.3 Internal Audit

The Bank has established an independent vertical internal audit system. The Board ensures the independence and effectiveness of internal audit and assumes ultimate responsibility for it. The Board has established an Audit Committee to guide and supervise the Bank's internal audit work, and the Board of the Supervisors oversees the internal audit. Tier-one departments at the head office have audit departments which are responsible for the internal audit work of the Bank. The Legal Compliance Department of each branch is staffed with part-time auditors, basically realizing full coverage of audit business among the organizations at all level.

During the reporting period, the Bank has carried out 42 audit projects, covering various aspects of operation and management, including credit business, financial accounting, corporate governance, information technology, economic responsibility audit, etc. A total of 26 audit opinion letters and 5 risk tips were issued, promoting the optimisation of workflow and the improvement of risk control mechanisms at the head office and branches.

Major Events

7.1 EARNINGS AND DIVIDENDS

The revenue of the Bank for the six months ended 30 June 2022 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 2021 annual general meeting of the Bank held on 16 June 2022, based on the share capital of 14,588,046,744 shares as at the end of 2021, the Bank distributed the final dividend for the year ended 31 December 2021 (the “Final Dividend for the Year 2021”) to all shareholders at 6% of the share capital, totaling RMB875,282,804.64 (tax inclusive) in cash. The Final Dividend for the Year 2021 has been distributed to holders of both H Shares and Domestic Shares on 10 August 2022.

The Bank did not declare interim dividend for the six months ended 30 June 2022 and no common reserve fund will be converted to increase share capital.

7.2 RELATED PARTY/CONNECTED TRANSACTIONS

I. Related Party Transaction as Defined by the CBIRC

(I) Credit

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

| 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 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)) | 1,922.00 | Loan | 4.16 |
| 2 | Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司) | 1,162.19 | Loans, bank acceptance bills | 2.52 |
| 3 | Renhuai Sauce-flavored Liquor (Group) Co., Ltd. (仁懷醬酒(集團)有限責任公司) | 1,104.89 | Loan, debt investment | 2.39 |
| 4 | Zunyi State-owned Assets Investment and Financing Management Co., Ltd. (遵義市國有 資產投融資經營管理有限責任公司) | 735.02 | Loan, debt investment, Bank acceptance bills | 1.59 |
| 5 | Guizhou Water Investment Water Affairs Group Co., Ltd. (貴州水投水務集團有限公司) | 314.09 | Loans, debt investment | 0.68 |
| 6 | Related natural persons | 223.65 | Loans | 0.48 |

Major Events (Continued)

| 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 (%) |
|-----|---|--|---------------------------------------|--|
| 7 | China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) | 103.59 | SPV investment, bank acceptance bills | 0.22 |
| 8 | Zunyi Guiyou Grain & Oil Co., Ltd. (遵義市貴友糧油有限公司) | 19.96 | Loans | 0.04 |
| 9 | Guizhou Mayanghe Food Co., Ltd. (貴州麻陽河食品有限公司) | 19.00 | Loans | 0.04 |
| 10 | Zunyi Qianxing Oil Co., Ltd. (遵義市黔興油脂有限責任公司) | 16.00 | Loans | 0.03 |
| 11 | Anshun Xihang Nanma Rural Bank Co., Ltd. (安順西航南馬村鎮銀行有限責任公司) | 1.72 | Loans | 0.00 |
| 12 | Guizhou Linshang Decoration Design Co., Ltd. (貴州林尚裝飾設計有限公司) | 1.00 | Loans | 0.00 |

(II) Non-Credit

| No. | Name of customer | Type of business | Amount (RMB million) |
|-----|--|----------------------------------|-------------------------|
| 1 | Huagui Life Insurance Co., Ltd. (華貴人壽保險股份有限公司) | Receiving and providing services | 8.35 |
| 2 | Grandall Law Firm (Guiyang) | Receiving services | 0.11 |

During the Reporting Period, there were a total of 1 significant related party transaction between the Bank and related parties under the definition by the CBIRC, which were approved by the Bank:

As considered and approved at the 2022 second meeting of the third session of the Board of the Bank, the Bank granted Guizhou Expressway Investment Group Co., Ltd. (貴州高速投資集團有限公司) a credit of RMB1,400 million with a term of 12 months and rates not lower than one-year LPR (actual use of the credit will be carried out in accordance with the relevant provisions of the current LPR).

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

Major Events (Continued)

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

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

III. Related Party Transactions as Defined in Accounting Standards

For details, please refer to Note 35 "RELATED TRANSACTIONS" to the financial statement of this report.

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

As of 30 June 2022, the Bank, as the plaintiff or the arbitration applicant, has nine 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 RMB3,112,323,900. The Bank, as the defendant or the respondent, has three 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 RMB122,339,500. 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 date of this report, the Bank had no material litigation, arbitration and major case.

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

As far as the Bank is aware, during the Reporting Period, the Bank, Directors, Supervisors and senior management were not investigated by the competent authority, enforced by the judicial disciplinary inspection department, transferred to the judicial authority or investigated for criminal responsibility, and none of them were 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.

Major Events (Continued)

7.5 SIGNIFICANT CONTRACTS AND PERFORMANCE

7.5.1 Major contracts

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

7.5.2 Significant custody, contracting and lease

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

7.6 SIGNIFICANT GUARANTEES AND COMMITMENTS

As of the end of the Reporting Period, the Bank's guarantee balance was RMB1,034 million; the letter of credit balance was RMB822 million.

The guarantee business is our daily business. The above businesses are all financial guarantee services within the scope of business approved by the China Banking and Insurance Regulatory Commission during the Reporting Period.

7.7 ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

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

7.8 SIGNIFICANT MATERIAL ASSET ACQUISITIONS, DISPOSAL AND CORPORATE MERGERS

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

7.9 SIGNIFICANT INVESTMENT

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

Major Events (Continued)

7.10 APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRM

As considered and approved at the 2021 annual general meeting convened on 16 June 2022, BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited were appointed as the Bank's domestic and oversea auditors for 2022, respectively, for a term of one year and with a total fee of RMB3.30 million.

7.11 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 2022 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 BDO Limited based on the Hong Kong Standard on Review Engagements with unqualified review report being issued.

The 2022 interim report and 2022 interim financial statements of the Bank have been considered and approved by the Bank's Board and its audit committee.

7.12 PUBLICATION OF THE INTERIM REPORT

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

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

7.13 SUBSEQUENT EVENTS

The Bank has no significant subsequent events occurring after 30 June 2022 which are required to be disclosed.

Report on Review of Interim Financial Information

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

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

INTRODUCTION

We have reviewed the accompanying interim financial information set out on pages 114 to 218, which comprises the statement of financial position of Bank of Guizhou Co., Ltd. (the "Bank") as at June 30, 2022 and the related statement of profit or loss and other comprehensive income, 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 a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

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

SCOPE OF REVIEW

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

OTHER MATTER

The interim financial information for the six months ended June 30, 2021 was reviewed by another auditor who expressed an unmodified opinion on August 30, 2021. The financial statements of the Bank for the year ended December 31, 2021 were audited by the same auditor who expressed an unmodified opinion on those statements on March 30, 2022.

Report on Review of Interim Financial Information (Continued)

CONCLUSION

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

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate no. P05443

Hong Kong, August 30, 2022

Statement of Profit or Loss and Other Comprehensive Income

for the six months ended June 30, 2022 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Six months ended June 30 | |
|---|-------|--------------------------|-------------|
| | | 2022 | 2021 |
| Interest income | | 11,081,847 | 10,282,666 |
| Interest expense | | (6,025,314) | (5,581,148) |
| Net interest income | 4 | 5,056,533 | 4,701,518 |
| Fee and commission income | | 327,186 | 276,453 |
| Fee and commission expense | | (75,742) | (43,005) |
| Net fee and commission income | 5 | 251,444 | 233,448 |
| Net trading gains | 6 | 269,294 | 356,296 |
| Net gains arising from investment securities | 7 | 403,188 | 375,141 |
| Other operating income | 8 | 34,628 | 52,234 |
| Operating income | | 6,015,087 | 5,718,637 |
| Operating expenses | 9 | (1,643,274) | (1,699,338) |
| Impairment losses on assets | 10 | (1,863,150) | (1,467,404) |
| Share of gains of associates | | 5,109 | 14,619 |
| Profit before tax | | 2,513,772 | 2,566,514 |
| Income tax | 11 | (329,240) | (441,241) |
| Net profit for the period | | 2,184,532 | 2,125,273 |
| Basic and diluted earnings per share (in RMB) | 12 | 0.15 | 0.15 |

The notes on pages 124 to 218 form part of this interim financial report.

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

*for the six months ended June 30, 2022 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)*

| | Notes | Six months ended June 30 | |
|---|-------|--------------------------|-----------|
| | | 2022 | 2021 |
| Net profit for the period | | 2,184,532 | 2,125,273 |
| Other comprehensive income, net of tax: | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Financial assets measured at fair value through other comprehensive income: | | | |
| – Net movement in the fair value reserve, net of tax | 30(d) | (33,435) | 174,977 |
| – Net movement in the impairment losses, net of tax | 30(e) | 98,348 | (25,010) |
| Item that will not be reclassified to profit or loss: | | | |
| – Remeasurement of net defined benefit liability, net of tax | 30(f) | 4,400 | – |
| Other comprehensive income, net of tax | | 69,313 | 149,967 |
| Total comprehensive income for the period | | 2,253,845 | 2,275,240 |

The notes on pages 124 to 218 form part of this interim financial report.

Statement of Financial Position

as at June 30, 2022 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | At June 30, 2022 | At December 31, 2021 |
|---|-------|---------------------|-------------------------|
| Assets | | | |
| Cash and deposits with the central bank | 13 | 32,668,779 | 35,681,947 |
| Deposits with banks and other financial institutions | 14 | 6,594,041 | 3,517,078 |
| Financial assets held under resale agreements | 15 | 16,158,201 | 27,556,991 |
| Loans and advances to customers | 16 | 265,479,645 | 238,834,742 |
| Financial investments: | 17 | | |
| – Financial investments measured at fair value through profit or loss | | 59,915,042 | 55,336,487 |
| – Financial investments measured at fair value through other comprehensive income | | 61,526,310 | 55,661,196 |
| – Financial investments measured at amortised cost | | 76,273,160 | 78,014,210 |
| Interest in associates | 18 | 237,066 | 231,957 |
| Property and equipment | 19 | 3,852,435 | 3,929,221 |
| Deferred tax assets | 20 | 4,566,854 | 4,211,654 |
| Other assets | 21 | 1,000,136 | 904,683 |
| Total assets | | 528,271,669 | 503,880,166 |
| Liabilities | | | |
| Borrowing from the central bank | | 37,775,299 | 32,219,501 |
| Deposits from banks and other financial institutions | 23 | 21,456,072 | 23,920,243 |
| Placements from banks and other financial institutions | 24 | 5,143,808 | 3,368,305 |
| Financial assets sold under repurchase agreements | 25 | 20,063,816 | 23,198,246 |
| Deposits from customers | 26 | 324,376,385 | 305,521,023 |
| Income tax payable | | 375,931 | 489,812 |
| Debt securities issued | 27 | 74,575,757 | 72,394,280 |
| Other liabilities | 28 | 4,138,209 | 3,780,926 |
| Total liabilities | | 487,905,277 | 464,892,336 |

The notes on pages 124 to 218 form part of this interim financial report.

Statement of Financial Position (Continued)

as at June 30, 2022 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | At June 30, 2022 | At December 31, 2021 |
|---|-------|---------------------|-------------------------|
| Equity | | | |
| Share capital | 29 | 14,588,047 | 14,588,047 |
| Capital reserve | 30(a) | 8,670,091 | 8,670,091 |
| Surplus reserve | 30(b) | 2,228,698 | 2,228,698 |
| General reserve | 30(c) | 5,070,000 | 4,690,000 |
| Fair value reserve | 30(d) | (185,670) | (152,235) |
| Impairment reserve | 30(e) | 378,404 | 280,056 |
| Deficit on remeasurement of net defined benefit liability | 30(f) | (22,200) | (26,600) |
| Retained earnings | 31 | 9,639,022 | 8,709,773 |
| Total equity | | 40,366,392 | 38,987,830 |
| Total liabilities and equity | | 528,271,669 | 503,880,166 |

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

Yang Mingshang

Chairman of the Board of Directors

Xu An

President

Executive Director

An Peng

The Person In Charge of

Accounting Affairs

Li Wangang

General Manager of the

Planning and Finance Department

(Company Stamp)

The notes on pages 124 to 218 form part of this interim financial report.

Statement of Changes in Equity

for the six months ended June 30, 2022 – unaudited

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Share capital | Capital reserve | Surplus reserve | General reserve | Fair value reserve | Impairment reserve | Deficit on remeasurement of net defined benefit liability | Retained earnings | Total |
|--|-------|---------------|-----------------|-----------------|-----------------|--------------------|--------------------|---|-------------------|-------------|
| Balance at January 1, 2021 | | 14,588,047 | 8,840,110 | 1,858,127 | 4,070,000 | (496,404) | 170,100 | (17,960) | 7,015,802 | 36,027,822 |
| Changes in equity for the 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 124 to 218 form part of this interim financial report.

Statement of Changes in Equity (Continued)

for the six months ended June 30, 2022 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Share capital | Capital reserve | Surplus reserve | General reserve | Fair value reserve | Impairment reserve | Deficit on remeasurement of net defined benefit liability | Retained earnings | Total |
|--|-------|---------------|-----------------|-----------------|-----------------|--------------------|--------------------|---|-------------------|------------|
| Balance at July 1, 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 |
| Changes in equity for the period: | | | | | | | | | | |
| Net profit for the period | | - | - | - | - | - | - | - | 1,580,432 | 1,580,432 |
| Other comprehensive income | | - | - | - | - | 169,192 | 134,966 | (8,640) | - | 295,518 |
| Total comprehensive income | | - | - | - | - | 169,192 | 134,966 | (8,640) | 1,580,432 | 1,875,950 |
| Appropriation of profit: | | | | | | | | | | |
| Changes in interest in associates | | - | (170,019) | - | - | - | - | - | - | (170,019) |
| Appropriation to surplus reserve | 30(b) | - | - | 370,571 | - | - | - | - | (370,571) | - |
| Balance at December 31, 2021 | | 14,588,047 | 8,670,091 | 2,228,698 | 4,690,000 | (152,235) | 280,056 | (26,600) | 8,709,773 | 38,987,830 |

The notes on pages 124 to 218 form part of this interim financial report.

Statement of Changes in Equity (Continued)

for the six months ended June 30, 2022 – unaudited
(Expressed in thousands of Renminbi, unless otherwise stated)

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

The notes on pages 124 to 218 form part of this interim financial report.

Cash Flow Statement

for the six months ended June 30, 2022 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Six months ended June 30, | |
|---|-------|---------------------------|--------------|
| | | 2022 | 2021 |
| Cash flows from operating activities | | | |
| Profit before tax | | 2,513,772 | 2,566,514 |
| Adjustments for: | | | |
| Impairment losses on assets | | 1,863,150 | 1,467,404 |
| Depreciation and amortisation | | 245,216 | 259,089 |
| Depreciation of investment properties | | 471 | 472 |
| Unrealized foreign exchange (gains)/losses | | (10,302) | 1,256 |
| Net losses/(gains) on disposal of property and equipment, intangible assets and other assets | | 1,815 | (37,985) |
| Net trading gains | | (258,992) | (357,552) |
| Net gains arising from investment securities | | (403,188) | (375,141) |
| Share of gains of associates | | (5,109) | (14,619) |
| Interest expense on debt securities issued | | 1,082,538 | 852,159 |
| Interest expense on lease liabilities | | 7,534 | 16,690 |
| Others | | (42,053) | (38,401) |
| Operating cash flow before movements in operating assets and liabilities | | 4,994,852 | 4,339,886 |
| Changes in operating assets | | | |
| Net decrease/(increase) in deposits with the central bank | | 856,372 | (654,393) |
| Net increase in deposits with banks and other financial institutions | | (1,000,000) | (551) |
| Net decrease in placements with banks and other financial institutions | | – | 50,674 |
| Net increase in loans and advances to customers | | (27,969,138) | (18,745,166) |
| Net increase in financial assets held for trading | | (469,281) | (12,108,778) |
| Net increase in other operating assets | | (343,435) | (21,911) |
| Net cash flows generated by operating assets | | (28,925,482) | (31,480,125) |

The notes on pages 124 to 218 form part of this interim financial report.

Cash Flow Statement (Continued)

for the six months ended June 30, 2022 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Six months ended June 30, | |
|---|-------|---------------------------|--------------|
| | | 2022 | 2021 |
| Changes in operating liabilities | | | |
| Net increase in borrowing from the central bank | | 5,459,305 | 3,277,591 |
| Net decrease in deposits from banks and other financial institutions | | (2,562,366) | (5,694,676) |
| Net increase in placements from banks and other financial institutions | | 1,774,041 | 702,408 |
| Net decrease in financial assets sold under repurchase agreements | | (3,125,220) | (2,868,028) |
| Net increase in deposits from customers | | 18,451,432 | 41,798,753 |
| Net decrease in other operating liabilities | | (167,782) | (83,566) |
| Net cash flows generated by operating liabilities | | 19,829,410 | 37,132,482 |
| Net cash flows (used in)/generated from operating activities | | | |
| before income tax paid | | (4,101,220) | 9,992,243 |
| Income tax paid | | (905,912) | (1,163,079) |
| Net cash flows (used in)/generated from operating activities | | (5,007,132) | 8,829,164 |
| Cash flows from investing activities | | | |
| Proceeds from disposal and redemption of investments | | 14,782,685 | 36,878,151 |
| Proceeds from disposal property and equipment, intangible assets and other assets | | – | 51,237 |
| Payments on acquisition of investments | | (22,193,077) | (30,839,977) |
| Payments for capital increase in associates | | – | (111,250) |
| Payments on acquisition of property and equipment, intangible assets and other assets | | (86,172) | (162,653) |
| Net cash flows (used in)/generated from investing activities | | (7,496,564) | 5,815,508 |

The notes on pages 124 to 218 form part of this interim financial report.

Cash Flow Statement (Continued)

for the six months ended June 30, 2022 – unaudited (continued)
(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Six months ended June 30, | |
|---|-------|---------------------------|--------------|
| | | 2022 | 2021 |
| Cash flows from financing activities | | | |
| Proceeds from debt securities issued | 34(c) | 46,498,943 | 36,238,885 |
| Repayment of debt securities issued | 34(c) | (45,310,000) | (36,540,000) |
| Interest paid on debt securities issued | 34(c) | (90,004) | (90,005) |
| Capital element of lease liabilities paid | | (46,671) | (50,896) |
| Interest element of lease liabilities paid | | (7,534) | (16,690) |
| Payments for initial public offering costs | | – | (27,550) |
| Dividends paid | | (15,339) | (7,487) |
| Net cash flows generated from/(used in) financing activities | | 1,029,395 | (493,743) |
| Effect of foreign exchange rate changes on cash and cash equivalents | | | |
| | | 9,304 | (144) |
| Net (decrease)/increase in cash and cash equivalents | 34(a) | (11,464,997) | 14,150,785 |
| Cash and cash equivalents as at January 1 | | 48,374,278 | 28,719,904 |
| Cash and cash equivalents as at June 30 | 34(b) | 36,909,281 | 42,870,689 |
| Net cash generated by operating activities include: | | | |
| Interest received | | 11,081,847 | 10,241,460 |
| Interest paid (excluding interest expense on debt securities issued) | | (5,041,319) | (5,123,560) |

The notes on pages 124 to 218 form part of this interim financial report.

Unaudited Notes to the Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

1 BACKGROUND INFORMATION

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

The Bank obtained its financial institution license No. B1383H252010001 from the former CBRC and obtained its business license No. 915200000550280000 from the State Administration for Industry and Commerce of the PRC. The Bank is regulated by 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, 2022, 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, 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

2 BASIS OF PREPARATION (CONTINUED)

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 2021 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 BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended December 31, 2021 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.

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:

- Amendments to IFRS 3, Business Combinations "Reference to the Conceptual Framework"
- Amendments to IAS 16, Property, Plant and Equipment "Property, plant and equipment: Proceeds before Intended Use"
- Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets "Onerous Contracts – Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020

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

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***4 NET INTEREST INCOME**

| | Six months ended June 30, | |
|---|---------------------------|-------------|
| | 2022 | 2021 |
| Interest income arising from: | | |
| Deposits with the central bank | 147,815 | 172,061 |
| Deposits with banks and other financial institutions | 14,608 | 6,523 |
| Financial assets held under resale agreements | 217,540 | 194,642 |
| Loans and advances to customers | | |
| – Measured at fair value through other comprehensive income | 89,225 | 167,404 |
| – Measured at amortised cost | 7,594,185 | 6,214,797 |
| Financial investments | | |
| – Measured at fair value through other comprehensive income | 1,163,897 | 1,101,096 |
| – Measured at amortised cost | 1,854,577 | 2,426,143 |
| Sub-total | 11,081,847 | 10,282,666 |
| Interest expense arising from: | | |
| Borrowing from the central bank | (476,094) | (411,113) |
| Deposits from banks and other financial institutions | (334,371) | (503,166) |
| Placements from banks and other financial institutions | (70,682) | (50,596) |
| Financial assets sold under repurchase agreements | (112,502) | (102,380) |
| Deposits from customers | (3,949,127) | (3,661,734) |
| Debt securities issued | (1,082,538) | (852,159) |
| Sub-total | (6,025,314) | (5,581,148) |
| Net interest income | 5,056,533 | 4,701,518 |

Interest income arising from financial assets that are measured at amortised cost and fair value through other comprehensive income for the six months ended June 30, 2022 amounted to RMB1,253.12 million and RMB9,828.73 million respectively. (For the six months ended June 30, 2021: RMB1,268.50 million and RMB9,014.17 million.)

All interest expenses were arising from financial liabilities measured at amortised cost.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

5 NET FEE AND COMMISSION INCOME

(a) Income and expense streams

| | Six months ended June 30, | |
|--|---------------------------|----------|
| | 2022 | 2021 |
| Fee and commission income | | |
| Acceptance and guarantee services fees | 171,978 | 129,332 |
| Agency services fees | 75,470 | 68,084 |
| Settlement and clearing fees | 17,254 | 27,401 |
| Fund supervision services fees | 22,787 | 25,370 |
| Bank card services fees | 36,754 | 25,045 |
| Consultancy services fees | 2,943 | 1,221 |
| Sub-total | 327,186 | 276,453 |
| Fee and commission expense | | |
| Bank card services fees | (54,620) | (30,393) |
| Others | (21,122) | (12,612) |
| Sub-total | (75,742) | (43,005) |
| Net fee and commission income | 251,444 | 233,448 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***5 NET FEE AND COMMISSION INCOME (CONTINUED)****(b) Disaggregation of income**

| | Six months ended June 30, | | | |
|---|---------------------------|----------------|-----------------------|-----------|
| | 2022 | | 2021 | |
| | At a point in time | Over time | At a point in time | Over time |
| Acceptance and guarantee services fees | - | 171,978 | - | 129,332 |
| Agency services fees | - | 75,470 | - | 68,084 |
| Settlement and clearing fees | 17,254 | - | 27,401 | - |
| Fund supervision services fees | - | 22,787 | - | 25,370 |
| Bank card services fees | 36,754 | - | 25,045 | - |
| Consultancy services fees | - | 2,943 | - | 1,221 |
| Total | 54,008 | 273,178 | 52,446 | 224,007 |

6 NET TRADING GAINS

| | Notes | Six months ended June 30, | |
|-------------------------------------|-------|---------------------------|---------|
| | | 2022 | 2021 |
| Net gains from debt securities | (a) | 258,992 | 357,552 |
| Net foreign exchange gains/(losses) | (b) | 10,302 | (1,256) |
| Total | | 269,294 | 356,296 |

Note:

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

7 NET GAINS ARISING FROM INVESTMENT SECURITIES

| | Note | Six months ended June 30, | |
|--|------|---------------------------|---------|
| | | 2022 | 2021 |
| Net gains of financial investments measured at fair value through profit or loss | (a) | 389,867 | 367,452 |
| Net gains of financial investments measured at fair value through other comprehensive income | | 13,321 | 7,689 |
| Total | | 403,188 | 375,141 |

Note:

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

8 OTHER OPERATING INCOME

| | Note | Six months ended June 30, | |
|--|------|---------------------------|--------|
| | | 2022 | 2021 |
| Net (losses)/gains on disposal of repossessed assets | | (110) | 32,900 |
| Government grants | (a) | 33,582 | 6,501 |
| Rental income | | 1,758 | 5,409 |
| Penalty income | | 688 | 1,018 |
| Net (losses)/gains on disposal of property and equipment and intangible assets | | (1,705) | 5,085 |
| Others | | 415 | 1,321 |
| Total | | 34,628 | 52,234 |

Note:

- (a) Government grants recognised as other operating income are awarded to the Bank by the local government as incentives primarily to encourage the development of the Bank and the contribution to the local economic development. The government grants related to deferred repayment of principal and interest by phases for Inclusive Small and Micro Enterprise Loans are one-off according to its balances of loan and advances to small and medium-sized enterprises and agricultural enterprises in Guizhou Province.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***9 OPERATING EXPENSES**

| | Six months ended June 30, | |
|---|---------------------------|-----------|
| | 2022 | 2021 |
| Staff costs | 1,099,002 | 1,085,494 |
| Depreciation and amortisation | 173,533 | 174,904 |
| Depreciation charge for the right-of-use assets | 71,683 | 84,185 |
| Taxes and surcharges | 76,810 | 42,088 |
| Interest expense on lease liabilities | 7,534 | 16,690 |
| Rental and property management expenses | 17,003 | 16,452 |
| Others general and administrative expenses | 197,709 | 279,525 |
| Total | 1,643,274 | 1,699,338 |

10 IMPAIRMENT LOSSES ON ASSETS

| | Six months ended June 30, | |
|--|---------------------------|-----------|
| | 2022 | 2021 |
| Loans and advances to customers | 1,781,367 | 1,265,662 |
| Financial investments | (25,671) | 195,322 |
| Credit commitments | 103,360 | 6,780 |
| Deposits with banks and other financial institutions | 415 | 667 |
| Financial assets held under resale agreements | 775 | – |
| Others | 2,904 | (1,027) |
| Total | 1,863,150 | 1,467,404 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

11 INCOME TAX

(a) Income tax

| | Note | Six months ended June 30, | |
|--------------|-------|---------------------------|-----------|
| | | 2022 | 2021 |
| Current tax | | 792,030 | 750,484 |
| Deferred tax | 20(b) | (462,790) | (309,243) |
| Total | | 329,240 | 441,241 |

(b) Reconciliations between income tax and accounting profit

| | Note | Six months ended June 30, | |
|---|------|---------------------------|-----------|
| | | 2022 | 2021 |
| Profit before tax | | 2,513,772 | 2,566,514 |
| Statutory tax rate | | 25% | 25% |
| Income tax calculated at statutory tax rate | | 628,443 | 641,629 |
| Non-deductible expenses | | 45,345 | 29,266 |
| Non-taxable income | (i) | (344,548) | (229,654) |
| Income tax | | 329,240 | 441,241 |

Note:

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

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***12 BASIC AND DILUTED EARNINGS PER SHARE**

| | Note | Six months ended June 30, | |
|---|------|---------------------------|------------|
| | | 2022 | 2021 |
| Net profit for the period | | 2,184,532 | 2,125,273 |
| Weighted average number of ordinary shares (in thousands) | (a) | 14,588,047 | 14,588,047 |
| Basic and diluted earnings per share (in RMB) | | 0.15 | 0.15 |

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

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

| | Six months ended June 30, | |
|--|---------------------------|------------|
| | 2022 | 2021 |
| 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 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

13 CASH AND DEPOSITS WITH THE CENTRAL BANK

| | Notes | At June 30, 2022 | At December 31, 2021 |
|--|-------|---------------------|-------------------------|
| Cash on hand | | 585,424 | 632,970 |
| <hr style="border-top: 1px dashed #ccc;"/> | | | |
| Deposits with the central bank | | | |
| – Statutory deposit reserves | (a) | 17,384,834 | 18,269,419 |
| – Surplus deposit reserves | (b) | 14,578,783 | 16,686,142 |
| – Fiscal deposits | | 111,615 | 83,402 |
| <hr/> | | | |
| Sub-total | | 32,075,232 | 35,038,963 |
| <hr style="border-top: 1px dashed #ccc;"/> | | | |
| Accrued interest | | 8,123 | 10,014 |
| <hr style="border-top: 1px dashed #ccc;"/> | | | |
| Total | | 32,668,779 | 35,681,947 |

Note:

- (a) The Bank places statutory deposit reserves with the PBOC in accordance with relevant regulations. As at June 30, 2022 and December 31, 2021, the statutory deposit reserve ratios applicable to the Bank were as follows:

| | At June 30, 2022 | At December 31, 2021 |
|---|---------------------|----------------------|
| Reserve ratio for RMB deposits | 5.5% | 6.0% |
| Reserve ratio for foreign currency deposits | 8.0% | 9.0% |

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

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***14 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

Analysed by type and location of counterparty:

| | At June 30, 2022 | At December 31, 2021 |
|---------------------------------------|---------------------|-------------------------|
| Deposits in mainland China | | |
| – Banks | 6,564,747 | 3,465,077 |
| – Others financial institutions | 26,146 | 51,471 |
| Sub-total | 6,590,893 | 3,516,548 |
| Accrued interest | 4,134 | 1,100 |
| Less: provision for impairment losses | (986) | (570) |
| Net carrying amount | 6,594,041 | 3,517,078 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

| | At June 30, 2022 | At December 31, 2021 |
|---------------------------------------|---------------------|-------------------------|
| In mainland China | | |
| – Banks | 16,154,180 | 27,538,618 |
| Accrued interest | 4,796 | 18,373 |
| Less: provision for impairment losses | (775) | – |
| Net carrying amount | 16,158,201 | 27,556,991 |

(b) Analysed by type of collateral held

| | At June 30, 2022 | At December 31, 2021 |
|---------------------------------------|---------------------|-------------------------|
| Debt securities | 16,154,180 | 27,538,618 |
| Accrued interest | 4,796 | 18,373 |
| Less: provision for impairment losses | (775) | – |
| Net carrying amount | 16,158,201 | 27,556,991 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS****(a) Analysed by nature**

| | At June 30, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Loans and advances to customers measured at amortised cost: | | |
| Corporate loans and advances | 228,954,716 | 213,009,342 |
| Personal loans and advances | | |
| – Residential mortgage | 19,857,811 | 20,008,524 |
| – Personal business loans | 8,117,317 | 8,022,340 |
| – Personal consumption loans | 354,873 | 440,520 |
| – Credit cards | 7,488,950 | 5,441,376 |
| Sub-total | 35,818,951 | 33,912,760 |
| Accrued interest | 1,000,719 | 630,446 |
| Less: provision for loans and advances to customers measured at amortised cost | (14,075,899) | (12,282,283) |
| Sub-total | 251,698,487 | 235,270,265 |
| Loans and advances to customers measured at fair value through other comprehensive income: | | |
| Corporate loans and advances | – | 455,113 |
| Discounted bills | 13,781,158 | 3,109,364 |
| Sub-total | 13,781,158 | 3,564,477 |
| Net loans and advances to customers | 265,479,645 | 238,834,742 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by industry sector

| | At June 30, 2022 | | Loans and advances secured by collaterals |
|--|------------------|------------|---|
| | Amount | Percentage | |
| Leasing and commercial services | 107,888,812 | 38.73% | 32,988,813 |
| Wholesale and retail trade | 24,152,189 | 8.67% | 4,670,309 |
| Water resources, environment and public facilities management | 21,164,072 | 7.60% | 5,222,119 |
| Construction | 14,593,879 | 5.24% | 4,055,760 |
| Mining | 9,023,909 | 3.24% | 5,397,009 |
| Real estate | 8,562,768 | 3.07% | 4,908,830 |
| Education | 8,995,967 | 3.23% | 458,280 |
| Transportation, storage and postal services | 7,310,117 | 2.62% | 3,647,696 |
| Agriculture, forestry, animal husbandry and fishery | 7,131,892 | 2.56% | 600,234 |
| Manufacturing | 5,502,956 | 1.98% | 1,326,129 |
| Health and social work | 4,037,499 | 1.45% | 412,165 |
| Production and supply of electric power, gas and water | 3,594,452 | 1.29% | 578,517 |
| Finance | 2,569,333 | 0.92% | 616,973 |
| Culture, sports and entertainment | 694,809 | 0.25% | 308,430 |
| Accommodation and catering | 949,493 | 0.34% | 414,251 |
| Others | 2,782,569 | 1.00% | 106,074 |
| Sub-total of corporate loans and advances | 228,954,716 | 82.19% | 65,711,589 |
| Personal loans and advances | 35,818,951 | 12.86% | 22,852,068 |
| Discounted bills | 13,781,158 | 4.95% | - |
| Gross loans and advances to customers (excluding accrued interest) | 278,554,825 | 100.00% | 88,563,657 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(b) Analysed by industry sector (continued)**

| | At December 31, 2021 | | Loans and advances secured by collaterals |
|--|----------------------|------------|---|
| | Amount | Percentage | |
| Leasing and commercial services | 105,645,479 | 42.18% | 33,334,263 |
| Wholesale and retail trade | 19,119,324 | 7.63% | 3,654,544 |
| Water resources, environment and public facilities management | 16,969,437 | 6.77% | 4,259,371 |
| Construction | 14,825,621 | 5.92% | 4,346,121 |
| Mining | 8,967,269 | 3.58% | 5,462,191 |
| Real estate | 8,903,123 | 3.55% | 4,977,108 |
| Education | 8,875,427 | 3.54% | 447,567 |
| Transportation, storage and postal services | 5,545,633 | 2.21% | 2,295,909 |
| Agriculture, forestry, animal husbandry and fishery | 5,501,940 | 2.20% | 495,474 |
| Manufacturing | 5,362,159 | 2.14% | 1,166,004 |
| Health and social work | 3,774,105 | 1.51% | 403,330 |
| Production and supply of electric power, gas and water | 3,100,490 | 1.24% | 296,640 |
| Finance | 1,947,407 | 0.78% | 2,489 |
| Culture, sports and entertainment | 388,017 | 0.15% | 5,950 |
| Accommodation and catering | 1,817,528 | 0.73% | 398,889 |
| Others | 2,721,496 | 1.09% | 109,763 |
| Sub-total of corporate loans and advances | 213,464,455 | 85.22% | 61,655,613 |
| Personal loans and advances | 33,912,760 | 13.54% | 23,299,661 |
| Discounted bills | 3,109,364 | 1.24% | – |
| Gross loans and advances to customers (excluding accrued interest) | 250,486,579 | 100.00% | 84,955,274 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Analysed by type of collateral

| | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| Unsecured loans | 47,664,206 | 33,561,883 |
| Guaranteed loans | 142,326,962 | 131,969,422 |
| Collateralised loans | 45,734,749 | 44,076,503 |
| Pledged loans | 42,828,908 | 40,878,771 |
| Gross loans and advances to customers | 278,554,825 | 250,486,579 |
| Accrued interest | 1,000,719 | 630,446 |
| Less: provision for loans and advances to customers measured at amortised cost | (14,075,899) | (12,282,283) |
| Net loans and advances to customers | 265,479,645 | 238,834,742 |

(d) Overdue loans analysed by overdue period

| | At June 30, 2022 | | | | Total |
|--|--|--|---|-------------------------------------|-----------|
| | Overdue within three months (inclusive) | Overdue more than three months to one year (inclusive) | Overdue more than one year to three years (inclusive) | Overdue more than three years | |
| Unsecured loans | 124,355 | 90,670 | 7,000 | 1,356 | 223,381 |
| Guaranteed loans | 2,405,257 | 457,047 | 365,639 | 9,523 | 3,237,466 |
| Collateralised loans | 238,699 | 231,234 | 254,434 | 19,978 | 744,345 |
| Pledged loans | 490,598 | - | 117,400 | - | 607,998 |
| Total | 3,258,909 | 778,951 | 744,473 | 30,857 | 4,813,190 |
| As a percentage of gross loans and advances to customers | 1.17% | 0.28% | 0.27% | 0.01% | 1.73% |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(d) Overdue loans analysed by overdue period (continued)**

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

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 to customers and provision for impairment losses

| | At June 30, 2022 | | | Total |
|--|----------------------|----------------------|--------------------------|---------------------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Lifetime ECL Stage 3 (i) | |
| Total loans and advances to customers measured at amortised cost | 225,664,200 | 29,781,904 | 10,328,282 | 265,774,386 |
| Less: provision for impairment losses | (3,485,060) | (5,131,040) | (5,459,799) | (14,075,899) |
| Carrying amount of loans and advances to customers measured at amortised cost | 222,179,140 | 24,650,864 | 4,868,483 | 251,698,487 |
| Carrying amount of loans and advances to customers measured at fair value through other comprehensive income | 13,781,158 | – | – | 13,781,158 |
| Total carrying amount of loans and advances to customers | 235,960,298 | 24,650,864 | 4,868,483 | 265,479,645 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

| | At December 31, 2021 | | | Total |
|--|-------------------------|--|-------------|--------------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 Stage 3 (i) | | |
| Total loans and advances to customers measured at amortised cost | 204,865,654 | 37,238,612 | 5,448,282 | 247,552,548 |
| Less: provision for impairment losses | (2,359,507) | (6,920,887) | (3,001,889) | (12,282,283) |
| Carrying amount of loans and advances to customers measured at amortised cost | 202,506,147 | 30,317,725 | 2,446,393 | 235,270,265 |
| Carrying amount of loans and advances to customers measured at fair value through other comprehensive income | 3,564,477 | – | – | 3,564,477 |
| Total carrying amount of loans and advances to customers | 206,070,624 | 30,317,725 | 2,446,393 | 238,834,742 |

(i) The segmentation of the loans mentioned above is defined in Note 37 (a) -Stages of risks in financial instrument.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)****(f) Movements of provision for impairment losses****(i) Movements of provision for loans and advances to customers measured at amortised cost:**

| | Six months ended June 30, 2022 | | | |
|---------------------------------|--------------------------------|-------------------------|-----------|------------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | Total |
| As at January 1 | 2,359,507 | 6,920,887 | 3,001,889 | 12,282,283 |
| Transferred to: | | | | |
| – Stage 1 | 821,001 | (318,279) | (502,722) | – |
| – Stage 2 | (6,581) | 11,926 | (5,345) | – |
| – Stage 3 | (2,306) | (670,097) | 672,403 | – |
| Charge/(release) for the period | 313,239 | (813,397) | 2,259,122 | 1,758,964 |
| Recoveries | – | – | 119,672 | 119,672 |
| Write-offs | – | – | (43,169) | (43,169) |
| Others | 200 | – | (42,051) | (41,851) |
| As at June 30 | 3,485,060 | 5,131,040 | 5,459,799 | 14,075,899 |
| | Year ended December 31, 2021 | | | |
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | Total |
| As at January 1 | 5,427,481 | 1,155,841 | 1,629,942 | 8,213,264 |
| Transferred to: | | | | |
| – Stage 1 | 574,607 | (562,678) | (11,929) | – |
| – Stage 2 | (894,161) | 894,969 | (808) | – |
| – Stage 3 | (70,692) | (142,344) | 213,036 | – |
| (Release)/charge for the year | (2,677,728) | 5,575,099 | 1,132,881 | 4,030,252 |
| Recoveries | – | – | 370,188 | 370,188 |
| Write-offs | – | – | (235,487) | (235,487) |
| Others | – | – | (95,934) | (95,934) |
| As at December 31 | 2,359,507 | 6,920,887 | 3,001,889 | 12,282,283 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

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

| | Six months ended June 30, 2022 | | | |
|-----------------------|--------------------------------|--------------|---------|----------|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at January 1 | 2,898 | – | – | 2,898 |
| Charge for the period | 22,403 | – | – | 22,403 |
| As at June 30 | 25,301 | – | – | 25,301 |
| | Year ended December 31, 2021 | | | |
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at January 1 | 25,823 | – | – | 25,823 |
| Release for the year | (22,925) | – | – | (22,925) |
| As at December 31 | 2,898 | – | – | 2,898 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***17 FINANCIAL INVESTMENTS**

| | Notes | At June 30, 2022 | At December 31, 2021 |
|---|-------|---------------------|-------------------------|
| Financial investments measured at fair value through profit or loss | (a) | 59,915,042 | 55,336,487 |
| Financial investments measured at fair value through other comprehensive income | (b) | 61,526,310 | 55,661,196 |
| Financial investments measured at amortised cost | (c) | 76,273,160 | 78,014,210 |
| Total | | 197,714,512 | 189,011,893 |

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

| | Note | At June 30, 2022 | At December 31, 2021 |
|--|------|---------------------|-------------------------|
| Debt securities issued by the following institutions in mainland China | (i) | | |
| – Government | | 9,390,020 | 9,259,183 |
| – Policy Banks | | 10,467,844 | 6,966,623 |
| – Banks and other financial institutions | | 4,488,322 | 7,392,668 |
| Sub-total | | 24,346,186 | 23,618,474 |
| Unlisted | | 24,346,186 | 23,618,474 |
| Structured notes issued by securities companies | | | |
| – Unlisted | | 255,856 | 197,780 |
| Investment funds managed by public fund manager | | | |
| – Unlisted | | 35,313,000 | 31,520,233 |
| Total | | 59,915,042 | 55,336,487 |

Note:

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

| Notes | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| Debt securities issued by the following institutions in mainland China | | |
| – Government | 21,144,061 | 16,664,266 |
| – Policy Banks | 23,736,916 | 21,035,181 |
| – Banks and other financial institutions | 303,299 | 432,888 |
| – Corporate | 14,746,210 | 15,675,928 |
| (i) | | |
| Sub-total | 59,930,486 | 53,808,263 |
| Listed | 10,197,962 | 10,407,882 |
| Unlisted | 49,732,524 | 43,400,381 |
| Asset-backed securities | | |
| – Listed | 400,168 | 571,196 |
| Equity investments | | |
| – Unlisted | 37,750 | 37,750 |
| (ii) | | |
| Accrued interest | 1,157,906 | 1,243,987 |
| Total | 61,526,310 | 55,661,196 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***17 FINANCIAL INVESTMENTS (CONTINUED)****(b) Financial investments measured at fair value through other comprehensive income (continued)**

Note:

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

| | Six months ended June 30, 2022 | | | |
|---------------------------------|--------------------------------|-------------------------|---------|---------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | Total |
| As at January 1 | 25,275 | 8,217 | 243,666 | 277,158 |
| Transferred to: | | | | |
| – Stage 2 | (985) | 985 | – | – |
| – Stage 3 | (521) | – | 521 | – |
| (Release)/charge for the period | (8,532) | 657 | 209,955 | 202,080 |
| As at June 30 | 15,237 | 9,859 | 454,142 | 479,238 |

| | Year ended December 31, 2021 | | | |
|---------------------|------------------------------|-------------------------|-----------|-----------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | Total |
| As at January 1 | 22,804 | – | 121,473 | 144,277 |
| Transferred to: | | | | |
| – Stage 2 | (2,306) | 2,306 | – | – |
| – Stage 3 | (184) | – | 184 | – |
| Charge for the year | 4,961 | 5,911 | 272,009 | 282,881 |
| Write-offs | – | – | (150,000) | (150,000) |
| As at December 31 | 25,275 | 8,217 | 243,666 | 277,158 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost

| Notes | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| Debt securities issued by the following institutions in mainland China | | |
| – Government | 36,770,654 | 36,159,215 |
| – Policy Banks | 5,208,540 | 5,314,166 |
| – Corporate | 11,009,026 | 9,831,854 |
| Sub-total | 52,988,220 | 51,305,235 |
| Listed | 7,618,437 | 7,481,841 |
| Unlisted | 45,369,783 | 43,823,394 |
| Investment management products managed by asset management companies | 14,238,613 | 17,285,497 |
| Private debt financing plans | 414,000 | 414,000 |
| Other debt investments | 9,086,530 | 9,931,247 |
| Sub-total | 23,739,143 | 27,630,744 |
| Accrued interest | 1,086,955 | 847,140 |
| Less: provision for impairment losses | (1,541,158) | (1,768,909) |
| Total | 76,273,160 | 78,014,210 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

17 FINANCIAL INVESTMENTS (CONTINUED)

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

Note:

- (i) Certain debt securities were pledged for repurchase agreements, borrowing from the central bank and deposits from customers (Note 22(a)). No other investments were subject to material restrictions in the realization.
- (ii) Movements of provision for impairment of financial investments measured at amortised cost:

| | Six months ended June 30, 2022 | | | |
|---------------------------------|--------------------------------|----------------------------|---------|-----------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | Total |
| As at January 1 | 350,429 | 1,007,459 | 411,021 | 1,768,909 |
| Transferred to: | | | | |
| – Stage 2 | (8,913) | 8,913 | – | – |
| – Stage 3 | – | (76,100) | 76,100 | – |
| (Release)/charge for the period | (113,250) | (358,679) | 244,178 | (227,751) |
| As at June 30 | 228,266 | 581,593 | 731,299 | 1,541,158 |

| | Year ended December 31, 2021 | | | |
|-------------------------------|------------------------------|----------------------------|-----------|-----------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | Total |
| As at January 1 | 1,489,949 | 580,256 | 844,234 | 2,914,439 |
| Transferred to: | | | | |
| – Stage 2 | (88,908) | 88,908 | – | – |
| – Stage 3 | (21,687) | (61,904) | 83,591 | – |
| (Release)/charge for the year | (1,028,925) | 400,199 | 405,443 | (223,283) |
| Write-offs | – | – | (922,247) | (922,247) |
| As at December 31 | 350,429 | 1,007,459 | 411,021 | 1,768,909 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

18 INTEREST IN ASSOCIATES

| | Note | At June 30, 2022 | At December 31, 2021 |
|------------------------|------|---------------------|-------------------------|
| Interest in associates | (a) | 237,066 | 231,957 |

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, 2022 | At December 31, 2021 | Place of Incorporation/ registration | Business sector |
|---|------|---------------------|-------------------------|---|------------------|
| Guiyang Baiyun Dexin Rural Bank Co., Ltd. (貴陽白雲德信村鎮銀行股份有限公司) | (i) | 15.00% | 15.00% | Guiyang Guizhou Province | Commercial Banks |
| 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 Banks |
| Zunyi Bozhou Huilong Town Bank Co., Ltd. (遵義播州匯隆村鎮銀行有限責任公司) | (i) | 15.00% | 15.00% | Zunyi Guizhou Province | Commercial Banks |
| Suiyang Qianbei Town Bank Co., Ltd. (綏陽黔北村鎮銀行有限責任公司) | (i) | 15.00% | 15.00% | Zunyi Guizhou Province | Commercial Banks |
| 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 Banks |
| 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 Banks |
| 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 Banks |
| 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 Banks |
| 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 Banks |
| 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 Banks |
| Duyun Rongtong Town Bsnk 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 Banks |
| 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 Banks |
| Kaili Oongnan Town Bank Co., Ltd. (凱里東南村鎮銀行有限責任公司) | | 20.00% | 20.00% | Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province | Commercial Banks |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***18 INTEREST IN ASSOCIATES (CONTINUED)**

Note:

- (i) At June 30, 2022, 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, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| Aggregate carrying amount of individually immaterial associates in the statement of financial position of the Bank | 237,066 | 231,957 |
| Declaration of cash dividends | – | 480 |
| Aggregate amounts of the Bank's share of results of those associates | | |
| – Gains from continuing operations | 5,109 | 83,240 |
| – Total comprehensive income | 5,109 | 83,240 |

Unaudited Notes to the Financial Statements (Continued)

(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, 2021 | 4,204,129 | 61,854 | 570,616 | 291,587 | 5,128,186 |
| Additions | 182,467 | 175 | 69,344 | 76,680 | 328,666 |
| Disposals | (7,735) | – | (26,200) | (11,187) | (45,122) |
| Transfer in/(out) | 9,913 | – | – | (1,123) | 8,790 |
| As at December 31, 2021 | 4,388,774 | 62,029 | 613,760 | 355,957 | 5,420,520 |
| Additions | 33,880 | – | 7,757 | 29,465 | 71,102 |
| Disposals | – | – | (12,202) | – | (12,202) |
| Transfer in/(out) | 255,803 | – | 125 | (262,470) | (6,542) |
| As at June 30, 2022 | 4,678,457 | 62,029 | 609,440 | 122,952 | 5,472,878 |
| Accumulated depreciation | | | | | |
| As at January 1, 2021 | (726,746) | (53,605) | (460,281) | – | (1,240,632) |
| Charge for the year | (213,178) | (3,544) | (57,714) | – | (274,436) |
| Disposals | 3,377 | – | 24,246 | – | 27,623 |
| Transfer in | (3,854) | – | – | – | (3,854) |
| As at December 31, 2021 | (940,401) | (57,149) | (493,749) | – | (1,491,299) |
| Charge for the period | (106,734) | (1,299) | (24,796) | – | (132,829) |
| Disposals | – | – | 3,685 | – | 3,685 |
| As at June 30, 2022 | (1,047,135) | (58,448) | (514,860) | – | (1,620,443) |
| Net book value | | | | | |
| As at December 31, 2021 | 3,448,373 | 4,880 | 120,011 | 355,957 | 3,929,221 |
| As at June 30, 2022 | 3,631,322 | 3,581 | 94,580 | 122,952 | 3,852,435 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

19 PROPERTY AND EQUIPMENT (CONTINUED)

As at June 30 2022, the net carrying amount of houses and buildings that had not yet completed the property rights formalities was RMB494.48 million (December 31, 2021: RMB223.70 million). The net value of the houses for which the Bank had not gone through the formalities for changing the name of the warrants was RMB63.84 million (December 31, 2021: RMB65.79 million), the net book value of the above-mentioned houses without property rights procedures does not include the net book value of the Head Office Building of Bank of Guizhou of RMB1,937.12 million (December 31, 2021: RMB1,986.86 million). The Bank is in the process of property rights formalities for the above-mentioned houses and buildings. The Directors of the Bank are of the view that there will be no significant costs in the formalities of property rights.

20 DEFERRED TAX ASSETS

(a) Analysed by nature

| | At June 30, 2022 | | At December 31, 2021 | |
|--|--|--|--|--|
| | Deductible/ (taxable) temporary differences | Deferred income tax assets/ (liabilities) | Deductible/ (taxable) temporary differences | Deferred income tax assets/ (liabilities) |
| Deferred tax assets/(liabilities) | | | | |
| – Allowance for impairment losses | 17,113,067 | 4,278,267 | 16,069,312 | 4,017,328 |
| – Accrued staff costs | 952,801 | 238,200 | 813,576 | 203,394 |
| – Supplemental retirement benefits | 186,700 | 46,675 | 107,024 | 26,756 |
| – Fair value changes of financial assets | (54,830) | (13,708) | (283,168) | (70,792) |
| – Others | 69,678 | 17,420 | 139,872 | 34,968 |
| Net deferred tax assets | 18,267,416 | 4,566,854 | 16,846,616 | 4,211,654 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

20 DEFERRED TAX ASSETS (CONTINUED)

(b) Movements of deferred tax

| | Allowance for impairment losses | Accrued staff costs | Supplemental retirement benefits | Fair value change of financial assets | Others | Net balance of deferred tax assets |
|---|--|------------------------|--|--|----------|--|
| January 1, 2021 | 3,198,857 | 207,356 | 16,783 | 118,558 | 6,074 | 3,547,628 |
| Recognised in profit or loss | 818,471 | (3,962) | 9,973 | (74,627) | 28,894 | 778,749 |
| Recognised in other comprehensive income | – | – | – | (114,723) | – | (114,723) |
| December 31, 2021 | 4,017,328 | 203,394 | 26,756 | (70,792) | 34,968 | 4,211,654 |
| Recognised in profit or loss | 387,074 | 34,806 | 12,519 | 45,939 | (17,548) | 462,790 |
| Recognised in other comprehensive income | (126,135) | – | 7,400 | 11,145 | – | (107,590) |
| June 30, 2022 | 4,278,267 | 238,200 | 46,675 | (13,708) | 17,420 | 4,566,854 |

21 OTHER ASSETS

| | Notes | At June 30, 2022 | At December 31, 2021 |
|-----------------------|-------|---------------------|-------------------------|
| Right-of-use assets | (a) | 378,064 | 417,179 |
| Intangible assets | (b) | 210,338 | 222,110 |
| Deferred expenses | | 101,446 | 101,473 |
| Repossessed assets | | 28,666 | 46,059 |
| Investment properties | (c) | 10,490 | 10,961 |
| Interests receivable | (d) | 33,568 | 457 |
| Other receivables | | 237,564 | 106,444 |
| Total | | 1,000,136 | 904,683 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***21 OTHER ASSETS (CONTINUED)****(a) Right-of-use assets**

| | Property |
|---------------------------------|-----------|
| Cost | |
| As at January 1, 2021 | 771,490 |
| Additions | 109,298 |
| Disposals | (87,683) |
| As at December 31, 2021 | 793,105 |
| Additions | 33,936 |
| Disposals | (58,491) |
| At as June 30, 2022 | 768,550 |
| Accumulated depreciation | |
| As at January 1, 2021 | (301,620) |
| Additions | (161,989) |
| Disposals | 87,683 |
| As at December 31, 2021 | (375,926) |
| Additions | (71,683) |
| Disposals | 57,123 |
| As at June 30, 2022 | (390,486) |
| Net book value | |
| As at December 31, 2021 | 417,179 |
| As at June 30, 2022 | 378,064 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(b) Intangible assets

| | Computer software | Land use rights | Total |
|---------------------------------|----------------------|-----------------|----------|
| Cost | | | |
| As at January 1, 2021 | 101,071 | 112,117 | 213,188 |
| Additions | 88,088 | – | 88,088 |
| Disposals | (40) | – | (40) |
| As at December 31, 2021 | 189,119 | 112,117 | 301,236 |
| Additions | 1,302 | – | 1,302 |
| Disposals | (5,034) | – | (5,034) |
| As at June 30, 2022 | 185,387 | 112,117 | 297,504 |
| Accumulated depreciation | | | |
| As at January 1, 2021 | (27,760) | (24,378) | (52,138) |
| Additions | (24,162) | (2,866) | (27,028) |
| Disposals | 40 | – | 40 |
| As at December 31, 2021 | (51,882) | (27,244) | (79,126) |
| Additions | (10,070) | (1,431) | (11,501) |
| Disposals | 3,461 | – | 3,461 |
| As at June 30, 2022 | (58,491) | (28,675) | (87,166) |
| Book value | | | |
| As at December 31, 2021 | 137,237 | 84,873 | 222,110 |
| As at June 30, 2022 | 126,896 | 83,442 | 210,338 |

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

| | Investment properties |
|---------------------------------|--------------------------|
| Cost | |
| As at January 1, 2021 | 28,239 |
| Transfer out | (8,790) |
| As at December 31, 2021 | 19,449 |
| Transfer out | – |
| As at June 30, 2022 | 19,449 |
| Accumulated depreciation | |
| As at January 1, 2021 | (10,972) |
| Additions | (1,370) |
| Transfer out | 3,854 |
| As at December 31, 2021 | (8,488) |
| Additions | (471) |
| As at June 30, 2022 | (8,959) |
| Book value | |
| As at December 31, 2021 | 10,961 |
| As at June 30, 2022 | 10,490 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

21 OTHER ASSETS (CONTINUED)

(d) Interests receivable

| | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| Interests receivable arising from: | | |
| Loans and advances to customers | 30,662 | 457 |
| Financial investments measured at amortised cost | 2,906 | – |
| Total | 33,568 | 457 |

As at June 30, 2022, 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, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Borrowing from the central bank: | | |
| – Financial investments measured at fair value through profit or loss | 550,000 | 400,000 |
| – Financial investments measured at fair value through other comprehensive income | 10,351,000 | 8,620,774 |
| – Financial investments measured at amortised cost | 29,451,042 | 21,554,015 |
| Sub-total | 40,352,042 | 30,574,789 |
| For repurchase agreements: | | |
| – Financial investments measured at fair value through profit or loss | 5,107,000 | 5,833,000 |
| – Financial investments measured at fair value through other comprehensive income | 13,522,000 | 14,453,000 |
| – Financial investments measured at amortised cost | 2,577,000 | 4,457,000 |
| Sub-total | 21,206,000 | 24,743,000 |
| For deposits from customers: | | |
| – Financial investments measured at fair value through profit or loss | – | 20,000 |
| – Financial investments measured at fair value through other comprehensive income | 1,470,813 | 440,750 |
| – Financial investments measured at amortised cost | 5,898,268 | 2,118,894 |
| Sub-total | 7,369,081 | 2,579,644 |
| Total | 68,927,123 | 57,897,433 |

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

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***22 PLEDGED ASSETS (CONTINUED)****(b) Pledged assets received**

The Bank conducts resale agreements under the usual and customary terms of placements, and holds collaterals for these transactions. As at June 30, 2022, there was RMB17,103.00 million pledged assets (December 31, 2021: RMB29,144.20 million).

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

| | At June 30, 2022 | At December 31, 2021 |
|--------------------------------|---------------------|-------------------------|
| Deposits in mainland China | | |
| – Banks | 6,791,734 | 9,119,215 |
| – Other financial institutions | 14,522,858 | 14,757,742 |
| Sub-total | 21,314,592 | 23,876,957 |
| Accrued interest | 141,480 | 43,286 |
| Total | 21,456,072 | 23,920,243 |

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

| | At June 30, 2022 | At December 31, 2021 |
|-------------------|---------------------|-------------------------|
| In mainland China | | |
| – Banks | 5,138,653 | 3,364,612 |
| Accrued interest | 5,155 | 3,693 |
| Total | 5,143,808 | 3,368,305 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

25 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparty

| | At June 30, 2022 | At December 31, 2021 |
|------------------------------|---------------------|-------------------------|
| In mainland China – Banks | 20,058,680 | 23,183,900 |
| Accrued interest | 5,136 | 14,346 |
| Total | 20,063,816 | 23,198,246 |

(b) Analysed by type of collateral held

| | At June 30, 2022 | At December 31, 2021 |
|------------------|---------------------|-------------------------|
| Debt securities | 20,058,680 | 23,183,900 |
| Accrued interest | 5,136 | 14,346 |
| Total | 20,063,816 | 23,198,246 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***26 DEPOSITS FROM CUSTOMERS**

| | At June 30, 2022 | At December 31, 2021 |
|--------------------------------|---------------------|-------------------------|
| Demand deposits | | |
| – Corporate customers | 100,218,058 | 92,150,744 |
| – Individual customers | 35,634,284 | 35,382,736 |
| Sub-total | 135,852,342 | 127,533,480 |
| Time deposits | | |
| – Corporate customers | 70,233,436 | 78,731,318 |
| – Individual customers | 103,437,783 | 86,330,374 |
| Sub-total | 173,671,219 | 165,061,692 |
| Earnest money deposits | 10,640,094 | 9,340,076 |
| Fiscal deposits | 319 | 45,073 |
| Inward and outward remittances | 308,856 | 41,077 |
| Sub-total | 320,472,830 | 302,021,398 |
| Accrued interest | 3,903,555 | 3,499,625 |
| Total | 324,376,385 | 305,521,023 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

27 DEBT SECURITIES ISSUED

| | Notes | At June 30, 2022 | At December 31, 2021 |
|-------------------------------|-------|---------------------|-------------------------|
| Interbank deposits issued | (a) | 63,624,007 | 64,539,979 |
| Financial bonds issued | (b) | 7,998,646 | 4,999,105 |
| Tier-two capital bonds issued | (c) | 2,794,578 | 2,794,217 |
| Sub-total | | 74,417,231 | 72,333,301 |
| Accrued interest | | 158,526 | 60,979 |
| Total | | 74,575,757 | 72,394,280 |

Note:

(a) Interbank deposits issued

- (i) In 2021, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB92,550.00 million and duration between 1 to 12 months. The effective interest rates ranged from 2.30% to 3.37% per annum.
- (ii) In 2022, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB44,360.00 million and duration between 3 to 12 months. The effective interest rates ranged from 2.28% to 2.72% per annum.
- (iii) As at June 30, 2022, the fair value of outstanding interbank deposits amounted to RMB63,707.44 million (December 31, 2021: RMB64,593.51 million).

(b) Financial bonds issued

- (i) In December 2021, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB5,000.00 million. The coupon interest rate per annum is 3.45%.
- (ii) In March 2022, the Bank issued three-year fixed-rate green financial bonds with total nominal amount of RMB3,000.00 million. The coupon interest rate per annum is 3.27%.
- (iii) As at June 30, 2022, the fair value of outstanding financial bonds amounted to RMB8,204.12 million (December 31, 2021: RMB5,032.35 million).

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

27 DEBT SECURITIES ISSUED (CONTINUED)

Note: (Continued)

(c) Tier-two capital bonds issued

- (i) In June 2018, the Bank issued fixed-rate tier-two capital bonds with total nominal amount of RMB1,800.00 million and a maturity of 10 years. The coupon interest rate per annum is 5.00%.
- (ii) In December 2018, the Bank issued fixed-rate tier-two capital bonds with total nominal amount of RMB1,000.00 million and a maturity of 10 years. The coupon interest rate per annum is 5.50%.
- (iv) As at June 30, 2022, the fair value of outstanding tier-two capital bonds amounted to RMB2,892.46 million (December 31, 2021: RMB2,893.94 million).

28 OTHER LIABILITIES

| | Notes | At June 30, 2022 | At December 31, 2021 |
|---|-------|---------------------|-------------------------|
| Accrued staff cost | (a) | 1,338,060 | 1,474,657 |
| Lease liabilities | | 391,671 | 468,561 |
| Provision for credit commitments | (b) | 253,172 | 149,774 |
| Others tax payable | | 313,870 | 293,465 |
| Payment and collection clearance accounts | | 186,088 | 844,759 |
| Dividend payable | | 952,340 | 92,396 |
| Contract balances | (c) | 51,949 | 61,565 |
| Other payables | | 651,059 | 395,749 |
| Total | | 4,138,209 | 3,780,926 |

(a) Accrued staff cost

| | At June 30, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Salary, bonuses and allowances payable | 1,066,601 | 1,251,841 |
| Social insurance payable | 64,887 | 62,512 |
| Labor union fee, staff and workers' education fee | 19,872 | 624 |
| Supplemental retirement benefits payable | 186,700 | 159,680 |
| Total | 1,338,060 | 1,474,657 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(a) Accrued staff cost (continued)

Supplemental retirement benefits

The supplementary retirement benefits of the Bank include early retirement plan and supplementary retirement plan. The early retirement benefits are 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, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Present value of early retirement plan | 32,210 | 31,130 |
| Present value of supplemental retirement benefits | 154,490 | 128,550 |
| Total | 186,700 | 159,680 |

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

| | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| As at January 1 | 159,680 | 110,980 |
| Benefits paid during the period/year | (6,110) | (6,870) |
| Changes recognised in profit or loss | 30,130 | 46,930 |
| Changes recognised in other comprehensive income | 3,000 | 8,640 |
| As at June 30/December 31 | 186,700 | 159,680 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***28 OTHER LIABILITIES (CONTINUED)****(a) Accrued staff cost (continued)***(iii) Principal actuarial assumptions of the Bank are as follows:***Early retirement plan**

| | At June 30, 2022 | At December 31, 2021 |
|------------------------|---------------------|-------------------------|
| 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, 2022 | At December 31, 2021 |
|------------------------|---------------------|-------------------------|
| Discount rate | 3.25% | 3.25% |
| Retired age | | |
| Male | 60 | 60 |
| Female | 55 | 55 |
| Annual withdrawal rate | 3.00% | 3.00% |

(b) Provision for credit commitments

| | Note | At June 30, 2022 | At December 31, 2021 |
|----------------------------------|------|---------------------|-------------------------|
| Provision for credit commitments | (i) | 253,172 | 149,774 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

28 OTHER LIABILITIES (CONTINUED)

(b) Provision for credit commitments (continued)

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

| | Six months ended June 30, 2022 | | | |
|---------------------------------|--------------------------------|--------------|---------|---------|
| | 12-month ECL | Lifetime ECL | | Total |
| | Stage 1 | Stage 2 | Stage 3 | |
| As at January 1 | 141,789 | 983 | 7,002 | 149,774 |
| Transferred to: | | | | |
| – Stage 1 | 432 | (252) | (180) | – |
| – Stage 2 | (3) | 10 | (7) | – |
| – Stage 3 | (6) | (653) | 659 | – |
| Charge/(release) for the period | 110,097 | 119 | (6,856) | 103,360 |
| Others | 38 | – | – | 38 |
| As at June 30 | 252,347 | 207 | 618 | 253,172 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***28 OTHER LIABILITIES (CONTINUED)****(b) Provisions for credit commitments (continued)****(i) Movements of provisions for credit commitments are as follows: (continued)**

| | Year ended December 31, 2021 | | | Total |
|----------------------------------|------------------------------|-------------------------|--------------|----------------|
| | 12-month ECL Stage 1 | Lifetime ECL Stage 2 | Stage 3 | |
| As at January 1 | 366,659 | 673 | 3,600 | 370,932 |
| Transferred to: | | | | |
| – Stage 1 | 475 | (156) | (319) | – |
| – Stage 2 | (7) | 18 | (11) | – |
| – Stage 3 | (12) | – | 12 | – |
| (Release)/charge for the year | (225,304) | 448 | 3,720 | (221,136) |
| Others | (22) | – | – | (22) |
| As at December 31 | 141,789 | 983 | 7,002 | 149,774 |

(c) Contract balances

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.

29 SHARE CAPITAL**Authorised and issued share capital**

| | At June 30, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Ordinary shares in Mainland China | 12,388,047 | 12,388,047 |
| Ordinary shares listed in Hong Kong (H-share) | 2,200,000 | 2,200,000 |
| Total | 14,588,047 | 14,588,047 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

29 SHARE CAPITAL (CONTINUED)

Authorised and issued share capital (continued)

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, 2022 | At December 31, 2021 |
|-----------------------------------|---------------------|-------------------------|
| Share premium | 8,840,110 | 8,840,110 |
| Changes in interest in associates | (170,019) | (170,019) |
| Total | 8,670,091 | 8,670,091 |

(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.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***30 RESERVES (CONTINUED)****(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, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| As at January 1 | (152,235) | (496,404) |
| Changes in fair value recognised in other comprehensive income | (31,221) | 472,661 |
| Transfer to profit or loss upon disposal | (13,359) | (13,769) |
| Less: deferred tax | 11,145 | (114,723) |
| As at June 30/December 31 | (185,670) | (152,235) |

(e) Impairment reserve

| | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| As at January 1 | 280,056 | 170,100 |
| Impairment loss recognised in other comprehensive income | 224,483 | 109,956 |
| Less: deferred tax | (126,135) | - |
| As at June 30/December 31 | 378,404 | 280,056 |

Unaudited Notes to the Financial Statements (Continued)

(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, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| As at January 1 | (26,600) | (17,960) |
| Changes in fair value recognised in other comprehensive income | (3,000) | (8,640) |
| Less: deferred tax | 7,400 | – |
| As at June 30/December 31 | (22,200) | (26,600) |

31 RETAINED EARNINGS

(a) Appropriation of profit

The Bank did not declare interim dividend for the six months ended 30 June 2022.

In accordance with the resolution of the Bank's Annual General Meeting held on March 30, 2022, the shareholders approved the following profit appropriations for the year ended December 31, 2021:

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

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

- Appropriation of statutory surplus reserve amounted to RMB367.07 million;
- Appropriation of general reserve amounted to RMB620.00 million; and
- Declaration of cash dividend of RMB0.7 per 10 shares before tax and in an aggregation amount of RMB1,021.16 million to all existing shareholders.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***32 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES****(a) Structured entities sponsored by third party institutions in which the Bank holds an interest:**

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

The following table sets out an analysis of the carrying amounts of interests held by the Bank in unconsolidated structured entities, as well as an analysis of the line items in the statements of financial position in which relevant assets are recognised at June 30, 2022 and December 31, 2021:

| | At June 30, 2022 | | At December 31, 2021 | |
|---|-------------------|-------------------|----------------------|------------------|
| | Carrying amount | Maximum exposure | Carrying amount | Maximum exposure |
| Financial investments measured at fair value through profit or loss | 35,313,000 | 35,313,000 | 31,520,233 | 31,520,233 |
| Financial investments measured at fair value through other comprehensive income | 400,168 | 400,168 | 571,196 | 571,196 |
| Financial investments measured at amortised cost | 13,329,592 | 13,329,592 | 15,976,630 | 15,976,630 |
| Total | 49,042,760 | 49,042,760 | 48,068,059 | 48,068,059 |

At June 30, 2022 and December 31, 2021, the carrying amounts of the unconsolidated structured entities are equal to the maximum exposures.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

32 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

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

The types of unconsolidated structured entities sponsored by the Bank include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Bank includes fees charged by providing management services. At June 30, 2022 and December 31, 2021, 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, 2022 the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Bank was RMB22,274.00 million (December 31, 2021: RMB23,615.95 million).

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

For the six months ended June 30, 2022, there was no non-principal guaranteed wealth management products sponsored and issued by the Bank after January 1, but matured before June 30 (for the period ended June 30, 2021: RMB209.78 million).

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

33 CAPITAL MANAGEMENT

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

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

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

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

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

33 CAPITAL MANAGEMENT (CONTINUED)

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

| | At June 30, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Total core tier-one capital | | |
| – Share capital | 14,588,047 | 14,588,047 |
| – Qualifying portion of capital reserve | 8,670,091 | 8,670,091 |
| – Other comprehensive income | 170,534 | 101,221 |
| – Surplus reserve | 2,228,698 | 2,228,698 |
| – General reserve | 5,070,000 | 4,690,000 |
| – Retained earnings | 9,639,022 | 8,709,773 |
| Core tier-one capital | 40,366,392 | 38,987,830 |
| Core tier-one capital deductions | (930,573) | (718,981) |
| Net core tier-one capital | 39,435,819 | 38,268,849 |
| Net tier-one capital | 39,435,819 | 38,268,849 |
| Tier-two capital | | |
| – Instruments issued and share premium | 2,794,578 | 2,794,217 |
| – Surplus provision for loan impairment | 3,920,193 | 3,671,161 |
| Net tier-two capital | 6,714,771 | 6,465,378 |
| Net capital base | 46,150,590 | 44,734,227 |
| Total risk-weighted assets | 345,496,301 | 324,577,684 |
| Core tier-one capital adequacy ratio | 11.41% | 11.79% |
| Tier-one capital adequacy ratio | 11.41% | 11.79% |
| Capital adequacy ratio | 13.36% | 13.78% |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***34 NOTES TO CASH FLOW STATEMENTS****(a) Net (decrease)/increase in cash and cash equivalents**

| | At June 30, 2022 | At June 30, 2021 |
|--|---------------------|---------------------|
| Cash and cash equivalents as at June 30 | 36,909,281 | 42,870,689 |
| Less: cash and cash equivalents as at January 1 | (48,374,278) | (28,719,904) |
| Net (decrease)/increase in cash and cash equivalents | (11,464,997) | 14,150,785 |

(b) Cash and cash equivalents

| | At June 30, 2022 | At June 30, 2021 |
|--|---------------------|---------------------|
| Cash on hand | 585,424 | 587,025 |
| Deposits with the central bank | 14,578,783 | 26,552,666 |
| Deposits with banks and other financial institutions | 5,590,894 | 4,815,038 |
| Financial assets held under resale agreements | 16,154,180 | 10,915,960 |
| Total | 36,909,281 | 42,870,689 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

34 NOTES TO 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, 2022 | 72,394,280 | 468,561 |
| Changes from financing cash flows: | | |
| Net proceeds from new debt securities issued | 46,498,943 | - |
| Repayment of debt securities issued | (45,310,000) | - |
| Interest paid on debt securities issued | (90,004) | - |
| Repayment of lease liabilities | - | (54,205) |
| Total changes from financing cash flows | 1,098,939 | (54,205) |
| Others changes: | | |
| Increase in lease liabilities | - | 33,936 |
| Interest expense | 1,082,538 | 7,534 |
| Others | - | (64,155) |
| Total other changes | 1,082,538 | (22,685) |
| As at June 30, 2022 | 74,575,757 | 391,671 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***34 NOTES TO CASH FLOW STATEMENTS (CONTINUED)****(c) Reconciliation of liabilities arising from financing activities (continued)**

| | 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 | 95,752,186 | – |
| Repayment of debt securities issued | (80,740,000) | – |
| Interest paid on debt securities issued | (347,069) | – |
| Repayment of lease liabilities | – | (139,392) |
| Total changes from financing cash flows | 14,665,117 | (139,392) |
| Other changes: | | |
| Increase in lease liabilities | – | 109,298 |
| Interest expense | 1,892,781 | 34,318 |
| Total other changes | 1,892,781 | 143,616 |
| As at December 31, 2021 | 72,394,280 | 468,561 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Bank

(i) Major shareholders

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

| Note | At June 30, 2022 | At December 31, 2021 |
|--|---------------------|-------------------------|
| Guizhou Provincial Financial Bureau (貴州省財政廳) | 17.26% | 17.26% |
| 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 – owend Assets Investment and Financing Management Co., Ltd. (遵義市國有資產投融資經營管理有限責任公司) | 6.55% | 6.55% |
| Guizhou Shuitou Water Group Co., Ltd. (貴州水投水務集團有限公司) | (1) 4.44% | 4.44% |
| Shenzhen Expressway Company Limited (深圳高速公路集團股份有限公司) | (1) 2.92% | 2.92% |
| Guizhou Expressway Group Company Limited (貴州高速公路集團有限公司) | (1) 2.06% | 2.06% |

Note:

- (1) As at June 30, 2022 and December 31, 2021, Guizhou Shuitou Water Group Co., Ltd., Shenzhen Expressway Corporation Limited and Guizhou Expressway Group Company Limited appointed one director to the Bank respectively.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)****(a) Related parties of the Bank (continued)****(ii) Associates of the Bank**

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

(iii) Others related parties

Other related parties can be individuals or enterprises, which include: members of the Board of directors, the board of supervisors and senior management, and close family members of such individuals; entities (and their subsidiary) controlled or jointly controlled 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.

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

| | Six months ended June 30, | |
|------------------------------------|---------------------------|-------------------------|
| | 2022 | 2021 |
| Transactions during the period | | |
| Interest expense | 24,228 | 192,153 |
| | | |
| | At June 30, 2022 | At December 31, 2021 |
| Balances at end of the period/year | | |
| Deposits from customers | 2,502,766 | 2,325,196 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

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

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

| | Six months ended June 30, | |
|--|---------------------------|-----------------|
| | 2022 | 2021 |
| Transactions during the period | | |
| Interest income | 129,297 | 173,153 |
| Interest expense | 400,458 | 245,805 |
| | | |
| | At June 30, | At December 31, |
| | 2022 | 2021 |
| Balances at end of the period/year | | |
| Loans and advances to customers | 4,054,171 | 3,465,314 |
| Financial investments | 1,253,368 | 701,489 |
| Deposits from customers | 37,961,216 | 31,621,090 |
| Deposits from banks and other financial institutions | 10,472,520 | 12,905,747 |
| Entrusted Loan | 1,097,000 | 1,097,000 |
| Bank acceptances | 313,576 | 450,737 |

(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.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)****(c) Key management personnel (continued)****(i) Transactions between the Bank and key management personnel**

| | Six months ended June 30, | |
|------------------------------------|---------------------------|-------------------------|
| | 2022 | 2021 |
| Transactions during the period | | |
| Interest income | 23 | – |
| Interest expense | 113 | 90 |
| | | |
| | At June 30, 2022 | At December 31, 2021 |
| Balances at end of the period/year | | |
| Loans and advances to customers | 762 | – |
| Deposits from customers | 8,481 | 8,715 |

(ii) Key management personnel compensation

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

| | Six months ended June 30, | |
|---|---------------------------|--------|
| | 2022 | 2021 |
| Key management personnel compensation during the period | 8,480 | 12,161 |

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

| | At June 30, 2022 | At December 31, 2021 |
|---|---------------------|-------------------------|
| Aggregate amount of relevant loans outstanding at the end of period/year | 762 | – |
| Maximum aggregate amount of relevant loans outstanding during period/year | 778 | – |

There was no amount due but unpaid, nor any impairment provision made against the principal or interest on these loans at June 30, 2022 (December 31, 2021: nil).

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***36 SEGMENT REPORTING (CONTINUED)**

| | Six months ended June 30, 2022 | | | | |
|--|--------------------------------|----------------|-------------------|-----------|-------------|
| | Corporate banking | Retail banking | Financial markets | Others | Total |
| Operating income | | | | | |
| External interest income/(expense) | 5,578,614 | (1,063,166) | 541,085 | – | 5,056,533 |
| Internal interest (expense)/income | (1,998,594) | 2,144,684 | (146,090) | – | – |
| Net interest income | 3,580,020 | 1,081,518 | 394,995 | – | 5,056,533 |
| Net fee and commission income | 171,093 | 12,576 | 67,775 | – | 251,444 |
| Net trading gains | – | – | 269,294 | – | 269,294 |
| Net gains arising from investment securities | – | – | 403,188 | – | 403,188 |
| Other operating income/(expense) | 33,482 | (15) | (20) | 1,181 | 34,628 |
| Operating income | 3,784,595 | 1,094,079 | 1,135,232 | 1,181 | 6,015,087 |
| Operating expenses | (962,415) | (287,388) | (380,083) | (13,388) | (1,643,274) |
| Impairment losses on assets | (1,569,282) | (229,582) | (64,354) | 68 | (1,863,150) |
| Share of gains of associates | – | – | – | 5,109 | 5,109 |
| Profit before tax | 1,252,898 | 577,109 | 690,795 | (7,030) | 2,513,772 |
| Other segment information | | | | | |
| – Depreciation and amortisation | 144,393 | 42,757 | 58,066 | – | 245,216 |
| – Capital expenditure | 50,742 | 15,025 | 20,405 | – | 86,172 |
| | At June 30, 2022 | | | | |
| | Corporate banking | Retail banking | Financial markets | Others | Total |
| Segment assets | 258,477,596 | 50,694,355 | 214,083,159 | 449,705 | 523,704,815 |
| Undistributed assets | | | | | 4,566,854 |
| Total assets | | | | | 528,271,669 |
| Segment liabilities | 185,020,630 | 141,192,745 | 159,682,371 | 2,009,531 | 487,905,277 |
| Total liabilities | | | | | 487,905,277 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

36 SEGMENT REPORTING (CONTINUED)

| | Six months ended June 30, 2021 | | | | Total |
|--|--------------------------------|----------------|-------------------|-----------|-------------|
| | Corporate banking | Retail banking | Financial markets | Others | |
| Operating income | | | | | |
| External net interest income/ (expense) | 5,008,061 | (749,791) | 443,248 | – | 4,701,518 |
| Internal net interest (expense)/ income | (1,697,828) | 1,706,186 | (8,358) | – | – |
| Net interest income | 3,310,233 | 956,395 | 434,890 | – | 4,701,518 |
| Net fee and commission income | 169,071 | 3,483 | 60,894 | – | 233,448 |
| Net trading gains | – | – | 356,296 | – | 356,296 |
| Net gains arising from investment securities | – | – | 375,141 | – | 375,141 |
| Other operating income | 39,223 | 1 | 2 | 13,008 | 52,234 |
| Operating income | 3,518,527 | 959,879 | 1,227,223 | 13,008 | 5,718,637 |
| Operating expenses | (1,044,454) | (301,492) | (348,620) | (4,772) | (1,699,338) |
| Impairment losses on assets | (901,613) | (264,619) | (300,752) | (420) | (1,467,404) |
| Share of gains of associates | – | – | – | 14,619 | 14,619 |
| Profit before tax | 1,572,460 | 393,768 | 577,851 | 22,435 | 2,566,514 |
| Other segment information | | | | | |
| – Depreciation and amortisation | 159,360 | 46,295 | 53,906 | – | 259,561 |
| – Capital expenditure | 99,863 | 29,011 | 33,779 | – | 162,653 |
| | At December 31, 2021 | | | | Total |
| | Corporate banking | Retail banking | Financial markets | Others | |
| Segment assets | 255,222,637 | 38,097,071 | 206,066,654 | 282,150 | 499,668,512 |
| Undistributed assets | | | | | 4,211,654 |
| Total assets | | | | | 503,880,166 |
| Segment liabilities | 183,635,090 | 123,664,015 | 155,605,009 | 1,988,222 | 464,892,336 |
| Total liabilities | | | | | 464,892,336 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT

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

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

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

(a) Credit risk

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

Credit business

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

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Significant increase in credit risk

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

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

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

As at June 30, 2022, 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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

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

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

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

Measurement of expected credit losses ("ECL")

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

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

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

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

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

Forward-looking 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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

As at June 30, 2022 and December 31, 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 EGL 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 EGL (for stage 1) or the weighted lifetime EGL (for stage 2 and stage 3). The above weighted credit losses are calculated from multiplying the EGL 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 represents the worst-case scenario of credit risk exposure at the end of each reporting period, without considering any available collateral held or other credit enhancements. In respect of the On-balance sheet assets, the maximum exposure to credit risk represents the carrying amount of financial assets after deducting any impairment allowance. Besides, off-balance sheet items, such as loan commitments, credit card commitments, bank acceptance bills, letters of credit and financial guarantees also contain credit risks.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

| | At June 30, 2022 | | | |
|---|---------------------------------|--|---|------------------------|
| | Loans and Advances to Customers | Deposits with banks and other financial institutions | Financial assets held under resale agreements | Financial investments* |
| Balance of financial assets that are assessed for expected credit losses over the next 12 months | | | | |
| – Overdue but not credit-impaired | 1,995,102 | – | – | – |
| – Neither overdue nor credit-impaired | 236,771,750 | 6,590,893 | 16,154,180 | 185,996,549 |
| Sub-total | 238,766,852 | 6,590,893 | 16,154,180 | 185,996,549 |
| Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses | | | | |
| – Overdue but not credit-impaired | 575,684 | – | – | 94,962 |
| – Neither overdue nor credit-impaired | 29,150,321 | – | – | 9,102,178 |
| Sub-total | 29,726,005 | – | – | 9,197,140 |
| Balance of credit impaired financial assets that are assessed for lifetime expected credit losses | | | | |
| – Overdue and credit-impaired | 2,242,404 | – | – | 728,024 |
| – Credit-impaired but not overdue | 7,819,564 | – | – | 1,089,096 |
| Sub-total | 10,061,968 | – | – | 1,817,120 |
| Accrued interest | 1,000,719 | 4,134 | 4,796 | 2,244,861 |
| Less: provision for impairment losses | (14,075,899) | (986) | (775) | (1,541,158) |
| Net value | 265,479,645 | 6,594,041 | 16,158,201 | 197,714,512 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***37 RISK MANAGEMENT (CONTINUED)****(a) Credit risk (continued)****(ii) Financial assets analysed by credit quality are summarized as follows: (continued)**

| | At December 31, 2021 | | | |
|---|---------------------------------|--|---|------------------------|
| | Loans and Advances to Customers | Deposits with banks and other financial institutions | Financial assets held under resale agreements | Financial investments* |
| Balance of financial assets that are assessed for expected credit losses over the next 12 months | | | | |
| – Overdue but not credit-impaired | 174,223 | – | – | – |
| – Neither overdue nor credit-impaired | 207,625,462 | 3,516,548 | 27,538,618 | 179,107,577 |
| Sub-total | 207,799,685 | 3,516,548 | 27,538,618 | 179,107,577 |
| Balance of financial assets that are not credit-impaired and assessed for lifetime expected credit losses | | | | |
| – Overdue but not credit-impaired | 116,915 | – | – | 388,000 |
| – Neither overdue nor credit-impaired | 37,121,697 | – | – | 7,880,412 |
| Sub-total | 37,238,612 | – | – | 8,268,412 |
| Balance of credit impaired financial assets that are assessed for lifetime expected credit losses | | | | |
| – Overdue and credit-impaired | 1,523,026 | – | – | 625,657 |
| – Credit-impaired but not overdue | 3,925,256 | – | – | 688,029 |
| Sub-total | 5,448,282 | – | – | 1,313,686 |
| Accrued interest | 630,446 | 1,100 | 18,373 | 2,091,127 |
| Less: provision for impairment losses | (12,282,283) | (570) | – | (1,768,909) |
| Net value | 238,834,742 | 3,517,078 | 27,556,991 | 189,011,893 |

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

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

Within overdue but not credit impaired loans and advances and credit impaired loans and advances, the portions covered and not covered by the collateral held are as follows:

| | At June 30, 2022 | | At December 31, 2021 | |
|---------------------|--|------------------------------------|--|------------------------------------|
| | Overdue but not credit impaired loans and advances | Credit impaired loans and advances | Overdue but not credit impaired loans and advances | Credit impaired loans and advances |
| Portion covered | 670,920 | 5,196,011 | 98,580 | 1,944,737 |
| Portion not covered | 1,899,866 | 4,865,957 | 192,558 | 3,503,545 |
| Total | 2,570,786 | 10,061,968 | 291,138 | 5,448,282 |

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

(iv) Rescheduled loans and advances to customers

Restructured loans refer to the loans that the Bank adjusts the repayment terms of the loan contract due to the deterioration of the borrower's financial condition or inability to repay. As at June 30, 2022, the Bank has rescheduled loans and advances to customers amounted to RMB2,802.96 million (December 31, 2021: RMB3,289.42 million).

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***37 RISK MANAGEMENT (CONTINUED)****(a) Credit risk (continued)****(v) Credit rating**

The Bank adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at June 30, 2022 and December 31, 2021 are as follows:

| | At June 30, 2022 | At December 31, 2021 |
|--------------|---------------------|-------------------------|
| Ratings | | |
| – AAA | 33,895,885 | 32,551,225 |
| – AA- to AA+ | 16,360,809 | 16,525,295 |
| Unrated | 87,008,198 | 79,655,452 |
| Total | 137,264,892 | 128,731,972 |

For the six months ended June 30, 2022, the unrated debt securities held by the Bank issued by the Chinese government and government institutions (the Ministry of Finance, local government and policy banks) amounted to RMB74,812.06 million (December 31, 2021: RMB64,873.93 million); Interbank deposited issued by commercial banks amounted to RMB3,062.32 million (December 31, 2021: RMB6,092.02 million).

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk

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

The Board of Directors is ultimately responsible for monitoring the Bank's market risk management to ensure that the Bank effectively identifies, measures, monitors and controls various market risks faced by each business. The Risk Management Committee 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

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

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market 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, 2022 and December 31, 2021 by the expected next repricing dates or by maturity dates, depending on which is earlier:

| | At June 30, 2022 | | | | | |
|--|--------------------|----------------------|------------------------|----------------------------------|----------------------------------|----------------------|
| | Total | Non-interest bearing | Less than three months | Between three months to one year | Between one year to three months | More than five years |
| Assets | | | | | | |
| Cash and deposits with the central bank | 32,668,779 | 593,547 | 32,075,232 | - | - | - |
| Deposits with banks and other financial institutions | 6,594,041 | 4,134 | 5,590,045 | 999,862 | - | - |
| Financial assets held under resale agreements | 16,158,201 | 4,796 | 16,153,405 | - | - | - |
| Loans and advances to customers (Note(i)) | 265,479,645 | 1,000,719 | 190,115,575 | 33,828,680 | 22,964,174 | 17,570,497 |
| Financial investments (Note(ii)) | 197,714,512 | 37,595,612 | 7,636,257 | 21,769,205 | 89,312,744 | 41,400,694 |
| Other financial assets | 271,132 | 271,132 | - | - | - | - |
| Total assets | 518,886,310 | 39,469,940 | 251,570,514 | 56,597,747 | 112,276,918 | 58,971,191 |
| Liabilities | | | | | | |
| Borrowing from the central bank | 37,775,299 | 451,980 | 9,310,569 | 28,012,750 | - | - |
| Deposits from banks and other financial institutions | 21,456,072 | 141,480 | 7,129,592 | 14,185,000 | - | - |
| Placements from banks and other financial institutions | 5,143,808 | 5,155 | 400,000 | 3,788,653 | 950,000 | - |
| Financial assets sold under repurchase agreements | 20,063,816 | 5,136 | 20,058,680 | - | - | - |
| Deposits from customers | 324,376,385 | 4,212,730 | 167,382,523 | 72,673,919 | 78,968,057 | 1,139,156 |
| Debt securities issued | 74,575,757 | 158,526 | 15,518,440 | 48,105,567 | 7,998,646 | 2,794,578 |
| Other financial liabilities | 767,470 | 767,470 | - | - | - | - |
| Total liabilities | 484,158,607 | 5,742,477 | 219,799,804 | 166,765,889 | 87,916,703 | 3,933,734 |
| Asset-liability gap | 34,727,703 | 33,727,463 | 31,770,710 | (110,168,142) | 24,360,215 | 55,037,457 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(i) The following tables indicate the assets and liabilities as at June 30, 2022 and December 31, 2021 by the expected next repricing dates or by maturity dates, depending on which is earlier: (continued)

| | At December 31, 2021 | | | | | |
|--|----------------------|----------------------|------------------------|----------------------------------|----------------------------------|----------------------|
| | Total | Non-interest bearing | Less than three months | Between three months to one year | Between one year to three months | More than five years |
| Assets | | | | | | |
| Cash and deposits with the central bank | 35,681,947 | 642,984 | 35,038,963 | - | - | - |
| Deposits with banks and other financial institutions | 3,517,078 | 1,100 | 3,515,978 | - | - | - |
| Financial assets held under resale agreements | 27,556,991 | 18,373 | 27,538,618 | - | - | - |
| Loans and advances to customers (Note(i)) | 238,834,742 | 630,446 | 84,021,092 | 28,135,627 | 45,662,616 | 80,384,961 |
| Financial investments (Note(ii)) | 189,011,893 | 33,649,110 | 9,986,256 | 19,851,238 | 70,495,290 | 55,029,999 |
| Other financial assets | 106,901 | 106,901 | - | - | - | - |
| Total assets | 494,709,552 | 35,048,914 | 160,100,907 | 47,986,865 | 116,157,906 | 135,414,960 |
| Liabilities | | | | | | |
| Borrowing from the central bank | 32,219,501 | 355,487 | 6,490,936 | 25,373,078 | - | - |
| Deposits from banks and other financial institutions | 23,920,243 | 43,286 | 7,831,957 | 16,045,000 | - | - |
| Placements from banks and other financial institutions | 3,368,305 | 3,693 | 424,612 | 940,000 | 2,000,000 | - |
| Financial assets sold under repurchase agreements | 23,198,246 | 14,346 | 23,183,900 | - | - | - |
| Deposits from customers | 305,521,023 | 3,585,775 | 168,489,740 | 55,784,781 | 77,654,977 | 5,750 |
| Debt securities issued | 72,394,280 | 60,979 | 19,432,537 | 45,107,442 | 4,999,105 | 2,794,217 |
| Other financial liabilities | 1,136,277 | 1,136,277 | - | - | - | - |
| Total liabilities | 461,757,875 | 5,199,843 | 225,853,682 | 143,250,301 | 84,654,082 | 2,799,967 |
| Asset-liability gap | 32,951,677 | 29,849,071 | (65,752,775) | (95,263,436) | 31,503,824 | 132,614,993 |

Note:

- (i) As at June 30, 2022, for loans and advances to customers, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB3,089.20 million (December 31, 2021: RMB1,292.90 million).
- (ii) Financial investments include financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost. As at June 30, 2021, for financial investments, the category "Less than three months" includes overdue amounts (net of provision for impairment losses) of RMB473.88 million (December 31, 2021: RMB891.48 million).

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(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, 2022 (Decrease)/ increase | At December 31 2021 (Decrease)/ increase |
|---|--|---|
| Changes in net profit | | |
| Up 100 bps parallel shift in yield curves | (179,009) | (720,675) |
| Down 100 bps parallel shift in yield curves | 179,009 | 720,675 |
| Changes in equity | | |
| Up 100 bps parallel shift in yield curves | (290,500) | (699,466) |
| Down 100 bps parallel shift in yield curves | 290,500 | 699,466 |

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign currency risk

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

(i) The Bank's currency exposures as at June 30, 2022 and December 31, 2021 were as follows:

| | At June 30, 2022 | | | | Total |
|--|----------------------|----------------------------|----------------------------|-------------------------------|----------------------|
| | RMB | USD (RMB equivalent) | HKD (RMB equivalent) | Others (RMB equivalent) | |
| Assets | | | | | |
| Cash and deposits with the central bank | 32,667,833 | 946 | - | - | 32,668,779 |
| Deposits with banks and other financial institutions | 6,132,254 | 90,095 | - | 371,692 | 6,594,041 |
| Financial assets held under resale agreements | 16,158,201 | - | - | - | 16,158,201 |
| Loans and advances to customers | 265,168,934 | 310,711 | - | - | 265,479,645 |
| Financial investments | 197,714,512 | - | - | - | 197,714,512 |
| Other financial assets | 271,132 | - | - | - | 271,132 |
| Total assets | 518,112,866 | 401,752 | - | 371,692 | 518,886,310 |
| Liabilities | | | | | |
| Borrowing from the central bank | (37,775,299) | - | - | - | (37,775,299) |
| Deposits from banks and other financial institutions | (21,456,072) | - | - | - | (21,456,072) |
| Placements from banks and other financial institutions | (4,955,561) | (188,247) | - | - | (5,143,808) |
| Financial assets sold under repurchase agreements | (20,063,816) | - | - | - | (20,063,816) |
| Deposits from customers | (324,000,335) | (4,309) | - | (371,741) | (324,376,385) |
| Debt securities issued | (74,575,757) | - | - | - | (74,575,757) |
| Other financial liabilities | (762,637) | (4,833) | - | - | (767,470) |
| Total liabilities | (483,589,477) | (197,389) | - | (371,741) | (484,158,607) |
| Net position | 34,523,389 | 204,363 | - | (49) | 34,727,703 |
| Off-balance sheet credit commitments | 29,850,825 | 439,519 | - | - | 30,290,344 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***37 RISK MANAGEMENT (CONTINUED)****(b) Market risk (continued)****Foreign currency risk (continued)****(i) The Bank's currency exposures as at June 30, 2022 and December 31, 2021 were as follows: (continued)**

| | RMB | At December 31, 2021 | | | Total |
|--|----------------------|----------------------------|----------------------------|-------------------------------|----------------------|
| | | USD (RMB equivalent) | HKD (RMB equivalent) | Others (RMB equivalent) | |
| Assets | | | | | |
| Cash and deposits with the central bank | 35,680,933 | 1,014 | – | – | 35,681,947 |
| Deposits with banks and other financial institutions | 3,340,383 | 169,476 | – | 7,219 | 3,517,078 |
| Financial assets held under resale agreements | 27,556,991 | – | – | – | 27,556,991 |
| Loans and advances to customers | 238,678,229 | 156,513 | – | – | 238,834,742 |
| Financial investments | 189,011,893 | – | – | – | 189,011,893 |
| Other financial assets | 106,901 | – | – | – | 106,901 |
| Total assets | 494,375,330 | 327,003 | – | 7,219 | 494,709,552 |
| Liabilities | | | | | |
| Borrowing from the central bank | (32,219,501) | – | – | – | (32,219,501) |
| Deposits from banks and other financial institutions | (23,920,243) | – | – | – | (23,920,243) |
| Placements from banks and other financial institutions | (3,368,305) | – | – | – | (3,368,305) |
| Financial assets sold under repurchase agreements | (23,198,246) | – | – | – | (23,198,246) |
| Deposits from customers | (305,508,211) | (5,592) | – | (7,220) | (305,521,023) |
| Debt securities issued | (72,394,280) | – | – | – | (72,394,280) |
| Other financial liabilities | (944,289) | (191,984) | (4) | – | (1,136,277) |
| Total liabilities | (461,553,075) | (197,576) | (4) | (7,220) | (461,757,875) |
| Net position | 32,822,255 | 129,427 | (4) | (1) | 32,951,677 |
| Off-balance sheet credit commitments | 25,151,211 | – | – | – | 25,151,211 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

Foreign currency risk (continued)

(ii) Exchange rate sensitivity analysis

| Changes in net profit | At June 30, 2022 (Decrease)/ increase | At December 31, 2021 (Decrease)/ increase |
|---|--|--|
| Foreign exchange rate decrease by 100 bps | (1,532) | (971) |
| Foreign exchange rate increase by 100 bps | 1,532 | 971 |

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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

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

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

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

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities of the Bank at June 30, 2022 and December 31, 2021:

| | At June 30, 2022 | | | | | | | Total |
|--|-------------------------|------------------------|---------------------|---|--|--|-------------------------|--------------------|
| | Indefinite (Note(i)) | Repayable on demand | Within one month | Between one month and three months | Between three months and one year | Between one year and five years | More than five years | |
| Assets | | | | | | | | |
| Cash and deposits with the central bank | 17,496,449 | 15,172,330 | - | - | - | - | - | 32,668,779 |
| Deposits with banks and other financial institutions | - | 5,590,714 | - | - | 1,003,327 | - | - | 6,594,041 |
| Financial assets held under resale agreements | - | - | 16,158,201 | - | - | - | - | 16,158,201 |
| Loans and advances to customers | 4,715,833 | 2,322,436 | 13,627,681 | 13,085,742 | 51,992,790 | 77,794,687 | 101,940,476 | 265,479,645 |
| Financial investments | 511,626 | - | 39,973,238 | 3,455,517 | 23,060,627 | 89,312,810 | 41,400,694 | 197,714,512 |
| Other financial assets | 271,132 | - | - | - | - | - | - | 271,132 |
| Total assets | 22,995,040 | 23,085,480 | 69,759,120 | 16,541,259 | 76,056,744 | 167,107,497 | 143,341,170 | 518,886,310 |
| Liabilities | | | | | | | | |
| Borrowing from the central bank | - | - | 2,718,160 | 6,777,698 | 28,279,441 | - | - | 37,775,299 |
| Deposits from banks and other financial institutions | - | 34,613 | 20,093 | 7,108,516 | 14,292,850 | - | - | 21,456,072 |
| Placements from banks and other financial institutions | - | - | 100,086 | 304,369 | 3,789,353 | 950,000 | - | 5,143,808 |
| Financial assets sold under repurchase agreements | - | - | 20,063,816 | - | - | - | - | 20,063,816 |
| Deposits from customers | - | 145,921,718 | 8,786,330 | 13,717,974 | 73,786,122 | 81,024,714 | 1,139,527 | 324,376,385 |
| Debt securities issued | - | - | 795,307 | 14,723,133 | 48,264,093 | 7,998,646 | 2,794,578 | 74,575,757 |
| Other financial liabilities | 581,382 | 186,088 | - | - | - | - | - | 767,470 |
| Total liabilities | 581,382 | 146,142,419 | 32,483,792 | 42,631,690 | 168,411,859 | 89,973,360 | 3,934,105 | 484,158,607 |
| Net position | 22,413,658 | (123,056,939) | 37,275,328 | (26,090,431) | (92,355,115) | 77,134,137 | 139,407,065 | 34,727,703 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

| | At December 31, 2021 | | | | | | | Total |
|--|-------------------------|------------------------|---------------------|--|---|---------------------------------------|-------------------------|--------------------|
| | Indefinite (Note(i)) | Repayable on demand | Within one month | Between one month and three months | Between three months and one year | Between one year and five years | More than five years | |
| Assets | | | | | | | | |
| Cash and deposits with the central bank | 18,358,066 | 17,323,881 | - | - | - | - | - | 35,681,947 |
| Deposits with banks and other financial institutions | - | 3,517,078 | - | - | - | - | - | 3,517,078 |
| Financial assets held under resale agreements | - | - | 27,556,991 | - | - | - | - | 27,556,991 |
| Loans and advances to customers | 2,479,977 | 221,386 | 11,123,509 | 10,658,489 | 43,388,743 | 62,748,374 | 108,214,264 | 238,834,742 |
| Financial investments | 1,281,943 | - | 4,035,034 | 6,370,222 | 49,528,887 | 72,115,965 | 55,679,842 | 189,011,893 |
| Other financial assets | 106,901 | - | - | - | - | - | - | 106,901 |
| Total assets | 22,226,887 | 21,062,345 | 42,715,534 | 17,028,711 | 92,917,630 | 134,864,339 | 163,894,106 | 494,709,552 |
| Liabilities | | | | | | | | |
| Borrowing from the central bank | - | - | 2,880,635 | 3,776,178 | 25,562,688 | - | - | 32,219,501 |
| Deposits from banks and other financial institutions | - | 1,082,180 | 120,221 | 6,645,666 | 16,072,176 | - | - | 23,920,243 |
| Placements from banks and other financial institutions | - | - | 125,218 | 300,279 | 940,920 | 2,001,888 | - | 3,368,305 |
| Financial assets sold under repurchase agreements | - | - | 23,198,246 | - | - | - | - | 23,198,246 |
| Deposits from customers | - | 144,345,332 | 8,355,056 | 19,375,128 | 55,784,780 | 77,654,977 | 5,750 | 305,521,023 |
| Debt securities issued | - | - | 2,316,750 | 17,115,787 | 45,168,421 | 4,999,105 | 2,794,217 | 72,394,280 |
| Other financial liabilities | 291,518 | 844,759 | - | - | - | - | - | 1,136,277 |
| Total liabilities | 291,518 | 146,272,271 | 36,996,126 | 47,213,038 | 143,528,985 | 84,655,970 | 2,799,967 | 461,757,875 |
| Net position | 21,935,369 | (125,209,926) | 5,719,408 | (30,184,327) | (50,611,355) | 50,208,369 | 161,094,139 | 32,951,677 |

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

37 RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities of the Bank at June 30, 2022 and December 31, 2021:

| | At June 30, 2022 | | | | | | | |
|--|--------------------|------------------------------------|---------------------|-------------------|------------------------------------|-----------------------------------|---------------------------------|----------------------|
| | Carrying amount | Contractual undiscounted cash flow | Repayable on demand | Within one month | Between one month and three months | Between three months and one year | Between one year and five years | More than five years |
| Non-derivative financial liabilities | | | | | | | | |
| Borrowing from the central bank | 37,775,299 | 38,258,932 | - | 2,799,440 | 6,913,264 | 28,546,227 | - | - |
| Deposits from banks and other financial institutions | 21,456,072 | 21,702,391 | 34,613 | 20,118 | 7,197,305 | 14,450,356 | - | - |
| Placements from banks and other financial institutions | 5,143,808 | 5,271,293 | - | 100,322 | 339,940 | 3,844,427 | 986,604 | - |
| Financial assets sold under repurchase agreements | 20,063,816 | 20,070,864 | - | 20,070,864 | - | - | - | - |
| Deposits from customers | 324,376,385 | 333,920,167 | 145,921,719 | 8,795,460 | 13,774,641 | 75,015,971 | 89,031,819 | 1,380,557 |
| Debt securities issued | 74,575,757 | 78,696,549 | - | 822,880 | 16,286,869 | 49,465,600 | 9,121,200 | 3,000,000 |
| Total non-derivative financial liabilities | 483,391,137 | 497,920,196 | 145,956,332 | 32,609,084 | 44,512,019 | 171,322,581 | 99,139,623 | 4,380,557 |

| | At December 31, 2021 | | | | | | | |
|--|----------------------|------------------------------------|---------------------|-------------------|------------------------------------|-----------------------------------|---------------------------------|----------------------|
| | Carrying amount | Contractual undiscounted cash flow | Repayable on demand | Within one month | Between one month and three months | Between three months and one year | Between one year and five years | More than five years |
| Non-derivative financial liabilities | | | | | | | | |
| Borrowing from the central bank | 32,219,501 | 32,722,737 | - | 2,882,700 | 3,797,416 | 26,042,621 | - | - |
| Deposits from banks and other financial institutions | 23,920,243 | 24,323,407 | 1,082,180 | 120,234 | 6,675,417 | 16,445,576 | - | - |
| Placements from banks and other financial institutions | 3,368,305 | 3,484,851 | - | 125,329 | 302,150 | 966,994 | 2,090,378 | - |
| Financial assets sold under repurchase agreements | 23,198,246 | 23,205,289 | - | 23,205,289 | - | - | - | - |
| Deposits from customers | 305,521,023 | 311,309,347 | 144,345,332 | 8,527,959 | 19,703,022 | 57,073,179 | 81,653,736 | 6,119 |
| Debt securities issued | 72,394,280 | 76,673,949 | - | 2,383,394 | 17,744,298 | 47,531,257 | 5,925,000 | 3,090,000 |
| Total non-derivative financial liabilities | 460,621,598 | 471,719,580 | 145,427,512 | 37,244,905 | 48,222,303 | 148,059,627 | 89,669,114 | 3,096,119 |

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE

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

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

(i) *Debt securities and equity investments*

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

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

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.

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(b) Fair value measurement

(i) Financial assets

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

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

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

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

(ii) Financial liabilities

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy

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

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

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

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

| | At June 30, 2022 | | | |
|--|------------------|------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Recurring fair value measurements | | | | |
| Assets | | | | |
| <i>Loans and advances to customers measured at fair value through other comprehensive income</i> | | | | |
| – Discounted bills | – | 13,781,158 | – | 13,781,158 |
| Sub-total | – | 13,781,158 | – | 13,781,158 |
| <i>Financial investments measured at fair value through profit or loss</i> | | | | |
| – Debt securities | – | 24,346,186 | – | 24,346,186 |
| – Investment funds | 35,313,000 | – | – | 35,313,000 |
| – Wealth management products | – | – | 255,856 | 255,856 |
| Sub-total | 35,313,000 | 24,346,186 | 255,856 | 59,915,042 |
| <i>Financial investments measured at fair value through other comprehensive income</i> | | | | |
| – Debt securities | – | 61,081,907 | – | 61,081,907 |
| – Assets-backed securities | – | 406,653 | – | 406,653 |
| – Equity investments | – | – | 37,750 | 37,750 |
| Sub-total | – | 61,488,560 | 37,750 | 61,526,310 |
| Total | 35,313,000 | 99,615,904 | 293,606 | 135,222,510 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

| | At December 31, 2021 | | | Total |
|--|----------------------|------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Recurring fair value measurements | | | | |
| <i>Assets</i> | | | | |
| <i>Loans and advances to customers measured at fair value through other comprehensive income</i> | | | | |
| – Corporate loans and advances | – | 455,113 | – | 455,113 |
| – Discounted bills | – | 3,109,364 | – | 3,109,364 |
| Sub-total | – | 3,564,477 | – | 3,564,477 |
| <i>Financial investments measured at fair value through profit or loss</i> | | | | |
| – Debt securities | – | 23,618,474 | – | 23,618,474 |
| – Investment funds | 31,520,233 | – | – | 31,520,233 |
| – Wealth management products | – | – | 197,780 | 197,780 |
| Sub-total | 31,520,233 | 23,618,474 | 197,780 | 55,336,487 |
| <i>Financial investments measured at fair value through other comprehensive income</i> | | | | |
| – Debt securities | – | 55,045,508 | – | 55,045,508 |
| – Assets-backed securities | – | 577,938 | – | 577,938 |
| – Equity investments | – | – | 37,750 | 37,750 |
| Sub-total | – | 55,623,446 | 37,750 | 55,661,196 |
| Total | 31,520,233 | 82,806,397 | 235,530 | 114,562,160 |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

The movement during the six months ended June 30, 2022 in the balance of Level 3 fair value measurements is as follows:

| | January 1 2022 | Transfer into Level 3 | Transfer out of Level 3 | Total gains or losses | | Purchase, issues, sales and settlements | | June 30, 2022 | Total gains or losses for the period included in profit or loss for assets held at the end of the period |
|--|-------------------|-----------------------------|-------------------------------|----------------------------------|---|--|-----------------|------------------|--|
| | | | | Recorded in profit or loss | Recorded in other comprehensive income | Purchases | Settlements | | |
| Assets | | | | | | | | | |
| Financial investments measured at fair value through profit or loss | | | | | | | | | |
| – Structured notes issued by securities companies | 197,780 | - | - | 9,000 | - | 100,000 | (50,924) | 255,856 | 5,856 |
| Financial investments measured at fair value through other comprehensive income | | | | | | | | | |
| – Equity investments | 37,750 | - | - | - | - | - | - | 37,750 | - |
| Total | 235,530 | - | - | 9,000 | - | 100,000 | (50,924) | 293,606 | 5,856 |

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

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

During the year ended December 31, 2021 and six months ended June 30, 2022, 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 at June 30, 2022 | Valuation techniques | Unobservable inputs |
|--|---------------------------------------|-------------------------|--|
| Financial investments measured at fair value through profit or loss | | | |
| – Structured notes issued by securities companies | 255,856 | Discounted cash flow | Risk-adjusted discount rate, cash flow |
| Financial investments measured at fair value through other comprehensive income | | | |
| – Equity investments | 37,750 | Discounted cash flow | Risk-adjusted discount rate, cash flow |
| <hr/> | | | |
| | Fair value at December 31, 2021 | Valuation techniques | Unobservable inputs |
| Financial investments measured at fair value through profit or loss | | | |
| – Structured notes issued by securities companies | 197,780 | Discounted cash flow | Risk-adjusted discount rate, cash flow |
| Financial investments measured at fair value through other comprehensive income | | | |
| – Equity investments | 37,750 | Discounted cash flow | Risk-adjusted discount rate, cash flow |

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

During the six months ended June 30, 2022, there were no significant changes in the valuation techniques (2021: nil).

As at December 31, 2021 and June 30, 2022, 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, 2022 | | | |
|--|----------------------|----------------|--------------------------------------|----------------|
| | Effect on net profit | | Effect on other comprehensive income | |
| | Favourable | (Unfavourable) | Favourable | (Unfavourable) |
| Financial investments measured at fair value through profit or loss | | | | |
| – Structured notes issued by securities companies | 59 | (59) | – | – |
| Financial investments measured at fair value through other comprehensive income | | | | |
| – Equity investments | – | – | – | – |

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

38 FAIR VALUE (CONTINUED)

(c) Fair value hierarchy (continued)

| | At December 31, 2021 | | | |
|--|----------------------|----------------|--------------------------------------|----------------|
| | Effect on net profit | | Effect on other comprehensive income | |
| | Favourable | (Unfavourable) | Favourable | (Unfavourable) |
| Financial investments measured at fair value through profit or loss | | | | |
| – Structured notes issued by securities companies | 22 | (22) | – | – |
| Financial investments measured at fair value through other comprehensive income | | | | |
| – 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, 2022 | At December 31, 2021 |
|-----------------|------------------|----------------------|
| Entrusted loans | 36,167,819 | 40,012,678 |
| Entrusted funds | 36,167,819 | 40,012,678 |

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***40 COMMITMENTS AND CONTINGENT LIABILITIES****(a) Credit commitments**

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

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

| | At June 30, 2022 | At December 31, 2021 |
|--------------------------|---------------------|-------------------------|
| Credit cards commitments | 11,015,241 | 9,057,496 |
| Acceptances | 17,419,066 | 13,555,392 |
| Letters of credit | 821,829 | 1,633,626 |
| Letters of guarantees | 1,034,208 | 904,697 |
| Total | 30,290,344 | 25,151,211 |

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

(b) Credit risk weighted amount

| | At June 30, 2022 | At December 31, 2021 |
|-----------------------------|---------------------|-------------------------|
| Credit risk weighted amount | 11,065,677 | 8,897,984 |

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

Unaudited Notes to the Financial Statements (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

40 COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

(c) Capital commitments

As at June 30, 2022 and December 31, 2021, the Bank's authorised capital commitments are as follows:

| | At June 30, 2022 | At December 31, 2021 |
|-----------------------------------|---------------------|-------------------------|
| Contracted but not paid for | 150,616 | 227,769 |
| Authorised but not contracted for | 5,790 | 11,180 |
| Total | 156,406 | 238,949 |

(d) Outstanding litigations and disputes

As at June 30, 2022, the Bank was the defendant in certain pending litigations and disputes with an estimated gross amount of RMB150.11 million (December 31, 2021: RMB162.56 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 MAJOR EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

Unaudited Notes to the Financial Statements (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***43 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2022**

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, 2022 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 |
|--------------------------------------|---|--|
| IFRS 17 and Amendments | Insurance Contracts | January 1, 2023 |
| IAS 1 Amendments | Making materiality judgements | January 1, 2023 |
| IFRS Practice Statement 2 Amendments | Disclosure of Accounting Policies | January 1, 2023 |
| IAS 8 Amendments | Definition of Accounting Estimates | January 1, 2023 |
| IAS 12 Amendments | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | January 1, 2023 |
| IFRS 10 and IAS 28 Amendments | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |
| IAS 1 Amendments | Classification of Liabilities as Current or Non-current | January 1, 2024 |

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

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

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

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

1 LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO

Liquidity coverage ratio

| | 30 June, 2022 | Average for the six months ended 30 June, 2022 |
|--|------------------|---|
| Liquidity coverage ratio (RMB and foreign currency) | 345.84% | 323.58% |

| | 31 December, 2021 | Average for the year ended 31 December, 2021 |
|--|----------------------|---|
| Liquidity coverage ratio (RMB and foreign currency) | 334.63% | 296.07% |

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, 2022 | At December 31, 2021 |
|----------------|------------------------|----------------------------|
| Leverage Ratio | 7.29% | 7.20% |

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

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

Unaudited Supplementary Financial Information (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***2 CURRENCY CONCENTRATIONS**

| | At June 30, 2022 | | | Total |
|------------------|-------------------------|-------------------------|----------------------------|----------------|
| | USD (RMB equivalent) | HKD (RMB equivalent) | Others (RMB equivalent) | |
| Spot assets | 401,752 | – | 371,692 | 773,444 |
| Spot liabilities | 197,389 | – | 371,741 | 569,130 |
| Net position | 204,363 | – | (49) | 204,314 |

| | At December 31, 2021 | | | Total |
|------------------|-------------------------|-------------------------|----------------------------|-----------|
| | USD (RMB equivalent) | HKD (RMB equivalent) | Others (RMB equivalent) | |
| Spot assets | 330,186 | – | 7,220 | 337,406 |
| Spot liabilities | (131,714) | – | (7,220) | (138,934) |
| Net position | 198,472 | – | – | 198,472 |

The Bank has no structural position at June 30, 2022 and December 31, 2021.

3 INTERNATIONAL CLAIMS

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

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

Unaudited Supplementary Financial Information (Continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

3 INTERNATIONAL CLAIMS (CONTINUED)

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

As at June 30, 2022 and December 31, 2021, the Bank has no international claims in all areas outside China.

Unaudited Supplementary Financial Information (Continued)*(Expressed in thousands of Renminbi, unless otherwise stated)***4 GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES**

| | At June 30, 2022 | At December 31, 2021 |
|--|------------------------|----------------------------|
| Gross loans and advances which have been overdue with respect to either principal or interest for periods of | | |
| – Within three months (inclusive) | 3,258,909 | 440,240 |
| – Overdue more than three months to one year (inclusive) | 778,951 | 1,108,049 |
| – Overdue more than one year | 775,330 | 265,875 |
| Total | 4,813,190 | 1,814,164 |
| As a percentage of gross loans and advances | | |
| – Within three months (inclusive) | 1.17% | 0.18% |
| – Overdue more than three months to one year (inclusive) | 0.28% | 0.44% |
| –Overdue more than one year | 0.28% | 0.10% |
| Total | 1.73% | 0.72% |

Appendix: List of Branches and Sub-branches

| No. | Region | Name of institution | Address of institution |
|-----|---------|--|--|
| 1 | Guiyang | Bank of Guizhou Co., Ltd. | No. 9 Yongchang Road, Guanshanhu District, Guiyang, Guizhou Province |
| 2 | Guiyang | Guiyang branch of Bank of Guizhou Co., Ltd. | Shops (No.1-2) on 1/F, 39-45/F, 47-49/F, Guizhou Tourism Building, No.68 Beijing Road, Yunyan District, Guiyang, Guizhou Province |
| 3 | Guiyang | Guiyang Zunyi Road sub-branch of Bank of Guizhou Co., Ltd. | No. 1 1/F, No. 1 2/F, No. 1 3/F, Unit A & B, Chengshi Fangzhou, No. 25 Zunyi Road, Nanming District, Guiyang, Guizhou Province |
| 4 | Guiyang | Guiyang Xiaoshizi sub-branch of Bank of Guizhou Co., Ltd. | Yinzuo Commercial Building, No. 40 Zhongshan East Road, Yunyan District, Guiyang, Guizhou Province |
| 5 | 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 |
| 6 | Guiyang | Guiyang Huaxi sub-branch of Bank of Guizhou Co., Ltd. | Shops 1-6, 1-7, 1-8, 1-9, 1-10, 1/F & Shops 1-24, 1-25, 1-26, 1-27, 2/F, Building 1, Huaxi District Liangjiapo Big Data Comprehensive Industry Zone, Junction of Mingzhu Avenue and Huatong Road, Huaxi District |
| 7 | Guiyang | Guiyang Yunyan sub-branch of Bank of Guizhou Co., Ltd. | No. 77 Ruijin Middle Road, Guiyang, Guizhou Province |
| 8 | 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 |
| 9 | Guiyang | Guiyang Youyi sub-branch of Bank of Guizhou Co., Ltd. | Nos. 1-7 Youyi Road, Yunyan District, Guiyang, Guizhou Province |
| 10 | 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 |
| 11 | 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 |
| 12 | Guiyang | Guiyang West Road sub-branch of Bank of Guizhou Co., Ltd. | 1/F, No. 41 Ruijin Middle Road, Yunyan District, Guiyang, Guizhou Province |
| 13 | 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 |
| 14 | 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 |
| 15 | Guiyang | Guiyang Zhucheng Plaza sub-branch of Bank of Guizhou Co., Ltd. | Shengzi Building, No. 2 Zunyi Road, Guiyang, Guizhou Province |
| 16 | Guiyang | Guiyang Xiaohe sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Building No. 1, Daxing Commercial Building, No. 418 Huanghe Road, Xiaohe District, Guiyang, Guizhou Province |
| 17 | Guiyang | Guiyang Free Trade Zone sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Dongka, No. 299 Zongbao Road, Guiyang Free Trade Zone, Guiyang, Guizhou Province |

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

| No. | Region | Name of institution | Address of institution |
|-----|---------|--|--|
| 18 | 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 |
| 19 | 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 |
| 20 | 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 |
| 21 | Guiyang | Guiyang Exhibition Center sub-branch of Bank of Guizhou Co., Ltd. | No. 65 Zunyi Road, Nanming District, Guiyang, Guizhou Province |
| 22 | 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 |
| 23 | 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 |
| 24 | 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 |
| 25 | Guiyang | Guiyang Wudang sub-branch of Bank of Guizhou Co., Ltd. | No. 1 1/F and 2/F, Commodity Building Block 22, No. 22 Xintian Avenue, Wudang District, Guiyang, Guizhou Province |
| 26 | 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 |
| 27 | 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 |
| 28 | 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 |
| 29 | 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 |
| 30 | Guiyang | Guiyang Jinyang South Road Community sub-branch of Bank of Guizhou Co., Ltd. | Nos. 44, 45, 46, 47, 48, 1/F, Guoxi Center Construction Project, Phase I, Next to the side facing Jinyang South Road, Karst Park, Guanshanhu District, Guiyang, Guizhou Province |
| 31 | 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 |
| 32 | Guiyang | Guiyang Xifeng sub-branch of Bank of Guizhou Co., Ltd. | No. 1-1 1/F, Block 1, Kunlun Building, Hucheng Avenue, Yongjing Town, Xifeng County, Guiyang, Guizhou Province |
| 33 | 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 |
| 34 | Guiyang | Kaiyang sub-branch of Bank of Guizhou Co., Ltd. | 1/F, No. 395 Kaizhou Avenue, Kaiyang County, Guiyang, Guizhou Province |
| 35 | Guiyang | Xiuwen sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Unit 1, Block 1, Chaoyang Road, Xiuwen County, Guiyang, Guizhou Province |

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

| No. | Region | Name of institution | Address of institution |
|-----|---------|---|--|
| 36 | 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 |
| 37 | 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 |
| 38 | Guiyang | Guiyang Huaguoyuan sub-branch of Bank of Guizhou Co., Ltd. | Nos. 1005A & 1005B, phase one, Huaguoyuan Project, Zhongshan South Road, Guiyang, Guizhou Province |
| 39 | Guiyang | Guiyang Shuanglong Air Harbor sub-branch of Bank of Guizhou Co., Ltd. | Shop B, No.28, -3/F, Building B, phase one, Longdongbao E-Business Port, No. 9 Airport Road, Nanming District, Guiyang, Guizhou Province |
| 40 | 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 |
| 41 | Guiyang | Guiyang Shibe Road sub-branch of Bank of Guizhou Co., Ltd. | No. 1 Shibe Road, Yunyan District, Guiyang, Guizhou Province |
| 42 | Guiyang | Guiyang Beijing Road sub-branch of Bank of Guizhou Co., Ltd. | No. 9 Beijing Road, Yunyan District, Guiyang, Guizhou Province |
| 43 | 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 |
| 44 | 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 |
| 45 | 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 |
| 46 | 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 |
| 47 | 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 |
| 48 | 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 |
| 49 | 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 |
| 50 | 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 |
| 51 | 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 |
| 52 | Guiyang | Guiyang Huaxi Avenue sub-branch of Bank of Guizhou Co., Ltd. | No. 3078, Qingxi Road, Huaxi District, Guiyang, Guizhou Province |
| 53 | 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 |
| 54 | Guiyang | Guiyang Yanwu Street sub-branch of Bank of Guizhou Co., Ltd. | No. 35 Yanwu Street, Yunyan District, Guiyang, Guizhou Province |

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

| No. | Region | Name of institution | Address of institution |
|-----|---------|--|---|
| 55 | 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 |
| 56 | 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 |
| 57 | Guiyang | Qingzhen Yunling Middle Road sub-branch of Bank of Guizhou Co., Ltd. | No.91 Qingzhen Yunling Middle Road. Qingzhen, Guizhou Province |
| 58 | Guiyang | Guiyang Shachong North Road sub-branch of Bank of Guizhou Co., Ltd. | No. 2, 1/F, Block I, J, K, G, California Sunshine New Town, No.145 Shachong North Road, Guiyang, Guizhou Province |
| 59 | Zunyi | Zunyi branch of Bank of Guizhou Co., Ltd. | Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province |
| 60 | Zunyi | Zunyi branch Business Department of Bank of Guizhou Co., Ltd. | Middle Section of Xiamen Road, Huichuan District, Zunyi, Guizhou Province |
| 61 | Zunyi | Zunyi Hangtian sub-branch of Bank of Guizhou Co., Ltd. | No. 36 Beijing Road, Honghuagang District, Zunyi, Guizhou Province |
| 62 | 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 |
| 63 | Zunyi | Zunyi Nangongshan sub-branch of Bank of Guizhou Co., Ltd. | Units 004, 005 & 006, 1/F, Block 5, Zone B, Xinxueyu Southwestern Agricultural Products Trading Center, Zunyi Xiangjiang Industry Zone, Nangan Street Office, Honghuagang District, Zunyi, Guizhou Province |
| 64 | 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 |
| 65 | Zunyi | Zunyi Huichuan sub-branch of Bank of Guizhou Co., Ltd. | Haoxin Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province |
| 66 | Zunyi | Zunyi Hong Kong Road sub-branch of Bank of Guizhou Co., Ltd. | Baoli Building, Hong Kong Road, Huichuan District, Zunyi, Guizhou Province |
| 67 | 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 |
| 68 | 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 |
| 69 | Zunyi | Zunyi Zhongnan sub-branch of Bank of Guizhou Co., Ltd. | Nos. 84-88 Zhonghua South Road, Honghuagang District, Zunyi, Guizhou Province |
| 70 | Zunyi | Zunyi Xinhua sub-branch of Bank of Guizhou Co., Ltd. | Nos. 54-56 Xinhua Road, Honghuagang District, Zunyi, Guizhou Province |

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

| No. | Region | Name of institution | Address of institution |
|-----|--------|---|--|
| 71 | Zunyi | Zunyi 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 |
| 72 | Zunyi | Zunyi Donggongsi sub-branch of Bank of Guizhou Co., Ltd. | Unit 1-1, Block 1, Feiyang Tiandi, Huichuan Avenue, Zunyi, Guizhou Province |
| 73 | 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 |
| 74 | 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 |
| 75 | 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 |
| 76 | Zunyi | Zunyi Xima Road sub-branch of Bank of Guizhou Co., Ltd. | Shops 9 & 10, Block B, Meilunhuaxiang, Xima Road, Zunyi, Guizhou Province |
| 77 | Zunyi | Zunyi Honghuagang sub-branch of Bank of Guizhou Co., Ltd. | Middle Section of Haier Avenue, Honghuagang District, Zunyi, Guizhou Province |
| 78 | Zunyi | Zunyi Nanzhou Road sub-branch of Bank of Guizhou Co., Ltd. | No. 270 Nanzhou Road, Honghuagang District, Zunyi, Guizhou Province |
| 79 | 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 |
| 80 | Zunyi | Zunyi Lanjiabao sub-branch of Bank of Guizhou Co., Ltd. | Shops 8-9, Block 18, Lanjiabao Community, Honghuagang District, Zunyi, Guizhou Province |
| 81 | 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 |
| 82 | 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 |
| 83 | 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 |
| 84 | Zunyi | Zunyi Majiawan sub-branch of Bank of Guizhou Co., Ltd. | No. 262 Tianchi Avenue, Longkeng Street, Bozhou District, Zunyi, Guizhou Province |
| 85 | Zunyi | Renhuai sub-branch of Bank of Guizhou Co., Ltd. | Commercial & Administrative Complex, Jiudu Xinjing Town Garden, east side of Guojiu Avenue, Jiudu New District, Renhuai, Zunyi, Guizhou Province |

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

| No. | Region | Name of institution | Address of institution |
|-----|--------|--|--|
| 86 | Zunyi | Renhuai Guojiu Road sub-branch of Bank of Guizhou Co., Ltd. | No. 6-7 Guojiu Middle Road, Renhuai, Zunyi, Guizhou Province |
| 87 | Zunyi | Renhuai Maotai sub-branch of Bank of Guizhou Co., Ltd. | Shop 122, Maotai Lobby Commercial Square, South of 1915 Square, Maotai Town, Renhuai, Zunyi, Guizhou Province |
| 88 | Zunyi | Renhuai Zhongshu sub-branch of Bank of Guizhou Co., Ltd. | A26-1-1-1, A26-1-1-2, A26-1-1-3, A26-1-1-4 and A26-1-1-5, Huibang International Building, Chengnan Community, Yanjin Street Office, Renhuai, Zunyi, Guizhou Province |
| 89 | Zunyi | Chishui City sub-branch of Bank of Guizhou Co., Ltd. | Shop 8, Jinwei Jiezu, Xiangyang Road, Chishui, Zunyi, Guizhou Province |
| 90 | Zunyi | Tongzi County sub-branch of Bank of Guizhou Co., Ltd. | Block 4, Zone 11, Wenbi Road, Loushuan Town, Tongzi County, Zunyi, Guizhou Province |
| 91 | 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 |
| 92 | 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 |
| 93 | Zunyi | Yuqing sub-branch of Bank of Guizhou Co., Ltd. | Xinglong Road, Baini Town, Yuqing County, Zunyi, Guizhou Province |
| 94 | Zunyi | Fenggang sub-branch of Bank of Guizhou Co., Ltd. | Xinggangan Community, Longquan Town, Fenggang County, Zunyi, Guizhou Province |
| 95 | 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 |
| 96 | 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 |
| 97 | 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 |
| 98 | Zunyi | Zunyi Nanbai sub-branch of Bank of Guizhou Co., Ltd. | Nos. 0-1-34, 0-1-35 and 0-2-2, Block 1-2, Shanty Town Transformation Project in Wanxaing Square Area, Nanbai Street Office, Bozhou District, Zunyi, Guizhou Province |
| 99 | 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 |
| 100 | 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 |

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

| No. | Region | Name of institution | Address of institution |
|-----|--------|---|--|
| 101 | 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 |
| 102 | Zunyi | Zunyi Xiazi sub-branch of Bank of Guizhou Co., Ltd. | South side of 1/F, Block 5#, R&D Zone, Xinqu Economic Development Area, Xiazi Town, Honghuagang District, Zunyi, Guizhou Province |
| 103 | Zunyi | Xishui County Fuxi Road sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Guifu Haoyuan, Fuxi Road, Xishui County, Zunyi, Guizhou Province |
| 104 | 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, Xinqu New District, Zunyi, Guizhou Province |
| 105 | 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 |
| 106 | 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 |
| 107 | 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 |
| 108 | Zunyi | Zunyi Xinqu sub-branch of Bank of Guizhou Co., Ltd. | No. 1-2, Building 1, Linda Yangguang New Town, Xinqu New Area, Bozhou Avenue, Xinqu New Area, Zunyi, Guizhou Province |
| 109 | Anshun | Anshun sub-branch Business Department of Bank of Guizhou Co., Ltd. | 1-5/F, Block B, Yinxiang Anshun-Wealth Center, Huangguoshu Street, Xixiu District, Anshun, Guizhou Province |
| 110 | Anshun | Anshun Xihang Road sub-branch of Technological Development Zone, Anshun, Guizhou Province | No. 136, Xihang Road, Economic and Bank of Guizhou Co., Ltd. |
| 111 | Anshun | Pingba sub-branch of Bank of District, Anshun, Guizhou Province | Zhongshan Building, Zhongshan Road, Pingba Guizhou Co., Ltd. |
| 112 | Anshun | Puding County sub-branch of Bank of Guizhou Co., Ltd. | No. 116, Guangming Road, Chengguan Town, Puding County, Anshun, Guizhou Province |
| 113 | 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 |
| 114 | Anshun | Guanling County sub-branch of Bank of Guizhou Co., Ltd. | No. 12, Binhe Road, Yincheng Xinyuan, Guansuo Town, Guanling County, Anshun, Guizhou Province |
| 115 | Anshun | Anshun Dashizi sub-branch of Bank of Guizhou Co., Ltd. | No. 2 Tashan East Road, Xixiu District, Anshun, Guizhou Province |

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

| No. | Region | Name of institution | Address of institution |
|-----|--------|---|---|
| 116 | 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 |
| 117 | Anshun | Anshun Tuobao Mountain sub-branch of Bank of Guizhou Co., Ltd. | Xixiu District Government Financial Center, Tuobao Mountain, Huangguoshu Street, Xixiu District, Anshun |
| 118 | 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 |
| 119 | Anshun | Anshun Gufu Street sub-branch of Bank of Guizhou Co., Ltd. | Shops 14&15, Block 5, Tushu Road, Anshun, Guizhou Province |
| 120 | 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 |
| 121 | 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 |
| 122 | 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 |
| 123 | Anshun | Anshun Xixiu sub-branch of Bank of Guizhou Co., Ltd. | Office Building No. 1, No. 64 Zhonghua South Road, Anshun, Guizhou Province |
| 124 | Anshun | Anshun Nanhua sub-branch of Bank of Guizhou Co., Ltd. | Block A, Shun'an Shiji New Town, Nanhua Road, Anshun, Guizhou Province |
| 125 | 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 |
| 126 | Anshun | Anshun Qianzhong sub-branch of Bank of Guizhou Co., Ltd. | Shops 1-8, 1-9, 1-10, Cuilu Jincheng, Anshun, Guizhou Province |
| 127 | Anshun | Anshun Wumiao sub-branch of Bank of Guizhou Co., Ltd. | Shops 0-2, Guozhao Community, Ruofei North Road, Anshun, Guizhou Province |
| 128 | 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 |
| 129 | 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 |
| 130 | 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 |

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

| No. | Region | Name of institution | Address of institution |
|-----|---------|---|---|
| 131 | Qiannan | Qiannan branch Business Department of Bank of Guizhou Co., Ltd. | 1-5/F, Block 1, Guanlan Shengdingcheng Office Building, No. 25, Xishan Avenue, Duyun, Qiannan Prefecture, Guizhou Province |
| 132 | Qiannan | Duyun Jianjiang sub-branch of Bank of Guizhou Co., Ltd. | 1/F and 3/F, Poly Star Mansion, No. 70, Doupengshan Road, Duyun, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province |
| 133 | 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 |
| 134 | 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 |
| 135 | Qiannan | Guiding sub-branch of Bank of Guizhou Co., Ltd. | No. 71 Hongqi Road, Guiding County, Qiannan Prefecture, Guizhou Province |
| 136 | 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 |
| 137 | Qiannan | Huishui sub-branch of Bank of Guizhou Co., Ltd. | Shops in 1/F and 2/F, Jinhui Building, Huixing Road, Huishui County, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province |
| 138 | Qiannan | Duyun Economic Development Area sub-branch of Bank of Guizhou Co., Ltd. | Units 2-10, 11 & 12, 1/F, Block B, Yundu Guoji, Duyun Economic Development Area, Qiannan Prefecture, Guizhou Province |
| 139 | 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 |
| 140 | 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 |
| 141 | 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 |
| 142 | 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 |
| 143 | Qiannan | Luodian sub-branch of Bank of Guizhou Co., Ltd. | Shops in 1/F and 2/F, Fashion Shopping Center, Block B, Guizhou Mingqiang Real Estate Development, Co., Ltd., Hebin Road, Luodian County, Qiannan Bouyei and Miao Autonomous Prefecture, Guizhou Province |
| 144 | Qiannan | Libo sub-branch of Bank of Guizhou Co., Ltd. | Units 101 & 102, No. 4 Zhangjiang East Road, Yuping Town, Libo County, Qiannan Prefecture, Guizhou Province |
| 145 | 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 |

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

| No. | Region | Name of institution | Address of institution |
|-----|-------------|---|--|
| 146 | 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 |
| 147 | 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 |
| 148 | Qiandongnan | Qiandongnan branch Business Department of Bank of Guizhou Co., Ltd. | 1/F-3/F, Fengqiu Xintiandi, Yingbin Avenue, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province |
| 149 | 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 |
| 150 | Qiandongnan | Kaili Dashizi sub-branch of Bank of Guizhou Co., Ltd. | No. 11, Beijing East Road, Kaili City, Guizhou Province |
| 151 | Qiandongnan | Rongjiang sub-branch of Bank of Guizhou Co., Ltd. | Huilong Commercial Square, No. 9-1 Dongbingjiang Avenue, Rongjiang County, Guizhou Province |
| 152 | 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 |
| 153 | Qiandongnan | Jianhe sub-branch of Bank of Guizhou Co., Ltd. | No. 3 Yang'ashadong Avenue, Gedong Town, Jianhe County, Guizhou Province |
| 154 | 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 |
| 155 | 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 |
| 156 | Qiandongnan | Huangping sub-branch of Bank of Guizhou Co., Ltd. | No. 2 Feiyun Road, Xinzhou Town, Huangping County, Guizhou Province |
| 157 | Qiandongnan | Taijiang sub-branch of Bank of Guizhou Co., Ltd. | No. 8 Miaojiang East Avenue, Taigong Town, Taijiang County, Guizhou Province |
| 158 | Qiandongnan | Liping sub-branch of Bank of Guizhou Co., Ltd. | Shops 12-15 and portion of 2/F, Block 8, Li'nán Jiayuan, Wukai South Road, Defeng Town, Liping County, Guizhou Province |
| 159 | Qiandongnan | Zhenyuan sub-branch of Bank of Guizhou Co., Ltd. | Former Hardware Factory's Dormitory, Lianhe Street, Wuyang Town, Zhenyuan County, Guizhou Province |
| 160 | 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 |
| 161 | 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 |
| 162 | Qiandongnan | Leishan sub-branch of Bank of Guizhou Co., Ltd. | No. 115 Leigongshan Avenue, Danjiang Town, Leishan County, Guizhou Province |
| 163 | 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 |
| 164 | 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 |
| 165 | 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 |

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

| No. | Region | Name of institution | Address of institution |
|-----|-------------|---|---|
| 166 | 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 |
| 167 | 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 |
| 168 | Qiandongnan | Kaili Shaoshan Road sub-branch of Bank of Guizhou Co., Ltd. | Two commercial units with street frontage, 1/F, Kaili Hexie Dunpu Hotel, No. 70, Shaoshan South Road, Kaili City, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province |
| 169 | Tongren | Tongren branch Business Department of Bank of Guizhou Co., Ltd. | No. 256 Jinlin Avenue, Wanshan District, Tongren, Guizhou Province |
| 170 | Tongren | Dejiang sub-branch of Bank of Guizhou Co., Ltd. | No. 4 Wujiang North Road, Qinglong Street, Dejiang County, Tongren, Guizhou Province |
| 171 | Tongren | Songtao sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Block 1, Zone C, Binjiang Garden, Qixing Avenue, Liaogao Street Office, Songtao Miao Autonomous County, Tongren, Guizhou Province |
| 172 | Tongren | Tongren Dashizi sub-branch of Bank of Guizhou Co., Ltd. | Unit 101-3, Fulin Building, Jiefang Road, Bijiang District, Tongren, Guizhou Province |
| 173 | Tongren | Tongren Train Station sub-branch of Bank of Guizhou Co., Ltd. | 7#, Planned Zone D, Railway Station Square, Bijiang District, Tongren, Guizhou Province |
| 174 | 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 |
| 175 | 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) |
| 176 | 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 |
| 177 | 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) |
| 178 | Tongren | Tongren Jinjiang sub-branch of Bank of Guizhou Co., Ltd. | Ancillary Building, Jinjiang Hotel, No. 8 Jinjiang South Road, Tongren, Guizhou Province |
| 179 | Tongren | Jiangkou sub-branch of Bank of Guizhou Co., Ltd. | Foguang Road, Shuangjiang Street Office, Jiangkou County, Tongren, Guizhou Province |
| 180 | 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 |

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

| No. | Region | Name of institution | Address of institution |
|-----|------------|---|---|
| 181 | 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 |
| 182 | Bijie | Bijie branch Business Department of Bank of Guizhou Co., Ltd. | Block A, Jinyuanda Time Square, Baili Dujuan Road, Qixingguang District, Bijie, Guizhou Province |
| 183 | Bijie | Qixingguan sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Block A, Shangcheng International, Biyang Avenue, Qixingguan District, Bijie, Guizhou Province |
| 184 | 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 |
| 185 | Bijie | Zhijin sub-branch of Bank of Guizhou Co., Ltd. | Zijin Huaifu, No. 2 Jinan Road, Chengguan Town, Zhijin County, Bijie, Guizhou Province |
| 186 | Bijie | Qianxi sub-branch of Bank of Guizhou Co., Ltd. | Fulin International, Wenhua Road, Qianxi County, Bijie, Guizhou Province |
| 187 | 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 |
| 188 | Bijie | Nayong sub-branch of Bank of Guizhou Co., Ltd. | 1/F Yonghuaifu, Jingsi Road, Yongxi Town, Nayong County, Bijie, Guizhou Province |
| 189 | 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 |
| 190 | Bijie | Hezhang sub-branch of Bank of Guizhou Co., Ltd. | Longquan Road, Chengguan Town, Hezhang County, Bijie, Guizhou Province |
| 191 | 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 |
| 192 | Bijie | Bijie Hongshan sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Hongshan Wealth International, No. 5 Hongshan Road, Qixingguan District, Bijie, Guizhou Province |
| 193 | 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 |
| 194 | Bijie | Bijie Tianhe sub-branch of Bank of Guizhou Co., Ltd. | 1/F Block 9, Tianhe Farmer's Market, Tianhe Road, Qixingguan District, Bijie, Guizhou Province |
| 195 | Bijie | Baili Dujuan sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Builing No. 23, Pengcheng Community, Pudi Township, Dafang County, Bijie, Guizhou Province |
| 196 | Bijie | Jinsha Zhonghua sub-branch of Bank of Guizhou Co., Ltd. | No. 157 Zhonghua Road, Guchang Street, Jinsha County, Bijie, Guizhou Province |
| 197 | Bijie | Dafang Yingbin sub-branch of Bank of Guizhou Co., Ltd. | Shops No. 7-8, Jiujuan International Phase I, Yingbin Avenue Road No.4, Xinzhuang Village, Shunde Street, Dafang County, Bijie City, Guizhou Province |
| 198 | Liupanshui | Liupanshui branch business department of Bank of Guizhou Co., Ltd. | Baolong International Building, No.36 Zhongshan West Road, Liupanshui, Guizhou Province |
| 199 | Liupanshui | Liupanshui Liangdu sub-branch of Bank of Guizhou Co., Ltd. | No. 37, Zhongshan West Road, Liupanshui, Guizhou Province |
| 200 | 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 |

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

| No. | Region | Name of institution | Address of institution |
|-----|------------|---|--|
| 201 | 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 |
| 202 | Liupanshui | Liupanshui Yinxing sub-branch of Bank of Guizhou Co., Ltd. | Room 103 affiliated to No. 25, Zhongshan Middle Road, Liupanshui, Guizhou Province |
| 203 | Liupanshui | Liuzhi Special Region sub-branch of Bank of Guizhou Co., Ltd. | A-08 & A-09, 1/F Gongkuang Building, No. 22 Renmin Road, Pingzhai Town, Liuzhi Special Region, Liupanshui, Guizhou Province |
| 204 | Liupanshui | Panzhou Shuangfeng sub-branch of Bank of Guizhou Co., Ltd. | No. 57 Yanhe South Road, Shuangfeng Town, Panzhou City, Liupanshui, Guizhou Province |
| 205 | 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 |
| 206 | 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 |
| 207 | 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 |
| 208 | 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 |
| 209 | Liupanshui | Shuicheng sub-branch of Bank of Guizhou Co., Ltd. | No. 126 Jinshan Road, Shuangshui Development Area, Shuicheng District, Liupanshui, Guizhou Province |
| 210 | 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 |
| 211 | Liupanshui | Liupanshui Gangcheng sub-branch of Bank of Guizhou Co., Ltd. | No. 452279, Shuigang Baxi Middle Road, Liupanshui, Guizhou Province |
| 212 | Liupanshui | Panzhou Panjiang sub-branch of Bank of Guizhou Co., Ltd. | No. 5 Panjiang North Road, Hanlin Street, Panzhou City, Guizhou Province |
| 213 | 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 |
| 214 | 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 |
| 215 | Liupanshui | Liupanshui Jintai sub-branch of Bank of Guizhou Co., Ltd. | Jintai Building, No. 73, Zhongshan Middle Road, Liupanshui |

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

| No. | Region | Name of institution | Address of institution |
|-----|------------|---|---|
| 216 | Liupanshui | Liuzhi Jiankang sub-branch of Bank of Guizhou Co., Ltd. | 1/F & 2/F, Block E, Jiankang Road, Pingzhai Town, Liuzhi, Special District |
| 217 | Liupanshui | Liupanshui Dexinyuan sub-branch of Bank of Guizhou Co., Ltd. | Shop No. 10, 1/F, Building No. 10, Shuikuang Dexinyuan Community, Dewu New subdistrict, Zhongshan District, Liupanshui, Guizhou Province |
| 218 | 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 |
| 219 | Liupanshui | Liupanshui Hongqiao sub-branch of Bank of Guizhou Co., Ltd. | 1/F, Outlets International Plaza, Hongqiao New District, Liupanshui |
| 220 | Qianxinan | Qianxinan branch Business Department of Bank of Guizhou Co., Ltd. | 1/F-2/F, Aocheng Community, Ruijin Avenue, Xingyi, Qianxinan Bouyei and Miao Autonomous Prefecture, Guizhou Province |
| 221 | 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 |
| 222 | Qianxinan | Zhenfeng sub-branch of Bank of Guizhou Co., Ltd. | Side of New Transit Center, Yongfeng Avenue, Mingu Town, Zhenfeng County, Guizhou Province |
| 223 | Qianxinan | Anlong sub-branch of Bank of Guizhou Co., Ltd. | Unit 108, Stone Factory Group, Xihe Village, Zhaodi Street Office, Anlong County, Guizhou Province |
| 224 | Qianxinan | Xingyi Ruijin sub-branch of Bank of Guizhou Co., Ltd. | No.1 Panjiang Road, Xingyi, Qianxinan Prefecture, Guizhou Province |
| 225 | Qianxinan | Puan sub-branch of Bank of Guizhou Co., Ltd. | Block 2 Jinqiao Baihui, Nanhu Street, Puan County, Qianxinan Prefecture, Guizhou Province |
| 226 | Qianxinan | Qinglong sub-branch of Bank of Guizhou Co., Ltd. | East Street, Northeast Community, Liancheng Town, Qinglong County, Qianxinan Prefecture, Guizhou Province |
| 227 | Qianxinan | Wangmo sub-branch of Bank of Guizhou Co., Ltd. | South side of Wangmu Square, Wangmo County, Qianxinan Prefecture, Guizhou Province |
| 228 | Qianxinan | Ceheng sub-branch of Bank of Guizhou Co., Ltd. | Former SAT Bureau Office Building, Zhelou Street Office, Crossroad of Qianjin Road, Ceheng County, Qianxinan Prefecture, Guizhou Province |
| 229 | Qianxinan | Xingyi Wanfeng sub-branch of Bank of Guizhou Co., Ltd. | Side of Civil Aviation Avenue, Xingyi City, Qianxinan Prefecture, Guizhou Province |



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