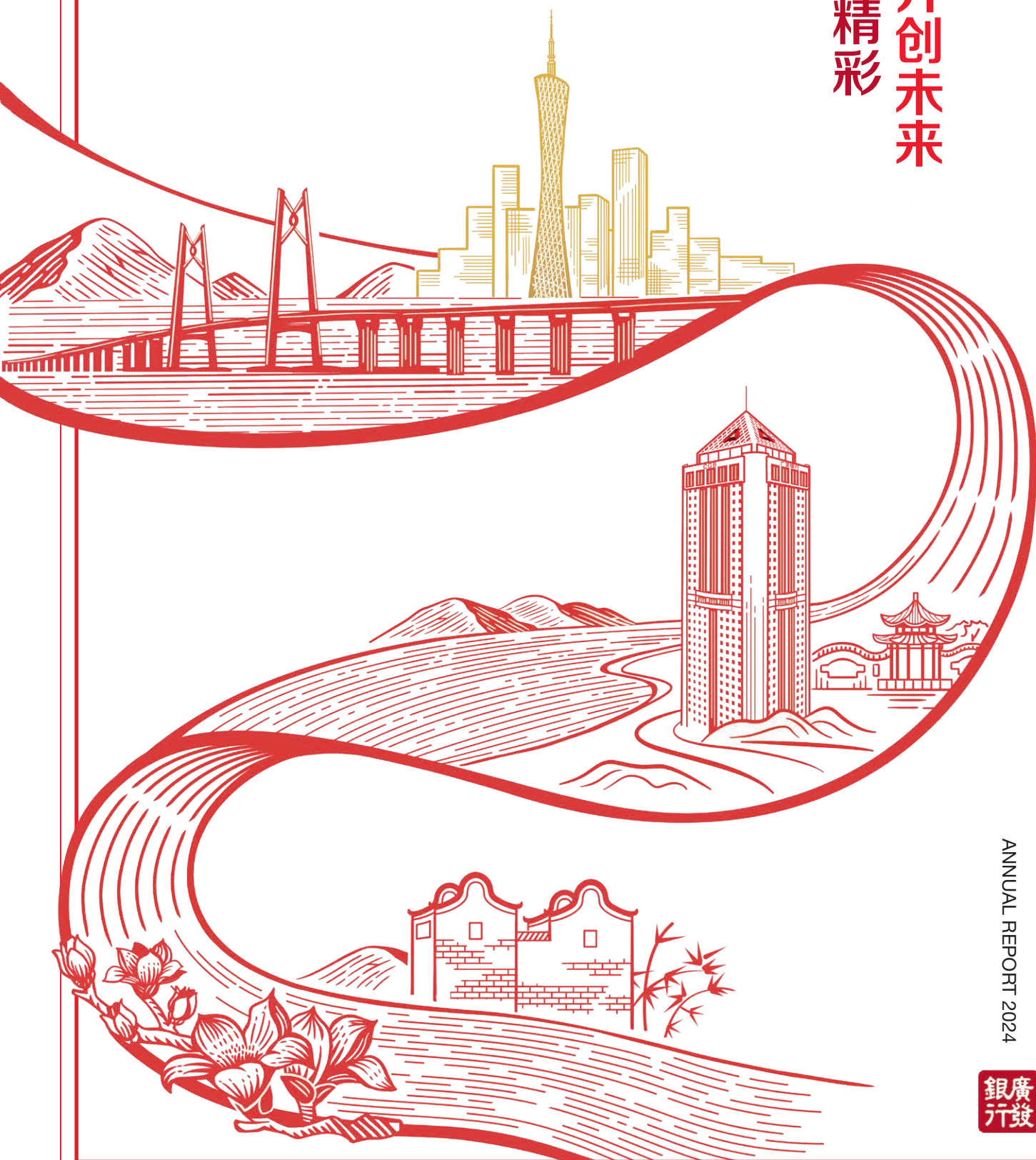




广发银行|CGB

中国人寿集团成员单位

发现精彩  
开创未来



ANNUAL REPORT 2024

銀廣  
行發

## Vision

To build a first-class commercial bank among peers,  
with full functionality, diversified businesses and  
salient features



### Cover Story: Lingnan Series

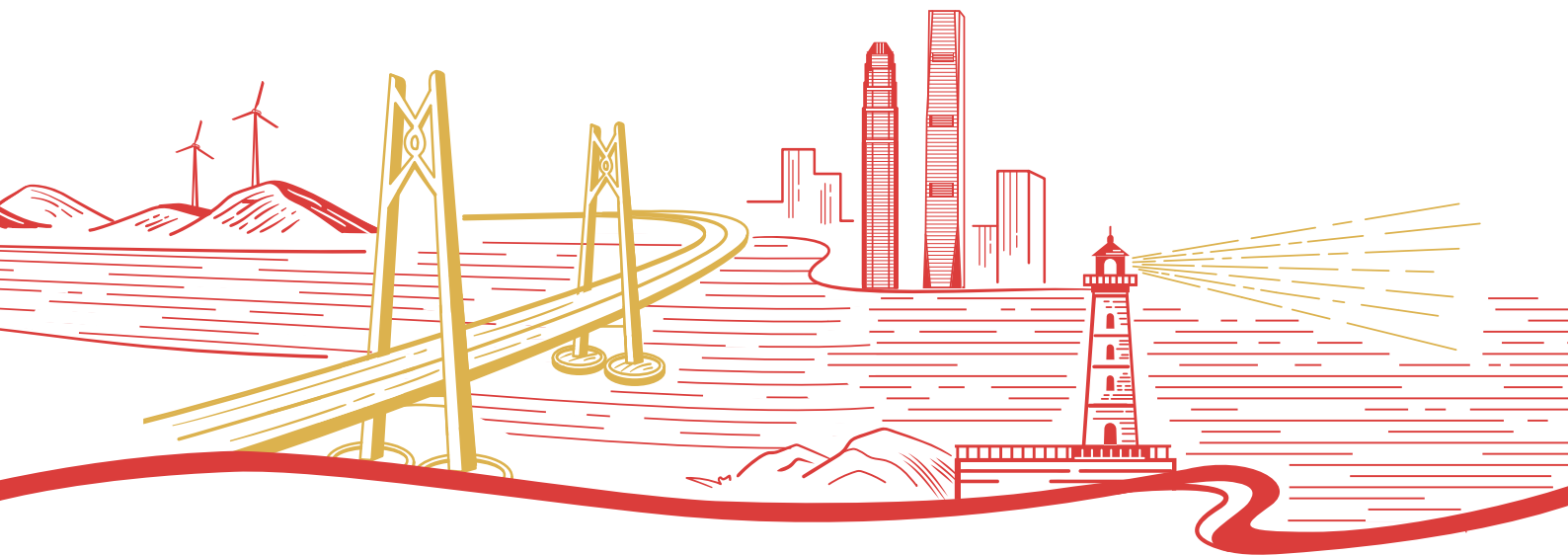
Guangdong printmaking, recognized as one of the national intangible cultural heritages, is widely spread in the Lingnan region and possesses profound historic and artistic value. The cover of the Annual Report adopts the artistic style of "Guangdong printmaking" with distinctive Lingnan culture elements, using winding and ascending majestic mountains and rivers as its backdrop to depict a new panorama of a beautiful China. At the centre of this panorama stands the Guangfa Bank building, surrounded by iconic landmarks of the Greater Bay Area, including Baiyun Mountain, Pearl River, the Canton Tower, and the Hong Kong-Zhuhai-Macao Bridge. This imagery symbolizes CGB's active role in the nation's development strategy under the resolute leadership of the Central Committee of the CPC. CGB is committed to deepening reform and innovation across all sectors, vigorously advancing the "Five Major Sectors" of finance, unswervingly following the path of financial development with Chinese characteristics, and making greater contributions to the great cause of building a strong country and rejuvenating the nation!

## Mission

Serving customers    Rewarding shareholders  
Fulfilling the value of employees  
Making contributions to society

## Core Values

Faithfulness    Responsibility  
Innovation    Conscientiousness



Discover Wonders  
and Create the Future

# 2024

## Introduction of the Bank

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Established in 1988, China Guangfa Bank is one of the earliest incorporated joint-stock commercial banks in China. The Bank upholds the core values of “faithfulness, responsibility, innovation and conscientiousness”, bears in mind the mission of “serving customers, rewarding shareholders, fulfilling the value of employees and making contributions to society”. Guided by the brand slogan of “discover wonders and create the future”, the Bank is dedicated to striving towards the strategic vision of becoming “one of the first-class commercial banks in China”.

As of the end of 2024, the Bank has established 49 branches across 27 provinces (autonomous regions and municipalities) including Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia, Liaoning, Jilin, Heilongjiang, Shanghai, Jiangsu, Zhejiang, Anhui, Fujian, Jiangxi, Shandong, Henan, Hubei, Hunan, Guangdong, Guangxi, Hainan, Chongqing, Sichuan, Yunnan, Guizhou, Shaanxi, Xinjiang, covering 116 cities at or above the prefecture level, and in the Hong Kong and Macau Special Administrative Regions. The Bank has also established two specialized institutions, namely a Credit Card Center and a Fund Operation Center, along with a wholly owned subsidiary, CGB Wealth Management, with a total of 968 business offices. Furthermore, the Bank has established SWIFT RMA relationship with over 1,000 banking institutions in nearly 100 countries and regions. The Bank’s high quality, efficient and comprehensive financial services have covered nearly 450,000 corporate customers, more than 68.00 million debit card customers and a total of 123 million credit card customers.



# CONTENTS

## Overview

Important Notice	004
Definitions	005
Chairman's Statement	006
President's Statement	010
Operation and Management Themes	014
Corporate Profile	022
Summary of Accounting Data and Financial Indicators	025

## Management Discussion and Analysis

Economic, Financial and Macroeconomic Environment	030
Review of Operations	031
Financial Statement Analysis	032
Business Overview	048
Risk Management	068
Capital Management	082
Strategic Cooperation with Major Shareholders	084
Prospects for the Bank's Future Development	085
Environmental and Social Responsibility	086
List of Honors	090

## Corporate Governance

Significant Events	094
Changes in Shareholding and Shareholders' Profile	096
Directors, Supervisors, Senior Executives and Employees	099
Corporate Governance	112
Confirmation of the Bank's Annual Report 2024 by Directors and Senior Executives	128
Documents Available for Inspection	129

## Financial Statements and Others

Auditor's Report	132
Financial Statements	135
Directory of Organizations	331

## Important Notice

- The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Executives of the Bank confirm that the contents in this annual report are true, accurate and complete and have no false representations, misleading statements or material omissions, and they severally and jointly undertake legal responsibility for such contents.
- The Annual Report 2024 of China Guangfa Bank Co., Ltd. was reviewed and approved by the 16th meeting of the 10th session of the Board of Directors of the Bank. Due to other arrangements, Yu Shengquan, the Director delegated Liu Hui, the Director to vote on his behalf. The remaining Directors attended the meeting in person and exercised their voting rights.
- The Annual Report 2024 of China Guangfa Bank Co., Ltd. was reviewed and approved by the 16th meeting of the 9th session of the Board of Supervisors of the Bank with written review opinions.
- BDO China Shu Lun Pan CPAs (Special General Partnership) audited the Bank's 2024 financial statements prepared in accordance with the PRC Generally Accepted Accounting Principles, and issued a standard auditor's report with unqualified opinions. Meanwhile, BDO China Shu Lun Pan CPAs (Special General Partnership) audited the Bank's 2024 financial statements prepared with reference to relevant requirements of the International Financial Reporting Standards (IFRSs), and issued a standard auditor's report with unqualified opinions.
- The Bank (as a legal person) made an after-tax profit of RMB15.006 billion in the audited 2024 financial statements. After the deduction of the dividends of RMB2.025 billion on unfixed term capital bonds issued in 2024, the after-tax profit distributable for ordinary shareholders for the year was RMB12.981 billion. The Bank planned to appropriate RMB1.501 billion at 10% of after-tax profit to the statutory surplus reserve, and RMB2.915 billion at 1.5% of the closing balance of risk assets to the general risk reserve. As of the dividend benchmark date, a cash dividend of RMB0.767 (tax inclusive) per every 10 shares will be paid to all shareholders of record, amounting to RMB1.671 billion. The above profit distribution plan is subject to the review and approval at 2024 annual general meeting of the Bank.
- This report is prepared in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail.
- Forward-looking statements relating to the Bank's future financial position, operating performance, business development and business plan in this report do not constitute any substantive commitments. The Bank's actual operating performance and development may differ from forward-looking statements due to various factors and uncertainties.
- The risks faced by the Bank in the course of business mainly include credit risk, market risk, bank account interest rate risk, liquidity risk, operational risk, country risk, reputation risk, strategic risk, compliance risk and information technology risk. The Bank has taken various measures to effectively manage and control various business risks. For details, please refer to the disclosure in "Management Discussion and Analysis".
- On 28 April 2025, Mr. Cai Xiliang was elected as the Director and Chairman of the Bank, with his qualifications subject to approval by the regulatory authorities.

Wang Kai, Legal Representative, Li Xiaoshui, Vice President in charge of finance and Sun Guangming, Head of Finance and Accounting Department, hereby make representations in respect of the truthfulness, accuracy and completeness of the financial statements in the Bank's Annual Report 2024.

# Definitions

In this report, unless the context otherwise requires, the following terms have the meaning set forth below:

The Bank/the Group	refers to	China Guangfa Bank Co., Ltd., or China Guangfa Bank Co., Ltd. and its subsidiaries
Articles of Association	refers to	Articles of Association of China Guangfa Bank Co., Ltd.
China Life Group	refers to	China Life Insurance (Group) Company
PBOC	refers to	The People's Bank of China
Former CBIRC	refers to	Former China Banking and Insurance Regulatory Commission
CGB Wealth Management	refers to	CGB Wealth Management Co., Ltd.
RMB	refers to	Renminbi



## Chairman's Statement

2024 was a pivotal year for achieving the objectives and tasks of the 14th Five-Year Plan, and it was also a significant year for the reform and development of China Guangfa Bank. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, we thoroughly implemented the spirit of the 20th CPC National Congress, the Second and Third Plenary Sessions of the 20th CPC Central Committee, the Central Financial Work Conference and the Central Economic Work Conference. We actively addressed the complex external environment by courageously tackling development challenges, persevering and working diligently, thereby achieving hard-won successes in promoting high-quality development.

**Adhering to the principle of consolidating our ideals and beliefs, we continuously strengthened the leadership role of Party building.**

We actively studied and implemented the spirit of General Secretary Xi Jinping's latest important speech and important instructions. We profoundly grasped the decisive significance of the "Two Establishments", enhanced the "Four Consciousnesses", fortified "Four Self-confidences" and implemented the "Two Upholds". We thoroughly implemented study and education on Party discipline, comprehensively cultivated and elevated the Party spirit of the Party members, conducted high-quality rectification of issues identified in the disciplinary inspections conducted by the CPC central committee, and further deepened the comprehensive strict governance of the Party, thereby continuously intensifying the strict governance atmosphere. Adhering to the "two consistent principles", we enhanced the decision-making mechanism of "decisions on important issues, appointment and dismissal of important officers, arrangements on important projects, use of funds in large amount" and corporate governance operation mechanism. We integrated the Party's leadership into every stage of corporate governance, so as to ensure that the decisions and arrangements of the CPC central committee shall be effectively implemented in China Guangfa Bank.

**Fulfilling responsibilities and missions, we actively served the overall interests.** We have always held "the country's most fundamental interests" in mind, remained

committed to the fundamental mission of financial services supporting the real economy, and allocated more financial resources towards major national strategic regions, key areas of economic and social development, and vulnerable sectors. The balance of loans granted to key regions including the Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei region, Yangtze River Delta and Yangtze River Economic Belt exceeded RMB1.2 trillion. We made substantial progresses in the "Five Major Sectors" of finance. The balance of technology and green credit increased by 25% and 42% year-on-year, respectively. We lent a cumulative total of RMB250 billion to support the "High-Quality Development Project for One Hundred Counties, One Thousand Towns, and Ten Thousand Villages" in Guangdong. The balance of agriculture-related loans increased by 14% year-on-year. The interest rate for new inclusive loans to small and micro enterprises was significantly reduced by 111BPs. We deeply implemented the urban real estate financing coordination mechanism and undertook more than 110 projects, which helped foster a virtuous cycle and stable development of the real estate market.

**Emphasizing pursuing progress while ensuring stability, we enhanced the quality and efficiency of operation and management.**

Adhering to the overarching principle of pursuing progress while ensuring stability, we continued to deepen the understanding of the essence and principles of finance, and advanced our operation and management to a new level. By the end of 2024, our total assets stood at RMB3.64 trillion, representing a year-on-year increase of 3.9%. The balance of deposits and loans increased to RMB2.26 trillion and RMB2.13 trillion, respectively. The annual operating income was RMB69.24 billion, with the net profit of RMB15.28 billion. The general corporate loans increased by over RMB100 billion for two consecutive years. Following the introduction of "Lexiang" wealth brand, the number of new personal pension accounts reached a record high, and our capital adequacy ratio reached a historical high. We accelerated the digital transformation, with our distributed banking core system being awarded the first prize in Fintech Development Award by the People's Bank of China.



## Chairman's Statement

### **Accelerating coordinated development, we continuously deepened the comprehensive finance.**

We formulated our strategies from a holistic perspective, making strategic moves at critical junctures to establish comprehensive finance as a prominent advantage for future success. We strengthened the Group's synergies by fostering internal harmony and coordination. We spearheaded the pilot reforms and innovations in the Greater Bay Area, driving the rapid success of innovative products such as Anxinbao. We also introduced "Instant Insurance Claim", enabling instant claim payouts. Furthermore, we pioneered the implementation of a profit-sharing mechanism for corporate insurance-banking cooperation, and facilitated interconnection of the premium customer service systems, resulting in a significant increase in the proportion of premium customers shared with China Life Group. By leveraging the comprehensive financial advantages of China Life Group, we collectively served more than 7 million individual customers, with the cumulative investment and financing scale exceeding RMB720 billion, the payment and settlement volume within the group reaching RMB360 billion, and the custody scale exceeding RMB1.1 trillion. This demonstrated that the comprehensive finance has become a crucial pillar supporting high-quality development.

### **Strengthening bottom-line thinking, we ensured solid and effective risk prevention and control.**

We consistently adhered to risk prevention and control as the perpetual theme of financial work, responding calmly to changes, and implementing comprehensive measures to continuously improve our scientific and effective risk prevention and control mechanism. We successfully established "two centers" for risk monitoring and compliance supervision, enhanced the risk management and control in key areas, optimized the internal control systems and mechanisms, strengthened the consolidated management of subsidiaries, thus elevating our overall risk management capabilities. We maintained the Bank's asset quality stable, with all types of risks remaining generally controllable. Both the balance of non-performing loans and the non-performing loan ratio decreased for

two consecutive years. The provision coverage ratio increased steadily, and the risk resistance capabilities were significantly enhanced.

2025 marks the final year of the 14th Five-Year Plan and is a crucial year for further comprehensively deepening reforms. Facing the accelerating evolution of the transformations of the world in a century and the dual pressures of industry reform and transformation, we recognize that the wise adapt to times and the enlightened adjust strategies to circumstances. By staying open and innovative in an ever-changing world, we can ensure that the reform and development mutually reinforce and complement each other. We are well aware that both the long-term positive fundamentals and the favorable conditions for China's economy development remain unchanged. By actively grasping the national strategic opportunities and aligning with industrial transformation trends, we will proactively integrate into the broader context and effectively serve the overall interests, building momentum to move forward steadily and achieve lasting success. China Guangfa Bank will leverage the unique strengths of the Greater Bay Area and China Life Group, concentrate on enhancing customer base construction, promote collaborative innovation, bolster value creation, improve quality and efficiency of development, and unite efforts to achieve new accomplishments on the new journey.

### **Focusing on the guiding role of Party building, we will establish a robust foundation for high-quality development.**

Guided by the Party's innovative theories, we will unify our ideals and spirits, continuously strengthen Party building, and resolutely address issues identified in the disciplinary inspections conducted by the CPC central committee. In addition, we will solidify and expand the outcomes of Party discipline education, actively carry out in-depth learning and education on implementing the spirit of the CPC's eight-point decision on improving Party and government conduct. By fulfilling our national responsibilities, and benefiting the people, we will unswervingly follow the path of financial development with Chinese characteristics.

**Focusing on the nation's needs, we will dedicate ourselves to enhancing the quality and efficiency of serving the overall interests.**

Closely aligning with the overarching goal of promoting Chinese-style modernization, we will intensify financial support for the real economy, and make significant progress in developing the “Five Major Sectors” of finance. Leveraging our core geographical advantages, we will deeply engage in the Guangdong-Hong Kong-Macao Greater Bay Area, effectively boosting the market competitiveness of the head office. We will also increase our support for major national strategic regions and key areas, fulfilling our responsibilities as a central financial enterprise.

**Focusing on collaborative efforts, we will fully leverage the potential of comprehensive finance.**

We will jointly build a synergetic ecosystem integrating “insurance + investment + banking” for China Life, and further enhance the sharing of customer resources and cross-product innovation, with a goal of developing and elevating our differentiated competitive advantages. Focusing on the one-stop, diversified and full-life-cycle financial needs of customers, we will provide a full range of product and service solutions. We will continuously reinforce the innovation and entrepreneurship theme of “With China life, Lifelong Guardianship”, thereby expanding the outcomes of high-quality development while protecting the well-beings of our customers throughout their lives.

**Focusing on deepening reforms, we will effectively strengthen our value creation capabilities.**

We will diligently implement the action plan for comprehensively deepening reforms, and actively cultivate new competitive advantages for the future. We will deepen operational and management reforms, achieving breakthroughs in multiple areas such as credit card business and digital-intelligent transformation. By enhancing the in-depth application of cutting-edge technologies like artificial intelligence and blockchain in risk control, customer service, precision marketing and other areas, we will successfully enhance both customer experience and operational quality and efficiency, thus injecting robust momentum into high-quality development.

**Focusing on risk prevention and control, we will resolutely uphold the bottom line of safe development.**

We will maintain a bottom-line thinking, and implement the “four early” requirements, namely early identification, early warning, early exposure and early disposal, so as to effectively enhance the proactivity and foresight of risk prevention and control. We will precisely and steadily mitigate risks in key areas, which enables us to continuously improve asset quality. We will earnestly practice the financial culture with Chinese characteristics based on the “five essentials and five prohibitions”, strengthen internal control and compliance management, consolidate the responsibilities of the “three lines of defense”, and improve our capabilities to perform compliance duties. This will ensure high-quality development with a high level of security.

Tranquil tides propel us forward, it is the right time to set sail with a fair wind. China Guangfa Bank will unite more closely around the CPC Central Committee with Comrade Xi Jinping at its core, diligently implementing the “strategies of three new growth poles, three new listing platforms, and three major projects” of China Life Group. By upholding core values while breaking new ground, forging ahead with determination, working hard and building on the past achievements, we drive high-quality development by further comprehensively deepening reforms. Meanwhile, we are expediting the construction of a top-tier commercial bank with core competitive advantages, thereby creating greater value for customers, shareholders and the society, and contributing significantly to new chapter of Chinese-style modernization!

## President's Statement

Looking back to 2024, the banking sector underwent profound functional reshaping and value reconstruction under the influence of internal and external, macro and micro variables such as the evolving transformations in a century and conversion of old growth drivers into new growth drivers. Under the strong leadership of the party committee of China Life Group, CGB insisted on keeping pace with the trend and advancing with the times, firmly grasped the dialectics of “breaking and establishing” and the methodology of “stability and progress”, and achieved development with improved quality, optimized structure and new momentum. As of the end of 2024, the Bank's total assets amounted to RMB3.64 trillion; operating income reached RMB69.24 billion and net profit was RMB15.28 billion. Furthermore, both the balance of non-performing loans and the non-performing loan ratio declined for two consecutive years, with the core tier-one capital adequacy ratio rising to a historic high of 9.67%.

### **In the year, we persisted in serving the overall interest and fulfilled our mission more effectively.**

As Chinese-style modernization calls upon the financial sector, we put our efforts into thoroughly implementing the decisions and deployments of the CPC Central Committee: increasing financial support for key areas, working hard on the “Five Major Sectors”, and granting general corporate loans of RMB789.5 billion in total throughout the year, hitting a new high since the 14th Five-Year Plan; enhancing the quality and quantity of financial support for key

national strategic regions, with manufacturing, technology and green loans all growing by more than double digits, and achieving increase in the balance of loans granted to small and micro enterprise and the number of such enterprises; especially since the fourth quarter of last year, quickly implementing a package of incremental policies to help expand the scope and increase the efficiency of the urban real estate financing coordination mechanism, actively supporting the implementation of projects in terms of implementing the major national strategies and building up security capacity in key areas, and promoting large-scale equipment upgrades and consumer goods trade-in programs, investing more than RMB100 billion in local debts, and strongly and effectively supporting the economic recovery.

### **In the year, we kept in mind the purpose of finance, making the people-oriented mission more profound.**

As the people's aspirations for a better life place higher expectations on banks, we enhanced financial services with sincere heart: promptly responding to the adjustment of interest rates of existing mortgage loans to serve 340,000 families with better housing services; actively serving the nationwide promotion of personal pensions, with 3.2 million accounts opened, to support the elderly with care and companion; comprehensively improving the level of payment convenience, enabling seamless payments by foreigners and providing warm services for the elderly; precisely allocating financial resources, with agriculture-

related loans increasing by 14%, to help promote villages greener, more beautiful and more prosperous; extensively carrying out brand activities such as “Guangfa Youth”, “Vibrant Campus”, and “Carefree Life”, and benefiting nearly 900 million consumers with financial education, to continuously enhance people’s sense of acquisition, happiness and security.

**In the year, we deepened digital and intelligent empowerment and made innovation-driven development more efficient.**

As generative AI sets off a new round of “Singularity Revolution”, our reflections and practices on digital finance moved a step further: optimizing channels through digital transformation, accelerating the construction of “Digital Guangfa” and “Ecological Guangfa”, increasing the online account opening rate for corporate customers to 95%, serving more than 30,000 corporate customers in total with digital products and offering “Fingertip Finance” and “Cloud Services” to thousands of enterprises and households; optimizing services through “AI+” initiatives, deeply integrating into retail financial scenarios with “AI digital employees” on the two major applications of Discover Wonders and Mobile Banking to provide “face-to-face” services for over 300,000 customers, and answering questions and resolving doubts online for 7×24 hours with intelligent customer services, with 93% of customers resolving problems through self-services, showing that smart finance understands your needs and accompanies you.



## President's Statement

### **In the year, we proactively carried out reforms and transformations, achieving more solid development foundation.**

When suffering the dual pressures of profitability and risk prevention and control in the banking sector under the new circumstances, we focused on actively adjusting and promoting reforms in terms of business philosophy, business development model, and product services, opening up room for high-quality development and gaining the initiative: further shifting towards connotative development, abandoning the “obsession with scale”, promoting the transformation of credit card business, and enhancing value by returning to the origin; further shifting towards integrated asset-liability management, focusing on improving the stability of liability sources, the diversity of liability structure, and the rationality of liability and asset matching, and continuously reducing liability costs; further shifting towards comprehensive risk management, building a comprehensive risk management system covering the head office, branches and sub-branches, on – and off-balance sheets, and domestic and foreign institutions, tracking and supervising major risk projects, and advancing the digital and intelligent transformation of risk control, resulting in a year-on-year decrease of 8.1% in the amount of new non-performing loans, and an increase of 4.7 percentage points in the provision coverage ratio.

### **In the year, we strengthened the leadership of Party building with more resolute progress.**

We always bear in mind that the centralized and unified leadership of the CPC Central Committee over financial work is the fundamental guarantee for sound achievements in finance, anchoring the direction and gathering the strength: persistently upholding the Party's innovative theories to consolidate our ideals and beliefs, completing the training sessions on learning and implementing the spirit of the 3rd Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference, carrying out high-quality education on the Party discipline, consolidating and expanding the results of thematic education, and actively cultivating the culture of finance with Chinese characteristics with remarkable results. “Focusing on practical work, making solid efforts and seeking real effects” has become the norm throughout the Bank.

Looking back on the road we have come, there are many moments in 2024 that make me feel warm and unforgettable. In Heilongjiang, we ignited the “Harbin” ice and snow economy with the “Ice and Snow Consumption Season” event; in Beijing, the “Opera Sings Consumer Protection” campaign integrated traditional culture into financial education; in Shanghai, the phrase “Don't worry!

This is a bank! ” was not only comfort to customers in distress, but also solemn commitment from 35,000 Guangfa employees to the society; in Guangxi, we accompanied the sugar-related technology enterprises to thrive regardless of challenges and difficulties; in Hainan, when typhoon “Yagi” swept Qiongzhou, we supported post-disaster reconstruction with “eight measures” to resume work and production with all our strength...From bustling cities to vast rural areas, we measured the mountains and rivers of the motherland with our footsteps and protected the fireworks of the world with our sincerity.

2025 is the final year of the 14th Five-Year Plan and an important year for further comprehensively deepening reforms.

We will remain committed to the original aspiration of serving the nation through finance, actively practicing the political and people-oriented nature of financial work in the new era, further enhancing our capabilities in serving major strategies, key areas and weaknesses, provide sound supports for scientific and technological innovation, consumption restoration, green development and inclusive small and micro loans. We will transform political and institutional advantages into financial governance effectiveness, and effectively follow the path of financial development with Chinese characteristics in the specific practice of serving the real economy and meeting the people’s aspirations for a better life.

We will focus on improving five capabilities, thoroughly implement the “strategies of three new growth poles, three new listing platforms, and three major projects” of China Life Group, and work hard on the five aspects in terms of value creation, professional services, distinctive operations, technological leadership, and risk prevention and control. We will leverage the unique strengths of China Life Group and the Greater Bay Area, grow as a pivotal force in the Group’s high-quality development and as an important support for comprehensive finance, and will develop towards a commercial bank with core competitive advantages and distinctive characteristics.

We will persistently focus on development priorities, emphasizing revenue growth, cost reduction, transformation, risk control and compliance, and leverage all favorable conditions, so as to improve the quality and efficiency of operational management, promote high-quality development, and respond to the uncertainties of changing circumstances with the certainty of our own work, thereby contributing Guangfa’s strength to the construction of a financially robust country.



## Operation and Management Themes



### Party Building

Adhering to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank comprehensively implemented the spirit of the 20th CPC National Congress, the Second and Third Plenary Sessions of the 20th CPC Central Committee and the Central Economic Work Conference, understood the general requirements and new arrangements for Party building in the new era, and resolutely shouldered the political responsibility of Party governance. The Bank adhered to the "Nine Requirements" of practice, exercised full and strict governance of the Party, continuously strengthened the construction of grassroots Party organizations, further consolidated ideological foundations, grassroots bases and development momentum, and followed the path of financial development with Chinese characteristics.



#### ► Unswervingly adhere to political leadership

The Bank unswervingly upheld and strengthened the Party's overall leadership, maintained a clear and firm political stance. These efforts included strictly implementing the "First Topic" system of the Party Committee, promptly studying the spirit of General Secretary Xi Jinping's important speeches and instructions, and comprehensively completing education and training on the spirit of the Third Plenary Session of the 20th CPC Central Committee and the Central Financial Work Conference across the entire Bank. The Bank promoted the education and learning of the Party discipline with high standards and strict requirements, and studied and understood Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era with earnestness and emotion. The Bank firmly upheld the "Two Establishments" and resolutely implemented the "Two Upholds". Anchored in the political and people-oriented nature of finance, the Bank has always held "the country's most fundamental interests" in mind and earnestly implemented the "Five Major Sectors" of finance, namely technology finance, green finance, inclusive finance, pension finance, and digital finance. Taking what the country needs and what the people expect as the direction of the Bank's development, CGB fully exerted its capabilities. The Bank closely followed policies, monitored market trends, connected with customers, and provided customers with more diverse products, warmer services and perceptible experiences.



#### ► Firmly strengthen Party governance

The Bank rigorously implemented the main responsibilities for full and strict Party governance, established a responsibility list that is coordinated across all levels, rigorously enforced the system for requesting instructions from and submitted reports to higher authorities, adhered to democratic centralism and implemented the list of "decisions on important issues, appointment and dismissal of important officers, arrangements on important projects, use of funds in large amount" issues. The Bank periodically convened thematic Party Committee meetings on full and strict Party governance and meetings of the leading group on Party building work, ensuring the effective implementation of Party governance. By comprehensively implementing the organizational line of the CPC for the new era and adhering to the standards of being solid in politics, capability, and conduct, the Bank identified, cultivated, and employed cadres who are willing to take responsibility and perform well. It continuously strengthened the supervision over leadership and key positions, and promoted a dynamic mechanism for cadre appointment and removal. The Bank continued to enhance Party conduct and integrity building, established a comprehensive supervision system, precisely applied "four forms of discipline supervision and enforcement" and vigorously promoted the unique financial culture of "five imperatives and five prohibitions" with Chinese characteristics. Six research projects were awarded outstanding achievements in ideological and political work and cultural construction within the national financial system. Among them, the project titled "Research on the Path of Incorruptible Financial Culture Construction in Commercial Banks — A Case Study of Guangfa Bank's 'Six Incorruptible' System Construction" won the first prize, representing a historical record in both the level and number of these awards. The Bank resolutely rectified formalism to alleviate the burden of the grassroots levels, consolidated the achievements of "delivering practical services to the people", and achieved tangible results in integrating training, optimizing assessment, and reducing unnecessary documentation and meetings.



#### ► Persistently strengthen the "fighting fortresses"

The Bank continued to advance the standardized and normalized construction of Party organizations, improved the operational mechanisms of Party branches, standardized the education and management of party members in overseas branches, business institutions, as well as those from the labor dispatching company. The Bank promoted exemplary cases of integrating Party building with business, set up 1,961 model posts and 1,923 responsibility areas for "red flag" Party members, along with 1,096 task forces and 1,129 service teams, and further consolidated the foundation of Party building at the grassroots level. The Bank leveraged Party building to drive initiatives on mass organizations, completed the committee transition of the Communist Youth League, and organized "2024 China Life's Elocutionist" corporate culture showcase event and the "Star Trainer" competition for internal trainers. The Bank carried out various activities which were well-received by the masses, and united the entire Bank's forces for development.



## “Five Major Sectors” of Finance

The Bank rigorously implemented the decisions of the Central Financial Work Conference regarding the “Five Major Sectors”, and always adhered to the fundamental principle of serving the real economy. The Bank adopted a bottom-line thinking in preventing and controlling financial risks, deepened the leading role of reform and innovation, and the core driving force of financial technology applications, to comprehensively enhance the efficiency and quality of financial services. With high-quality development as the goal, the Bank devoted to the stability and long-term development of the national economy.



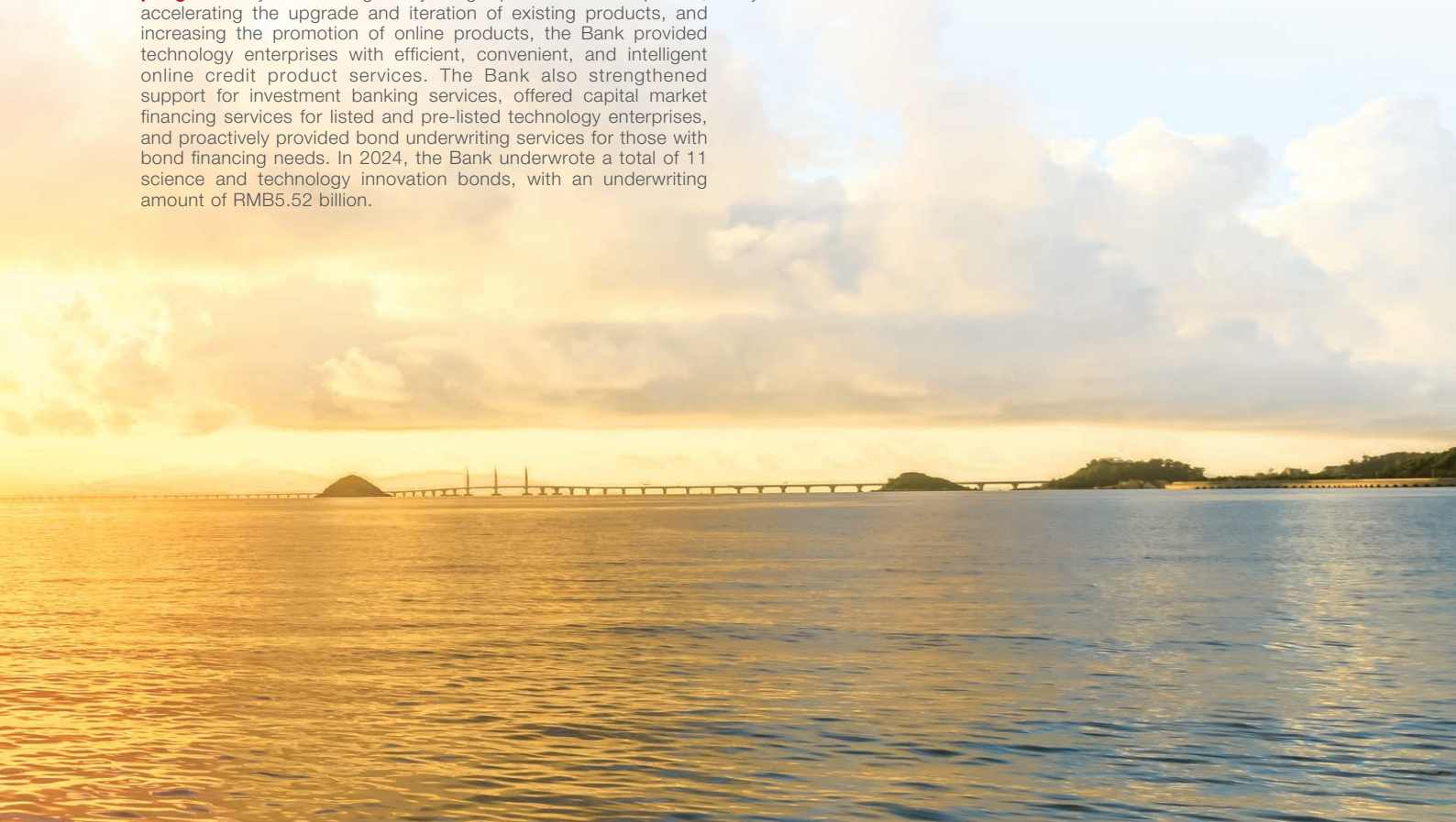
## Technology Finance

Technology finance serves as a crucial guarantee for fostering high-level self-reliance and self-strengthening and advancing the development of new quality productive forces. The Bank resolutely implemented the decisions and deployments of the CPC Central Committee, reinforced the sense of mission and responsibility, and systematically advanced the technology finance work in terms of institutional development, product innovation, service capabilities, and talent development, etc.

**Implement top-level design and improve institutional framework to ensure support.** The Bank formulated the “Guangfa Bank’s Business Plan for Technology Finance of Year 2024” and other key guidance documents, positioning support for the real economy and technological innovation as key priorities. A collaborative working mechanism on financing services for technology enterprises has been established, ensuring resource support for technology finance in terms of credit resources, pricing guidance, approval efficiency, and marketing direction, etc.

**Strengthen innovation-driven initiatives and optimize the “intelligent financing for science and technology innovation” program.** By enhancing early-stage product development, accelerating the upgrade and iteration of existing products, and increasing the promotion of online products, the Bank provided technology enterprises with efficient, convenient, and intelligent online credit product services. The Bank also strengthened support for investment banking services, offered capital market financing services for listed and pre-listed technology enterprises, and proactively provided bond underwriting services for those with bond financing needs. In 2024, the Bank underwrote a total of 11 science and technology innovation bonds, with an underwriting amount of RMB5.52 billion.

**Focus on key areas and enhance quality and efficiency of customer services.** Centering on major projects in key technology finance fields such as new information technology, new materials, new energy, and biopharmaceuticals, the Bank fully utilized various policy tools to increase credit granting, ensuring the high-quality development of technology finance credit granting business. By the end of 2024, the outstanding balance of loans to science and technology enterprises reached RMB235.5 billion, with an increase of RMB47 billion from the beginning of the year. The number of technology enterprises with loans grew by 16% year-on-year, with both the total loan volume and the number of customers for technology finance continuing to rise for multiple consecutive years.



# Operation and Management Themes



Green finance is a vital force driving economic transformation and sustainable development. The Bank steadfastly upheld the political and people-oriented nature of financial work, focused on the major sector of green finance, aligning with national “dual carbon” goals. By improving organizational structures, refining institutional systems, innovating financial products, and enhancing professional service capabilities, the Bank continuously enhanced the green finance service capabilities and levels. For consecutive years, the Bank has been awarded the title of “exemplary organization in green bank evaluation” by the China Banking Association.

**Continuously improve top-level design and strengthen management and institutional systems.** With the objectives of having “a more comprehensive policy system, steady growth in business scale, continuous enrichment of products and services, more accurate system data, an improved risk control system, and significant energy-saving and carbon reduction results”, the Bank established a dedicated task force for green finance and formulated “Guangfa Bank’s Work Plan on Green Finance of Year 2024” to lay a solid foundation for the steady development of green finance.

**Continuously enhance the product system and improve service quality for green clients.** The Bank actively promoted green bonds, green investment and supply chain services, green consumption, and other products, aiming to build a comprehensive green financial service system integrating “insurance, banking and investment”. The Bank carried out product innovations such as environmental rights pledged loans. The innovative services like “ocean carbon sink + financing guarantee credit business” and “loans to sustainable development” were awarded the “promotion cases for green finance

innovation in Guangdong Province of Year 2024” and the “excellence cases for the high-quality development of green finance of Year 2024” from the FINANCIAL SOCIETY of Guang Dong. While improving the quality of client services, the Bank actively promoted steady growth in the scale of the green finance business. By the end of 2024, the outstanding balance of green credit surpassed RMB200 billion with a year-on-year increase of 42.30%; the investment balance of green bond increased 15.10% year-on-year to RMB9.253 billion; and the balance of new energy vehicle consumption loans reached over RMB9 billion.

**Continuously optimize systems and processes and strengthen professional service capabilities.** The Bank continued to optimize business processes and systems, enhanced the management of green finance operations, actively participated in cooperation and exchanges on green finance, engaged in a series of discussions with banking peers and consulting institutions on the construction and improvement of green finance systems, thereby enhancing capabilities of professional services in green finance.

By the end of 2024



the outstanding balance of green credit surpassed  
**RMB200** billion

the investment balance of green bond was  
**RMB9.253** billion

the balance of new energy vehicle consumption loans reached over  
**RMB9** billion





## Inclusive Finance

The development of inclusive finance is a vital reflection of the political and people-oriented nature of financial work and a crucial means for “building the nation with a strong financial sector”. The Bank resolutely implemented the decisions and deployments regarding the development of inclusive finance by the CPC Central Committee and the State Council, leveraged its unique strengths to enhance the major sector of inclusive finance, optimized inclusive finance products and services and promoted steady growth in loans to inclusive small and micro enterprises.

### Accelerate the construction of the Inclusive Finance 2.0 model.

The Bank strengthened top-level design and formulated “Guangfa Bank’s Action Plan for the High-Quality Development of Inclusive Finance (2024-2025)” and “Guangfa Bank’s Work Plan on Inclusive Finance Business of Year 2024” and further implemented the initiatives for the major sector of inclusive finance and the requirements for fostering new quality productive forces, to promote a more solid and stable customer base for inclusive finance.

### Establish a comprehensive product system for batch-based customer acquisition.

Following the basic principles of small amount, decentralization, and scenario-based approach for batch-based customer acquisition, as well as the fundamental logic in specific and supply-chain scenarios, the Bank established a comprehensive product system integrating “standardized products from the head office and specialized projects from branches”. The Bank continuously updated and iterated these products, accelerated the formation of a product matrix and market brand for inclusive finance, and enhanced the precision of batch-based customer acquisition, the applicability of product usage, and marketing competitiveness.

### Establish the “credit plus” comprehensive service system.

The Bank built a multidimensional service system that integrates “online + offline”, “support + companion” and “financing + financial intelligence”, and leveraged its comprehensive financial and technological advantages in serving small and micro enterprises. Based on the credit support, the Bank actively offered value-added financial and non-financial products throughout the entire business development process, further empowered small and micro enterprises and enhanced the quality and efficiency of services.

### Accelerate digital transformation and compliant development.

The Bank established an operating system for the digital transformation of inclusive finance, focused on the digital transformation of products, risk management, and operational systems of inclusive finance, strengthened compliance capabilities related to the pre-loan due diligence, loan assessment, and post-loan monitoring, promoted the compliant development of credit granting services, and enhanced the ability to operate in compliance.

By the end of 2024



the outstanding balance of loans to  
inclusive small and micro enterprises  
reached

**RMB196.1** billion

the Bank served

**136,000** inclusive  
small and micro enterprises

the interest rate on new loans to inclusive  
small and micro enterprises was

**3.29%** with a decrease of 111  
basis points from the previous year

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# Operation and Management Themes



## Pension Finance

The Bank actively fulfilled the mission to develop pension finance, responded to the calls of CPC Central Committee and national policies, and comprehensively promoted the development and upgrading of pension finance business across all aspects.

**In terms of strategic planning**, the Bank closely aligned with the national strategy to address population aging, and set the goal of “becoming a top-tier domestic pension finance account manager”. A dedicated task force led by the President was established to formulate a five-in-one coordinated development action plan encompassing “pension finance, elderly care service finance, pension wealth management, pension industry finance, and pension ecosystem finance”, guiding the steady progress of pension finance through top-level design.

**In terms of coordinated development**, the Bank leveraged the comprehensive financial advantages of China Life Group, closely collaborated with the insurance and investment sectors to build comprehensive competitive advantages in “pension finance + elderly care services”. By deepening the model of “China Life for Pension, CGB for Account Opening”, the Bank provided individual pension account services to over 620,000 customers, continuously deepened the Xinfu Card project, established a shared cross-company service platform that serves over 5.00 million cardholders, accelerated the development framework of “one group, one customer, one account, comprehensive financial services”. The Bank vigorously developed new commercial endowment businesses, expanded the service domain for “three pillars” of pensions, and promoted the collaboration in “sales, management, and trusteeship”. With the “collection and payment insurance” and self-developed cross-bank fund clearing product, the Bank provided premium clearing services for multiple pension insurance companies, totaling 79,000 transactions.

**In terms of serving people's livelihoods**, the Bank has been deeply engaged in social security business for 25 years, covering 14 provinces (municipalities) and serving over 6.20 million social security customers. As one of the first institutions to offer individual pension services, approximately 3.2 million individual pension accounts have been opened at the Bank, with a leading position among the joint-stock commercial banks. The Bank continued to enrich pension products and services, launched over 200 pension finance products and introduced a digital health and elderly care platform. The Bank segmented customers based on different elderly care needs, organized the “Zizai Card Cup” square dance competition as part of elderly care brand activities, and upgraded the exclusive “Zizai Card” product for elderly care customers, built a comprehensive elderly care service system integrating “medical care, dining, housing, transportation, and entertainment”, and upgraded the “elderly edition” services on Mobile Banking APP and “caring edition” services on Discover Wonders APP. The Bank set a customer service hotline exclusively for the elderly, serving over 5.5 million elderly customers. In 2024, the Bank's pension finance service case was included in the “innovative practice case library for building the nation with a strong financial sector” by People's Daily Online.

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CHINA GUANGFA BANK  
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## Digital Finance

The Bank vigorously developed digital finance, achieved significant progress in coordinating technology governance, digital talent cultivation, technological capability enhancement, and independent innovation, and comprehensively empowered the improvement of management efficiency and effectiveness.

**Improve the organizational mechanism for digital finance.** The Bank formulated "Guangfa Bank's Work Plan on Digital Finance of Year 2024", clarified the theme of "visible results in digital business", outlined 46 tasks across four major aspects in terms of digital product services, digital management, foundational capabilities for digital finance, and digital governance systems, and established a dedicated working group on digital finance under the task force of "Five Major Sectors" of finance to coordinate and advance digital finance tasks.

**Focus on cultivating digital finance talents.** The Bank strengthened the training mechanism of the Institute of Digital Finance, continuously cultivated digital finance talents through skills training, certification programs, and fostering an innovative culture. During the reporting period, the Bank conducted 160 training sessions, with total attendance exceeding 50,000, covering technology domains such as system development, data management, and cutting-edge technologies. The Bank launched the 2024 financial technology talent certification project which facilitated the increase of 468 new certified digital product managers during the reporting period. Thus, the total number of certified digital product managers reached over 1,000.

**Continuously strengthen the foundation of digital technology.** During the reporting period, the Bank launched the distributed credit card core system, and the distributed banking core systems won the First Prize in the 2023 "Fintech Development Award" from the People's Bank of China, marking the Bank's first time receiving the

highest honor in this award. The Bank built a comprehensive digital and intelligent capability system, completed the capability planning and architectural design for large language models, and established six intelligent service modules in terms of intelligent voice customer service, intelligent outbound call robots, intelligent knowledge database, intelligent text customer service, intelligent agent assistance, and intelligent virtual digital humans, significantly improving the quality and efficiency of customer services.

**Enhance product and service capabilities.** The Bank focused on building "Digital Guangfa", targeted retail, corporate banking, and financial markets, comprehensively upgraded business models and customer acquisition tools. The Bank built the retail credit business management platform, Phase II project of "Smart Brain", E-shopkeeper 2.0 for corporate banking, foreign exchange business system, Huawei HarmonyOS mobile ecosystem, Mobile Banking 10.0, and other key projects, and strengthened precision marketing and enhancing online service capabilities. The Bank emphasized the construction of "Ecological Guangfa", enriched the digital finance service ecosystem, launched Guangfa's "Digital Enterprise Connect", continuously improved digital product matrix, and enhanced digital service capabilities for sectors such as corporate services, labor unions, legal service, education, healthcare, and people's livelihoods. The Bank's digital products have cumulatively served over 30,000 corporate customers, driving an average daily corporate deposit balance of over RMB90 billion, and continuously deepening and broadening customer acquisition and retention through corporate and retail banking cooperation.



## Operation and Management Themes



### Comprehensive Finance

As a member unit of China Life Group, the Bank fully leveraged its comprehensive financial advantages to support the implementation of major national strategies and the development of the real economy, improved the quality of comprehensive financial products and services, met the increasingly diversified financial needs of the people, continuously strengthened synergy effects, and intensified the differentiated competitive advantages of comprehensive finance.

**Collaborate to serve key national strategies.** The Bank, in collaboration with China Life's member units, formed an integrated "insurance + investment + banking" alliance, providing integrated financial service solutions in key areas such as building a strong nation in science and technology, green China, health and elderly care, infrastructure, advanced manufacturing, and energy and power, as well as collaborated with China Life's member units to support local economic development and actively participated in local government bond issuance. By the end of 2024, the scale of cooperative investment and financing business under the comprehensive financial service model exceeded RMB720 billion in total.

**Collaborate to innovate inclusive financial services.** Leveraging the advantages in the comprehensive financial business, the Bank, together with China Life's insurance member units, extensively conducted the "government-bank-insurer-enterprise" collaboration during the "Inclusive Finance Promotion Month". Taking policy-based agricultural insurance as an opportunity, the Bank deepened cooperation and explored innovative "bank + insurance" integrated financial service models to support rural revitalization. During the reporting period, the Bank introduced 43 insurance products from China Life Insurance Company Limited and China Life Property and Casualty Insurance Company Limited, providing a comprehensive package of insurance protection services that cater to needs in social governance, industrial upgrading, business operations, and employee benefits.

**Deepen comprehensive management of individual customers.** As one of the first banks qualified to offer individual pension services, the Bank collaborated with China Life member units to seize the significant opportunity presented by the full implementation of the individual pension scheme, further expanded the distinctive advantages of comprehensive pension financial services characterized by the model of "China Life for Pension, CGB for Account Opening". Adhering to a people-centered approach, the Bank continuously optimized the product service system of "Double Xin, Double Credit and Two Cards", and upgraded the "Xindanbao" project to the "Anxinbao" project to better meet customers' short-term wealth management needs. The Bank developed a joint management initiative for premium customers, enriched collaborative scenarios and services, and established a collaborative management system with high-net-worth customers, based on insurance trust products. By the end of 2024, the Bank, together with China Life Group's member units, served over 7 million individual customers, with the average daily financial assets of the individual customers served reaching nearly RMB98 billion.

**Establish distinctive advantages in serving the insurance industry.** Leveraging China Life Group's experience in insurance fund management, the Bank provided three major types of service support in terms of fund clearing, investment matching, and customer operations for more insurance institutions, strived to become a "distinctive bank serving the insurance industry". The Bank continued to expand the distinctive "collection and payment insurance" product for centralized premium collection and payment, and collaborated with 37 central enterprises and leading domestic insurance institutions, with a cumulative transaction volume increasing by 15% year-on-year. The Bank innovatively launched the "Instant Insurance Claim" product, achieving "24/7, all-scenario, instant payment" for insurance claims, helping the insurance industry optimize customer service experiences.





## Being Rooted in the Greater Bay Area

During the reporting period, the Bank actively implemented the decisions and plans of the CPC Central Committee and made significant progress in advancing the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) strategy. The Bank closely aligned capabilities with the development needs of the GBA. The Bank optimized institutional mechanisms, refined work measures, and strengthened policy support, leveraging financial resources to support the development of Guangdong province and the GBA.

**Strengthen overall planning and deployment.** In accordance with the arrangements of China Life Group, the Bank advanced the pilot reform and innovation initiatives in the GBA, formulated task lists, optimized institutional mechanisms, and enhanced service capabilities within the GBA. The Bank continued to carry out the "Implementation Plan for Revitalizing Business in the Guangdong-Hong Kong-Macao Greater Bay Area", strengthened resource allocation, technological empowerment, operational support, and brand promotion by aligning with task objectives, and continuously optimized institutional mechanisms to increase support for the GBA.

**Support the real economy development in the GBA.** The Bank closely aligned itself with key initiatives in Guangdong such as promoting manufacturing industry, fostering innovation and technology, enhancing ecological conservation in Guangdong, integrated into the overall development of the GBA, continuously increased credit granting, optimized products and services, guided financial resources towards strategic sectors within the GBA, and improved the quality and efficiency of services for the real economy. By the end of 2024, the Bank's outstanding balance of loans to manufacturing, technology enterprises, and green finance in the GBA reached RMB69.0 billion, RMB69.4 billion, and RMB62.6 billion, respectively, representing year-on-year growth of 24.5%, 25.9%, and 42.2%, contributing to the acceleration of modern industrial system development in the GBA.

**Deepen government-bank cooperation.** The Bank fully supported the issuance of local government bonds in the GBA. As a lead underwriter for Guangdong province's local government bonds, the Bank invested a cumulative total of RMB24.3 billion in these bonds throughout 2024, accounting for 21% of the Bank's total local bond investments, providing strong support for key projects in the GBA. Focusing on the cooperation between "social security and bank", the Bank took the lead in piloting cross-city sharing of medical insurance personal accounts, facilitating payments and services of medical treatment and medication purchase, becoming one of the first banks in Guangdong to offer such services. The Bank also established Dongguan's first "social security-bank cooperation" pilot, extending social security services to bank business offices. By the end of 2024, the deposit balance of institutional customers in the GBA exceeded RMB150 billion, accounting for over 50% of the Bank's total deposits of institutional customers, contributing "Guangfa wisdom" and "Guangfa strength" to promoting the high-quality economic and social development of the GBA.

**Enhance services for GBA residents.** The Bank actively implemented the major sector of pension finance, accelerated the construction of a multi-pillar pension system, swiftly responded to the comprehensive implementation of the individual pension system and dedicated itself to vigorously promoting the individual pension business. By the end of 2024, the branches in the GBA opened over 1.3 million individual pension accounts. The Bank improved social security services by leveraging the network advantage, achieving full coverage of social security card services in all tier-1 branches in the province, with branches in the GBA issuing more than 4.50 million second- and third-generation social security cards. The Bank launched the Cross-Border Wealth Management Connect 2.0, optimized system functions by increasing investment quotas for individual investors and supporting "Southbound Scheme" in Hong Kong and Macao, enriched product offerings under "Southbound Scheme", including funds and bonds, thereby elevating the level of cross-boarder wealth management services for GBA customers.



# Corporate Profile

## Brief Introduction of Corporate Profile

### Statutory Names

Chinese name: 广发银行股份有限公司  
(Abbreviation: 广发银行)  
English name: China Guangfa Bank Co., Ltd.  
(Abbreviation: China Guangfa Bank, CGB or Guangfa Bank)

### Business Philosophy and Business Scope

**Business Philosophy:** Conduct various commercial banking businesses legally in line with the principles of equality, willingness, fairness and honesty; facilitate and support the development of national economy and the overall prosperity of society; and maximize the shareholders' value.

The Bank regards safety, liquidity and profitability as the principles for operation, operates independently at its own risk, assumes sole responsibility for its profits and losses, and maintains self-discipline.

**Business Scope:** Taking public deposits; granting short term, mid-term and long-term loans; handling domestic and overseas settlements; handling bills acceptance and discount; issuing financial bonds; issuing, paying for and underwriting government bonds as an agent; sales and purchases of negotiable securities such as government bonds and financial bonds; engaging in interbank borrowings; providing letters of credit service and guarantee; engaging in bank card business; acting as payment and receipt agent and insurance agent; providing safe deposit box services; taking deposits and granting loans in foreign currency; foreign currency remittance; foreign currency exchange; international settlements; foreign exchange settlements and sales; inter-bank foreign currency borrowings; handling acceptance and discount of bills in foreign currency; granting foreign currency loans; granting foreign currency guarantees; sales and purchases of negotiable securities other than shares in a foreign currency for itself and as an agent; issuing negotiable securities other than shares in a foreign currency for itself and as an agent; sales and purchases of foreign currency for itself and as an agent; issuing and making payments for foreign credit card as an agent; offshore financial operations; assets and credit verification, consultation and notarization businesses; other businesses approved by the relevant regulatory authorities (projects subject to approval in accordance with the law can only be implemented after obtaining approval from the relevant authorities).

**Legal Representative:** Wang Kai

**Secretary to the Board of Directors:** Li Xiaoshui (acting as the Secretary to the Board of Directors)

### Registered Office Address

No. 713 Dongfengdong Road, Yuexiu District, Guangzhou  
Postcode: 510080  
Service hotline of China Guangfa Bank: 400-830-8003  
Guangfa credit card hotline: 95508  
Website: www.cgbchina.com.cn

### Place for Obtaining Annual Report

The Finance and Accounting Department of the Bank

### Other Relevant Information

The first registration date: 8 July 1988  
The date of registration change: 28 June 2022  
Authority of registration: Guangdong Administration for Market Regulation of People's Republic of China  
Registered capital: RMB21,789,860,711.00  
Unified social credit code: 91440000190336428Q  
Institution No. of financial license: B0012H144010001

### Engaged Auditors

Domestic auditor:	BDO China Shu Lun Pan CPAs (Special General Partnership)
Office address:	4th Floor, No. 61, East Nanjing Road, Huangpu District, Shanghai, China
Name of project partner:	Ma Qiang
Names of signing certified public accountants:	Ma Qiang, Li Jie
International auditor:	BDO China Shu Lun Pan CPAs (Special General Partnership)
Office address:	4th Floor, No. 61, East Nanjing Road, Huangpu District, Shanghai, China

**This report was disclosed in accordance with the requirements of Former China Banking and Insurance Regulatory Commission's Corporate Governance Standards for Banking and Insurance Institutions and Information Disclosure Measures for Commercial Banks.**

## Development Strategy

Since 2024, the Bank has been committing to the strategic goal of establishing itself as a first-class commercial bank nationwide. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank aligns efforts with the overall goal of supporting China's modernization, pursues a path of innovation-driven and asset-light development, strives to build a value-driven, intelligent, and comprehensive bank with distinctive CGB characteristics, and continuously enhances operational strength and market competitiveness. Meanwhile, the Bank has organized mid-term evaluations of the implementation of the Bank's 14th Five-Year Plan, special plans for the head office, and subsidiary plans for directly affiliated institutions, tracked the progress of major development goals and key tasks, promptly summarized experiences, analyzed gaps and formulated strategies and countermeasures in a timely manner, to ensure the effective strategy execution and facilitate seamless integration and alignment of the plan. In addition, the Bank strengthens organizational deployment and systematic advancement, actively formulates a comprehensive action plan for further deepening reforms.

The year 2025 marks the inaugural year for the comprehensive implementation of the spirit of the Third Plenary Session of the 20th CPC Central Committee and serves as the final year of the 14th Five-Year Plan. The Bank will thoroughly study and understand, as well as fully implement the decisions and deployments of the CPC Central Committee and the State Council on financial work. The Bank will resolutely follow the path of financial development with Chinese characteristics, continuously advance the Bank's reform and transformation, better serve the implementation of major national strategies, and accelerate its own high-quality development in the process of serving the high-quality development of the economy and society.



# Corporate Profile

## Core Competence

Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank thoroughly understands the spirit of the Third Plenary Session of the 20th CPC Central Committee, fully and accurately implements the new development philosophy, constantly advances the 14th Five-Year Plan and various special plans, diligently develops strategies for the comprehensive deepening of reforms across the Bank and consolidates the foundation for high-quality development.

**Steadily advancing development strategies.** The Bank closely follows the national strategies, resolutely implements the decision and deployments of the CPC Central Committee, acclimates the development trend of the industry, explores its distinctive advantages, continuously improves the corporate value and market position in accordance with the overall strategy of "focusing on serving the overall layout of China's modernization, adhering to the path of innovation-driven and asset-light development, and building a value-oriented, intelligent and comprehensive bank with distinctive CGB characteristics", and devotes to building a first-class bank with substantial national influence. The Bank clearly defines a differentiated regional development positioning of "one head office, two centers, multiple poles, and internationalization", along with a differentiated business development positioning of "highlighting retail, strengthening corporate, and optimizing the financial market". In addition, the Bank continuously builds a distinctive new pattern of "systematization, comprehensiveness, and digitization" for overall retail development, steadfastly creates a new platform for professional services of corporate finance industry, and focuses on building a new asset-light development system of financial market business with "customer integration, investment and research integration, and dual-line integration", rallying efforts for business transformation and high-quality development.

**Continuously deepening the integration with the Greater Bay Area.** As the only national joint-stock commercial bank with full coverage of "9+2" urban institutions in the Guangdong-Hong Kong-Macao Greater Bay Area, the Bank has the advantages in its headquarters in the Greater Bay Area, business layout, resources and customer base. By delivering high-quality financial services, the Bank fully supports the development of the Greater Bay Area, driving high-quality development of the Bank and striving to become the leading bank serving the Guangdong-Hong Kong-Macao Greater Bay Area. The Bank prioritizes and focuses on serving the economic and social development of Guangdong and the Greater Bay Area, continuously enhances the depth and breadth of government-bank cooperation, and strengthens partnerships with the Guangdong provincial government and local municipal governments, and deepens fiscal business cooperation. Focusing on key areas such as high-quality development in hundreds of counties, thousands of towns, and tens of thousands of villages, fostering a powerful province driven by technological innovation, promoting the green and beautiful ecological construction of Guangdong, and developing the "Digital Greater Bay Area", the Bank continues to increase credit granting to help the Greater Bay Area build a modernized industrial system with international competitiveness. The Bank plays a pivotal role as a financial bond to promote the integrated development of Guangdong, Hong Kong, and Macao, vigorously promoting connectivity in the Greater Bay Area.

**Expanding the comprehensive financial services.** As a member unit of China Life Group, the Bank gives full play to the comprehensive financial advantages, continuously deepens collaboration with the China Life Group's insurance and investment sectors, consistently innovates customer service models, enhances resource integration capabilities and expands the scale of collaborative business. Thus, comprehensive finance has become a vital driver for the Bank to effectively serve the national development strategy and promote high-quality growth. Focusing on major national strategic regions and key industries such as infrastructure, energy and power, advanced manufacturing, and healthcare and elderly care, the Bank introduces one-stop and full-scenario comprehensive financial service program, covering insurance capital investment, bank credit, transaction settlement, fund custody, and bond underwriting. The Bank adheres to the principle of serving the people through finance, continuously upgrades product and service system of "Double Xin, Double Credit, Two Cards", develops a collaborative management project for premium clients and establishes a collaborative operation system for high-net-worth customers, aiming to meet the diverse financial needs of customers.

**Driving significant success in digital transformation.** The Bank firmly implements the national innovation driven development strategy, continues to promote digital transformation, builds a comprehensive, intelligent and ecological "digital Guangfa" and continuously deepens the digital core competitiveness and differentiation advantages. The Bank effectively implements the requirements for advancing the major sector of digital finance, has achieved significant progresses in terms of technology governance coordination, technological capability enhancement, data control, and independent and controllable capabilities. The Bank continuously improves capabilities in technology research and development, operation and maintenance services, data governance, and foundational digital technology, enriches the "online, scenario-based, and intelligent" financial ecosystem. In terms of services for the customers, the Bank consistently upgrades the Mobile Banking and "Discover Wonders" APPs, focuses on enhancing customer reach and continuously advances personalized consumer scenario layout tailored to individual needs. In terms of services for governments, the Bank promotes multiple digital products such as digital unions, digital bankruptcy, and digital public welfare, builds a business ecosystem for government agencies and improves the quality and efficiency of public services. In terms of services for businesses, the Bank develops a new ecosystem-driven customer acquisition model, launches the "Digital Enterprise Connect" product which provides corporate clients with a one-stop digital comprehensive solution for "people, finance, and operations", effectively supporting enterprises' digital transformation.

**Ensuring robust and effective internal risk control.** The Bank insists on strengthening comprehensive risk management and internal control and compliance construction to ensure high-quality development. The Bank strengthens the comprehensive risk management system, establishes a comprehensive risk management platform, improves the risk management framework with a sound organization and clear responsibility boundaries, continuously optimizes the risk management process, explores the application of data analysis in the intelligent risk control scenario, and effectively improves the intelligent and refined risk management. The Bank actively promotes the culture of compliance, establishes sound compliance risk management processes, strengthens compliance performance across the Bank, continuously enhances anti-money laundering management mechanism, and steadily solidifies the foundation of compliance management.

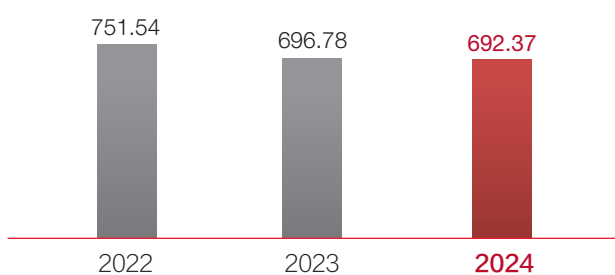
## Summary of Accounting Data and Financial Indicators

### Major Accounting Data and Financial Indicators

Item	2024	2023	2022
<b>Annual operating results (RMB'000)</b>			
Net interest income	49,651,186	51,068,555	55,827,390
Net fee and commission income	10,973,968	11,854,546	12,380,442
Operating income	69,236,690	69,678,308	75,153,958
Operating and administrative expenses	(26,059,073)	(27,108,155)	(26,513,790)
Credit and other asset impairment losses	(23,467,756)	(22,711,013)	(28,696,348)
Operating profit	18,873,402	18,943,605	19,005,164
Gross profit	18,381,938	18,791,349	19,089,303
Net profit	15,284,494	16,018,770	15,528,254
Net profit attributed to shareholders of ordinary shares	13,259,494	13,993,770	13,503,254
Net profit attributed to shareholders of ordinary shares after deducting non-recurring profit and loss	13,640,194	13,999,514	13,324,013
Net cash flow from operating activities	(93,977,606)	86,292,302	(38,659,857)

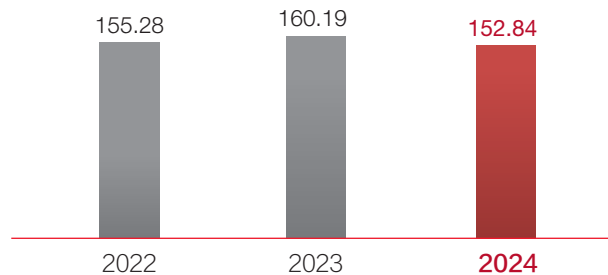
### Operating income

Unit: RMB100 million



### Net profit

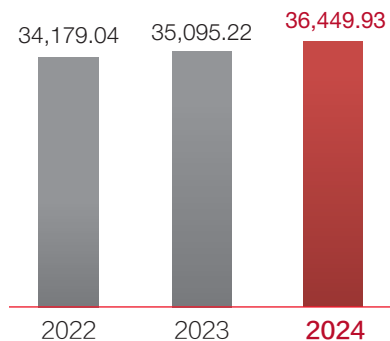
Unit: RMB100 million



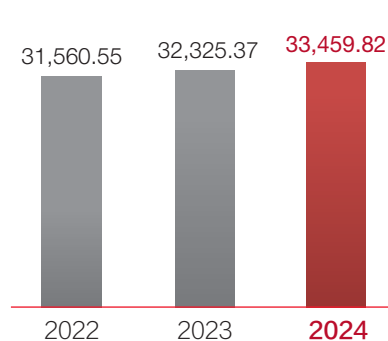
## Summary of Accounting Data and Financial Indicators

Item	2024	2023	2022
<b>At the end of the reporting period (RMB'000)</b>			
Total assets	<b>3,644,992,963</b>	3,509,521,571	3,417,904,232
Gross loans and advances to customers <sup>1</sup>	<b>2,130,871,057</b>	2,073,206,201	2,056,093,345
Loan impairment allowances <sup>2</sup>	<b>(53,518,289)</b>	(52,273,846)	(55,473,122)
Net investment <sup>1</sup>	<b>1,040,401,050</b>	1,008,627,727	951,854,989
Total liabilities	<b>3,345,981,800</b>	3,232,537,285	3,156,054,852
Deposits from customers <sup>1</sup>	<b>2,257,249,475</b>	2,181,525,472	2,169,898,457
Deposits from banks and other financial institutions <sup>1</sup>	<b>376,598,313</b>	411,168,322	372,539,205
Placements from banks and other financial institutions <sup>1</sup>	<b>64,091,401</b>	88,779,817	65,057,041
Shareholders' equity	<b>299,011,163</b>	276,984,286	261,849,380
Total net capital	<b>375,585,387</b>	326,009,476	313,812,573
Net Tier-1 capital	<b>294,458,414</b>	272,648,258	258,161,084
Total risk-weighted assets	<b>2,528,184,666</b>	2,498,637,198	2,420,993,282
<b>Data per share (RMB)</b>			
Net assets per share	<b>13.72</b>	12.71	12.02
Net assets per share attributed to shareholders of ordinary shares	<b>11.43</b>	10.65	9.95
Basic earnings per share attributed to shareholders of ordinary shares <sup>3</sup>	<b>0.61</b>	0.64	0.62
Diluted earnings per share attributed to shareholders of ordinary shares <sup>3</sup>	<b>0.61</b>	0.64	0.62
Basic earnings per share attributed to shareholders of ordinary shares after deducting non-recurring profit and loss <sup>3</sup>	<b>0.63</b>	0.64	0.61
Net cash flow from operating activities per share	<b>(4.31)</b>	3.96	(1.77)

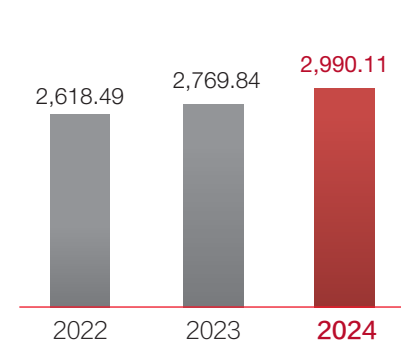
**Total assets** Unit: RMB100 million



**Total liabilities** Unit: RMB100 million



**Shareholders' equity** Unit: RMB100 million



Unit: %

Item	2024	2023	2022
<b>Profitability indicators</b>			
ROAA	0.43	0.46	0.46
Return on weighted average net assets <sup>3</sup>	5.51	6.24	6.40
Return on weighted average net assets after deducting non-recurring profit and loss <sup>3</sup>	5.67	6.24	6.32
Net interest spread <sup>5</sup>	1.40	1.46	1.68
Net interest margin	1.54	1.60	1.81
Net fee and commission income to operating income ratio	15.85	17.01	16.47
Cost-to-income ratio	37.64	38.90	35.28
<b>Asset quality indicators</b>			
Non-performing loan ratio (NPL ratio)	1.53	1.58	1.64
Provision coverage ratio	165.60	160.91	165.83
Provision ratio of credit	2.53	2.54	2.72
<b>Capital adequacy indicators</b>			
Core Tier-1 capital adequacy ratio <sup>4</sup>	9.67	9.11	8.81
Tier-1 capital adequacy ratio <sup>4</sup>	11.65	10.91	10.66
Capital adequacy ratio <sup>4</sup>	14.86	13.05	12.96

Notes: 1. Pursuant to the Notice of the Ministry of Finance on Revising and Issuing the Format of 2018 Financial Statements for Financial Enterprises (Caikuai [2018] No.36), the financial instrument interest provided based on the effective interest method shall be included in the book balance of the corresponding financial instrument and reflected in related statement items but not listed separately as the item of "interest receivable" or "interest payable". The balance of "interest receivable" or "interest payable" listed in the item of "other assets" or "other liabilities" only refers to the interest receivable or payable on related financial instruments but not been received or paid yet as at the balance sheet date. Since the Annual Report 2019, the Bank has adjusted related contents of the financial reports and notes pursuant to the above requirement.

2. Only the loan impairment allowances measured by amortized cost were included.

3. The indicators related to return on net assets and earnings per share are calculated in accordance with Rules on Preparation of Information Disclosures of Companies Publicly Issuing Securities No.9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (revised in 2010) and Accounting Standards for Business Enterprises No. 34 – Earnings per Share. In particular, the Bank issued RMB45 billion of undated capital bonds ("perpetual bonds") in September 2019. Perpetual bond interests of RMB2.025 billion were paid in September of 2024, 2023 and 2022, respectively. In the calculation of "earnings per share" and "return on average weighted net assets", the interest on perpetual bonds issued has been deducted from the numerator.

4. Calculated in accordance with Administrative Measures for the Capital of Commercial Banks.

5. For the year, the yield on interest-earning assets, the interest payment rate on interest-bearing liabilities, and the net interest spread were 3.654%, 2.257% and 1.397%, respectively, each rounded to three decimal places. The net interest spread was 1.40% after rounding to two decimal places.

## Supplementary Financial Indicators

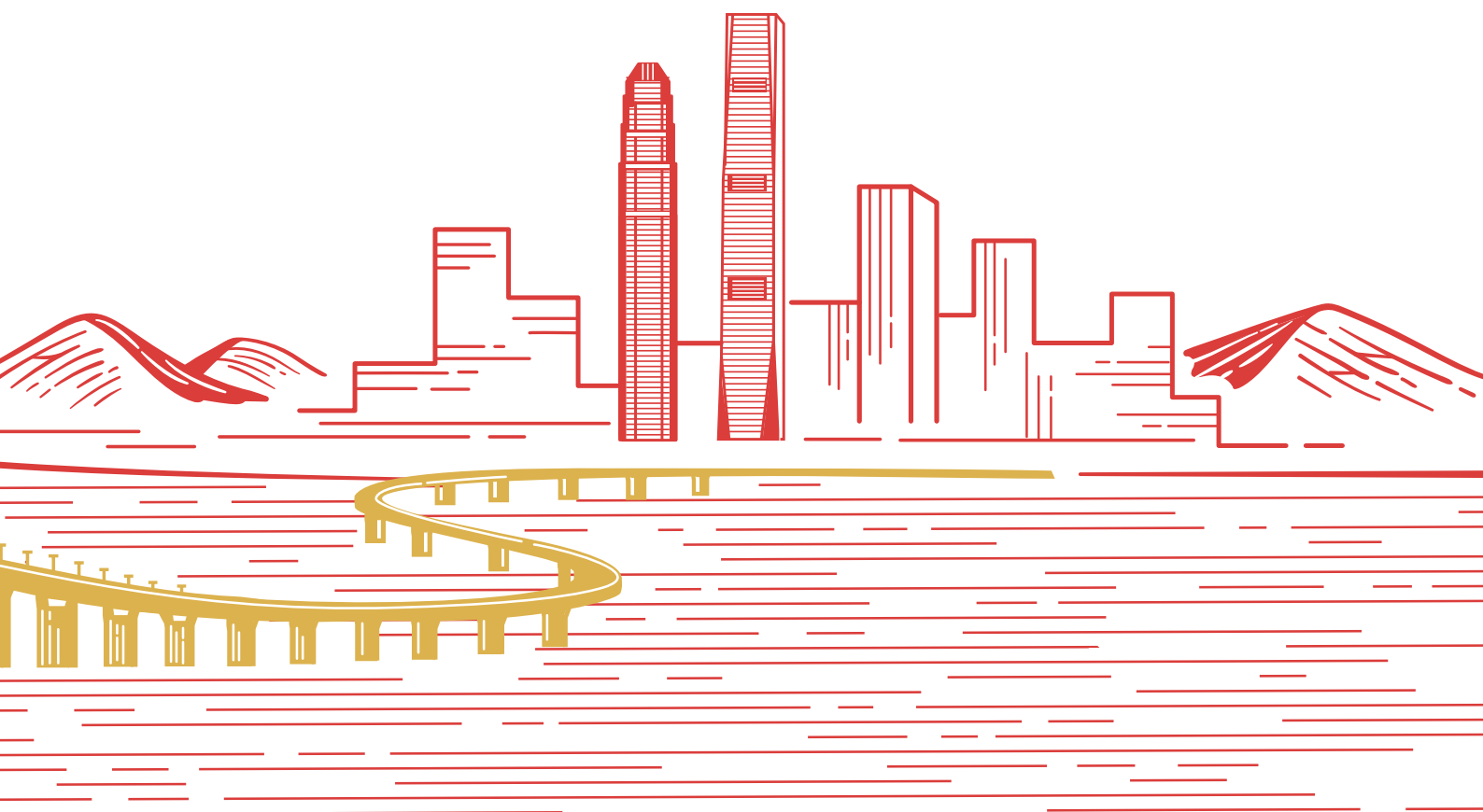
Unit: %

Key Indicator	Regulatory Indicator	End of 2024	End of 2023	End of 2022
Liquidity ratio	Converted into RMB ≥25	72.88	58.60	59.18
The proportion of loans to the largest individual borrower to net capital	≤10	2.18	2.18	2.37
The proportion of loans to the top 10 borrowers to net capital		14.77	15.25	13.67

# Uniting Forces to Chart a New Course, Party Building Leads the Way to Write a New Chapter



Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank comprehensively implements the spirit of the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee, and firmly adheres to the "Nine Requirements" of practice. By advancing comprehensive and strict governance of the Party, the Bank consolidates ideological foundations, strengthens grassroots support, and gathers development momentum. In the process of implementing the strategy of building the nation with a strong financial sector, the Bank forges ahead and takes solid steps on the journey to Chinese-style modernization.



## Economic, Financial and Macroeconomic Environment

During the reporting period, the global economic growth momentum was generally slowed down, with ongoing geopolitical conflicts, complex inflation dynamics, and tensions in international trade. Major economies worldwide successively entered interest rate-cutting cycles, significantly impacting international capital flows, exchange rate fluctuations, and the global trade landscape. The year 2024 marked a critical phase in achieving the goals set forth in the 14th Five-Year Plan. Amid increasing external pressures and intensified internal challenges, the national economy remained generally stable with steady progress. High-quality development advanced solidly, new quality productive forces grew steadily, and reforms and opening-up continued to deepen. Risks in key sectors were effectively mitigated in an orderly manner, while livelihood security remained robust. China made solid strides in advancing its unique path to modernization. Macroeconomic policies reinforced counter-cyclical and cross-cyclical adjustments. The proactive fiscal policies were moderately reinforced with improved quality and efficiency. The prudent monetary policies were flexible, moderate, targeted and effective. The Central Bank upheld supportive monetary policy stance. It took various measures including reserve requirement ratio (RRR) cuts, policy rate reductions, government bond transactions, and expanded structural monetary policy instruments to foster a favorable monetary and financial environment for high-quality economic growth. As of the end of 2024, the balances of RMB loans, broad money (M2), and social financing scale increased by 7.6%, 7.3%, and 8.0% year-on-year, respectively.

Looking forward to 2025, the Central Economic Work Conference highlighted the necessity of adhering to the principles of pursuing progress while ensuring stability, promoting stability through progress, upholding core values while breaking new ground, and establishing the new before abolishing the old. The work conference also underscored the need for systematic integration and coordinated efforts to strengthen the policy toolkit, enhancing the foresight, precision, and effectiveness of macroeconomic regulation. To achieve these goals, the conference proposed implementing a more proactive fiscal policy by increasing the fiscal deficit rate, thus ensuring sustained and robust fiscal support. It also advocated for a moderately accommodative monetary

policy, leveraging both the aggregate and structural functions of monetary policy tools. This includes downward adjusting reserve requirement ratios and interest rates as appropriate to maintain ample liquidity, aligning the growth of social financing and money supply with economic growth and the anticipated targets for the general price level. Key tasks outlined by the conference include vigorously boosting consumption, driving the development of new quality productive forces through scientific and technological innovation, expanding high-standard opening-up, effectively preventing and mitigating risks in key sectors, coordinating the promotion of new urbanization and comprehensive rural revitalization, intensifying the implementation of regional strategies, synergistically advancing carbon reduction, pollution control, green expansion, and business growth, and strengthening efforts to safeguard and improve people's livelihoods. With strong support from a combination of macroeconomic policies, China's economic recovery momentum is expected to solidify further in 2025. Policy-driven consumption demand is likely to sustain its rebound, with emerging economic models such as first-launch economy, ice-and-snow economy, and the silver economy serving as new growth engines. The real estate market is anticipated to maintain its stabilization and recovery momentum, with signs of a recovery in housing demand. As technological upgrades and industrial restructuring continue to progress, China's manufacturing competitiveness is set to improve, driving an acceleration in manufacturing investment. Despite challenges in foreign trade, structural strengths remain evident, and the overall economy is expected to remain on a stable and positive trajectory, creating numerous opportunities for the banking sector to support the high-quality development of the real economy.

Meanwhile, China's economic development still faces challenges such as insufficient domestic demand, operational difficulties for some enterprises, pressure on employment and income growth, and various potential risks. The banking sector also remains under pressure from narrowing interest margins and an increasingly competitive landscape. Going forward, key transformation trends for the sector will include digital empowerment, asset-light operational models, differentiated development strategies, and integrated financial services.

# Review of Operations

## General Business Overview

The Bank thoroughly studied and implemented the spirit of the 20th CPC National Congress, the Second and Third Plenary Sessions of the 20th CPC Central Committee, and the Central Financial Work Conference. Under the strong leadership of the Party Committee of China Life Group, the Bank diligently executed the “Four Stabilities and Four Advancements” strategy, proactively responded to the complex and challenging internal and external situations, thus the operation and management of the Bank maintained a steady progress with continuous improvement. As a result, the Bank’s operations remained stable, with steady progress and sustained improvement. Operating performance remained stable, with annual operating income of RMB69.237 billion and net profit of RMB15.284 billion. The Bank experienced steady growth in scale and volume, recording total assets of RMB3.64 trillion by the end of the year and an increase of 3.86% from the beginning of the year. Thereinto, general corporate loans resulted in a net increase of over RMB100 billion. The balance of deposits was RMB2.26 trillion, up 3.47% from the beginning of the year, while personal assets under management (AUM) reached RMB923.8 billion, and assets under custody exceeded RMB4 trillion. Asset quality continued to improve, with both the non-performing loan (NPL) balance and NPL ratio declining. The provision coverage ratio rose to 165.60%, up 4.7 percentage points from the beginning of the year. Capital strength was further enhanced, with the issuance of RMB76 billion in capital bonds. The capital adequacy ratio and core Tier-1 capital adequacy ratio reached 14.86% and 9.67%, respectively, marking a record high.

## Business Management

**Fulfill responsibility by supporting economy and improving people’s livelihoods.** The Bank increased financial support in key areas and effectively implemented the “Five Major Sectors” of finance. Over the year, the Bank issued a total of RMB789.5 billion in general corporate loans, marking a record high during the 14th Five-Year Plan period. The outstanding balances of loans to the science and technology enterprises, and green finance grew by 25.0%, and 42.3%, respectively, compared to the beginning of the year. Throughout the year, the Bank invested RMB114 billion in local government bonds and underwrote RMB63.7 billion in bonds. The international settlement volume exceeded USD100 billion, and the due diligence on international business project was approved. Upholding the principle of financial services for the people, the Bank completed payment accessibility upgrades and launched a series of initiatives such as “Guangfa Youth”, “Vibrant Campus”, and “Carefree Life”. The Bank expanded social security card eligibility to Beijing, Guizhou, and Shaoguan, upgraded the Mobile Banking App to version 10.0, promoted comprehensive rural revitalization, with the balance of agriculture-related loans increasing by 14% compared to the beginning of the year, and invested over RMB250 billion in supporting “High-Quality Development Project for One Hundred Counties, One Thousand Towns, and Ten Thousand Villages” in Guangdong Province. The Bank implemented a comprehensive set of incremental policies, including adjustments to outstanding mortgage rates and enhancing the efficiency of the urban real estate financing coordination working mechanism, with total loan granting of RMB54.8 billion. Additionally, the Bank put in place a financing coordination mechanism tailored for small and micro enterprises, conducted widespread outreach to thousands of businesses

and households, and obtained substantial growth in both the volume of inclusive loans and the number of these enterprises throughout the year. During the year, the Bank opened 1.9 million new personal pension accounts with cumulative account opening of 3.2 million, solidifying its position at the forefront among joint-stock peers.

**Achieve significant breakthroughs in driving reforms and fostering growth momentum.** The transformation of the Bank’s liability business continued to deepen, with a decrease of the domestic RMB deposit interest rate by 32 basis points (BPs) from the beginning of the year, leading to an improved net interest margin ranking in the market. The balance of deposits of institutional clients surpassed RMB300 billion, and the Bank secured the qualification to handle the collection of non-tax revenue for the central government. In terms of credit card operations, a reform and transformation was implemented in accordance with the principles of “returning to fundamental functions, enhancing risk control and quality enhancement, promoting integrated development, and implementing refined management”. The “Triple Excellence & Triple Advancement” initiative was introduced to shift the focus from issuing new credit cards to strengthening existing operation management. Comprehensive financial services expanded significantly. The Bank successfully completed China Life Group’s reform and innovation pilot schemes in the Guangdong-Hong Kong-Macao Greater Bay Area. In collaboration with the insurance and investment sectors, the Bank implemented projects with a combined scale of approximately RMB150 billion. Products such as “Instant Insurance Claim” and “Anxinbao” yielded remarkable results, and the partnership with Rui Insurance was fully launched. Internal collaboration continued to strengthen, effectively enhancing the integration of retail banking. The customer segmentation management model was further refined, with private banking and wealth management client acquisitions reaching a three-year high. Net new active dual-card accounts increased by 134,000, third-party custody clients grew by 106,000, and payroll services through corporate and banking cooperation exceeded RMB100 billion. The Bank’s digital transformation delivered tangible results. “Digital Enterprise Connect” clients exceeded 30,000, open banking integration partners grew by 24.1%, and branch-level data demand was streamlined through a “one-click subscription” system. Additionally, the distributed banking core project won the First Prize in the “Fintech Development Award” presented by the People’s Bank of China.

**Maintain prudent operations by prioritizing risk management and compliance.** The Bank took prudent measures to control credit risks, implemented a tracking and supervision mechanism for major risk projects and conducted special risk assessments on personal loans. As a result, new NPLs decreased by 8.13% year-on-year. To enhance non-performing asset recovery, the Bank expanded disposal channels by launching first-ever transfer of asset income rights for non-performing personal loans, credit cards, and non-standard wealth management write-offs. The Bank strengthened internal controls and compliance, reinforced anti-money laundering (AML) measures, maintained ongoing employee conduct monitoring, improved internal accountability mechanisms, enforced strict process controls, enhanced audit oversight, and improved coordination between inspection and audit functions to boost efficiency. No major safety and liability incidents occurred during the year.

## Financial Statement Analysis

### Income Statement Analysis

During the reporting period, the Group realized annual operating income of RMB69.237 billion, a decrease of RMB442 million or 0.63% compared to the previous year. This decrease was mainly due to the Group's proactive implementation of national policies to reduce financing costs for enterprises and individuals, leading to a year-on-year decrease in net interest income. The Group achieved a net profit of RMB15.284 billion for the year, a decrease of RMB734 million or 4.58% compared to the previous year.

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Operating income	69,236,690	69,678,308	(441,618)	(0.63)
Including: Net interest income	49,651,186	51,068,555	(1,417,369)	(2.78)
Net fee and commission income	10,973,968	11,854,546	(880,578)	(7.43)
Other non-interest income	8,611,536	6,755,207	1,856,329	27.48
Taxes and surcharges	(836,374)	(915,425)	79,051	(8.64)
Operating and administrative expenses	(26,059,073)	(27,108,155)	1,049,082	(3.87)
Credit impairment losses	(23,464,575)	(22,664,004)	(800,571)	3.53
Other asset impairment losses	(3,181)	(47,009)	43,828	(93.23)
Other operating costs	(85)	(110)	25	(22.73)
Net amount of non-operating incomes and expenses	(491,464)	(152,256)	(339,208)	222.79
Profit before income tax	18,381,938	18,791,349	(409,411)	(2.18)
Income tax	(3,097,444)	(2,772,579)	(324,865)	11.72
Net profit	15,284,494	16,018,770	(734,276)	(4.58)

## Interest Income

During the reporting period, the Group realized an interest income of RMB117.463 billion, a decrease of RMB8.129 billion or 6.47% compared to the previous year, which was mainly due to the Group's increased efforts in serving the real economy, coupled with factors such as the reduction in the Loan Prime Rate (LPR) and the adjustment of outstanding mortgage rates that led to a decrease in loan yield, resulting in an overall year-on-year decrease in interest income.

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Interest income from loans	87,439,095	94,864,306	(7,425,211)	(7.83)
Including: Corporate loans	37,969,700	37,248,652	721,048	1.94
Personal loans	46,026,493	53,205,503	(7,179,010)	(13.49)
Discounted bills	3,442,902	4,410,151	(967,249)	(21.93)
Interest income from investments in financial assets <sup>1</sup>	25,282,584	24,557,981	724,603	2.95
Interest income from deposits with the Central Bank	2,124,408	2,612,888	(488,480)	(18.70)
Interest income from placements with banks and other financial institutions	1,868,152	1,912,666	(44,514)	(2.33)
Interest income from financial assets held under resale agreements	628,057	1,489,603	(861,546)	(57.84)
Interest income from deposits with banks and other financial institutions	120,918	154,421	(33,503)	(21.70)
Total	117,463,214	125,591,865	(8,128,651)	(6.47)

Note 1: Investments in financial assets include debt investments and other debt investments listed in accordance with the New Financial Instrument Standards. Unless specifically stated otherwise, in this section, the financial asset investment items of "interest income" and "net interest income" share the same calculation standard.

## Interest Expense

During the reporting period, the Group's interest expenses amounted to RMB67.812 billion, a decrease of RMB6.711 billion or 9.01% compared to the previous year, which was primarily attributable to the Group's ongoing efforts to optimize its liability structure, which led to a reduction in the interest payment rate of deposits and a corresponding year-on-year decrease in related interest expenses.

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Interest expenses of deposits	44,118,774	53,370,820	(9,252,046)	(17.34)
Interest expenses of loans from the Central Bank	1,575,854	762,514	813,340	106.67
Bond interest expenses	9,686,480	7,690,939	1,995,541	25.95
Interest expenses of deposits from banks and other financial institutions	9,191,620	8,605,710	585,910	6.81
Interest expenses of placements from banks and other financial institutions	1,790,661	2,309,477	(518,816)	(22.46)
Interest expenses of financial assets sold under repurchase agreements	1,448,639	1,783,850	(335,211)	(18.79)
Total	67,812,028	74,523,310	(6,711,282)	(9.01)

## Financial Statement Analysis

### Net Interest Income

During the reporting period, the Group achieved a net interest income of RMB49.651 billion, a decrease of RMB1.417 billion or 2.78% compared to the previous year. The Group actively responded to and implemented various national policies by increasing credit support in key sectors and adjusting outstanding mortgage loan interest rates in accordance with regulatory policies to effectively reduce financing costs for enterprises and individuals, thus resulting in an overall decline in net interest income.

### Interest-earning assets and interest-bearing liabilities

Unit: RMB'000

Item	2024			2023		
	Daily average balance	Interest income/expenses	Average yield/cost (%)	Daily average balance	Interest income/expenses	Average yield/interest payment rate (%)
Assets						
Loans and advances to customers	2,100,840,288	87,439,095	4.16	2,054,899,954	94,864,306	4.62
Investment in financial assets <sup>1</sup>	858,009,403	25,282,584	2.95	802,479,545	24,557,981	3.06
Deposits with the Central Bank	144,781,784	2,124,408	1.47	181,347,433	2,612,888	1.44
Deposits and placements with banks and other financial institutions <sup>2</sup>	111,399,086	2,617,127	2.35	154,289,752	3,556,690	2.31
<b>Total interest-earning assets</b>	<b>3,215,030,561</b>	<b>117,463,214</b>	<b>3.65</b>	<b>3,193,016,684</b>	<b>125,591,865</b>	<b>3.93</b>
Liabilities						
Deposits from customers	2,015,010,774	44,118,774	2.19	2,175,379,878	53,370,820	2.45
Loans from the Central Bank	62,485,484	1,575,854	2.52	31,084,315	762,514	2.45
Deposits and placements from banks and other financial institutions <sup>3</sup>	536,246,067	12,430,920	2.32	523,287,677	12,699,037	2.43
Bonds payable	390,224,451	9,686,480	2.48	282,025,154	7,690,939	2.73
<b>Total interest-bearing liabilities</b>	<b>3,003,966,776</b>	<b>67,812,028</b>	<b>2.26</b>	<b>3,011,777,024</b>	<b>74,523,310</b>	<b>2.47</b>
Net interest income		49,651,186			51,068,555	
Net interest spread <sup>4</sup>			1.40			1.46
Net interest margin			1.54			1.60

- Notes: 1. Investments in financial assets include debt investments and other debt investments listed in accordance with the New Financial Instrument Standards.
2. Deposits and placements with banks and other financial institutions mainly include deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements.
3. Deposits and placements from banks and other financial institutions mainly include deposits from banks and other financial institutions, placements from banks and other financial institutions, and financial assets sold under repurchase agreements.
4. For the year, the yield on interest-earning assets, the interest payment rate on interest-bearing liabilities, and the net interest spread were 3.654%, 2.257% and 1.397%, respectively, each rounded to three decimal places. The net interest spread was 1.40% after rounding to two decimal places.

## Categories, Daily Average Balance, and Average Annual Interest Rate of Loans

Unit: RMB'000

Item	Daily average balance	Average annual interest rate (%)
Loans	2,100,840,288	4.16
Including: General loans (excluding discounted amount)	1,883,716,144	4.46
Discounted amount	217,124,144	1.59

## Main Categories, Daily Average Balance, and Average Annual Interest Rate of Deposits

Unit: RMB'000

Item	Daily average balance	Average annual interest rate (%)
Deposits	2,015,010,774	2.19
Including: Corporate deposits	1,420,749,976	2.19
Individual deposits	594,260,798	2.20

## Changes of the net interest income and volume and interest rate

Unit: RMB'000

	Causes for change (2024 versus 2023)		
	Volume	Interest rate	Net increase/(decrease)
Assets			
Loans and advances to customers	2,120,832	(9,546,043)	(7,425,211)
Investment in financial assets	1,699,359	(974,756)	724,603
Deposits with the Central Bank	(526,845)	38,365	(488,480)
Deposits and placements with banks and other financial institutions	(988,716)	49,153	(939,563)
<b>Change of interest income</b>	<b>2,304,630</b>	<b>(10,433,281)</b>	<b>(8,128,651)</b>
Liabilities			
Deposits from customers	(3,934,499)	(5,317,547)	(9,252,046)
Loans from the Central Bank	770,287	43,053	813,340
Deposits and placements from banks and other financial institutions	314,472	(582,589)	(268,117)
Bonds payable	2,950,638	(955,097)	1,995,541
<b>Change of interest expenses</b>	<b>100,898</b>	<b>(6,812,180)</b>	<b>(6,711,282)</b>
<b>Change of net interest income</b>	<b>2,203,732</b>	<b>(3,621,101)</b>	<b>(1,417,369)</b>

Note: The change of volume is measured based on the change of the average balance, and the change of interest rate is measured based on the change of the average interest rate. The changes attributable to both volume and interest rate changes are reflected in the change of interest rate.

## Financial Statement Analysis

### Net interest spread and net interest margin

During the reporting period, the Group's net interest spread was 1.40%, a decrease of 6 basis points compared to the previous year. The net interest margin was 1.54%, a decrease of 6 basis points compared to the previous year. On the liability side, the Group strengthened deposit pricing controls and optimized the liability structure. Therefore, during the reporting period, the interest payment rate for RMB deposits declined compared to the previous year. On the asset side, the Group continued to increase credit support in key sectors such as inclusive finance, green finance, strategically emerging industries, technological innovation, and medium- and long-term manufacturing, and lowered interest rates on outstanding housing loans to help effectively reduce financing costs for customers. All the above efforts, coupled with loan repricing effects and the impact of changes in market interest rates, resulted in a decline in asset-side yields.

Item	2024 (%)	2023 (%)	Increase or decrease (basis point)
Yield on interest-earning assets	3.65	3.93	(28)
Interest payment rate on interest-bearing liabilities	2.26	2.47	(21)
Net interest spread	1.40	1.46	(6)
Net interest margin	1.54	1.60	(6)

Note: For the year, the yield on interest-earning assets, the interest payment rate on interest-bearing liabilities, and the net interest spread were 3.654%, 2.257% and 1.397%, respectively, each rounded to three decimal places. The net interest spread was 1.40% after rounding to two decimal places.

### Non-interest Income

During the reporting period, the Group realized a net non-interest income of RMB19.586 billion, an increase of RMB976 million or 5.24% compared to the previous year, which was mainly due to the increase in investment gains from financial assets.

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Net fee and commission income	10,973,968	11,854,546	(880,578)	(7.43)
Investment gains	6,671,903	5,553,955	1,117,948	20.13
Gains arising from changes in fair value	1,450,385	878,965	571,420	65.01
Foreign exchange gains	360,348	212,586	147,762	69.51
Other income <sup>1</sup>	128,900	109,701	19,199	17.50
Total	19,585,504	18,609,753	975,751	5.24

Note: 1. Includes other business income, gains from disposals of assets and other gains.

**Breakdown of net fee and commission income**

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Fee and commission income:				
Settlement and clearing fees income	862,003	676,380	185,623	27.44
Agency service fees income	964,284	1,110,794	(146,510)	(13.19)
Bank card fees income	10,980,741	12,570,790	(1,590,049)	(12.65)
Consultancy and advisory fees income	321,636	294,723	26,913	9.13
Custody service fees income	587,366	581,483	5,883	1.01
Guarantees and commitment fees income	695,178	802,883	(107,705)	(13.41)
Commission on wealth management products	584,212	431,662	152,550	35.34
Bond underwriting fees income	340,005	465,444	(125,439)	(26.95)
Other fee income	294,877	79,012	215,865	273.21
Subtotal	15,630,302	17,013,171	(1,382,869)	(8.13)
Less: Fee and commission expenses	4,656,334	5,158,625	(502,291)	(9.74)
Net fee and commission income	10,973,968	11,854,546	(880,578)	(7.43)

**Operating and Administrative Expenses**

During the reporting period, the Group's operating and administrative expenses amounted to RMB26.059 billion, a decrease of RMB1.049 billion or 3.87% compared to the previous year.

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Staff costs	15,948,500	16,295,058	(346,558)	(2.13)
Depreciation, amortization and lease expenses	4,628,765	4,611,115	17,650	0.38
Other operating and administrative expenses	5,481,808	6,201,982	(720,174)	(11.61)
Total	26,059,073	27,108,155	(1,049,082)	(3.87)

## Financial Statement Analysis

### Credit and Other Asset Impairment Losses

During the reporting period, the Group recorded an asset impairment losses of RMB23.468 billion, an increase of RMB757 million or 3.33% compared to the previous year, which was mainly due to the Group's enhanced risk control in key areas, continuously solidifying asset quality, and enhancing risk resilience.

Unit: RMB'000

Item	2024	2023	Increase/ decrease	Growth rate (%)
Impairment losses on loans and advances to customers	23,448,252	23,372,245	76,007	0.33
Impairment losses on investment in financial assets	52,453	(148,098)	200,551	N/A
Impairment losses on inter-bank business	167,214	27,073	140,141	517.64
Impairment losses on off-balance sheet operations	(237,758)	(667,006)	429,248	N/A
Impairment losses on foreclosed assets	3,181	7,229	(4,048)	(56.00)
Other	34,414	119,570	(85,156)	(71.22)
Total	23,467,756	22,711,013	756,743	3.33

### Balance Sheet Analysis

#### Assets

At the end of 2024, the Group's total assets amounted to RMB3,644.993 billion, an increase of RMB135.471 billion or 3.86% compared to the beginning of the year.

Unit: RMB'000

Item	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Gross loans and advances to customers	2,130,871,057	58.46	2,073,206,201	59.07
Less: Loan impairment allowances <sup>1</sup>	(53,518,289)	(1.47)	(52,273,846)	(1.49)
Net loans and advances to customers	2,077,352,768	56.99	2,020,932,355	57.58
Net investment	1,040,401,050	28.54	1,008,627,727	28.74
Cash and deposits with the Central Bank	153,784,429	4.22	231,997,008	6.61
Net deposits and placements with banks and other financial institutions	100,746,952	2.76	72,413,652	2.06
Financial assets held under resale agreements	204,960,427	5.62	112,252,131	3.20
Other	67,747,337	1.87	63,298,698	1.81
Total	3,644,992,963	100.00	3,509,521,571	100.00

Note: 1. Only the loan impairment allowances measured by amortized cost are included.

## Loans

At the end of 2024, the Group's loan balance was RMB2,130.871 billion, an increase of RMB57.665 billion or 2.78% compared to the beginning of the year.

### Loans classified by business

At the end of 2024, the Group's corporate loan balance amounted to RMB1,059.164 billion, an increase of RMB82.339 billion or 8.43% compared to the beginning of the year. The personal loan balance stood at RMB855.911 billion, a decrease of RMB27.662 billion or 3.13% compared to the beginning of the year. The balance of discounted amount was RMB209.072 billion, an increase of RMB2.344 billion or 1.13% compared to the beginning of the year.

Unit: RMB'000

Item	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans	1,059,164,058	49.70	976,824,794	47.12
Including: Working capital loans	812,103,441	38.11	724,233,565	34.93
Fixed asset loans	210,152,337	9.86	209,870,581	10.12
Trade financing	17,799,619	0.83	24,761,963	1.19
Other corporate loans	19,108,661	0.90	17,958,685	0.88
Personal loans	855,910,824	40.17	883,572,358	42.62
Including: Individual housing mortgage	254,209,491	11.93	266,542,293	12.86
Credit card overdraft	392,846,050	18.44	424,878,847	20.49
Other personal loans	208,855,283	9.80	192,151,218	9.27
Discounted amount <sup>1</sup>	209,072,448	9.81	206,728,240	9.97
Accrued interest	6,723,727	0.32	6,080,809	0.29
Total	2,130,871,057	100.00	2,073,206,201	100.00

Note: 1. Discounted amount comprises the amounts of bill discounting, letter of credit discounting, forfeiting, and document negotiation of domestic letter of credit.

# Financial Statement Analysis

Loans classified by region

Unit: RMB'000

Item	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
Head Office	392,854,712	18.44	424,887,608	20.50
Pearl River Delta	521,255,815	24.46	501,566,769	24.19
Yangtze River Delta	446,198,674	20.94	404,922,444	19.53
Central and Western Regions	430,219,997	20.19	403,430,770	19.46
Bohai Rim	297,762,087	13.97	305,659,459	14.74
Overseas	35,856,045	1.68	26,658,342	1.29
Accrued interest	6,723,727	0.32	6,080,809	0.29
Total	2,130,871,057	100.00	2,073,206,201	100.00

Loans classified by collateral

Unit: RMB'000

Collateral	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
Unsecured loans	960,846,859	45.09	902,610,963	43.54
Guaranteed loans	569,545,326	26.73	561,421,958	27.08
Loans secured by mortgages	532,580,311	24.99	544,450,511	26.26
Loans secured by pledges	61,174,834	2.87	58,641,960	2.83
Accrued interest	6,723,727	0.32	6,080,809	0.29
Total	2,130,871,057	100.00	2,073,206,201	100.00

*Top 10 borrowers*

At the end of 2024, the top 10 borrowers of the Group had a total balance of RMB55.462 billion, accounting for 2.60% of the total loan balance at the end of the period, and 14.77% of the net capital. The largest single customer loan balance of the Group was RMB8.2 billion, accounting for 0.38% of the total loan balance at the end of the period, and 2.18% of the net capital.

*Unit: RMB'000*

Borrower	Balance of loans	Percentage of net capital (%)	Percentage of total loan balance
			at the end of the period (%)
Client 1	8,200,000	2.18	0.38
Client 2	8,069,073	2.15	0.38
Client 3	6,932,990	1.85	0.33
Client 4	6,829,260	1.82	0.32
Client 5	5,553,384	1.48	0.26
Client 6	4,774,250	1.27	0.22
Client 7	4,000,000	1.07	0.19
Client 8	4,000,000	1.07	0.19
Client 9	3,608,970	0.96	0.17
Client 10	3,494,329	0.92	0.16
Total	55,462,256	14.77	2.60

Note: The statistics of the top 10 borrowers include discounted amount.

# Financial Statement Analysis

## Investment

The Group’s financial assets held for trading, debt investments, other debt investments, other equity instrument investments and long-term equity investments include financial assets such as securities, funds, beneficiary plans and equity investments.

### Investments classified by accounting items

At the end of 2024, the Group’s investment balance amounted to RMB1,040.401 billion, an increase of RMB31.773 billion or 3.15% compared to the beginning of the year.

Unit: RMB'000

Item	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets held for trading	136,102,655	13.08	119,641,206	11.86
Debt investments	465,033,069	44.70	536,401,090	53.18
Other debt investments	433,848,346	41.70	347,714,836	34.47
Other equity instrument investments	5,416,980	0.52	4,870,595	0.49
Long-term equity investments	-	-	-	-
Total	1,040,401,050	100.00	1,008,627,727	100.00

### Investments classified by investment products

At the end of 2024, the Group adapted to market changes by rationally adjusting investment structure and moderately increasing investment scale.

Unit: RMB'000

Category	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	473,015,792	45.47	535,280,276	53.07
Bills and financial bonds of Central Bank	420,463,110	40.41	327,066,741	32.43
Other bonds <sup>1</sup>	15,633,019	1.50	15,751,016	1.56
Other investments <sup>2</sup>	131,289,129	12.62	130,529,694	12.94
Long-term equity investment	-	-	-	-
Total	1,040,401,050	100.00	1,008,627,727	100.00

Notes: 1. Other bonds mainly refer to corporate bonds.

2. Other investments mainly include investments in funds, beneficial interests of trust plans, beneficial interests of asset management plans, etc.

*Investments classified by remaining maturity**Unit: RMB'000*

Remaining maturity	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Undated	5,416,980	0.52	4,870,595	0.48
Within 3 months	157,328,849	15.12	93,768,538	9.30
3-12 months	217,506,339	20.91	138,686,632	13.75
1-5 years	376,278,927	36.17	510,667,158	50.63
Over 5 years	283,869,955	27.28	260,634,804	25.84
Total	1,040,401,050	100.00	1,008,627,727	100.00

*Long-term Equity Investments*

During the reporting period, the Group did not hold any long-term equity investments.

**Liabilities**

At the end of 2024, the Group's total liabilities amounted to RMB3,345.982 billion, an increase of RMB113.445 billion or 3.51% compared to the beginning of the year.

*Unit: RMB'000*

Item	31 December 2024		31 December 2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Deposits from customers	2,257,249,475	67.46	2,181,525,472	67.49
Deposits from banks and other financial institutions	376,598,313	11.26	411,168,322	12.72
Financial assets sold under repurchase agreements	148,331,064	4.43	167,722,913	5.19
Bonds issued	430,824,994	12.88	276,173,702	8.54
Other liabilities	132,977,954	3.97	195,946,876	6.06
Total	3,345,981,800	100.00	3,232,537,285	100.00

Financial Statement Analysis

Deposits

At the end of 2024, the Group’s customer deposit balance amounted to RMB2,257.249 billion, an increase of RMB75.724 billion or 3.47% compared to the beginning of the year.

Deposits classified by business

At the end of 2024, the Group’s time deposit balance was RMB1,536.890 billion, an increase of RMB286.578 billion or 22.92% compared to the beginning of the year. The demand deposit balance was RMB676.258 billion, a decrease of RMB216.592 billion or 24.26% compared to the beginning of the year. The deposit structure was adjusted mainly due to factors such as the decline in customer risk appetite and the increase in customer demand for investment in time deposit products.

Unit: RMB’000

Item	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
Corporate deposits	1,578,168,353	69.92	1,561,678,744	71.59
Including: Demand deposits	507,276,017	22.47	733,883,239	33.64
Time deposits	1,070,892,336	47.45	827,795,505	37.95
Individual deposits	634,979,501	28.13	581,483,590	26.65
Including: Demand deposits	168,981,951	7.49	158,967,121	7.29
Time deposits	465,997,550	20.64	422,516,469	19.36
Other deposits	425,739	0.02	1,062,688	0.05
Accrued interest	43,675,882	1.93	37,300,450	1.71
Total	2,257,249,475	100.00	2,181,525,472	100.00

Deposits classified by remaining maturity

Unit: RMB’000

Remaining maturity	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
Demand/spot	716,426,545	31.74	941,687,514	43.17
Within 3 months	360,386,902	15.96	343,913,367	15.76
3-12 months	503,028,451	22.29	349,924,233	16.04
1-5 years	650,798,372	28.83	542,383,094	24.86
Over 5 years	26,609,205	1.18	3,617,264	0.17
Total	2,257,249,475	100.00	2,181,525,472	100.00

## Changes in Shareholders' Equity

Unit: RMB'000

Item	31 December 2024	Increase in the current period	Decrease in the current period	31 December 2023
Share capital	21,789,861	–	–	21,789,861
Other equity instruments	50,000,000	50,000,000	44,991,071	44,991,071
Capital reserve	53,306,614	–	9,344	53,315,958
Other comprehensive income	9,115,391	5,585,665	–	3,529,726
Surplus reserve	18,887,917	1,500,558	–	17,387,359
General risk reserve	43,640,419	2,956,618	–	40,683,801
Undistributed profits	102,270,961	15,284,494	8,300,043	95,286,510
Total shareholders' equity	299,011,163	75,327,335	53,300,458	276,984,286

Notes: The main reasons for changes in shareholders' equity:

1. During the reporting period, the Group retained net profit and undistributed profits increased.
2. The Group appropriated 10% of its net profit for the year to the statutory surplus reserve.
3. The increase in other comprehensive income for the period was mainly due to gains arising from the upward movement in fair value of financial assets measured at fair value through other comprehensive income (FVOCI).
4. The Group appropriated 1.5% of its risk asset balance (before impairment provisions) on 31 December 2024 to general risk reserve.

## Cash Flow Statement Analysis

At the end of 2024, the balance of cash and cash equivalents of the Group amounted to RMB268.344 billion, representing an increase of RMB59.413 billion or 28.44% compared to the previous year.

The net cash outflow from operating activities was RMB93.978 billion, and the net cash inflows from operating activities for the previous year was RMB86.292 billion, mainly due to the net decrease in deposits absorbed and deposits from banks and other financial institutions in the current year, resulting in a net cash outflow, while the net increase in deposits absorbed and deposits from banks and other financial institutions and borrowings from the Central Bank in the previous year, resulting in a net cash inflow.

The net cash inflow from investment activities amounted to RMB8.673 billion, an increase of RMB36.487 billion from the previous year, mainly due to an increase in the cash recovered from investments during the year compared to the same period of the previous year.

The net cash inflow from financing activities amounted to RMB144.575 billion, compared to a net cash outflow of RMB28.721 billion in the previous year. This was mainly due to an increase in cash payments for debt repayment compared to the previous year, a decrease in cash received from issuing bonds compared to the previous year, and no cash inflow from capital injections this year.

# Financial Statement Analysis

## Segment Reporting

### Segment Operating Results by Region

Unit: RMB'000

Region	Total assets	Operating income	Gross profit
Head Office	628,823,828	21,257,483	(3,639,536)
Yangtze River Delta	1,809,224,519	21,093,728	15,039,004
Pearl River Delta	926,626,538	12,212,494	3,765,808
Bohai Rim	628,289,171	6,448,675	1,287,632
Central and Western Regions	443,006,539	7,746,855	1,902,089
Overseas	88,081,479	477,455	26,941
Elimination among regions	(879,059,111)		
Total	3,644,992,963	69,236,690	18,381,938

### Segment Operating Results classified by Business Type

In 2024, the Group's total assets of corporate banking business reached RMB1,169.629 billion, with operating income of RMB22.190 billion. Its total assets of retail banking and credit card business reached RMB854.694 billion, with operating income of RMB31.350 billion; and its total assets of fund operations and other business reached RMB1,620.670 billion, with operating income of RMB15.697 billion.

## Financial Position and Operating Results of the Group

### Changes of Main Financial Indicators and Corresponding Reasons

Unit: RMB'000

Item	31 December 2024	31 December 2023	Increase/ decrease over the end of the previous year (%)	Brief reasons
Total assets	3,644,992,963	3,509,521,571	3.86	Increase in interbank assets
Total liabilities	3,345,981,800	3,232,537,285	3.51	Increase in deposits and issuance of interbank negotiable certificates of deposit
Shareholders' equity	299,011,163	276,984,286	7.95	Net profit retention
Net profit	15,284,494	16,018,770	(4.58)	Enhancement of risk resilience and reasonable increase in provisions

## Information of the Main Items with Changes over 30% in Accounting Statement

Unit: RMB'000

Major accounting items	31 December 2024	Increase/ decrease over the end of the previous year (%)	Brief reasons
Gains arising from changes in fair value	1,450,385	65.01	The Group seized trading opportunities to increase gains from changes in fair value and foreign exchange.
Foreign exchange gains	360,348	69.51	

## Other Financial Information

## Major Off-balance Sheet Items

Unit: RMB'000

Item	31 December 2024	31 December 2023	31 December 2022
Loan commitments	42,558,585	37,063,294	33,222,080
Bank acceptance	349,715,941	304,284,069	329,512,744
Letters of guarantees	60,774,786	60,408,210	58,801,983
Letters of credit	95,884,191	70,526,475	67,319,844
Financial derivatives	2,495,808,137	1,895,504,521	2,129,373,838
Capital commitments <sup>1</sup>	4,254,020	4,564,266	5,889,542
Credit cards unused overdraft limit	818,097,160	853,128,231	850,341,459
Bonds redemption commitments	2,001,373	1,868,348	1,841,535

Note: 1. Capital commitments only include capital commitments that have been contracted but not provided.

## Change in Off-balance Sheet Interest Receivable

Unit: RMB'000

Item	Opening balance	Closing balance
Off-balance sheet interest receivable	6,738,080	7,247,745

# Business Overview

## Corporate Finance Business

The Bank's corporate finance adhered to the working approach of "Four Stabilities and Four Advancements", focusing on "Five Major Sectors" and returning to its main responsibility and core business of serving the real economy. Upholding the business development philosophy of "deposits fuel operations, assets reign supreme, revenue forms the bedrock, mechanism provides guaranty and asset quality is paramount", the Bank continuously strengthened team building, and created a new ecosystem for the corporate finance business of China Guangfa Bank.

## Corporate Deposits and Loans Business

The Bank remained committed to implementing the decisions and deployments of the CPC Central Committee and serving the national and regional development strategies. Centering around the "Two New Initiatives", the Bank continuously increased financial supply, aimed at building a financially robust country, and achieved synchronous development between its own growth and socio-economic progress. By the end of 2024, the Bank's effective credit disbursement exceeded RMB1 trillion.

The Bank was committed to promoting the high-end, intelligent and green development of the manufacturing industry, with a focus on key areas and weak links, and made all efforts to expand manufacturing enterprises that align with the national strategic orientation and regulatory requirements. By the end of 2024, the incremental amount of loans to the manufacturing industry and medium- and long-term loans to the manufacturing industry exceeded RMB30 billion for two consecutive years. Among them, the balance of medium- and long-term loans to the manufacturing industry increased by 35.68% compared to the beginning of the year.

Adhering to the major policy principle of "Two Unwaverings Commitments", the Bank improved the long-term mechanism of "assured, willing and capable lending", implemented the system of liability exemption based on due diligence, and further optimized the financial services for private enterprises, helping them integrate into the new development landscape. By the end of 2024, the credit balance for private enterprises increased by 7.26% compared to the beginning of the year, and the number of private enterprise credit customers served was approximately 200,000, with steady growth in loans to private enterprises, which showed a steady expansion of private enterprise customer groups, and further reductions in financing costs.

The Bank actively fulfilled the mission and responsibility as a financial enterprise directly managed by the central government, intensifying efforts to support the allocation of loans for scientific and technological innovation and technological transformation. Leveraging its own strengths, the Bank actively sought ways to start business, innovated product services based on customer needs, and continuously improved the quality and efficiency of its financial services. By the end of 2024, the Bank signed equipment renewal and re-loan projects of RMB1.576 billion under the approved list, with a loan extension of RMB337 million.

Fully implementing the spirit of the Central Financial Work Conference, the Bank prioritized the development of technology finance and supported various working mechanisms and resources. The Bank continuously improved the exclusive brand of science and technology finance, "intelligent financing for science and technology innovation", and enriched the types of technology finance products and services. By the end of 2024, the balance of loans for science and technology enterprises increased by 24.96% compared to the beginning of the year.

Focusing on customers in the segmented fields of new energy vehicles, clean energy such as photovoltaics, wind power and energy storage, and the green transformation needs of traditional energy and chemical industries, the Bank promoted the steady growth in the scale of its green finance business through the application of comprehensive financial products, product innovation and differentiated credit policies. By the end of 2024, the balance of green loans exceeded RMB200 billion, representing a year-on-year increase of 42.30%.

Focusing on strategically emerging industries such as new-generation information technology, high-end equipment manufacturing and biomedicine, the Bank highlighted product innovation and continuously enhanced support for strategically emerging sectors through implementing differentiated credit policies. By the end of 2024, the balance of loans for strategically emerging industries increased by 25.78% compared to the beginning of the year.

The Bank, with a focus on "deposits fuel operations" working approach and based on the corporate liability business guidelines and the deposit growth strategies, conducted in-depth analysis of the deposit growth applications in specific scenarios, industries and products. Aligning with regulatory policies and industry practices, the Bank strengthened the thinking of synergistic deposit growth through product portfolios and introduced the "five strategies" for corporate deposit growth. The Bank coordinated with comprehensive financial services, payment and settlement, and asset custody businesses, leveraged the advantages of digital products for online deposit expansion, seized market opportunities in bill-related businesses, enhanced the payment and settlement services for key customers, and fully utilized key products such as large-denomination certificates of deposit, structured deposits and corporate wealth management products. The Bank implemented targeted measures to strengthen deposit expansion, and leveraged regional advantages to create distinctive deposit growth features. The Bank achieved a reduction in the average cost of basic deposits from corporate clients and ongoing optimization of its deposit structure.

The Bank was committed to providing high-quality, efficient and professional financial services to institutional customers at all levels and across various sectors, strengthened the collaboration based on headquarters-level for key businesses areas, and continuously deepened the cooperation between the government and the Bank. Leveraging the advantages of "finance + technology", the Bank focused on multiple industries and ecological scenarios, innovatively launched three digital products, namely the digital hospital account processing center, digital education cloud payment and digital health care, and cumulatively launched 10 institutional digital products, continuously providing innovative and scenario-based financial service solutions for relevant government departments. By the end of 2024, the deposits balance of institutional customers exceeded RMB300 billion, and the average daily deposit exceeded RMB260 billion, achieving a double breakthrough in balance and average daily amount.

## Cross-border Finance Business

The Bank continuously implemented the decisions and deployments of the CPC Central Committee on financial work, and actively served the national development pattern of "Dual Circulation". The Bank effectively supported cross-border business to serve the real economy and facilitate trade and investment, and deeply promoted the key task of high-level opening up.

The Bank actively promoted the effective implementation of facilitation policies. Firstly, the Bank strategically promoted the pilot programs of

trade payment and settlement facilitation and the high-level opening up of cross-border trade and investment. During the reporting period, the Bank's branches in Beijing, Shanghai, Guangzhou, Shenzhen, Dalian and Harbin were approved for facilitation or high-level pilot qualifications, enabled to provide cross-border trade payment and settlement facilitation services for high-quality pilot enterprises. Secondly, the Bank continuously improved "Cross-border Instantaneous series products", further enhanced the facilitation level and competitiveness of its cross-border settlement products, and launched facilitation functions such as "One Click Remittance" and "Marine Freight Snapshot Remittance", providing clients with better and more convenient cross-border settlement services. By the end of 2024, the Bank's international settlement volume reached USD112.14 billion.

Being rooted in the Greater Bay Area, the Bank fully leveraged the synergistic effects of both domestic and overseas markets and resources, and promoted the high-quality development of foreign trade finance through high-level opening up. During the reporting period, the total cross-border linkage financing volume of the Bank reached RMB48.6 billion. The Bank actively responded to the development trends of trade digitalization and green transformation, leveraged technological empowerment to continuously take the advantages of multiple platforms such as the "Single Window" of the General Administration of Customs and the Cross-border Financial Service Platform of the State Administration of Foreign Exchange, and utilized the new momentum of products such as export credit insurance to further facilitate cross-border investment and financing of enterprises, thereby providing convenient and safe comprehensive financial services for foreign trade enterprises.

### "Supply Chain Finance + Bills" Business

The Bank thoroughly implemented the decisions and arrangements of the CPC Central Committee and the State Council, and regarded serving the real economy as the solid cornerstone of its own development with a high sense of responsibility and mission. Combined with the actual demands of enterprises in the industrial chain, the Bank promoted the scenario-based and online development of corporate bill and supply chain finance businesses, and continuously enhanced the quality and efficiency of its services to the real economy.

Focusing on the settlement and financing needs of core enterprises and their upstream and downstream customers, the Bank continuously improved the "E-second Supply Chain" and "E-second Bills" product series, optimized resource allocation, strengthened internal coordination, achieved multi-product coverage and multiple breakthroughs, and enhanced the supply of corporate bill and supply chain finance products. The Bank integrated and launched business models such as electronic credit certificates factoring and inter-bank re-factoring, while optimizing and upgrading premium products such as "Bao Fu Tong", "E-chain Discount" and "Chan Shang Yin" to provide guarantees for the collaborative development of upstream and downstream enterprises in the supply chain. During the reporting period, the Bank's customer groups for supply chain financing continued to expand, with a year-on-year growth of 59.5% in the number of cumulative financing customers.

The Bank continuously promoted the online process of corporate bill and supply chain finance businesses, providing differentiated, open and ecological one-stop financial services based on customer groups and scenarios. The Bank promoted the launch of system functions such as intelligent identification of business materials, intelligent verification of business invoices, online review of standard contracts and automatic registration of movable property, and continuously optimized the full-process operation such as business approval, contract signing, billing and post-loan management, so as to enhance the customer service quality.

### Cash Management Business

Centered on innovative and distinctive products and supported by channels, the Bank achieved scenario and ecological sharing and interconnectivity in industries such as insurance, education, bidding and tendering, as well as fund supervision. The Bank was committed to satisfying the needs of customers for one-stop comprehensive financial services, assisted the customers in achieving digital transformation and upgrading and sustainable development, and jointly built a distinctive collaborative ecosystem between customer and the Bank which integrated large, medium and small-sized enterprises, aligned supply and demand in key scenarios and ensured robust public service support.

**Innovative Product Upgrade.** The Bank iterated on traditional products such as "Intelligent, Pool and Guarantee", launched innovative services like "E-Supervision" and "Instant Insurance Claim", established a finance service center for corporate customers, continuously enhanced the "finance + scenario" comprehensive service capabilities of cash management business, providing customized cash management solutions for customers through diversified service models and achieving steady growth in customers, products, scale and services of its cash management business. By the end of 2024, the number of customers for "smart cash management" series products reached 47,600.

**Customer Experience Enhancement.** The Bank's corporate mobile banking focused on financial scenarios such as "corporate account enquiries, transfers, approvals, reconciliations, international business and electronic drafts", thereby creating convenient and efficient mobile financial services and continuously improving the user experience of "handling business and approving transactions anytime and anywhere". The corporate online banking continued to promote "online corporate business" and the "customer experience optimization plan", optimized and upgraded the online banking 2.0 of the Group, providing one-stop group fund management services and high-quality digital financial services for enterprises. By the end of 2024, the number of corporate customers from electronic channel reached 388,200, representing an increase of 4.49% compared to the end of last year; the number of users of the corporate mobile banking APP reached 191,500, representing an increase of 9.09% compared to the end of last year.

### Investment Banking Business

Adhering to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, the Bank thoroughly implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee, and actively responded to the national major strategies of serving the real economy and promoting the development of key regions. During the reporting period, the Bank underwrote labeled bonds of RMB6.9 billion in science and technology innovation, green development, and rural revitalization fields and syndicated loans for strategically emerging projects of RMB10.7 billion, with 74% of merger and acquisition loans invested in the real economy; and underwrote debt financing instruments of non-financial institutions totaling RMB53.4 billion in the three major strategic and key regions of the Guangdong-Hong Kong-Macao Greater Bay Area, the Beijing-Tianjin-Hebei region and the Yangtze River Economic Belt.

The Bank continuously promoted the "asset-light and capital-light" transformation of its investment banking business and vigorously optimized its investment banking product structure. During the reporting period, the Bank underwrote medium- and long-term debt financing instruments of non-financial institutions of RMB22.2 billion, representing a year-on-year increase of 40%; and the syndicated loans led by the Bank increased by 65% year-on-year. The proportion of medium- and long-term bond underwriting and the lead-arranged syndicated loans both hit record highs.

# Business Overview

## Corporate Customer Group

The Bank adhered to the business philosophy of “optimizing business in various sectors, refining business in different industries, solidifying customer relationships and strengthening customer groups”. The Bank focused deeply on customer services, continuously optimized business processes, and strove to empower customers with high-quality products and services, driving the sustainable growth of customer value and creating a new situation of mutual benefit and win-win results. By the end of the reporting period, the Bank provided financial services to more than 450,000 corporate customers, with an increase of over 50,000 new customers. This demonstrated the expansion strength and market influence of the Bank in the field of corporate financial services, laying a foundation for the sustainable development of the Bank.

**Deepening Strategic Customer Cooperation at the Headquarters Level.** The Bank strengthened industry insights and analysis, tailored solutions for eight key industries such as power grids, pharmaceuticals, and construction, and innovatively launched competitive core products like “Dian E Ying”, and “Bao Fu Tong” in response to the characteristics of industrial chains and individual customers. The Bank spared no efforts to enhance the supply chain financial service efficiency for strategic customers at the headquarters level, strengthened customer loyalty and market competitiveness, and empowered industrial development with professional, precise and efficient financial services.

**Intensive Management of Key Institutional Customers.** The Bank comprehensively deepened strategic cooperation with governments at all levels. While cultivating traditional advantageous customers such as finance, social security, provident funds, housing maintenance, hospitals and educational institutions, the Bank continuously explored new key customers in fields like politics and law, village communities, trade unions, elderly care, education and training, public welfare and ethnic and religious affairs. The Bank established a task list for overcoming difficulties, consolidated the foundation of the institutional customer group, and continuously enhanced the brand image of government financial services.

**Strengthening Mid-tier Customer Group Construction.** The Bank precisely targeted key areas such as scientific and technological innovation, green and low-carbon transformation and advanced manufacturing. The Bank focused on core customer groups such as consolidated subsidiaries directly managed by the central government and state-owned enterprises, emerging state-owned enterprises with a high degree of marketization, high-quality listed and to be listed enterprises, leaders in featured industries and leading enterprises in niche markets. The Bank optimized the resource allocation strategy, comprehensively improved the service quality, and gradually increased the proportion of mid-tier customers in the overall customer structure through refined management and professional services.

**Continuously Expanding the Basic Customer Group.** Empowering customers with technology and driving development with innovation, the Bank launched the “Digital Enterprise Connect”, a one-stop business management platform, to help small and medium-sized enterprises reduce costs and increase efficiency. On the financial service supply side, the Bank continuously increased all-round support for the capital settlement of small and medium-sized enterprises, optimized corporate customer business processes, and promoted the steady growth of customer numbers and gradually increased market share by using combination strategies such as preferential fee reductions. This provided strong support for the sustainable development of its business. By the end of 2024, the number of effective accounts for corporate customers reached 113,000, representing an increase of 15.08% compared to the beginning of the year.

## Corporate Finance Business Topics

### Topic 1: Taking multiple measures to facilitate the development of the industrial chain

#### Focusing on core business scenario to conduct linkage innovation

The Bank continued enhancing bank-corporate linkage to fully understand market demands and built a scenario-based supply chain financial product matrix. Firstly, the Bank continuously optimized and upgraded “strong core” products. In response to the procurement and payment scenario of large core enterprises, the Bank launched the “Bao Fu Tong” product, which utilizes the credit limits of core enterprises to facilitate financing for suppliers in bulk. The Bank continuously refined the proceeding conditions and business mechanism during business promotion, expanded application scenarios, while further launching “Inter-bank Re-factoring” product, to connect the circulation channel of “Bao Fu Tong” product, and greatly improve the Bank’s industrial chain/supply chain financing service capabilities. During the reporting period, “Bao Fu Tong” served for over 4,500 upstream clients of core enterprises. Secondly, aligning with the trend of “de-core” in the supply chain, the Bank conducted ongoing analysis of key projects and typical scenarios, collaborating on innovative solutions to promote the widespread adoption of the “de-core” model. Thirdly, targeting corporate bill settlement scenarios in the supply chain, the Bank launched the “E-chain Discount” product, offering a one-stop bill service that integrates acceptance and discounting. This enabled a settlement model where payment is made via bills and cash is collected. The Bank also innovated the quota management model for key industrial chains to further achieve “seamless discounting”.

#### Focusing on business process mechanism to drive digital transformation

The Bank proactively reviewed its internal procedures and mechanisms to leverage fintech to support its business. Firstly, the Bank simplified the supply chain business operation process, made full use of digital finance, AI, big data and other technologies, to continuously optimize intelligent risk control model and tools, thereby increasing risk management ability and client response speed, and reinforcing business sustainability. Secondly, the Bank improved its internal synergy mechanism, and provided all-round financial services to industrial chain core enterprises and their cross-regional up/downstream clients through the “cross-branch synergy” mechanism, thus enhancing customer experience. Thirdly, the Bank drove supply chain ecological expansion, continuously enhancing interconnection with industrial chain core enterprises, and further explored the depth and breadth of supply chain financial services. During the reporting period, the Bank cumulatively and connected to 30 industry-leading supply chain service platforms and core enterprises, and continuously expanded its supply chain financial service client channels.

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## Topic 2: Providing High-quality Services to the Real Economy

The Bank deeply fulfilled its mission of being a domestic systemically important bank, ingrained the development of corporate finance business into the national strategic deployment, and continuously enhanced high-quality financial services for major strategies, key areas and weakness, fully supporting and serving the high-quality development of the economy and society.

**Implementing the decisions and deployments of the CPC Central Committee and supporting the strategic development of key regions.** The Bank clarified the responsibilities and target measures for regional development strategies such as the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, promoting coordinated development in the Beijing-Tianjin-Hebei region, the development of the Yangtze River Economic Belt, and the integration of the Yangtze River Delta. The Bank established and maintained a long-term working mechanism for comprehensively implementing the decisions of the CPC Central Committee. The Bank defined the responsibilities of the head office and branches in serving major national regional strategies, promoted the formation of joint efforts, advanced the revitalization plan for the Greater Bay Area, and continuously increased credit extension in key areas such as green and low-carbon transformation industries, strategically emerging industries, and medium- and long-term manufacturing in strategic regions. This initiative aimed to further strengthen the joint efforts and continuously enhance the quality and effectiveness of serving the national development strategies.

**Focusing on key areas and serving the construction of modern industrial systems.** As a central enterprise in the financial industry, the Bank firmly fulfilled its mission and responsibilities, and continuously implemented the decisions and deployments of the CPC Central Committee and the key tasks outlined in the spirit of the 20th National Congress of the CPC. The Bank remained steadfast in the role as the main force serving the real economy, and increased credit support for manufacturing, green and low-carbon transformation industries, strategically emerging industries and technological enterprises. The Bank's middle- and long-term loans for manufacture industries, loans for strategically emerging industries, and green credit grew by 35.68%, 25.78%, and 42.30% respectively compared to the beginning of the year.

**Implementing real estate policies to promote the stable and sound development of the real estate market.** The Bank implemented policies on promoting the urban real estate financing coordination mechanism and the spirit of relevant meetings. The Bank fully practiced the political and people-centered nature of real estate financial work. From aspects such as credit policies, credit approval, relief support, service guarantees and liability exemption upon due diligence, the Bank took multiple measures to accurately support the reasonable financing needs of real estate projects, effectively ensured the delivery of completed buildings, protected the legitimate rights and interests of homebuyers, promoted the stable and sound development of the real estate market and helped build a new model for real estate development.

## Accelerating the pace of digital empowerment around government governance and serving people's livelihoods.

The Bank fully leveraged the advantages of "finance + technology" and focused on multiple industries and ecological scenarios. The Bank cumulatively launched 10 institutional digital products, including digital bankruptcy, digital law firm, digital trade union, digital hospital account processing center, digital health care, digital education cloud payment, digital education supervision, digital kindergarten, digital ethnic and religious affairs and digital public welfare. Among them, the digital hospital account processing center won the Pioneer Award for Digital Intelligence Transformation of Financial Institutions in the Third Financial Institution Digital Intelligent Transformation Outstanding Cases Election of 2024.

## Strengthening headquarters empowerment and continuously promoting service capacity building.

Focusing on key areas such as high-end manufacturing, strategically emerging industries, new infrastructure construction, and green and low-carbon industries, the Bank intensified its efforts in the continuous cultivation of customer groups in relevant industrial chains, supply chains and ecological chains, and established the Guangfa ecosystem. The Bank launched the Digital Enterprise Connect one-stop business management platform "Digital Enterprise Connect" and competitive core products such as "Dian E Ying" and "Bao Fu Tong", creating differentiated competitive advantages. The Bank also strengthened technological empowerment and continuously improved the quality and efficiency of customer services.

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# Business Overview

## Retail Finance Business

The Bank insisted on people-centric values, actively built a big retail development pattern, sped up the upgrading of retail business management framework, and created value in the course of constantly optimizing its customer services. During the reporting period, the Bank deeply cultivated the key fields such as consumer credit and wealth management, strengthened sustained partnership and in-depth engagement with customer groups, increased its online/offline full channel concerted service ability, further enhanced its comprehensive operation, intensive management and integrated service capabilities, and accelerated the high quality development of its retail business.

## Wealth Management Business

The Bank continuously enhanced its wealth management product series, and in particular improved its wealth management capability. During the reporting period, the Bank continued enriching its products, with total 4,558 products were on shelf, representing an increase of 56% from that in the beginning of the year. Its wealth management scale saw historic breakthrough, and its retail AUM amounted to RMB923.8 billion, representing an increase of 9.64% compared to the beginning of the year. The Bank continued deepening the “selected wealth management” branding, and further consolidated its market shares, so that its distributed wealth management scale increased by 12.97% compared to the beginning of the year, and in 2024, the Bank won the “Jin Chan Award – Excellent Wealth Management Sales Bank” issued by Lianhe Credit Rating. In private banking service, the Bank continued enhancing high net worth client stewardship, and sought to build a private banking exclusive service system around client’s differentiated demands, further enhancing client’s wealth management service experience.

## Consumer Credit Business

By thoroughly implementing the decisions and deployments of the CPC Central Committee, the Bank placed emphasis on serving the real economy, boosting consumption and fully satisfying the rigid and improved housing demands, and increased effective loan supply. During the reporting period, the Bank released over RMB200 billion of personal loans. The Bank actively practiced the political and people-oriented nature of financial work, helped housing price stabilize, and implemented the interest rate adjustment policy for existing house mortgage loans, benefiting more than 340,000 mortgage clients. Additionally, the Bank actively carried out government initiatives which include improving public welfare, stimulating consumption, trade-in policies etc., enhanced its digital operation capability, optimized its consumer credit loan product process, and enhanced customer services.

## Credit Card Business

The Bank’s credit card business treated the high quality consumer services as the core, and fully integrated in national economic high quality development strategy. Driven by financial technology, the Bank accelerated the application of big data, AI and other technologies, nurtured and developed new quality productive forces which adapted to local conditions, improved the quality and efficiency of financial services for the real economy, and injected strong momentum into the realization of high-quality development in the new era and new journey.

**Enhancing scenario layout to empower comprehensive finance.** The Bank issued car owner card, airline card, China Southern Grid card, Guangdong-Hong Kong-Macao travel card and other credit card products in Guangdong-Hong Kong-Macao Greater Bay Area. The main online scenarios were online platforms, including but not limited to shopping, film & TV, travel and other payment benefits. The offline scenarios supplied financial services for real economy, for the purpose of recovered and expanded consumption. The Bank deeply promoted the refined scenario-based services, leveraged resources and brand influence from B-end merchants to deploy offline high-frequency scenarios. The Bank satisfied the demands of white-collars and young customers and translated them into highly-engaged clients by offering various benefits such as high value coffee, convenience shops, shopping mall and supermarkets etc. Through cooperation with various merchants, the Bank aimed to build diverse, customized and high-frequency consumption scenarios using credit cards, thereby providing better financial services and products, and helping further recovery and expansion of consumer market.

**Deepening private domain operations to create retail integration.** The Bank built the bridge between enterprises and clients, and centered by corporate WeChat account, set up WeChat, Discover Wonders APPs, mini-programs and other multi-channel interconnected private domain operating system. The Bank offered users with one-stop integrated financial services, and vigorously practiced “one CGB for each client”. The Bank continued promoting big retail corporate WeChat service integration, continuously optimized corporate WeChat service undertaking standards, built WeChat team services for the enterprises, set service quality monitoring indicator system and service process management system, built big retail integrated financial service system, interacted with its overall retail sector to satisfy customer’s integrated financial demands by offering one-stop services, and fully promoted the retail integrated operation.

**Pursuing tech-driven development to iterate and enhance services.** The Bank completed the construction of credit card distributed core system which was able to support a hundred million credit card clients and process more than 10,000 financial transactions per second. The Bank incorporated unitized fault isolation technology, to fully secure credit card transactions. The Bank reconstructed account, balance, credit limit system and other infrastructures, to enhance its refined service capability, improve real-time financial services, and solidify the cornerstone of credit card digital and intelligent transformation. “Discover Wonders 9.0” was rolled out to promote smart assistant. The product focused on details-

perfection and provided exquisite yet concise personalized service experience, optimized credit card points and benefits accessibility, offered the premium services to users, continuously upgraded exclusive preferences for specific scenarios, and provided dedicated services to generation Z, car owners, business-travelers, international students and other customer groups.

#### **Adhering to risk governance to foster positive momentum.**

The Bank put “risk control and quality enhancement” as top priority, took efforts in both source governance and existing-risk mitigation, and realized the coordinated development of quality, efficiency and scale. The Bank highlighted high quality customer acquisition, actively integrated scenario resources, and accelerated the transformation of customer acquisition. The Bank highlighted region-specific strategies, and tailored approaches to local conditions with different priorities, to motivate and trigger front-end activity, and gather efforts to optimize regional layout. The Bank also highlighted tiered management, upgraded rating system, took multiple measures to improve its risk identification ability, conducted risk monitoring in high-frequency, and mitigated risks by combined approaches.

During the reporting period, its credit card business was honored with multiple awards, including China Life 2023 Excellent Service Award, Risk Control Excellent Practice Award, China RPA+AI Developers Competition Enterprise Group Silver Award, Banking and Financial Excellent Legal Affairs Team, Financial Technology Excellent Legal Affairs Team, Customer Service Operation Excellent Award, China's Best Customer Contact Centre, Intelligent Customer Service Innovation Scenario Application Best Practice, Annual Rural Revitalization and Support Award, the First Prize of the 12th Guangdong Financial Technology Advancement Award, the 15th Fintech Application Innovation Award for Financial Digitalization, Grand Excellent Award of 2024 Excellence Digital Finance Competition, and China Quality Innovation and Quality Improvement Outcome Demonstration Level Award.

#### **E-Banking Business**

The Bank actively practiced “digital finance”. During the reporting period, the Bank launched Mobile Banking 10.0 version, around the philosophy of “convenience for the people, interests for the people, benefits for the people, pleasant services for the people, nurturing the people”, focusing on five themes “AI + ecological interconnection, loan preferences + wealth allocation, thousands of groups + pension planning, interface updating + visualized bill, diversified AV + voluminous information”, offering clients with more convenient, efficient and secure mobile financial service experience. The Bank added AI assistant, proxy and other digital intelligent applications, to build a new model of intelligent services. The Bank rebuilt the loan sector, fully upgraded deposit services, asset overview and other basic services, and built clearer and intuitive new interface. The Bank newly built pension finance special zone, private banking and other exclusive customer group version, to offer tailored services for thousands of customer groups. The Bank added monthly bills and updated five home pages, enabling the clients to enjoy the convenient

and fresh experience. The Bank added video/live broadcasting capabilities, providing enriched information covering more than 10 categories such as pension, and real estate etc., giving its customers full-dimensional and updated investment information. The Bank completed the English version construction of mobile banking and online banking, to enhance foreign client mobile financial service quality. The Bank practiced “pension finance”, and launched pension finance special zone, to offer pension financial plan for clients intelligently, and take easy grasp of pension preparedness layout. The Bank upgraded the Elderly Version with intelligent, tailored and personalized services. The Bank actively built HarmonyOS Ecosystem, and launched the brand new “CGB App HarmonyOS Original Version” and “CGB Financial Service” Meta Service, to realize the breakthrough transformation from “APP being bank” to “smartphone being bank”.

During the reporting period, the mobile banking service won the Mobile Banking Annual Excellent Award issued by China Financial Certification Authority (CFCA), and the mobile banking innovation case “Exploring the HarmonyOS Meta Service Model and Striving to Write a New Chapter in Digital Finance” was included in the Report on the Development of Intermediate Business in China's Banking Industry and Selected Innovation Cases (2024).

#### **Retail Customer Group**

Focusing on “customer-centric” business philosophy, the Bank continuously strengthened client digital, refined and intelligent operating capabilities. During the reporting period, the Bank had 135,200 new customers in wealth management and private banking business, representing a record high in the past five years.

#### **Meeting diversified customer demands, enhancing product service offering capability.**

Centered around segmented customer groups, the Bank continued enriching its products, and increasing product screening and customizing ability, to offer clients with more adaptable products or services, and fully upgrade wealth management, personal pension and other advantageous products.

#### **Upgrading client tiered grouped classified operating mode, increasing full-client refined service ability.**

Empowered by technology, the Bank had a precise insight in client's diverse demands, to provide clients with customized services. The Bank deepened dual card integration, accelerated the collaborative operation between credit card customer groups and debit card customer groups, deepened resources collective sharing, and continuously enhanced people's sense of acquisition, happiness and security for high quality financial services.

#### **Focusing on strengthening online service accessibility, increasing value creation ability.**

Through key channels such as corporate WeChat, AI outbound call, SMS, mobile banking, and Mini Program for mass outreach, the Bank enhanced the quality and efficiency of customer services and provided customers with one-stop integrated financial services.

## Business Overview



### Retail Financial Business Topics

#### Topic 1: Empower Mobile Financial Services and Upgrade People's Finance

The Bank always upheld the undertone of people's finance, practiced the "finance for people" philosophy, continuously optimized mobile financial services, and deeply promoted the supply upgrading. During the reporting period, the Bank launched Mobile Banking 10.0 version, and guided by the philosophy of "convenience for the people, interests for the people, benefits for the people, pleasant services for the people, nurturing the people", thereby offering clients with more convenient, efficient and secure mobile financial service experience.

#### Convenience for the people: explore technological and innovative financial services and construct digital intelligence convenience platform

The Bank actively explored digital intelligence applications, and leveraged technology to build convenient life. The Bank built brand new AI assistant, and added voice input function in personal

information maintenance, application form pre-filled for account opening and other common scenarios. The Bank offered more than 20 intelligent to-do reminders in 6 categories covering clients, accounts and products among others. The Bank also launched brand new "CGB APP HarmonyOS Original Version" and "CGB Financial Service" Meta Service, and pioneered the "two-faceted" new service model.

#### Interests for the people: reshape core business sector and realize one-stop financial services

The Bank focused on core business service experience, and reshaped asset/liability sector. The Bank built brand new loan section, and realized the integration of pre-, mid-, and post-loan, the diversification of loan products, and the high efficiency of loan process. The Bank reshaped "my asset/liability" section, enabling clients to get a grasp of their real time financial status, and to receive accurate products recommendation. The Bank fully upgraded deposit services, to make deposit status accessible at any time, so that the saving history could be shown concisely on one screen. The Bank newly added online cash purchase, online cash to foreign currency, and cash remittance among other functions, so that customers could handle cross-border business more conveniently.

#### Benefits for the people: build thousands groups special zone and upgrade customized services

The Bank built "thousands groups" differentiated service model to enhance service quality for different customer groups. The Bank built up happy pension finance special zone, where clients could intelligently plan their pension financial programme, and have an overall grasp of their pension preparedness. The Bank upgraded the Elderly Version again to be intelligent, tailored and customized, to support the silver hair online. The Bank newly added private banking exclusive version, offering exclusive events, benefits and mobile consultants etc., with higher quality services. The Bank also newly added English version, with one switch for full English version, to improve foreigner service convenience continuously.

#### Pleasant services for the people: renovate outlook and interior decoration, build full process smooth experience

The Bank upgraded the five major homepages to strengthen the content layout rationality and increase the design quality of external design. The Bank newly added theme skin benefit to increase the fun in APP use. The Bank newly added monthly bills to satisfy client's billing service requirements. The Bank fully upgraded basic services, to provide the faster transaction breakdown search, longer search period, smoother transfer process, warmer scenario return, as well as more convenient payee management.

#### Nurturing the people: enrich video live education, offer diverse information services

The Bank paid attention to diverse information service requirements, and newly added video/live functions, so that wealth management lessons could be live broadcast online, and clients could enjoy third party authoritative interpretation. Meanwhile, the Bank added multi-dimensional analysis of pension, estate, social insurance and other topics to educate and accompany investors properly.



## Topic 2: Consolidate Services for People's Livelihood, Build Ecological Finance

The Bank's credit card business took roots in Guangdong, deeply implemented the development planning of Guangdong-Hong Kong-Macao Greater Bay Area, through crossover benefits, scenario and service capability output, returned to the origin facilitating client convenient consumer payment and small consumer credit, implemented people's livelihood demand and green finance, and strove to build a financial service brand of demonstrative significance offering all-round services.

**Trade-in initiative unleashing potential, boosting market in new direction.** The Bank followed national strategies, leveraged credit card consumption as key way to support "trade-in" initiative, which was promoted through preferential interest rate, special marketing campaign and other measures, so as to expand domestic demand and stimulate consumption with financial efforts. The Bank coordinated with internal and external forces, to provide cardholders with installment reduction, interest rate concession, discount and other measures, gained effects in "trade-in" promotion, and continuously increased its financial service quality and efficiency. The Bank focused on green intelligent home appliances, mobile digital, smart household and other consumer scenarios, worked with online/offline platforms and brand merchants, to conduct "trade-in" special marketing events, provided special interest rate preferential policy, reinforced its financial supports for intelligent home appliance production, service and consumption, further unleashing consumer potential, and speeding up the nurturing and development of new quality productive forces. The Bank accelerated expansion of car owner customer group, developed high quality customer group base, and actively implemented "trade-in" initiative, to offer the public with financial support.

**Expand green finance ecosystem, trigger future industrial engine.** Closely around new energy car owner's pursuit to green and low-carbon travel, the Bank partnered with Teld and Orange Energy, to provide car owners with convenient, and preferential charging services as credit card user benefits, to embed preferential services into car owner's ecological full life cycle; the Bank worked with HarmonyOS full brands ecologically, to extremely meet new energy user's car buying demands from application mode, approval efficiency, loan disbursement timeliness, system performance and other dimensions, to build high quality car finance service experience. Tied by "green finance", linked to car use scenario, travel scenario and daily consumer scenario, the Bank built more convenient and practical new energy green travel ecosystem, to strongly support the rapid development of new energy automotive industry.

**Finance for people, booming rural revitalization and development.** The Bank introduced financial services into rural areas, entered in mountainous areas and provided financial support and professional services to intangible cultural heritage inheritors and villages, boosting rural revitalization. The Bank built "intangible cultural heritage museum" online with its digital service ability, to display its intangible cultural heritage to the outside world, support the intangible cultural development with multiple scenarios, and realize the coordinated win-win of intangible cultural inheritance and rural revitalization strategy. Through points reward initiative, the Bank promoted the concerted integration between credit card consumption and rural revitalization, translating credit card points into momentum of rural revitalization services. The Bank worked with its partners to boost rural charity, and build a model of public welfare linkage.



# Business Overview

## Financial Market Business

The Bank focused on the business development positioning of optimizing the financial market. Following the high-quality development path, the Bank resolutely implemented the national strategy, and actively served the real economy, pursuing progress in financial market business while ensuring stability. During the reporting period, the Bank's interbank asset and liability structure continued to optimize; operational efficiency saw robust growth, and the scale of asset custody business reached a record high. Additionally, the Bank's interbank financial cooperation continued to expand in both breadth and depth; product innovation and investment and research capabilities were further strengthened; risk prevention and control mechanism remained solid and effective, and digital intelligence transformation was steadily advanced.

## Financial Institution Business

Adhering to the “customer-centered” development principle, the Bank provided high-quality comprehensive financial services to its interbank clients, and effectively expanded the interbank cooperation both in breadth and depth. The Bank continued to improve the interbank customer credit management and interbank counterparty access management mechanism, and strengthened risk prevention and control, promoting the steady development of interbank asset and liability businesses. Leveraging its unique edge as “a specialized bank serving the insurance industry”, the Bank integrated resources to steadily enhance capabilities in product sales, interbank payment and clearing services, and joint investment services. The Bank enriched the product portfolio of the Cross-Border Interbank Payment System (CIPS) for RMB transactions and improved the construction of correspondent bank network, to support the internationalization of the RMB and high-standard opening up. The Bank also provided the “Guangfa scheme” covering financial factor market, and third-party custody for banks and securities, actively contributing to capital market development. Meanwhile, the Bank deepened the digital transformation of interbank clients, empowering operation management through multi-scenarios and multi-dimensions of interbank data governance.

At the end of 2024, the Bank's financial institution customers covered banks, wealth management companies, insurance providers, securities firms, trust companies, funds, financial leasing companies, finance companies, auto finance companies, consumer finance companies and other types of financial institutions. The Bank has established SWIFT RMA relationship with more than 1,000 financial institutions in 93 countries and regions around the world. The total number of the CIPS indirect-participant customers ranked the 4th among the joint-stock commercial banks.

## Financial Market Business

The Bank actively responded to market changes, promoting the comprehensive development of financial market business in terms of scale, efficiency, and quality. Embracing the concept of “the country's most fundamental interests”, the Bank remained committed to supporting the development of the real economy. The Bank strived to improve the level of business operations, strengthen customer service capabilities, and enhance market competitiveness, maintaining steady growth in operational results.

**In terms of market making and proprietary trading**, the Bank serves as a primary dealer in the open market, a Shibor quotation bank and a member of the underwriting group of treasury bonds and policy financial debts. The Bank also acts as a market maker for RMB exchange rate, bonds, derivatives, notes and precious metals. During the reporting period, the Bank continued to enhance operational level and investment trading capabilities in the financial market business, and strengthened macroeconomic policy research and market trend analysis. The Bank actively fulfilled its obligations as a market maker, seized market opportunities, and optimized allocation strategies. Also, the Bank refined asset and liability management and reinforced risk compliance management, achieving steady growth in transaction volume and operational efficiency.

**In terms of customer transaction business**, the Bank focused on the origin of finance and was dedicated to serving national development strategies. The Bank provided customer financial products and services, including exchange rate, interest rate, precious metals, bond underwriting and distribution, contributing to both financial sector advancement and stable economic development. Moreover, to support the national strategy of coordinated regional development, the Bank actively participated in the underwriting and distribution of local government bonds, credit bond investment, and enterprise foreign exchange trading services in the Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Belt and Road Initiative and other national key development regions. The Bank supported technological innovation, advanced manufacturing, green development, and inclusive finance, serving the real economy and promoting high-standard opening up.

**In terms of wealth services**, the Bank remained committed to a customer-centric approach, continuously enhancing liability product innovation and investment research capabilities. During the reporting period, the Bank improved the quality and efficiency of financial services, supported customers in optimizing asset allocation, and continuously enriched the wealth management tools for customers.

**In terms of technology empowerment**, the Bank continued to deepen the digitization transformation of investment and trading businesses, advanced and refined the construction of automated market making quotation systems, and continuously enhanced the online and direct connection level of its operations. By continuously integrating the risk compliance management function into the systems, the Bank optimized risk prevention and control mechanisms across various businesses, extending risk prevention measures from during-event and post-event to pre-event.

During the reporting period, the Bank was honored with several prestigious awards, including the “Excellent Foreign Currency Deposits Member in Interbank Foreign Currency Market” from the China Foreign Exchange Trade Center, “Excellent Underwriter”, “Excellent Market Maker”, “Support for Modern Industrial System Development Award”, and “Innovation Cooperation Award” from the Export-Import Bank of China, and “Excellent Underwriter for Financial Bonds” from the China Development Bank.

### Asset Custody Business

The Bank thoroughly implemented the guiding principles from the 20th National Congress of the CPC as well as the Second and Third Plenary Sessions of the 20th CPC Central Committee, and earnestly fulfilled the requirements of the Central Financial Work Conference. Adhering to the business development philosophy of “returning to the most fundamental functions of serving the asset management industry and leveraging regional resource endowments”, the Bank strengthened product innovation, enhanced resource integration, and improved operational efficiency, ensuring high-quality development of the asset custody business.

**The Bank hit a record high in the scale of custody business.** At the end of 2024, the Bank’s scale of asset custody and fund service business reached RMB4.2 trillion, a 10.76% increase over the beginning of the year, surpassing RMB4 trillion for the first time. The Bank ranked the first among national joint-stock banks in terms of the growth rate of asset management-related custody. **The Bank remained**

**committed to serving the real economy.** During the reporting period, the Bank introduced multiple new custody products, including insurance debt/equity investment plans and private equity funds, while supporting the launch of several government industry funds, thereby contributing to the advancement of the “Five Major Sectors” of finance. **The Bank continued to deepen the cooperation with insurance companies**, with the cooperation scale within the China Life Group surpassing RMB1.1 trillion. The Bank further enhanced both fundamental and value-added custody service systems, expanding the depth and breadth of cooperation. **The Bank enhanced comprehensive industry-finance cooperation**, earning recognition as an industrial finance integrated service base of “Strengthening the Source and Helping Enterprises (强源助企)” by the Shanghai Futures Exchange. The Bank successfully launched the first exchange-member futures custody service for industrial enterprises and the first business in the model of “Bank + Futures + Orders”, helping farmers utilize futures tools to prevent and mitigate risks, and, in turn, fulfilling its commitment to serving inclusive finance. **The Bank continued to enhance digital intelligence capabilities**, fully accelerated the development of the asset custody system, and integrated products with data, building a comprehensive digital ecosystem for custody services.

### Wealth Management Business

The Bank has established an investment research system focusing on fixed-income investment and multi-asset allocation for wealth management business, created a product matrix of “five series and more than 13 subcategories” based on the characteristics of risk and income, and established a multi-asset, multi-strategy, 7x24 net worth product system, realizing the leap from a low-risk wealth management expert to a professional all-asset management brand. Besides, the Bank has created a safe, professional and efficient information technology ecosystem, and enhanced the ability to provide differentiated financial technology services, achieving sustained and positive growth in the scale of net worth wealth management business and the number of wealth management customers in 2024. For the business development of CGB Wealth Management, please refer to “Business Overview – Major Holding Subsidiaries”.

## Business Overview



### Financial Market Business Topics

#### Topic 1: Enrich the CIPS Product Line with Innovation to Boost the Construction of a Self-reliant and Controllable Cross-Border Payment System

The Bank thoroughly implemented the spirit of the Central Financial Work Conference, leveraged the advantages of financial technology, continuously carried out product innovation, and constantly enriched the CIPS products, so as to boost the construction of a self-reliant and controllable cross-border payment system and serve RMB internationalization and high-standard opening up.

**The Bank achieved significant business results.** In accordance with the requirements of the State-owned Assets Supervision and Administration Commission for the development of treasury system in central and state-owned enterprises, the Bank strengthened service awareness and enhanced service capabilities. Building on the centralized visibility of CIPS accounts, the Bank introduced new products and functions, including real-time query and payment-routing optimization for CIPS. The Bank provided CIPS treasury management services for multiple central and state-owned enterprises, assisting them in achieving account visibility, transaction traceability, and controllable fund pooling for their member units. At the end of the reporting period, the Bank ranked the 9th among CIPS direct participant banks in terms of the total number of CIPS indirect-participant customers, with the total transaction amount increasing by over 24% year-on-year.

**The Bank received multiple industry honors.** Throughout the year, the Bank has been repeatedly awarded titles such as “Outstanding Participant in Market Expansion”, “Innovative Participant in the Financial Market”, and “Demonstration Institution for Business Promotion” by the Cross-Border Interbank Payment System Co., Ltd. These accolades reflected the Bank’s rising popularity and customer service efficiency in the fields of CIPS cross-border payment and settlement and treasury management for central and state-owned enterprises, etc.



## Topic 2: Focus on the Implementation of National Strategies to Contribute to the China's Development to Be a Financial Powerhouse

The Bank adhered to the ultimate goal of serving the real economy, continuously enhanced the intensity, breadth, and precision of support for the real economy. The Bank supported the high-quality development of the custody business with high-quality financial services and contributed to the China's development to be a financial powerhouse.

**Practice the political nature of financial services.** The Bank acts as a promoter of technology finance and green finance. The Bank effectively implemented national strategies, actively supported the green transformation of key industries and fields, and successfully launched insurance debt/equity investment plans and private equity fund custody products in clean energy, technological innovation, and other fields. The Bank actively served the implementation of major national strategies and regional economic development, and the scale of custody services directly invested in the real economy exceeded RMB680 billion, facilitating the innovative development of enterprises.

**Implement the people-oriented principle of financial services.** Relying on the futures custody business, the Bank deeply participated in futures ecosystems to support the development of the industrial economy. The Bank successfully launched the first "Bank + Futures + Orders" business, conducting deep and practical inclusive financial services. Meanwhile, focusing on public funds, bank wealth management products, and large-scale collective investment plans of securities companies, etc., in the field of inclusive finance, the Bank tapped into the potential for cooperation with key customers and continued to make strong efforts in serving people's livelihoods.

**Enhance the professionalism of financial services.** The Bank continuously promoted the establishment of a professional digital financial service system, launched and continuously optimized its overseas bank futures system in the Dalian Commodity Exchange and the fund sales supervision business system, continuously expanded the service scope, and utilized new technologies to boost efficiency in business development.



# Business Overview

## Financial Technology

The Bank actively implemented the spirit of the Central Financial Work Conference, coordinating the development of digital finance. Designating 2024 as the “Year of Digital Business Capability Building”, the Bank continuously enhanced the capabilities of technological R&D, operation and maintenance service, data governance, and digital technology fundamentals, empowering the overall digital upgrade of financial products and businesses. During the reporting period, the Bank’s technology investment totaled RMB3.5 billion, accounting for 5.06% of the Group’s operating revenue. At the end of 2024, the Bank had 2,070 information technology personnel, accounting for 5.89% of the total workforce.

### Strengthen the Construction of Product and Service Capabilities to Improve the Quality and Efficiency of Financial Services in Key Areas

**Strengthen the digital capabilities of retail business.** The Bank continuously optimized the mobile financial services. The Bank rolled out the Discover Wonders 9.0 and Mobile Banking 10.0, created a new “private domain” traffic pool, and launched a new AI smart assistant. The Bank built the Huawei HarmonyOS mobile ecosystem and completed the construction of the “CGB APP HarmonyOS Original Version” and “CGB Financial Service” Meta-services, which became one of the pioneer APPs compatible with the HarmonyOS ecosystem. This achieved the goal of establishing a new banking service model, i.e. “one-system, dual-access”, which shifted the Bank’s mobile financial service model from “APP being bank” to “smartphone being bank”. The Bank continued to develop the Phase II “Smart Brain” projects of retail banking. The Bank focused on the construction of a digital intelligence management decision-making brain to promote online business management and continuously optimized the digital intelligence marketing brain for customers to enhance precision marketing capabilities, successfully putting both business management and customer services online. The Bank upgraded the retail credit business management platform, focusing on developing eight core business capabilities. These capabilities supported agile business innovation, facilitated online and offline multi-channel collaborative operations, and enabled overall analysis of retail credit data and generated intelligent risk analysis reports with these data, which provided support for business decision-making and effectively enhanced customer service capabilities. Additionally, the Bank completed the construction of a multi-tiered, multi-pillar pension system and launched functions such as pension reserves, automatic contributions, and withdrawal in case of anomalies. The Bank helped to open more than 3 million pension fund accounts in total, effectively serving the development of the third pillar of the pension system.

**Enhance the digital capabilities of corporate banking business.** The Bank launched the corporate “E Shopkeeper” 2.0 platform, improved the efficiency of digital operation and management, realized dual online and dual closed-loop operation management, and became an important platform for one-stop corporate financial management and customer services. The Bank developed a foreign exchange business development system featuring two new applications, namely the FX Business Development APP and the FX Business Development Marketplace APP. This system integrated data from corporate, retail, and credit card businesses. The practice

of establishing the industry’s first foreign exchange data mart was highly recognized by the State Administration of Foreign Exchange. The Bank also launched multiple digital products such as Digital Enterprise Connect, Digital Education Cloud Payment, and Digital Healthcare, among which Digital Enterprise Connect provides customers with more flexible and convenient “people, finance, and affairs” services. The cumulative number of registered corporate customers has exceeded 30,000, bringing corporate deposits of over RMB90 billion, with a cumulative amount of payroll agency service of over RMB400 million, empowering business innovation and development. Furthermore, the Bank continuously enriched the inclusive financial and supply chain product system. The Bank launched new products such as “Huawei and its Suppliers’ Financing Special Product Program”, “Electricity E-Loan”, and “Hui Lian Tong”, which significantly improved the efficiency of financing for enterprises.

**Boost the digital capabilities of financial market businesses.** The Bank optimized the local currency decision-making support system and witnessed a year-on-year increase of 5 percentage points on the share of intelligent strategies used in bond market-making. The Bank basically achieved fully online gold proprietary trading, with the number of trading transactions in the auction market of the Shanghai Gold Exchange increasing by 109% year-on-year. Meanwhile, the Bank upgraded the quantitative finance platform, achieving the stable implementation of businesses such as interest rate swaps and independent hedging of interest rate options, and ensuring the effective control of risks. Also, the Bank improved the digital custody operation system and launched its first overseas custody business function, achieving multiple breakthroughs in innovative businesses. The Bank put several services into use that are adapted to a series of requirements of new regulatory rules in the industry, enhancing the quality and efficiency of fund clearing, valuation and accounting, investment supervision services, and compliance monitoring. Moreover, the Bank continuously led the innovation of CIPS business, installing CIPS transceivers for a number of strategic customers among central state-owned enterprises (SOEs), and providing treasury management services.

**Build a digital service ecosystem to drive the digital transformation of the industry.** The Bank continuously promoted the construction of an open financial ecosystem. As of the end of 2024, the Bank had boasted over 2,000 cooperation partners, a growth of over 26% compared to the beginning of the year. The Bank had released 6,112 APIs, an increase of over 20% compared to the beginning of the year, with an average daily transaction volume of over 80 million, representing an increase of near 60% year-on-year. The Bank improved the digital product matrix, enhancing digital service capabilities in sectors such as corporate services, trade unions, the judiciary, education, healthcare, and people’s livelihoods. The Bank also developed benchmark products in its ecosystem, including the Digital Hospital Accounting Processing Center and the Digital Trade Union. Besides, the Bank continuously strengthened financial service capabilities in the field of pension and social security, completing the construction of Beijing’s social security and citizen services smart card. This helped branches obtain the qualification to issue cards from the Beijing Municipal Human Resources and Social Security Bureau, and officially launched related services, winning high recognition from the bureau.

## Advance Digital Operation Capability to Enhance Management Quality and Efficiency

**Enhance digital capabilities for risk prevention and control.** The Bank strengthened data cooperation and upgraded risk management. The Bank continuously optimized the “Enterprise Information Connect” platform to dynamically detect associated risks and won the third prize of the “Financial Technology Development Award” from the People’s Bank of China in 2023. Also, the Bank completed the construction of the “Credit Risk Monitoring Center” and “Supervision and Inspection Center”, which enabled the system to capture and enrich risk clues, improved the identification and monitoring of risk information, and expanded the scope of risk detection. In addition, the Bank advanced the construction of a compliance and anti-money-laundering system cluster, launched a new anti-money-laundering list monitoring system and expanded the application of anti-money-laundering AI models. This significantly increased the reporting rate compared with traditional expert rules, and effectively reduced the under-reporting of suspicious transactions.

**Empower the digital and intelligent transformation of operational business.** The Bank promoted the online transformation of operational management, scenario-based customer service, and lightweight banking hall equipment. The Bank launched new models such as the mobile version of “E Shopkeeper” for business hall business management and the “dual-card” joint outreach card issuance, expanding the customer acquisition and retention capabilities of operational services and assisting customer acquisition in the retail and corporate banking segments. Meanwhile, the Bank improved the automation and intensification of anti-money-laundering due diligence account information screening, reducing manual operations and screening workload, and effectively alleviating the burden on grass-roots staff.

**Enhance the degree of refinement in internal management.** The Bank established a diversified, intelligent, and systematic smart business analysis platform, which accurately, rapidly, and comprehensively presented the Bank’s operational information, thereby enhancing the operational efficiency and quality. By directly connecting with the “Natural System” digital electronic invoice system, the Bank achieved full-process online, becoming the first institution in Guangzhou with its headquarters directly connected to the “Natural System”, driving the digital transformation of financial and tax work. The Bank achieved digital management of the Bank’s labor union organizations and built a rural revitalization work platform, the Bank developed an equity management system, enabling intelligent analysis and processing of equity information, offering powerful technical support for the full life-cycle management of shareholders and related parties, with business processing time reduced by 90%.

## Advance the Construction of the Data Management System and Strengthen Capabilities in Data Management and Service Provision

**Improve the organizational structure for data governance.** The Bank formed a data quality working group and an execution team, established a hierarchical regular meeting mechanism, and further improved the data governance discussion and coordination mechanism. The data quality working group, led by the Chief Information Officer and

composed of relevant heads of major business departments and specialized institutions, promoted the improvement of data-reporting quality through a combination of quarterly and monthly meetings.

**Enhance the efficiency of internal data sharing.** The Bank improved the data governance system and issued the Internal Data Sharing Management Measures of China Guangfa Bank, which clarifies that the Bank’s internal data sharing follows the core principle of “open sharing”. The Bank adopted different strategies according to the application scenarios of internal data sharing, creating a “one-click subscription and distribution” function for the branch data lake. Also, the Bank promoted the evolution of the “Data Lakehouse” architecture, which integrates data lakes and data warehouses, enabling further enrichment of shared customer profiles and business indicators, and effectively accelerating the process of converting data into value.

**Accelerate the release and empowerment of data value.** The Bank leveraged data to enhance marketing efforts for customer acquisition and developed a full-process integrated marketing tool that supports marketing activities across headquarters, branches, various business lines, and diverse scenarios. During the reporting period, the Bank witnessed a 14% year-on-year growth in the number of marketing activities conducted. Its customer behavior sequence LLM (large language model) achieved a 16.3% increase in activities for the wealth-enhancement customer group, with an increase of over RMB25,000 in Asset Under Management (AUM) per client.

## Enhance the Research and Application of New Technologies and Strengthen the Support Capability of Digital Technologies

**Complete the distributed transformation of the core system.** The Bank successfully launched the distributed credit card core system, representing another successful practice in the Bank’s distributed transformation of the core system. The new distributed system, with a distributed database at its core, effectively improves the system’s processing capacity and scalability. By deploying a multi-sharding, multi-replica mechanism coupled with a failover strategy, the Bank guaranteed high availability of its core operations and ensured robust data security. Furthermore, the Bank transcended the ecological limitations of closed-mainframe architecture, embracing a more open ecosystem that caters to the demands of business innovation and growth. The distributed banking core system construction project won the First Prize in the “Fintech Development Award” from the People’s Bank of China in 2023.

**Actively promote the empowerment of “AI+”.** The Bank accelerated the application of AI and LLM. The Bank constructed a comprehensive digital and intelligent capability system, completed the planning and architecture design of the basic capabilities of LLM, launched intelligent computing power equipment, and implemented over 30 application scenarios of LLM. The Bank established six intelligent service modules, namely intelligent voice customer service, intelligent outbound call robots, intelligent knowledge bases, intelligent text-based customer service, intelligent agent assistance, and intelligent virtual digital human. The Bank also promoted the use of Robotic Process Automation (RPA) tools across the Bank, effectively improving the quality and efficiency of customer services.

# Business Overview



## Financial Technology Topics

### Topic 1: Build Comprehensive Digital and Intelligent Capabilities and Promote Innovative Applications of “AI+”

The Bank has closely followed the development trend and actively explored the field of AI. Since 2017, the Bank orderly carried out the research and platform building of AI technologies such as machine learning, natural language processing, and face recognition, constructed six intelligent service modules, and formed a digital and intelligent capability system that can “listen, speak, read, write, act, and think”. This system realized intelligent empowerment in various business fields, provided customers with one-stop intelligent solutions, and helped us actively build a smart bank primarily driven by artificial intelligence technology in the digital era.

#### Embrace cutting-edge technology to consolidate the computing power foundation for AI

The Bank built IT infrastructure such as enterprise-level intelligent middle-office businesses to support the development of AI. The Bank relied on big data clusters to achieve data management required for model building and utilized a self-developed data science platform for model and computing power management, thereby constructing intelligent capabilities that can be rapidly deployed and promoted.

**Build an intelligent laboratory to promote innovation in application scenarios.** In 2022, the Bank established a technology innovation laboratory, leveraging the technology department as the core and targeting all business areas, to create a platform for innovative applications of new technologies such as AI. As of the end of 2024, a total of 53 research projects had been approved, resulting in 46 research reports and 9 patent applications for inventions.

**Develop LLM capabilities to advance the implementation of business scenarios.** In 2023, the Bank introduced open-source LLM, implemented the LLM capability building plan and the “one core, multiple applications” architecture design, completed the research and development of the data science basic platform, and introduced intelligent computing power equipment, providing platform-level LLM development, application, and management capabilities. The Bank promoted the implementation of LLM technology, achieving over 30 business scenarios covering core business segments such as retail

and corporate banking. In this process, the Bank focused on four types of scenarios: risk prevention and control, business marketing, customer service, and efficiency enhancement. In retail banking, the Bank implemented scenarios such as customer service agent assistance. In corporate banking, the Bank rolled out the “Digital Enterprise Connect” marketing scenario. For internal operations, the Bank introduced a system-based Q&A scenario. And, in technology research and development, the Bank implemented AI-assisted R&D scenarios.

#### Create AI digital employees to enhance business intelligence

The Bank built an “intelligence, data, scenarios” digital employee productivity system that integrates algorithms, data, and scenarios to create “AI digital employees”, providing intelligent interaction, intelligent perception, communication and expression, and other intelligent capabilities. The Bank also constructed a human-machine interaction and collaborative service product model, covering scenarios such as credit cards and retail finance, and effectively improved the customer experience with visual intelligent interaction services.

**Enable intelligent business operations.** The intelligent virtual digital human enabled visual video interaction on the “Discover Wonders” and “Mobile Banking” channels, covering comprehensive financial service scenarios such as wealth management, funds, insurance, and pensions. During the reporting period, the intelligent virtual digital human served over 300,000 customers. The Bank embedded the LLM intelligent knowledge base in the product search entrance of “Discover Wonders”, providing efficient services for flash-sale activities such as “Guangfa Friday” and “Lucky 8 Rewards”, effectively improving the customer experience and service efficiency.

**Empower intelligent agent services.** The LLM intelligent agent assistance had cumulatively supported 8,600 agent stations, covering business scenarios such as credit cards and retail banking, and providing over 30 intelligent human-machine collaboration services, including intelligent form filling and call summaries,



## Topic 2: Empower Retail Business Development through Digital Transformation

effectively assisting agents in improving their customer service quality and efficiency. The intelligent customer service text-based chatbots provided business consultation and acceptance services through channels such as "Discover Wonders" APP, mobile banking service, and WeChat, achieving an average monthly conversation volume of over 3 million and a 93% self-service resolution rate for customers, significantly boosting business service capabilities.

**Empower intelligent risk control.** The Bank has built an intelligent risk control platform, with access to 36 channels and 157 scenarios. During the reporting period, the average daily monitored transaction volume exceeded 33 million; more than 11.2 million non-financial transactions were intercepted across all channels, and the intercepted financial transaction amount was approximately RMB30 billion. With its intelligent risk control capabilities, the Bank safeguarded customers' fund security.

### Build an AI-assisted system to facilitate internal intelligent operations

The Bank replaced traditional manual operations through human-machine collaboration, which improved the processing efficiency and service quality of internal office work. The Bank realized the innovative application of LLM technology in fields such as operation management, intelligent office, and intelligent R&D. The Bank made continuous efforts to enhance the comprehensive intelligent applications for middle-office and back-office operations, contributing to cost reduction and efficiency improvement, and accelerating the Bank's intelligent operational transformation.

**Establish intelligent operational management.** By utilizing RPA tools, the Bank replaced daily manual and repetitive operations. The Bank trained and certified over 1,000 individuals skilled in RPA and successfully launched more than 1,000 RPA processes, covering eight major operational areas such as account management, general ledger account management, and risk management. Additionally, the Bank established an RPA case-sharing center across the Bank to facilitate the rapid reuse of common business scenarios, thereby effectively enhancing its overall operational efficiency.

**Develop intelligent office capabilities.** The Bank has self-developed products based on LLM, such as "Smart Search", a knowledge question-and-answering product; "Smart Speak", an office assistant tool; and "Smart Image", an image generation and editing tool, forming understandable, experiential, and user-friendly LLM application capabilities. These products enabled functions such as precise policy searching, document drafting and polishing, and image design, enhancing office quality and efficiency through agile information sharing.

**Form an intelligent R&D system.** The Bank adopted intelligent R&D tools to empower processes such as code writing, test analysis, and data development. Among them, the AI coding assistant provides auxiliary functions such as code generation, code analysis, and code optimization for technology R&D personnel, with an average of over 35,000 AI requests processed per day, effectively improving development quality and efficiency.

The Bank accelerated the digital transformation of the retail business, deepening the integration of data and operations, bringing management practices directly to the frontline, enhancing service management efficiency, and empowering high-quality development of the retail business.

During the reporting period, the Bank launched the annual version of the digital operational management platform, "E Shopkeeper 2.0", focusing on four objectives: value creation, refined management, digital empowerment, and experience enhancement. Through eight initiatives such as segmenting exclusive personal loan views, reconstructing 360-degree customer views, creating closed-loop customer inventory, upgrading the one-stop salon configuration tool, launching a new integrated morning and evening meeting platform, and improving the timeliness of indicators, the Bank deepened digital marketing and refined management. Adhering to a value-oriented approach and focusing on the growth of medium-to-high-value clients, the Bank has innovated a headquarters-branches joint construction and operation model in areas such as preventing the outflow of wealth management clients and enhancing product sales, thereby strengthening the management of its retail customer base.

The Bank rebuilt the retail credit business management platform based on a "customer-oriented, data-driven" approach, creating a comprehensive, intelligent, and data-driven "Ling Dai Tong" system for retail credit business. The Bank comprehensively improved the system's availability, scalability, and failure isolation capabilities, realizing a dual-engine drive that combines "processes + risks", refreshing the interfaces on both PC and mobile terminals and providing accurate data displays in the customer, collateral, and business views, enabling timely fulfillment of customers' loan needs and safeguarding the security of customers' funds.

The Bank continuously deepened the application of intelligent technologies to support customer services on online platforms and digital operation management. The Bank enriched and improved asset quality control measures, creating a multi-dimensional and comprehensive post-loan management model that integrates "channels + machines + people". The Bank also expanded the application scope of the digital human, covering multiple scenarios such as product marketing, customer service, risk control, internal training, and information broadcasting. Meanwhile, the Bank established an intelligent quality inspection system for customer-oriented marketing and meeting management, providing powerful support for frontline operations and services.

# Business Overview

## Service and Support

### Operation and Process Management

During the reporting period, relying on a comprehensive payment service system, the Bank supported the economy and benefited people's livelihoods, enhancing the availability and convenience of financial services. The eight major payment channels, both domestic and international, operated smoothly throughout the year, with a total business volume of 5.8 billion transactions, representing a year-on-year increase of 4.11%. By leveraging financial technology, the Bank has accelerated service iteration, constructed a new ecosystem of scenario-based finance, and established an integrated online-offline service chain, providing customers with omni-channel service experience.

**Prioritize the people and enhance operational service capabilities.** The Bank provided multi-tiered and diversified payment services for the benefit of the public. All branches offering elderly-friendly services and simplified account opening procedures. The ATM services that support cash withdrawals with foreign cards have achieved 100% coverage, and the acceptance rate of foreign cards among key merchants has also reached 100%. Additionally, over 170,000 foreign currency self-service exchange machines and change dispensers have been installed. The Bank improved the sustainable and evolvable branch evaluation system to promote the transformation of branches from transaction-oriented to value-oriented. The Bank has established 191 branches with elderly-friendly services, 21 branches with services for foreign-related affairs, and multiple characteristic branches providing services for new urban residents, social security, technology and digital services, etc.

**Driven by technology, build digital operational capabilities.** The Bank has implemented the principle of "efficiently completing one task". For due diligence of corporate customers, there was no need to fill in forms or submit paper materials. The online account opening rate exceeded 95%, and the utilization rate of electronic business licenses exceeded 50%. The Bank's innovative corporate digital identity application won the Excellence Award in the 2024 Digital Identity Innovative Application Competition of the State Information Center. The service specification of digital letters and certificates has been awarded the "Enterprise Standard Forerunner" certificate by the China Financial Standardization Technical Committee and the China Banking Association. The Bank continuously promoted the lightweight construction of intelligent devices, created mobile counters in branches, enriched the variety of business products, expanded the coverage of business scenarios, and extended the reach of services.

**Share resources across the Bank to enhance intensive operation capabilities.** Relying on the centralized intelligent operation platform, the Bank has explored the construction of a shared operation system between the headquarters and branches. The Bank integrated the operational resources across the Bank via a shared task pool to bring the advantages of intensive scale into full play. The Bank also promoted the RPA process sharing center. During the reporting period, more than 700 new back-end RPC processes were added, a year-on-year increase of 95.50%. The cumulative operation time exceeded 580,000 hours, helping improve process efficiency. Furthermore, the Bank developed the "Yun Xiao Er" intelligent answering robot, providing professional Q&A services and empowering operation personnel to improve work efficiency.

**Strengthen accurate identification and consolidate operation risk control capabilities.** The Bank has promoted the construction of an integrated platform for preventing financial fraud, established a risk prevention and control system for fraud-related risks across institutions, industries, and fields, replacing "human prevention" with "technical prevention". During the reporting period, the Bank assisted the public security organs in tracking 2,500 suspicious clues. The Bank also improved the hierarchical and classified management of accounts and enhanced the comprehensive control capabilities of accounts. The accuracy rate of real-time prevention and control in various business channels reached 72%, building a solid fortress against gambling-related and fraud-related activities. In terms of preventing risks in key areas, during the reporting period, the Bank cumulatively intercepted about 102,500 online business risks, intercepted risk funds of about RMB63.47 million, protecting people's property security.

### Brand and Service Management

#### Brand building

Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank staunchly follows the decisions and deployments of the CPC Central Committee. Embracing the concept of "the country's most fundamental interests", the Bank has actively integrated into the construction of a financially robust country, continuously strengthened external publicity, and created a favorable public opinion atmosphere for enhancing market expectations, assisting the development of the industry, and maintaining financial stability. The Bank has been selected into the "China 500 Most Valuable Brands" ranking list by the World Brand Lab for 17 consecutive years, ranking the 9th in the bank list. The brand value increased by RMB5.064 billion compared to 2023, and the ranking rose by 2 places.

**In terms of brand management,** the Bank deeply engaged in the CBA integrated marketing project, planned and organized the brand marketing activity of "Guangfa Junior Basketball Star", and launched the "Guangfa Junior Rural Basketball Carnival" in cooperation with public welfare and charitable organizations. Additionally, the Bank planned and promoted the brand activity of "Wonderful Campus", and conducted cooperations with 12 universities in 11 cities including Beijing, Guangzhou, Shenzhen, and Shanghai, forging a high-quality brand image of CGB's support for the development of higher education. Concurrently, the Bank focused on improving the brand building and management mechanism, forming a three-dimensional brand system.

**In terms of media and publicity,** the Bank actively implemented the spirit of the Central Financial Work Conference and the Central Economic Working Conference and focused on the "Five Major Sectors" to continuously conduct thematic and mainline publicity. The Bank organized and conducted special publicity on implementing the urban real estate financing coordination mechanism, the financing coordination working mechanism for supporting small and micro enterprises, etc., centering on a raft of incremental policies. The Bank reported on the measures and achievements of "serving the real economy and safeguarding

people's better life" and focused on topics such as "bank wealth management during the Spring Festival holiday", "gold consumption and investment", and "foreign exchange business" to carry out positive publicity and guidance, earning coverage by authoritative media.

**In terms of convergence media development,** The Bank focused on the matrix of four types of platforms of self-media, namely "WeChat & Weibo + Douyin + Bilibili + multiple platforms", and continuously planned and released publicity tweets and short videos that are popular among customers and the public. The converged media matrix accumulated over 100 million views throughout the year. The self-media matrix received the "Jin Nuo • Annual Financial Brand New Media" honor award at the Financial Brand Influence Forum 2024 organized by China Banking and Insurance News.

### **Protection of consumer rights and interests**

The Bank staunchly follows the decisions and deployments of the CPC Central Committee, and firmly grasps the political and people-oriented nature of financial consumer rights protection work. Under the guidance of the regulatory authorities and with the strong leadership of China Life Insurance (Group) Company, the Bank focused on building a "comprehensive consumer protection" work system, improved the institutional mechanism, carried out traceability rectification, improved the resolution efficiency, and promoted the consumer protection culture.

#### **Continuously improve the consumer rights protection system.**

The Bank established comprehensive consumer rights protection system and special institutional mechanisms such as consumer protection review, suitability management, and management of partner institutions. Since 2024, the Bank has revised consumer protection regulations, including the Management Measures for Consumer Rights Protection Work of China Guangfa Bank, Management Measures for Consumer Complaints of China Guangfa Bank, and Management Measures for Information Disclosure of Consumer Rights Protection of China Guangfa Bank, and formulated multiple normative documents on consumer protection, further consolidating the foundation for consumer rights protection management.

#### **Promote the effective operation of the consumer protection mechanism.**

Focusing on source management, the Bank improved consumer protection mechanisms such as consumer protection information disclosure, consumer protection review, suitability management, and marketing and publicity management. In accordance with the "Organization Structure Streamline" requirements of products, channels, and customers, the Bank continued to explore and upgrade matching standards, and strengthen system controls. In addition, the Bank shifted the management focus forward, revised the consumer protection review management measures, continuously improved the review key points, and achieved online and process-based management of consumer protection reviews. This leads to a continuous improvement in effectiveness, professionalism, and independence of consumer protection reviews. The Bank carried out an annual consumer protection audit, highlighting its ongoing efforts to foster the consumer protection culture, consolidate consumer protection responsibilities across various business management departments, and enhance the quality and efficiency of consumer protection work at all organizational levels. Nevertheless, there remains a need for further improvement in areas such as consumer protection system development, traceability and rectification.

#### **Deepen the construction of consumer protection culture.**

The Bank promoted the consumer protection slogan of "guarding you with sincerity and earning your trust with confidence" and innovatively launched the "Consumer Protection Shield of CGB" logo. The Bank also hosted the "Guangfa Shield Cup" customer service innovation competition and were successfully selected for the first time to participate in the "2024 China Life Orator" event. Guided by the theme of "Being the Steadfast Guardian of the People's Better Life", the Bank advocated a new trend in financial consumer protection across the entire system and to the public. Furthermore, the Bank combined consumer protection culture with financial education. During the reporting period, the Bank carried out a total of 30,857 online and offline financial education activities, an increase of 105% year-on-year. These activities resulted in 888 million instances of engagement with financial consumers, a year-on-year increase of 344%.

#### **Make concerted efforts to enhance comprehensive governance capabilities.**

The Bank further improved the full-process control of complaints and strengthened the traceability governance of customer complaints. Special governance initiatives were implemented for key areas of complaints such as credit cards and personal loans to mitigate potential dispute risks at the source. The Bank practiced the "Fengqiao Experience" in the new era. The Bank has established and improved a green and rapid disposal mechanism, and timely and effectively solved consumer disputes through methods such as leaders' on-site office days, leaders taking personal responsibility for cases, leaders visiting and addressing issues on the ground, escalation of handling levels, and third-party mediation. During the reporting period, the Bank received a total of 15,531 complaints referred by regulatory authorities. In terms of consumer complaints by business type, the majority were related to credit cards (86.4%), followed by personal loans (7.1%), investment and wealth management (2.8%), and other areas (3.7%). Regarding the regional distribution, complaints were mainly from Guangdong (13.4%), Jiangsu (10.0%), Jiangxi (7.1%), Liaoning (7.0%), Zhejiang (4.7%), and other regions.

### **Institution Management**

At the end of 2024, the Bank had established 968 business branches and one wholly-owned subsidiary in 116 cities at or above the prefecture level across 27 provinces (including autonomous regions and municipalities) in Mainland China as well as in Hong Kong and Macau Special Administrative Regions. Headquartered in Guangzhou, a central city in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Bank is the only national joint-stock commercial bank that has achieved full coverage in the "9 + 2" cities in the GBA and all 21 prefecture-level cities in Guangdong Province. With the tenet of serving the real economy and supporting coordinated regional growth, the Bank actively served national regional development strategies, such as the coordinated development of the Beijing-Tianjin-Hebei region, the construction of the GBA, the integrated development of Yangtze River Delta, the development of the Yangtze River Economic Belt, ecological protection and high-quality development in the Yellow River Basin, and construction of Chengdu-Chongqing economic circle, supported the full revitalization of northeast China, large-scale development of the western region, accelerated rise of the central region and faster modernization of the eastern region. Centered around the national key strategic plans and policy orientations, the Bank actively responded to the latest trends, tasks, and requirements in the digital and technological transformation and development of commercial banks, as stipulated by regulatory authorities. To this end, the Bank focused on enhancing institutional efficiency, continuing to optimize the layout of existing branches, and continuously promote the high-quality development of branches.

# Business Overview

## Human Resources Management

### Organization management

In pursuit of the vision of “building a first-class commercial bank in China”, the Bank continuously deepened organizational structure reforms to stimulate operational and developmental vitality. During the reporting period, the Bank focused on constructing a branch organizational structure characterized by “scientific norms, complete functions, robust risk control, efficient operations, and dynamism”, promoting the implementation of the “Organization Structure Streamline” plan across all direct branches. Through these efforts, both branches’ organizational and personnel structures were further improved and “Organization Structure Streamline” initiatives were effectively carried out, achieving tangible results.

### Personnel management

Following the market-oriented selection and employment mechanism, the Bank selected and employed competent personnel under the principle of “equality, openness, competition, merit-based” according to the “person-post matching” criteria. The Bank cultivated high-quality talent teams and promoted the construction of digital talent teams by such means as open recruitment, personnel exchanges and secondments, selection and promotion from cadre reserves, and market-oriented talent introduction. During the reporting period, the Bank continued to improve the personnel recruitment, talent selection, and personnel exchanges and secondments under the new position framework. The Bank ensured that their personnel are politically solid, professionally competent, and strongly disciplined in their conduct, aiming to build a multi-disciplinary, cross-functional, and cross-institutional team of composite financial management cadres. On this basis, the Bank formed a sound competitive mechanism that stresses on both integrity and ability, appoints personnel in a fair manner, emphasizes responsibilities, focuses on actual capabilities, and encourages steady progress. Additionally, the Bank continued to improve the normalized work mechanism for cultivating and selecting outstanding young cadres, and established cross-level, cross-department, cross-border and cross-field training and development platforms, intensified hands-on experience and professional training, and strengthened the building of young-cadre teams.

The Bank spared no effort to ensure the employment of college graduates and other key groups. In addition to spring and autumn campus recruitment, the Bank conducted summer internship recruitment and other programs, providing platforms for employment and practical experience for college graduates. Through activities such as job fairs, campus presentations, special lectures, and open days, the Bank communicated the latest employment information and talent nurturing philosophy to students. The Bank also strengthened employer brand building and has been awarded the Best Employer in China for 14 consecutive years.

### Performance management

The Bank established a scientific, reasonable performance assessment and incentive and restrictive mechanism, and conveyed the strategic focus of the Bank to all branches and all employees through performance assessment. The Bank strengthened application of performance assessment results and built a performance culture oriented towards value contribution, promoting the implementation of strategies and the common

growth of employees. Also, the Bank established a short-term as well as medium- and long-term assessment and evaluation system in accordance with development strategies and business conditions. The Bank intensified assessment in terms of risk compliance, capacity per capita and market competitiveness, and implemented the operation principle of seeking progress while maintaining stability and enhancing quality and efficiency. Besides, the Bank constantly strengthened supervision and improvement of the performance assessment process to enhance its refined management capabilities, driving the overall operational optimization with performance assessment as a lever.

The Bank consistently enhanced positive performance incentives, and prioritized top performers and frontline employees, dynamically adjusting the mandatory distribution ratio of employee performance assessment grades in outstanding departments/branches to encourage employees to pursue excellence. Furthermore, the Bank strengthened the utilization of performance assessment results, and has established a normalized elimination and exit management mechanism that equally weighs incentives and constraints. By doing so, the Bank continued to optimize the structure of employee team, fostering endogenous power. During the reporting period, the Bank issued the Employee Performance Management Measures of CGB to strengthen performance cycle management and enhance performance evaluation feedback and coaching. The Bank also increased the linkage of employee performance assessments, performance rewards, and branch operational results, creating a performance-based culture with clear orientation.

### Remuneration and benefits management

The Bank strictly adhered to the Ministry of Finance’s determination mechanism of total wages for wage management. The Bank prepared the total wage budget and settlement proposals in accordance with the established standard procedures and submitted them to the Ministry of Finance for approval. The Bank continuously deepened and improved the building of the total wage allocation and management system, actively implemented national macro policies and served the real economy, enhancing its market competitiveness and promoting its high-quality development. During the reporting period, the Proposal on Matters Related to the 2023 Total Wage Settlement of China Guangfa Bank Co., Ltd. was approved and agreed by the Ministry of Finance (Financial and Economic Proposal Office, Approval No. 15 for 2024). Additionally, the Proposal on Matters Related to the 2024 Total Wage Budget of China Guangfa Bank Co., Ltd. was approved and agreed by the Ministry of Finance (Financial and Economic Proposal Office, Approval No. 20 for 2024).

The Bank established an incentive and restraint mechanism that aligned total wages with business performance and performance assessment. This mechanism emphasized efficiency, valued contributions, supported strategic objectives, and prioritized frontline operations. During the reporting period, the Bank issued the Notice on Optimizing the Salary Allocation Mechanism and Standardizing Human Resource Expense Management for Business Units. This document prioritized performance-based approaches and increased the connection between total wages and net profit, and reinforced the principle of “pay based on work, and more pay for more work”.

As for remuneration management, the Bank aims to establish a market-oriented employee remuneration system. To this end, the

Bank adhered to the management philosophy of putting efficiency first and maintaining fairness, insisted on market-driven allocation approach that links pay to positions, performance and role changes, and established a differentiated remuneration system, strengthening incentives for core talents, key personnel and high-performance employees. Besides, the Bank continuously improved remuneration structure, emphasized value creation and performance contribution, and intensified the connection between remuneration allocation and assessment results, with a focus on tilting towards frontline grassroots employees, key positions, and outstanding performers. During the reporting period, the Bank issued the Performance-based Compensation Optimization Plan for Direct Business Units of CGB, reinforcing the two-way linkage between key efficiency and performance-based compensation. This ensured a timely incentive-driven mechanism, established an efficiency-oriented approach, and boosted revenue growth and profitability.

The Bank continuously improved the deferred payment and recourse and deduction of performance-based remuneration and emphasized the guiding role of performance-based remuneration in operation and management. These measures were implemented regularly, with reductions, suspensions, or clawbacks applied to relevant personnel based on the severity of violations, including illegal activities, regulatory breaches, or abnormal risk exposures within their responsibilities. In 2024, a total of 9,879 senior executives and employees with direct or significant impact on the Bank's risks received a total remuneration of RMB3.679 billion.

In accordance with relevant policies, regulations, and the Bank's actual development needs, the Bank established a sound enterprise annuity management mechanism. This aimed to provide employees with a solid and reliable financial back-up for their post-retirement life, which, in return, can effectively enhance their recognition of and loyalty to the Bank. Additionally, the Bank has set up a supplementary medical insurance scheme through the purchase of commercial insurance to provide a comprehensive medical security system for both active and retired employees, effectively alleviating their financial burden related to medical expenses.

### Training management

The Bank followed the rule of talent development in its education and training work, intensified education and training empowerment, and focused on the guidance of Party building and the implementation of strategies. Also, under the leadership of the Party school of CGB, the Bank continued to strengthen the Party spirit education and theoretical education for cadres and employees, promoting the improvement of the business capability of cadres and employees based on the 5 major branches of professional development academies. During the reporting period, the Bank conducted intensive training sessions in turn on studying and implementing the spirit of the Central Financial Work Conference and the Third Plenary Session of the 20th CPC Central Committee, as well as Party discipline education, ensuring full coverage for all formal employees. These initiatives improved the Party spirit cultivation and theoretical level of leading cadres of the Bank. The Bank continued to strengthen the construction of the cadre pipeline, carried out the "Eagle" series training in a stratified and graded manner with the goal of enhancing performance capabilities, and earnestly implemented training programs for mid-to-senior management, presidents of second-tier branches, sub-branch presidents, and newly recruited employees through campus recruitment. In this way, the Bank continuously improved the capabilities of its employees and strengthened the overall quality of the team. Additionally, the Bank constantly strengthened its internal training team by hosting an in-house trainer competition

across the Bank, effectively leveraging internal intellectual resources to develop a skilled in-house trainer team that supports business growth. The Bank made full use of the platform of "CGB Lecture" to carry out special training on cutting-edge technology trend, financial applications, and the interpretation and implementation of new regulatory policies. Furthermore, the Bank actively promoted online empowerment, enhanced the convenience and comprehensiveness of training and teaching, and conducted online live-streamed training sessions on CGB Learning Platform. During the year, the Bank held a total of 207 live-streamed training sessions.

### Major Holding Subsidiaries

As the first wholly-owned subsidiary of the Bank, CGB Wealth Management Co., Ltd. has strictly followed the Articles of Association since its establishment and implemented the aim of "managing money on behalf of clients as entrusted by them" to continuously improve the quality and efficiency of services provided for the real economy. CGB Wealth Management has adopted an independent market-oriented corporate operation mechanism to achieve effective integration of the Party's leadership and modern corporate governance mechanisms.

CGB Wealth Management has launched 13 product series. The products are mainly medium to low-risk ones (PR2 and below), supplemented by medium-risk products (PR3) and medium to high-risk products (PR4), involving various maturity types. Product lines, such as cash management, pure fixed income, fixed income enhancement, partial-debt hybrid, equity-debt balance, and multi-asset hybrid, have covered various basic products, while product lines such as low-volatility, closed-end, and ESG-themed ones, have involved various characteristic products, fully meeting various wealth management needs of customers. Furthermore, CGB Wealth Management has launched functions such as "T+0 quick redemption" and "T+0.5 arrival" for cash management products. These enhancements aim to effectively boost investors' fund utilization efficiency and purchasing experience. By strengthening macroscopic and interest rate researches, and establishing a fixed-income market model analysis system, CGB Wealth Management made dynamic researches and judgments on macro cycles, interest rate trends, and diversified asset configurations, further enriching and refining its dual-engine product structure, driven by both fixed-income and multi-asset offerings, with equity-linked products as the strategic highlight.

With the continuous promotion of the net value transformation, CGB Wealth Management significantly improved its product development capability, and the product brands were recognized by the public and authoritative media. In 2024, the "Wealth Management Night Market" was prominently featured on CCTV Finance Channel's Economic Information Broadcast program. CGB Wealth Management also received numerous prestigious awards, including Jin Chan Awards for "Outstanding Product Award" and "Wealth Management Income Pioneer Award" from Lianhe Credit Rating, the "Pudong New Area Charity and Public Welfare Exemplar (2022-2023)" award from Shanghai Pudong New Area Charity and Public Welfare program, Jiefu Awards for "Excellent Bank Wealth Management Sub-product Innovation Award" and "Excellent Fixed-Income Wealth Management Product" from www.caishiv.com, and the Jinbei Award for "2024 Excellence in Stability for Fixed Income Wealth Management Products" from 21st Century Business Herald, among others.

# Risk Management

## Risk Management Overview

During the reporting period, the Bank continued to maintain a prudent and moderate overall risk management strategy, aligning with regulatory requirements. The Bank cultivated a strong risk culture and continuously improved the comprehensive risk management system, consistently strengthening risk management at CGB Wealth Management and overseas branches. The Bank continuously established the risk culture featured with “professionalism, efficiency, conscience, responsibility and wisdom” throughout the Bank, gradually created the risk management philosophy of “comprehensive management, prudent compliance, risk front-loading, information symmetry and support for innovation”, and integrated the unified risk management culture into the Bank’s operation and management processes, so as to achieve effective comprehensive risk management. Moreover, the Bank maintained strategic focus, continuously supported the real economy, and mitigated and resolved risks in key areas, solidifying the foundation of risk management. The Bank actively used information technologies to enhance risk management capabilities, deepened the digital transformation of risk management and improved the foresight, timeliness and effectiveness of risk early warning, thereby enhancing the risk management capability of early identification, early warning, early exposure and early disposal.

The Bank has established a fully structured risk management framework system with responsibilities clearly defined, forming a multi-level, interconnected and effectively controlled and balanced operating mechanism. The risk management organizational structure of the Bank is composed of the Board of Directors and its special committees, Board of Supervisors, senior management and its special committees, risk management functional departments (including comprehensive risk and various risk leading management departments), business departments and specialized institutions, internal Audit Department, as well as other departments, branches, and subsidiaries.

The Board of Directors assumes ultimate responsibility for the Bank’s comprehensive risk management and is responsible for establishing a risk culture, determining the overall risk appetite and risk tolerance and approving the Bank’s targets, strategies, policies and procedures for major risk management. The Risk Management Committee, subordinate to the Board of Directors, is responsible for reviewing strategies, policies, and major affairs of risk management, money laundering risk management, case prevention management, and major asset disposal programs, and carrying out control, management, evaluation, and supervision over the risks of the Bank. The Board of Supervisors assumes the supervisory responsibility for comprehensive risk management, and is responsible for supervising and inspecting the performance of duties and responsibilities by the Board of Directors and the senior management in risk management and urging rectification.

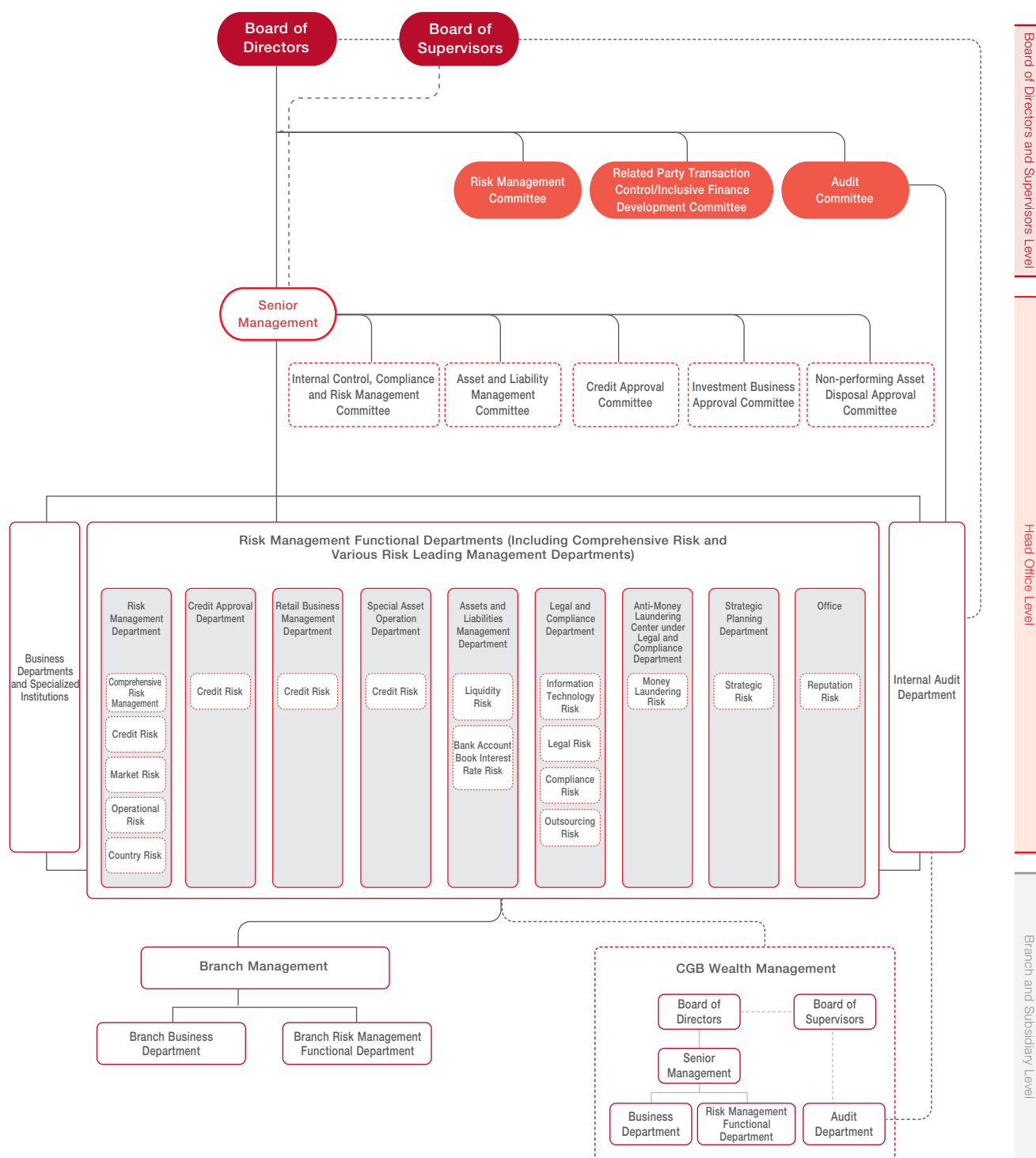
The senior management undertakes the responsibilities of implementing the comprehensive risk management and executes resolutions made by the Board of Directors. The Internal Control Compliance and Risk Management Committee, the Asset and Liability Management Committee, the Credit Approval Committee, the Investment Business Approval Committee and the Non-performing Asset Disposal Approval Committee under the senior management are responsible for analyzing risk strategies, guidelines and policies for preventing credit risk, market risk, bank account book interest rate risk, liquidity risk, operational risk, country risk, money laundering risk etc. Meanwhile, they are also responsible for evaluating the effectiveness of the management system, monitoring the implementation of management measures as well as identifying deficiencies in the management system and figuring out solutions accordingly.

The Risk Management Department of the Head Office is the leading department in comprehensive risk management, taking the lead in performing the daily management of comprehensive risks. The Risk Management Department, Credit Approval Department, Retail Business Management Department, and Special Asset Operation Department of the Head Office are responsible for formulating, implementing and managing the Bank’s credit risk management regulations. The Risk Management Department of the Head Office is responsible for the formulation, implementation and management of the Bank’s management regulations for market risk, operational risk and country risk. The Asset and Liabilities Management Department of the Head Office is responsible for the formulation, implementation and management of the Bank’s management regulations for bank account book interest rate risk and liquidity risk. The Legal and Compliance Department of the Head Office takes the lead in the formulation, implementation, examination and management of the Bank’s management regulations for compliance risk, IT risk and money laundering risk. The Audit Department of the Head Office and four regional audit centers are responsible for independent review and evaluation of the adequacy and effectiveness of the Bank’s corporate governance, internal control and risk management. Various business departments and specialized institutions of the Head Office establish and improve their own line of business policies, and actively identify, assess, monitor, control, and report risks related to their respective departmental responsibilities at the business end.

Risk management decisions made by the Board of Directors, the Risk Management Committee of the Board of Directors and senior management are executed by branches under instructions from relevant departments.

In accordance with the Bank’s comprehensive risk management framework, CGB Wealth Management has established a comprehensive risk management organizational structure and management mechanism to ensure that risk management requirements are fully extended within the Group.

## Risk Management Organizational Structure



Note: Risks other than those mentioned above are all included in comprehensive risk management.

# Risk Management

## Risks Encountered by the Bank and Countermeasures

### Credit Risk

#### Credit Risk Management Overview

Credit risk refers to the risk of economic losses to the creditor or holder of a financial product due to the borrower's or the trading counterpart's failure to perform the contractual obligations on time or due to changes in credit quality which affects the value of the financial product.

The Bank follows the general principle of pursuing progress while ensuring stability and promoting stability through progress. The Bank remains steadfast in guarding the bottom line of risk compliance, fully enhancing credit risk management capabilities to prevent and reduce credit risk losses, and to drive high-quality development. During the reporting period, the Bank continued to strengthen macroeconomic policies, industry research, and portfolio analysis. The Bank solidified its customer base, optimized asset structure, enhanced risk prevention and control in key areas, intensified efforts to dispose non-performing assets, and consistently improved and consolidated asset quality. Focusing on changes in the macroeconomic environment, the Bank developed annual guidelines for corporate credit risk management to direct its risk management priorities and the allocation of credit resources. The Bank enhanced its research on national policies and regulations, promptly internalizing external regulations to standardize its business management. The Bank maintained strict oversight on credit review and approval processes, reinforcing project quality supervision at the branch level to improve approval efficiency and effectiveness. The Bank intensified risk prevention and control in key areas by implementing a tracking and supervision mechanism for significant projects, facilitating risk resolution for these priority projects. The Bank resolutely followed the decisions and directives of the Central Committee of the Communist Party and the State Council regarding the prevention and mitigation of local government debt risks, steadily addressing risks associated with local government financing platform businesses. The Bank implemented tailored strategies to reduce risks in credit card operations and decrease the scale of high-risk assets. Taking advantage of big data, artificial intelligence, and other technologies, the Bank constructed customer risk profiles and established compliance supervision and risk monitoring centers. The Bank upgraded "Guangfa Information Exchange for Enterprises" system and actively employed technological tools to enhance risk management capabilities and improve the quality and efficiency of management work. Additionally, the Bank optimized and refined rating models and the functionalities of related systems to enhance model coverage, precision, and differentiation. The Bank also strengthened model validation management to improve model development efficiency. The Bank continued to intensify efforts in disposing non-performing assets, broadened the methods of collection and disposal, strengthened cash collection measures, and reduced risk assets.

#### Five-grade Classification of Loans and Changes in Non-performing Loans

Five-grade Classification of Loans and Balance of Loss Provisions for Each Grade of Loans

Unit: RMB'000			
Item	31 December 2024	Percentage (%)	Loss provisions for loans as at 31 December 2024
Pass	2,041,768,088	96.12	20,324,605
Special mention	49,907,357	2.35	10,826,009
Substandard	6,309,503	0.30	3,606,327
Doubtful	12,692,698	0.60	8,749,543
Loss	13,469,684	0.63	10,266,379
Total	2,124,147,330	100.00	53,772,863

Note: Discounts are included in the data of the five-grade classification of loans, but accrued interest is excluded.

## Changes in Non-performing Loans

Unit: RMB'000

Item	31 December 2024		Increase/decrease during the period		31 December 2023	
	Balance	Percentage	Amount	Percentage	Balance	Percentage
		(%)		(%)		(%)
Substandard	6,309,503	0.30	(3,878,641)	(0.19)	10,188,144	0.49
Doubtful	12,692,698	0.60	755,476	0.02	11,937,222	0.58
Loss	13,469,684	0.63	2,986,850	0.12	10,482,834	0.51
Total	32,471,885	1.53	(136,315)	(0.05)	32,608,200	1.58

## Major Policies, Measures and Effects of Non-performing Asset Management

During the reporting period, the Bank adhered to the principles of legal compliance, transparency, and risk resolution. The Bank employed a variety of strategies, including cash collection, bad debt write-off, transfer of creditor's rights, and securitization of non-performing assets, to strengthen its efforts in collecting and disposing non-performing assets. The Bank focused on risk resolution in key areas and continuously improved the effectiveness of asset collection and disposal. First, the Bank implemented list-based management, enhancing its measures for independent collection, lawsuit collection, and disposal of collateral. The Bank carried out market-oriented disposal processes in an orderly manner, diversified its disposal strategies, and increased cash collection efforts. Second, the Bank made reasonable use of bad debt write-off methods, and promoted "full verification" in compliance with laws and regulations. Meanwhile, the Bank strengthened the classification management of written-off assets and profit generation from collection, in accordance with the principle of "keeping records of accounts written off and pursuing collection when the rights are still available". Third, the Bank concentrated on key areas and large-scale projects, deepened reforms and innovations, optimized disposal strategies, and accelerated risk resolution. Fourth, the Bank improved its regulations and optimized system processes to enhance internal control and compliance management, continuously raising the standardization of its collection and disposal practices. In 2024, the Bank had collected and disposed non-performing loans (NPLs) with a principal amount of RMB37.111 billion.

## Loans and Non-performing Loans Classified by Business Type

As at the end of 2024, the Bank's NPL ratio had decreased by 0.05 percentage points compared to the end of 2023. In terms of loan structure, the NPL ratio for corporate loans (including discounted bills) dropped by 0.28 percentage points, while the NPL ratio for personal loans increased by 0.27 percentage points compared to the end of 2023.

Unit: RMB'000

Item	31 December 2024			31 December 2023		
	Balance of loans	Percentage (%)	NPL ratio (%)	Balance of loans	Percentage (%)	NPL ratio (%)
Corporate loans (including discounted bills)	1,268,236,506	59.71	1.53	1,183,553,034	57.26	1.81
Personal loans	855,910,824	40.29	1.53	883,572,358	42.74	1.26
Including: Credit card overdraft	392,846,050	18.49	2.19	424,878,847	20.55	1.59
Total	2,124,147,330	100.00	1.53	2,067,125,392	100.00	1.58

Note: Accrued interest is excluded in the data of loans.

# Risk Management

## Corporate Loans and Non-performing Loans Classified by Industry

Unit: RMB'000

Industry	31 December 2024			31 December 2023		
	Balance of loans	Percentage (%)	NPL ratio (%)	Balance of loans	Percentage (%)	NPL ratio (%)
Manufacturing	268,391,684	23.16	1.04	225,361,573	21.27	1.76
Wholesale and retail	171,961,981	14.84	2.86	152,296,904	14.38	3.41
Leasing and commercial services	154,908,699	13.37	0.89	151,482,760	14.30	1.31
Water resources, environment and public facilities management	112,373,610	9.70	0.04	121,426,434	11.46	0.03
Real estate	99,404,609	8.58	5.66	101,621,670	9.59	5.41
Construction	70,412,760	6.07	3.39	69,838,950	6.59	3.80
Transportation, warehousing and postal services	70,058,203	6.04	0.38	65,489,675	6.18	0.20
Production and supply of electricity, heat, gas and water	50,171,669	4.33	0.04	42,076,983	3.97	0.34
Finance	34,842,620	3.01	0.33	25,005,656	2.36	0.46
Mining	31,242,387	2.69	0.12	20,907,375	1.97	0.00
Others	95,195,047	8.21	1.87	84,000,064	7.93	2.10
Total	1,158,963,269	100.00	1.67	1,059,508,044	100.00	2.03

Note: Calculation is made according to regulatory standards, and the comparable data during the same period have been accordingly adjusted.

## Provision and Write-off of Loan Impairment Allowances

Unit: RMB'000

Item	Loan impairment allowances
Opening balance	52,273,846
Provision/reversal for the year	23,390,350
Recovery of amounts written off in previous years	6,516,665
Write-offs and transfer in the year	(28,693,966)
Exchange rates and other fluctuations	31,394
Closing balance	53,518,289

Note: Includes only the loan impairment allowances measured at amortized costs.

## Assets as Debt Repayment

Unit: RMB'000

Item	31 December 2024	31 December 2023
Assets as debt repayment	210,525	210,525
Including: Housing property	84,467	84,467
Land use rights	126,058	126,058
Less: Impairment allowance	(92,260)	(89,079)
Net assets as debt repayment	118,265	121,446

## Market Risk

Market risk refers to the risk of losses incurred from on-sheet and off-sheet business of a bank caused by adverse changes of market prices (including interest rates, exchange rates, stock prices and commodity prices). The Bank's market risks primarily arise from the fluctuations in interest rate and exchange rate.

The Bank established and improved the market risk management system according to regulatory requirements such as the Administrative Measures for Capital Management of Commercial Banks, Commercial Bank Market Risk Management Guidelines and Commercial Bank Account Book Interest Rate Risk Management Guidelines (Revision). The Board of Directors of the Bank assumes the ultimate responsibility for monitoring market risk management; the senior management is responsible for formulating, regularly reviewing and supervising the implementation of policies, procedures, and specific operational codes for market risk management; the Risk Management Department of the Head Office leads the identification, measurement and monitoring of market risks of the Bank, and reports the market risk management work to the Board of Directors, the Risk Management Committee of the Board of Directors and senior management on a regular basis; and the Asset and Liability Management Department of the Head Office is responsible for managing interest rate risk in the Bank's account books.

In terms of trading account and bank account books, the Bank managed their market risks with different methods. Market risk management over trading accounts mainly involves daily revaluation of positions in trading accounts through the application of market risk-related limits such as VaR limit, exchange rate sensitivity limit, interest rate sensitivity limit and stop-loss limit, and regular measurement of market risks using such methods as sensitivity analysis, VaR analysis and stress testing. In terms of market risk management over bank account book, the Bank focused on management of interest

rate and exchange rate risks to identify, measure, and monitor the market risks of various business lines through measures such as duration monitoring, exposure analysis, sensitivity analysis, scene analysis and stress testing. The Bank's market risk and capital mid-office systems, and the liquidity management sub-application have successfully measured and monitored various market risks regarding trading account and bank account books.

During the reporting period, the Bank continued to advance the construction of market risk management system in accordance with the Administrative Measures for Capital Management of Commercial Banks. In terms of system, the Bank completed the systematic measurement and regular reporting of market risk capital, counterparty credit risk weighted assets, credit valuation adjustment risk weighted assets, and central counterparty risk exposures. In terms of monitoring, the Bank optimized the portfolio limit system within the framework of market risk appetite, reasonably set market risk limit indicators, conducted daily monitoring, and established a market risk factor monitoring system to promptly monitor and issue warnings for fluctuations in key market data.

As of the end of 2024, the Bank's market risk indicators were within the risk limits of the Bank and risk appetite limits set by the Board of Directors. The market risk capital provision of the Bank covered the interest rate risk, exchange rate risk, stock price risk and commodity price risk in transaction accounts, as well as the foreign exchange risk and commodity price risk in bank account books. At the end of 2024, the Bank's market risk capital amounted to RMB2.519 billion, showing an increase compared to the end of the previous year, primarily due to higher exposures to general interest rate risk and exchange rate risk.

# Risk Management

## Bank Account Book Interest Rate Risk

The bank account book interest rate risk refers to the risk of losses of economic value of bank account books and overall earning caused by adverse changes in the interest rate level and term structure, mainly including gap risk, basic risk and option-related risk.

The Bank has established the bank account book interest rate risk management system, covering measurement method and analysis frame such as the Board of Directors' risk appetite, risk limits, gap analysis, duration analysis, scene simulation and stress testing, in accordance with the Bank Account Book Interest Rate Risk Management Guidelines of Commercial Banks (Revision) issued by the National Financial Regulatory Administration (NFRA). The Bank evaluates the impacts of interest rate changes on operations from two dimensions: namely, net interest income and economic value. The Board of Directors of the Bank assumes the ultimate responsibility for the effective management of bank account book interest rate risks. The senior management assumes responsibility for the implementation of management of bank account book interest rate risks, authorizing and urging functional departments to effectively manage bank account book interest rate risks. The Asset and Liability Management Department is responsible for the identification, measurement, monitoring and control of the bank account book interest rate risks of the Bank. The Bank measures its bank account book interest rate risks in accordance with the standardized measurement framework. Considering the gap of asset and liability terms and expectations on market interest rate, the Bank guides the adjustment of asset-liability structure via Funds Transferring Pricing (FTP) and active liability, and studies the risk hedging strategy on interest rate derivatives in line with market situations.

During the reporting period, the Bank kept a close eye on the changes in the external interest rate environment and internal interest rate risk exposures and continuously intensified the research and judgment of interest rate. Meanwhile, the Bank strengthened active management of assets and liabilities, optimized the structure of assets and liabilities, strengthened the coordinated adjustment of deposit and loan interest rates, and controlled the basis risk to enhance risk measurement capabilities. During the reporting period, the bank account book interest rate risks of the Bank were well controlled, and all indicators were controlled within the limit.

## Liquidity Risk

Liquidity risk refers to the risk of a commercial bank failing to obtain sufficient funds timely at reasonable costs to repay debts due, perform other payment obligations and meet other funds demand to conduct normal business.

The Bank established an effective liquidity risk management governance structure following the principle of separate functions of policy formulation, implementation and supervision, in accordance with the Measures for the Management of Liquidity Risk of Commercial Banks, and specified the responsibility and reporting line of the Board of Directors and its special committees, the Board of Supervisors, senior management and relevant departments in liquidity risk management. The Board of Directors of the Bank assumes the ultimate responsibility for liquidity risk management and reviews and approves liquidity risk appetites, liquidity risk management strategies, major policies and procedures. The Board of Supervisors supervises and evaluates the performance of the Board of Directors and the senior management in liquidity risk management. The senior management leads, organizes and promotes the liquidity risk management of the Bank. As the leading department regarding liquidity risk management, the Asset and Liability Management Department of the Head Office formulates liquidity risk management strategies, policies and procedures and is responsible for the specific management of liquidity risk. The Audit Department is the internal audit department of liquidity risk of the Bank, which is responsible for auditing, supervising and evaluating the management of liquidity risk.

During the reporting period, the Bank closely monitored monetary policy orientation and market developments, identifying, assessing, monitoring, reporting, controlling, or mitigating liquidity risks at both the legal entity and group levels. The Bank strengthened internal fund segregation management within the Group, continuously monitored the status of high-quality liquid assets, and maintained appropriate and reasonable reserves. By utilizing internal funds transfer pricing tools, the Bank actively adjusted the total volume, structure, and cash flow gap limits of assets and liabilities to improve the stability of liabilities. The Bank also assigned internal liquidity risk limits and supervised the implementation, conducted regular liquidity risk stress tests and organized the testing and evaluation of liquidity risk contingency plans, and enhanced emergency management of liquidity risks to ensure the continuity of the Bank's funds payment in case of emergencies.

As of the end of 2024, the Bank realized sound liquidity risk control, and all of its liquidity risk regulatory indicators met the regulatory requirements.

As at the end of 2024, the Bank's relevant indicators including Liquidity Coverage Ratio (LCR) were as follows:

Unit: RMB'00,000,000

Item	31 December 2024	31 December 2023
LCR (%)	139.46	113.03
High-quality liquid assets	4,612	5,215
Net cash outflow in the next 30 days	3,307	4,614
Liquidity ratio (%)	72.88	58.60
Liquid assets	7,469	7,953
Liquid liabilities	10,247	13,571

In accordance with the requirements for the Measures for the Information Disclosure on the Net Stable Funding Ratio of Commercial Banks, the information of the net stable funding ratio in 2024 is disclosed as follows:

Unit: RMB'00,000,000

Item	31 December 2024	31 December 2023
Net stable funding ratio (%)	105.46	107.36
Stable funds available	19,869	19,101
End-period value of stable funding needed	18,840	17,792

### Management of Liability Quality

The Bank attaches great importance to liability quality management, strictly abides by the Measures for the Management of Liability Quality of Commercial Banks. The Bank has established and improved its own liability quality management system, enhancing the organizational structure for liability quality management. The Board of Directors and senior management effectively manage and monitor liability quality, with the Board of Directors bearing the ultimate responsibility for liability quality management and senior management bearing implementation responsibility. Liability quality is also incorporated into the scope of internal audit. By establishing a scientific and comprehensive liability quality management system, the Bank effectively measures, monitors, and controls the quality of its liabilities. While meeting regulatory requirements, the Bank ensures and enhances the stability, diversity, appropriateness, rationality, proactivity, and authenticity of its liability quality.

The Bank strengthens market analysis and effectively balances the management goals of total volume, cost, and structure, focusing on the following key initiatives to optimize liability quality: first, solidifying its customer base to bring in more sustainable sources of funding for liability businesses;

second, reducing deposit interest rates to promote a balance between the volume and price of liabilities; and third, optimizing allocation strategies to enhance the forward-looking management capabilities of assets and liabilities. Through measures such as enhancing the management of the stability of liability sources, improving the diversity of liability structure, appropriately matching assets and liabilities, increasing proactive approaches to liability acquisition, rigorously managing liability costs, and strengthening the authenticity management of liability projects, the Bank is driving improvements in liability quality. These efforts lay a solid foundation for enhancing its ability to serve the real economy.

During the reporting period, the Bank maintained a strong liability position, with its liability quality management indicators operating steadily, and all regulatory metrics consistently meeting compliance requirements. As of the end of 2024, its net stable funding ratio was 105.46%; the liquidity coverage ratio was 139.46%, and the interest-bearing liability cost ratio was 2.26%, representing a decrease of 21 basis points compared to the previous year.

# Risk Management

## Operational Risk

Operational risk refers to the risk of loss, including law risk, but excluding strategic risk and reputation risk, caused by problematic internal procedures, employees, IT systems and external events. Guided by the principles of prudence, comprehensiveness, relevance, effectiveness, and proactiveness, and led by the Board of Directors, the Board of Supervisors, and senior management, the Bank set up and refined three lines of defense to control operational risks. These lines emphasize the sharing of risk-related data and information, driving the overall effectiveness of operational risk management.

First, the Bank further optimized the operational risk management system in alignment with the latest regulatory requirements and its actual management conditions. This involved revising and issuing operational risk management measures and supporting policies for operational risk self-assessment, key risk indicators, the operational risk loss database, and other tools, thereby reinforcing the Bank's institutional framework. Second, the Bank strengthened the application of operational risk management tools, and continuously enhanced the operational risk management system, ensuring that operational risk vulnerabilities were identified and addressed. In addition, the Bank focused on improving the intelligence of risk control measures in key business areas, assuring more rigorous control measures and the effectiveness of operational risk prevention. Third, the Bank fully leveraged the role of risk awareness education through regulatory policy advocacy, risk alerts, and special training to foster a strong culture of operational risk management. Meanwhile, the Bank enhanced risk awareness, building a sound cultural foundation for its stable operations and high-quality development.

As of the end of 2024, the Bank's operational risk management system kept running smoothly, with overall operational risks under control.

## Country Risk

Country risk refers to risks that economic, political or social changes and events occur in a foreign country or region, which renders borrowers or debtors in that country or region unable or unwilling to repay bank debts or causes the bank to suffer commercial losses or other losses in that country or region.

The Bank strictly adhered to the relevant regulatory requirements and followed the principles of robustness and prudence. The Bank has established a country risk management system in line with strategic objectives, risk status and complexity, and incorporated country risk management into the overall risk management system. The Bank continued to strengthen country risk management. Based on the country risk assessment results, the Bank divided relevant countries or regions into 7 internal ratings, corresponding to 5 risk levels: lower, low, medium, high and higher, and carried out classified management on each risk level. Moreover, the Bank identified, measured, monitored and controlled country risks in a timely manner, regularly assessed country risk levels and conducted limit management. The Bank guided businesses to be inclined to low-risk countries, and submitted major issues involving country risk management policies, and adjustment of limit plans etc., to the Board of Directors and senior management for deliberation and decision.

As of the end of 2024, most of the Bank's country risk creditors involved low levels of country risk, hence its exposure to country risk was controllable on the whole.



## Reputation Risk

Reputation risk refers to the risk of negative evaluation on the Bank by stakeholders, the public and the media due to the actions of the Bank offices at all levels, actions of employees or external events etc., thus damaging the Bank's brand value, detrimental to the Bank's normal operations, and even affecting the market stability and social stability.

The Bank took multiple measures to strengthen reputation risk prevention and control and actively safeguard the sound reputation image of the banking industry by strictly following the Measures for the Administration of Reputational Risks of Banking and Insurance Institutions (Trial). No major or severe incident impairing the reputation occurred throughout the year, and reputation risk was stable and controllable on the whole. In addition, the Bank reinforced proactive management by shifting the focus upstream and further implemented source management requirements. The Bank maintained a "7×24" hour public sentiment monitoring mechanism, regularly performed inspection on potential reputation risks, and implemented a closed-loop management process encompassing "risk identification, record-keeping, rectification tracking, hazard elimination, and retrospective review". Moreover, the Bank carried out thorough pre-assessments, maintained strict oversight on critical areas, issued timely alerts at key moments, and developed proactive response plans for sensitive issues. By addressing key industry concerns in public discourse, the Bank proactively enhanced internal audits and corrective actions through a systematic, lessons-learned approach. The Bank focused on strengthening its reputation risk management capabilities and enhancing team competence. The Bank's initiatives included conducting public opinion drills and stress testing, issuing emergency response plans, and organizing management training, with the aim of elevating the bank-wide reputation risk preparedness and control standards. During the reporting period, the Bank was elected as the vice-chair unit of the Reputational Risk Management Committee of the China Banking Association. As the head of the Public Sentiment Group, the Bank led efforts in industry sentiment analysis, joint monitoring, and sentiment case compiling.

## Strategic Risk

Strategic risk refers to the risk that the strategy does not match the market conditions and the Bank's capabilities due to the ineffectiveness of the Bank's strategy making and execution processes or due to changes in external operating conditions. Strategic risk management refers to the effective identification, assessment, control and reporting of strategic risks by establishing and formulating relevant regulations and mechanisms, identifying and resolving the problems in strategic management such as positioning goals, development policies, and business models, thereby avoiding or minimizing material adverse impacts on the Bank.

The Bank formulated its development strategies in combination with internal and external environment and policy orientation with five years as a strategic planning period in accordance with the cycle of national macro-economy planning. The Bank dynamically adjusted its strategic plan in response to changing circumstances, conducted regular evaluations to correct execution deviations, and enhanced strategic communication to minimize the risk of adverse impacts on the Bank's stable operations caused by poor decision-making or ineffective execution. The Bank will only enter a business sector if the Bank possess the requisite knowledge, resources, and risk management capabilities. New products and businesses must be approved through the relevant procedures and can only be launched once the necessary resources, technologies, processes, and risk management capabilities are in place. The Bank continued to conduct strategic monitoring and process management, carried out regular strategic implementation evaluation, and promoted and strengthened the building of strategy execution capability. The Bank paid close attention to the evolving banking landscape and implemented the latest decisions and directives of the CPC Central Committee. Centering on key areas like the "Five Major Sectors" of finance, the reform and transformation of the banking sector, and financial risk control, the Bank proactively conducted forward-looking strategic research and planning following the trend of times. By further consolidating and strengthening its strategic advantages, the Bank advanced resolutely towards the goal of becoming one of China's first-class commercial banks.

During the reporting period, the Bank regularly conducted evaluations of strategic execution. Adhering to a market-oriented approach, the Bank dynamically evaluated the effects and deficiencies of strategy implementation, analyzed the opportunities and challenges in the future, and proposed pertinent development strategies for the following period. Meanwhile, the Bank regularly tracked and evaluated strategic risks under the comprehensive risk management system. As of the end of 2024, the Bank's strategic risks were generally controllable, with no occurrence of strategic risk incidents.

# Risk Management

## Compliance Risk

Compliance risk arises when a financial institution's management practices or employee actions breach regulatory standards, leading to the financial institution or its employees being liable for legal liabilities (criminal, administrative, or civil), financial losses, reputational damage, and other detrimental outcomes.

During the reporting period, the Bank resolutely implemented the decisions and deployments of the Party Central Committee. Facing a complex external environment and severe compliance and case risk prevention situation, the Bank vigorously cultivated a compliance culture, established and improved compliance risk control processes, and strengthened compliance management throughout the Bank. Besides, the Bank continuously improved anti-money laundering management mechanisms, promoted long-term mechanism construction, and continuously solidified the foundation of compliance management. All the efforts aimed to ensure that no systemic risks occur.

**Vigorously cultivate a compliance culture through multiple measures.** The Bank took measures to build a strong foundation for compliance. The Bank published "Explaining Laws and Regulations" (bimonthly report) and "Anti-Money Laundering Quarterly Report", through which it disseminated new compliance management policies and analyzed typical cases, striving to consolidate the foundation of compliance operations and improve the quality and efficiency of compliance management. The Bank also endeavored to create an atmosphere of compliance. The Bank organized the "Compliance Publicity Season" campaign, the "2024 Guangfa Compliance Forum", and the Legal Compliance Competition & the Anti-Money Laundering Suspicious Transaction Analysis and Assessment Skills Contest to advocate compliance concepts and promote compliance culture throughout the Bank. The competitions, in particular, have promoted compliance learning and cultural development, thereby strengthening compliance awareness and enhancing compliance performance capabilities. Meanwhile, the Bank placed a strong emphasis on enhancing compliance education. The Bank issued the "Compilation of Compliance Standards Employees Should Know and Understand" and the "Key Interpretations of National Laws Leaders Should Know and Understand". Also, the Bank conducted training sessions on "Party Rules and Laws and Regulations Leaders Should Know and Understand" and organized a series of special lectures themed "Explaining Laws and Regulations". The goal of these diversified compliance culture promotion activities was to elevate awareness of compliance management throughout the Bank.

**Establish a sound compliance management process.** The Bank strove to solidify the foundation of compliance management. The Bank strengthened compliance risk identification, assessment, investigation, and handling through proactive prevention, real-time control, and post-event correction. The Bank also coordinated, organized, promoted and supervised the implementation of compliance management responsibilities through mechanisms such as compliance review, inspection and rectification, evaluation and assessment, and serious accountability, and advanced the construction of a long-

term and effective compliance management mechanism. The Bank integrated compliance review into the business processes. When dealing with significant decisions, major projects, important new products, and new business initiatives, the Compliance Management Department provides legal compliance review opinions based on business and functional department needs, assisting in identifying and evaluating compliance risks. In addition, the Bank focused on establishing a sound compliance reporting mechanism. The Bank's compliance report includes both external regulatory reports and internal compliance reports. In terms of regulatory reporting, if there are instances of violations or risks, the head office and branches report to the National Financial Regulatory Administration and its dispatched agencies. In terms of internal reporting, the Compliance Management Department of the head office takes the lead in reporting compliance risk management to the senior management, and then the senior management reports the overall compliance risk management situation to the Board of Directors and the Board of Supervisors. Direct branches, specialized institutions, and CGB Wealth Management adopt a dual reporting method, with the compliance management department of each unit reporting to both their own management and the head office's Compliance Management Department.

**Deepen risk case prevention and employee behavior management.** The Bank refined the management mechanism for risk case prevention and control. The Bank revised and issued the Regulations on the Risk Prevention and Control Management of Criminal Cases and the Management Measures for Criminal Cases, aiming to establish a comprehensive closed-loop management mechanism for criminal cases that encompasses "proactive prevention" and "post-incident handling". The Bank strengthened the management of employee behaviors. The Bank established the Code of Conduct for Employees, promoted the development of a culture of integrity in business practices, and continuously enhanced the moral standards and compliance awareness of its staff. The Bank also introduced a grid supervision mechanism to ensure compliant behaviors within its Bank. The Bank conducted regular home visits, heart-to-heart talks, and other daily supervision and management activities for employee behaviors. The Bank emphasized the tracking, verification, and closed-loop management of clues related to abnormal behaviors, thereby strengthening the supervision of employee abnormal behaviors. Besides, the Bank conducted an annual investigation across all bank employees regarding their involvement in business operations and enterprise establishment. This includes scrutinizing, verifying, and addressing any unusual activities related to employee investments, positions held, and business ventures. Moreover, the Bank intensified efforts in warning and education against illegal and non-compliant behaviors. To this end, the Bank published the Compilation of Typical Cases of Internal Accountability and organized educational training sessions on typical cases of illegal and non-compliant behaviors, aiming to enhance employees' awareness of legal compliance.

**Keep improving the quality and efficiency of anti-money laundering efforts.** Adhering to the "risk-based" work principle, the Bank strictly fulfilled all legal obligations related to anti-money laundering. The Bank continuously refined its

money laundering risk management policies and procedures, enhanced cross-departmental coordination mechanisms, strengthened supervision and evaluation, and boosted the effectiveness of policy implementation. Meanwhile, the Bank prioritized money laundering risk assessment and the effective use of its findings, enhanced customer risk rating models, refined risk control strategies, and ensured the healthy and steady development of its operations. The Bank also accelerated the digital and intelligent development of its anti-money laundering (AML) efforts. The Bank established an AML/CTF (anti-money laundering and counter-terrorist financing) list monitoring system, enhanced the customer due diligence system, optimized suspicious transaction monitoring models, and strengthened capabilities for risk early warning and control of the relevant systems. Additionally, the Bank continuously conducted AML training sessions, engaging with grassroots teams through the special program of "Bringing AML Compliance to the Grassroots". The Bank also organized skill competitions for identifying and assessing suspicious transactions, aiming to elevate the compliance awareness and capabilities of all employees. The Bank also actively cooperated with regulatory agencies in various investigations and supervision activities, intensified AML inspections and guidance for cross-border business, strengthened sanctions compliance management, and rigorously implemented risk prevention and control measures.

### Information Technology Risk

Information technology risk refers to the operational risks, legal risks and reputation risks arising from natural factors, human errors, technical vulnerabilities and management defects during the application of information technology by a commercial bank. In practice, the Bank's information technology risk management includes business continuity management and outsourcing risk management.

The Bank has established a well-structured information technology (IT) risk management organizational framework featured with rational division of duties, clear accountability, mutual checks and balances, and transparent reporting. The framework includes three lines of risk defense, namely the Board of Directors, senior management and its subordinate committees such as the Internal Control, Compliance and Risk Management Committee, Technology Management Committee, and IT risk management. The Bank specified the goals, principles and frameworks for the IT risk management, formulated an institutional framework with IT risk identification, assessment, monitoring and reporting as the main body, and set forth risk management strategies covering production, operation and maintenance, development and test, information security, business continuity, and outsourcing risks.

**In terms of information technology (IT) risk management,** the Bank continuously enhanced the architecture of IT risk management system, focused on strengthening IT governance capabilities, and improved the level of IT risk management. During the reporting period, the Bank revised and issued IT risk management policies. The Bank also improved the IT risk management organizational structure, optimized the division

of duties, refined risk control processes, and adjusted risk response strategies. Meanwhile, the Bank strengthened risk supervision by focusing on key risk areas and vulnerabilities. The Bank conducted a specialized assessment of IT risks at the head office level and carried out on-site inspections at multiple branch offices, followed by issuing a bank-wide notification of the findings. Also, the Bank conducted training programs on IT risk management to continuously enhance the performance capabilities of IT risk management personnel. The head office and branch offices worked together in three lines of defense to jointly build a solid IT risk defense mechanism.

**In terms of business continuity management,** the Bank made ongoing efforts to establish a sound business continuity management system, and achieved a "two locations and three centers" information system architecture covering the Foshan Nanhai Data Center, Guangzhou Intra-city Backup Center and Beijing Off-site Disaster Recovery Center, so as to meet the Bank's business continuity management needs. During the reporting period, the Bank enhanced the business continuity management system, and formulated and issued a business continuity management strategy tailored to the Bank's actual needs, continuously strengthening its efforts in business continuity management. The Bank performed business impact analysis and risk assessment for business continuity at the branch-wide level, enhancing the management of business continuity for key business areas. Additionally, the Bank reviewed and optimized the business continuity emergency plans, effectively enhancing the effectiveness and completeness of emergency plans across all units. Furthermore, the Bank developed and improved critical resources for business continuity, effectively enhancing the Bank's emergency response and handling capabilities through drills for key business areas, critical information systems, and support assurance. The Bank also conducted training sessions on business continuity knowledge and enhanced the competence of the relevant personnel, thereby strengthening the development of its business continuity management team.

**In terms of outsourcing risk management,** the Bank formulated and issued management measures, clarified outsourcing risk management organizational structure and division of responsibilities, and promoted the establishment of risk control processes for outsourcing risks in the pre-stage, during-stage, and post-stage. During the reporting period, the Bank carried out continuous supervision and promotion for outsourcing risk management, along with normalized outsourcing project management, and strict process supervision and control. The Bank also organized risk control self-assessment (RCSA) of outsourcing risk management and reinforced accountability in risk management practices. Besides, the Bank made continuous efforts to strengthen outsourcing emergency management, including the development of outsourcing emergency drill plans and improvements to the outsourcing management system, and strengthened warning reminder function and information identification and processing efficiency. The Bank also enhanced the development of outsourcing teams, organized special training, and strengthened the performance capabilities of outsourcing risk management personnel.

# Risk Management

## Exposure of Risks with Significant Amounts

According to the Administrative Measures for Exposure of Risks with Significant Amounts of Commercial Banks (Order No. 1 [2018] of the Former CBIRC), significant amounts exposure refers to the exposure of commercial banks to a single customer or a group related customers in excess of 2.5% of their net tier-1 capital. The Bank placed a high priority on the management of significant amounts exposure risk by setting internal limits, dynamically monitored changes in significant amounts exposure and set early warnings. The Bank continuously promoted the building of information system and enhanced the capability to prevent significant amounts exposure. As of the end of 2024, the Bank's significant amounts exposure indicators were controlled within the regulatory limit.

## Internal Control

The Bank has formulated the objectives and principles of internal control in accordance with relevant requirements of the Commercial Bank Law, the Guidelines on Internal Control of Commercial Banks and other laws and regulations. Guided by the above, the Bank has established an internal control system consisting of five major elements including internal environment, risk assessment, control activities, information and communication and internal supervision. This system aims to provide full-process management and control over the Bank's operations, and continuously promote the internal control system in practice.

During the reporting period, the Bank continued to advance the development of the institutional framework, rigorously implemented internal control measures, and strengthened the centralized management of authorization and internal control compliance inspections. The Bank conducted specialized compliance checks in key areas, enhanced issue rectification management, optimized internal control and compliance assessments, and completed internal control evaluations as well as external audits of internal controls. Furthermore, the Bank promoted the digital and intelligent transformation of legal and compliance management, focusing on improving the effectiveness of internal control management across the Bank.

**Continuously advance the development of regulatory framework.** By scientifically carrying out the establishment, revision, and abolition of regulations, and regularly clearing up outdated rules, the Bank facilitated the iterative updating of the regulatory framework to ensure it remains robust and effective. Meanwhile, the Bank strengthened the interpretation of new regulations and the internalization of external rules, dynamically updating internal rules and regulations in line with evolving external regulatory requirements to ensure its compliant operations. The Bank also conducted post-implementation evaluations of policies, performed spot checks on regulatory management, and reinforced the re-examination and assessment of policies which allowed the Bank to address

regulatory gaps and management deficiencies in a targeted manner, thereby solidifying the foundation of internal control and compliance.

**Advance the strict implementation of internal control measures.** The Bank conducted a thorough review and re-evaluation of the implementation methods of internal control, identified the development needs for enhancing system controls, and formulated a systematic development plan for internal control measures. Furthermore, the Bank continuously advanced system development efforts, strengthened the long-term mechanisms for internal control, and focused on improving the systematic and intelligent level of internal control across the entire bank.

**Enhance authorization management.** The Bank revised and issued the President Authorization Management Measures with an aim of enhancing the authorization management system, resolving issues in management practices, standardizing the authorization operating mechanism and strengthening internal controls and risk prevention. The Bank also carried out the 2024 Annual Basic Authorization Process across the Bank, completed the sub-delegation of authority to branches, and conducted special inspections on the implementation of the authorization management guidelines at branches.

**Fortify the coordinated management of internal control and compliance inspections.** The Bank centrally formulated the annual internal control and compliance inspection plan, focusing on business areas with a high incidence of problems and key aspects of internal control and compliance management. The plan covers critical branch institutions, and emphasizes inspection process management, aiming to enhance the effectiveness of internal control and compliance inspections. The Bank conducted specialized inspections in key areas, with main focus on compliance risk control in critical business fields such as corporate credit at the grassroots level, retail credit, wealth management business, seal management, document management, and office management. Through on-site inspections, off-site reviews, and surprise checks, the Bank carried out specialized inspections on internal control and compliance across the entire Bank. For identified common issues, the Bank promptly issued internal control and compliance risk warnings, requiring comprehensive problem analysis and strengthening issue resolution.

**Strengthen the management of rectification efforts.** The Bank has established a rectification mechanism which assists identifying root causes, applying lessons learned to prevent similar issues, and driving long-term improvements through enhancements to regulations, processes, and systems. The Bank also continuously conducted quality checks on rectification, regularly issued rectification guidance, and oversaw the resolution of identified quality issues in rectification. Additionally, the Bank optimized the system processes for issue rectification by enhancing system capabilities for automatic data verification and progress tracking, thereby improving the efficiency of rectification efforts.

**Optimize the internal control and compliance evaluation mechanism.** In response to the call to alleviate the workload of grassroots units and eliminate formalism, the Bank streamlined and refined evaluation metrics, highlighting annual priorities and reinforcing the assessment of compliance in critical areas and the resolution of issues found in internal and external inspections. The Bank conducted periodic pre-evaluations and annual assessments to enhance the quality and effectiveness of internal control and compliance management. Additionally, the Bank launched an internal control and compliance evaluation system, which enables the entire evaluation process to be conducted online, thereby improving evaluation efficiency.

**Conduct internal control evaluations and external audits.** The Bank performed initial and follow-up evaluations of internal controls, based on which, the “2023 Internal Control Evaluation Report” was developed. An external audit firm was engaged to conduct the 2023 internal control audit for the Bank. The Bank addressed general deficiencies identified in the internal control evaluation and implemented improvements suggested in the external audit’s internal control management letter, driving the continuous enhancement of the Bank’s internal control system.

**Advance the digital and intelligent transformation of regulatory and compliance management.** The Bank initiated a digital intelligence project for legal and compliance management, with a project team established to engage with industry peers and technology firms, ensuring a well-planned digital transformation. Additionally, the Bank advanced the construction and optimization of integrated platforms for internal control and compliance, related party transactions, legal affairs, and IT risk management systems, pursuing technology-driven precision in compliance management.

## Internal Audit

The Bank operates an independent and vertical internal audit management system. Internal Audit Department carries out internal audits under the direct leadership of the Board of Directors and the CPC Committee, to which it is accountable and reports its work. The Board of Directors has ultimate responsibilities for the independence and effectiveness of internal audit. The Audit Committee under the Board of Directors manages and guides the bank-wide audit with the authority from the Board of Directors. The Head Office has set up an Audit Department and four Regional Audit Centers in Guangzhou, Beijing, Shanghai and Wuhan which are allowed to perform supervision, evaluation and consulting functions independently. During the reporting period, the Bank followed the decisions and plans of the CPC Central Committee and national strategies and focused on the key priorities of China Life Group and the CPC Committee of the Head Office. The Bank fully performed its supervisory and advisory functions by enhancing audit approaches and innovating audit methodologies to improve corporate governance, internal control, and risk management level throughout the Bank.

**Oversee key personnel positions to ensure the proper exercise of power.** Focusing on areas with concentrated power, intensive capital flows, and abundant resources, the Bank closely monitored the performance of key leadership personnel. The measures included strengthening audit resource allocation for critical positions, and conducting economic responsibility audits for key branch executives, which enhanced the efficiency of economic power supervision. These efforts provided strong economic oversight to support the comprehensive and rigorous governance of the Party, reinforcing the critical role of auditing in advancing the Party’s self-reform.

**Focus on key risk areas to promote risk prevention and mitigation.** Centering on credit risk, the Bank conducted timely assessments to identify potential risk exposures in key industries, major clients, and critical processes, ensuring early identification, warning, exposure, and resolution of risks. For market risk, the Bank closely monitored key areas such as risk management processes and risk measurement, thoroughly uncovering design flaws and execution issues. Regarding internal control and fraud prevention risks, the Bank carried out surprise inspections on grassroots institutions with rapid business growth, weak management foundations, high-risk exposures, and heavy historical burdens, aiming to effectively identify and eliminate potential threats.

**Prioritize high-quality development requirements to drive the advancement in business operations.** To address the risks, challenges, and structural barriers in its high-quality development and transformation, the Bank conducted audit inspections in key areas such as information technology, liability quality, and capital management. Through these efforts, the Bank provided strategic recommendations to enhance organizational structures, institutional processes, and management strategies across the Bank, thereby driving improvements in management efficiency and governance effectiveness.

**Strengthen internal team development to continuously enhance the performance effectiveness.** The Bank advanced the digital transformation of auditing to enhance technological empowerment. The Bank also strengthened talent cultivation to improve the competency of the audit team, and deepened research-driven auditing to maximize the value of research outcomes.

# Capital Management

## Capital Allocation and Management

The Bank earnestly implemented the requirements of regulating capital, continuously strengthened capital management, and safeguarded the bottom line of financial risk prevention while ensuring compliance with regulatory capital standards with the aim of effectively identifying and resisting risks, and supporting the steady development of business. Guided by the management objective of the capital adequacy ratio, the Bank carried out comprehensive arrangement on the total capital and structure during the reporting period, and issued a total of RMB76 billion in capital bonds to replenish capital, which assisted reasonably restricting the over-expansion of risk-weighted assets and ensuring the stability of the capital adequacy ratio. Meanwhile, the Bank constantly improved the resource allocation and operation management mechanism, promoted the adjustment of the asset-liability structure, and facilitated the optimization of the asset portfolio.

During the reporting period, the capital adequacy ratios at all levels of the Bank continued to exceed the regulatory requirements on domestic systemically important banks.

## Capital Adequacy Ratio

### Overview of Capital Adequacy Ratio

The Group calculates its capital adequacy ratio in accordance with the Administrative Measures for Capital Management of Commercial Banks and other regulatory requirements. The particulars at the end of 2024 are as follows:

Unit: RMB'000

Item	31 December 2024
Total net capital	375,585,387
Including: Core Tier-1 capital	249,011,579
Deductions of core Tier-1 capital	(4,552,750)
Net core Tier-1 capital	244,458,829
Other Tier-1 capital	49,999,585
Deductions of other Tier-1 capital	—
Net Tier-1 capital	294,458,414
Tier-2 capital	81,126,973
Deductions of Tier-2 capital	—
Total risk-weighted assets	2,528,184,666
Including: Credit risk-weighted assets	2,350,290,387
Market risk-weighted assets	31,490,555
Operational risk-weighted assets	146,403,724
Core Tier-1 capital adequacy ratio (%)	9.67
Tier-1 capital adequacy ratio (%)	11.65
Capital adequacy ratio (%)	14.86

- Note:
1. Scope of calculation of capital adequacy ratio: The Group's consolidated basis includes CGB Wealth Management and all domestic and overseas branches.
  2. Measurement methods for risk-weighted assets concerning various risks: The risk-weighted approach for credit risk, the standardized method for market risk and operational risk. During the reporting period, there was no significant change in the measurement methods for various risk-weighted assets, including credit risk, market risk and operational risk, the risk measurement system and relevant capital requirements.

### Pillar 3 Disclosure

In accordance with the requirements of the Administrative Measures for Capital Management of Commercial Banks, the Bank has disclosed the Pillar 3 Disclosure Report. For details, please refer to the Investors Relationship on the Bank's website ([www.cgbchina.com.cn](http://www.cgbchina.com.cn)).

### Capital Financing Management

As of the end of 2024, the balance of the Bank's capital bonds amounted to RMB109.5 billion. Details are as follows:

Bond code	Bond abbreviation	Amount (RMB'00,000,000)	Start Date	Coupon	Bond	Bond type
				interest rate (%)	maturity (year)	
2028044	20 CGB Tier-2 01	300	3 November 2020	4.26	5+5	Tier-2 capital bonds
2028045	20 CGB Tier-2 02	35	3 November 2020	4.51	10+5	Tier-2 capital bonds
242400011	24 CGB Perpetual Bond 01	300	21 June 2024	2.39	5+N	Perpetual bonds
232480039	24 CGB Tier-2 Capital Bond 01A	200	5 August 2024	2.17	5+5	Tier-2 capital bonds
232480040	24 CGB Tier-2 Capital Bond 01B	60	5 August 2024	2.30	10+5	Tier-2 capital bonds
242400033	24 CGB Perpetual Bond 02	200	25 November 2024	2.42	5+N	Perpetual bonds
<b>Total</b>		<b>1,095</b>				

### Implementation of New Capital Management Regulations

To enhance the precision of risk management, the Bank further strengthened the internal management application and facilitated the optimization and upgrading of the risk management system in accordance with the requirements of the advanced approaches under the new capital regulations and drawing on leading industry practices. For the internal rating-based approach for credit risk, the Bank has developed and established an internal rating system and continuously optimized the models and supporting systems. The outcomes of internal ratings have been increasingly applied in various risk management areas, including authorization management, industry admission, credit policies, loan pricing, post-loan management, economic capital measurement, and asset impairment calculation. In terms of the standardized approach for operational risk (with self-calculated internal loss multiplier), the Bank rebuilt the operational risk management system and established a capital measurement model that complies with the requirements of the new capital regulations. In line with the new regulatory standards for operational risk, the Bank improved operational risk management measures and the supporting policies for the three major management tools. Additionally, the Bank established a mechanism for transmitting operational risk appetite, continuously enhancing its operational risk management system.

## Strategic Cooperation with Major Shareholders

The Bank carried out all-around cooperation with its major shareholders in the principle of complementary advantages and mutual benefits.

During the reporting period, the Bank cooperated with China Life Insurance Company Limited and other member companies of China Life group in the fields including commission-based insurance distribution, commission-based fund distribution, payroll services, consumer finance services, cash management, bond investments, investment banking, asset management, asset custody, interbank business, foreign exchange settlement and sales, and deposit services. This cooperation significantly enhanced the synergies between banking, insurance, and investment sectors. Additionally, the Bank actively implemented the “Five Major Sectors” of finance and created a competitive edge in unique and differentiated financial services offerings, continuously boosting its capacity to serve the national strategy, bolster the real economy, and enhance societal well-being.

The Bank mainly cooperated with CITIC Trust Co., Ltd. in the fields of wealth management, asset custody, foreign exchange settlement and sales and bond investments.

The Bank partnered with State Grid Yingda International Holding Group Co., Ltd. and other member companies of its parent company in areas such as commission-based insurance distribution, commission-based fund distribution, open banking, cash management, trade financing, asset custody, third-party depository, fund transactions, comprehensive credit facilities, and deposit services.

The Bank cooperated with Jiangxi Provincial Communications Investment Group Co., Ltd. mainly in the field of deposits, loans, cash management, investment banking, bond investment, and asset custody.

The Bank primarily engaged with the Ministry of Finance of the People's Republic of China in the fields of centralized treasury payment, collection of non-tax revenues, and treasury cash management.

The Bank primarily collaborated with Guangzhou City Construction Investment Group Co., Ltd. in the fields of deposit services, comprehensive credit facilities, and asset custody, supporting major strategies and industrial development of Guangzhou City.

The Bank worked with Shantou Investment Holdings Group Co., Ltd. in the area of deposit services.



# Prospects for the Bank's Future Development

## Industry Competition Landscape and Development Trend

In 2024, amidst complex internal and external conditions, China's economy has maintained a steady trajectory of improvement. The economy continued to operate in a stable manner, marked by progress amidst stability. The development of new quality productive forces was steadily advancing; the industrial structure was upgrading, and reforms and opening-up were deepening. Risks in key sectors were addressed in an orderly and effective manner, ensuring strong and solid protection for people's livelihoods. The primary goals and tasks for economic and social development this year have been successfully achieved. The banking industry earnestly implemented the decisions and directives of the CPC Central Committee, upheld the political and people-oriented nature of financial work, adhered to the fundamental principle of providing financial services to the real economy, evolved around the "Five Major Sectors" of finance, insisted on achieving a balance between development and security, and maintained overall stable operations.

The banking industry experienced steady growth in scale, with increased financial support channeled towards key areas such as manufacturing, small and micro enterprises, scientific and technological innovation, green development, and rural revitalization. Asset quality continued to improve, thereby bolstering the industry's capacity to manage risks effectively and playing a crucial role in supporting economic stability. At the end of 2024, the total assets of commercial banks increased by 7.2% year-on-year, while the non-performing loan ratio stood at 1.50%, down 0.09 percentage points from the end of the previous year. Furthermore, the provision coverage ratio was 211.19%, and the capital adequacy ratio was 15.74%.

The Third Plenary Session of the 20th CPC Central Committee emphasized that efforts should be made to deepen financial system reforms, create a favorable monetary and financial environment, and establish a modern system of financial institutions and markets. Efforts should be made to effectively provide financial services to the real economy, develop diversified financial services, optimize the allocation of financial resources, and direct these resources towards key national strategic areas. Efforts should be made to ensure national financial and economic security, improve the legal framework and supervisory system for finance, and strengthen the construction of financial infrastructure. Efforts should also be made to vigorously advance high-standard opening up of finance while promoting the internationalization of RMB in a careful and steady manner, and boosting RMB's international standing. The National Financial Work Conference emphasized that efforts should be made to prevent risks, strengthen supervision, and promote development within the financial system, and prevent and address financial risks in and external shocks to critical sectors in a proactive, orderly, and effective manner, promote the stable and healthy growth of the capital market and other sectors, and maintain a strong safeguard against systemic risks. Efforts should be made to enhance financial supervision on a sector-by-sector, industry-by-industry, and unit-by-unit basis, further improve the supervisory framework, and continuously boost the supervision effectiveness. Efforts should also be made to enhance the quality and effectiveness of financial services to support the real economy, thereby contributing to the establishment of a new development model and fostering high-quality growth.

Looking ahead to 2025, China's banking industry is poised to maintain sound development. Stable economic growth will create a favorable external environment for the development of banking industry. Banking assets and liabilities and business are expected to grow steadily; total social financing and credit volume will maintain moderate and reasonable growth, and comprehensive social financing costs will remain stable with a downward trend. Efforts will be made to enhance the quality and effectiveness of financial services to support the real economy, thereby contributing to the establishment of a new development model and fostering high-quality growth. The banking industry will also work to provide stronger support in expanding domestic demand, developing new quality productive forces, and promoting the economic transformation and upgrade. Efforts will be made to leverage the role of the coordination mechanism in supporting small and micro enterprises' financing, and direct credit capitals to the grassroots level at reasonable interest rates in a convenient and fast manner, effectively addressing the challenges of difficult, costly, and slow financing faced by small and micro enterprises. Efforts will be made to fully utilize the role of the urban real estate financing coordination mechanism, expand the "white list" projects to boost efficiency, and consolidate the momentum of the real estate market to halt its decline and achieve stability. Efforts will be made to identify the key areas for financial support in stabilizing foreign trade and consistently enhance assistance for foreign trade businesses. The industry's interest rate spread is expected to remain stable at low levels in spite of suffering pressure; intermediary businesses will achieve solid growth; profitability will remain

stable, and asset quality and risk coverage indicators will stay at reasonable levels. The banking industry will continue to implement the initiatives from the Third Plenary Session of the 20th CPC Central Committee to deepen financial system reforms, adhere to the relevant work requirements set by regulatory authorities while actively planning for the 15th Five-Year Plan. The banking industry will further focus on its origin, promote product and service upgrades, evolve business models, and accelerate progress in areas such as digital transformation, streamlined development, and integrated operations. The banking industry will also strive to improve the internal risk control level, strengthen the construction of data governance frameworks and infrastructure, and enhance the refined operation and management capabilities.

## Business Plan for 2025

In 2025, the final year of the 14th Five-Year Plan, the Bank will adhere to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, comprehensively implement the spirit of the 20th CPC National Congress, along with the Second and Third Plenary Sessions of the 20th CPC Central Committee and the Central Economic Work Conference. The Bank will adhere to the general principle of seeking progress while maintaining stability, prioritize Party building, center development as the main objective, drive reforms, and consolidate the foundations for sustainable operations and high-quality development. The Bank will make efforts in the following aspects: (1) The Bank will strive to create values. Efforts will be made to implement the national regional strategies, actively undertake the "Five Major Sectors" of finance, provide services for promoting large-scale equipment upgrades and consumer goods trade-in programs, as well as implementing major national strategies and enhancing security capacity in key areas, and strive to stabilize and enhance the real economy. Efforts will also be made to drive business transformation and upgrades, coordinate the quality improvement and quantitative growth, fostering the balanced development of quality, efficiency, and scale, and creating greater value returns for shareholders. (2) The Bank will improve the quality and efficiency of financial services. The Bank has consistently adhered to the political and people-oriented nature of financial work, centered its efforts on addressing the needs of the nation and the people, adhered to policies, closely monitored the market, and continually optimize its products and services to better meet customer needs. (3) The Bank will build distinctive operation advantages. By leveraging the developmental advantages of "being rooted in the Greater Bay Area" and comprehensive financial advantages, the Bank will better serve the Guangdong-Hong Kong-Macao Greater Bay Area, make efforts to build a specialized bank serving the insurance industry, and create differentiated development advantages. (4) The Bank will enhance technological support. The Bank will adapt to the changes in financial technology, use technology to empower business development, risk control, customer service, and internal management, rely on technology to improve efficiency and integrate resources, thereby promoting the transformation and upgrading of the operation and management mode. (5) The Bank will guard the bottom line of risk compliance. The Bank will establish the business philosophy of taking the risk-based approach as the foundation and compliance as the priority, improve the comprehensive risk management system, strengthen the compliance management, and enhance three lines of defense, thereby accelerating the disposal and resolution of risks, and guarding the bottom line of risk prevention.

## Potential Risks and Countermeasures

In 2025, both domestic and international economic conditions remain complex and severe. Internationally, the complexity, severity, and uncertainty of the external environment are mounting. The headwinds against economic globalization are intensified. Trade protectionism is dragging down the global economic recovery. The long-term trend of geopolitical conflicts is obvious. There is uncertainty in the adjustment of the monetary policies of the world's major economies. Domestically, economic recovery and improvement require overcoming various difficulties and challenges. Risks associated with real estate still require further attention. The Bank will implement the requirements of the urban real estate financing coordination mechanism, continuously "provide stable and clean credit support" to help stabilize the new credit disbursement for the real estate sector. In addition, the Bank will continue to implement the policy requirements of the "16-point set of financial measures" and continuously increase the efforts to resolve the existing risks of real estate loans.

The Bank will closely monitor changes in both domestic and international environments, take prudent yet positive actions to maintain the balance between development and safety, combine comprehensive prevention with targeted control, integrate precise judgment with bottom-line thinking, merge scientific prevention with active resolution, become more proactive in risk management, and work to mitigate risks in key areas.

## Environmental and Social Responsibility

Adhering to the social responsibility concept of “focusing on people’s development to achieve a harmonious and win-win situation”, the Bank actively fulfilled its responsibilities as a member unit of central state-owned financial enterprises, proactively served the real economy, vigorously developed green finance, consistently promoted green operation, and continuously strengthened the protection of consumers’ rights and interests. Also, the Bank helped with rural revitalization, carried out public welfare and charitable undertakings, and practiced the political and people-oriented nature of financial work, so as to continuously improve the professionalism and brand value of CGB.

### Focus on Core Responsibilities and Primary Tasks, and Serve the National Strategies

During the reporting period, under the guidance of Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, the Bank fully embraced the spirit of the 20th CPC National Congress, as well as the Second and Third Plenary Sessions of the 20th CPC Central Committee. The Bank diligently implemented the directives from the Central Financial Work Conference and effectively served national development strategies. The Bank increased support for regional strategies, resulting in a loan increase in key areas such as the Greater Bay Area, Beijing-Tianjin-Hebei region, and Yangtze River Economic Belt, exceeding the average level of the Bank. The Bank actively supported the private economy, vigorously backed the expansion of domestic demand, promptly implemented a raft of incremental policies, adjusted the outstanding mortgage rates, fulfilled the work requirements of the real estate financing coordination mechanism, and accelerated the efforts to acquire customers for consumer loans. The Bank assisted in the high-standard opening up, continuously promoted the facilitation of cross-border finance, and effectively met the cross-border financial needs of enterprises going global and the introduction of financial resources overseas. The Bank’s international settlement volume increased by 13%. Additionally, the Bank obtained approval for the qualification of non-resident account (NRA) funds receipt for cross-border e-commerce. The branches in Beijing, Shanghai, Guangzhou and Shenzhen have piloted “high-standard opening up in cross-border trade”.

The Bank has developed targeted work programs with the focus on technology finance, green finance, inclusive finance, pension finance, and digital finance, aiming to precisely and effectively support the growth of new quality productive forces. The Bank actively explored financial support for scientific and technological innovation, successfully organized the Labor Skills Competition for Technology Finance Service Innovation, and consistently improved financial backing for the green, low-carbon and circular economy. Additionally, the Bank actively promoted the inclusive finance 2.0 model, issued and executed the action plan for the high-quality development of inclusive finance, conducted widespread outreach to thousands of businesses and households, and promptly implemented the coordination mechanism for small and micro enterprises’ financing. The

Bank also actively served rural revitalization. It vigorously promoted the development of pension finance, organized Guangfa Bank’s 4th “Zizai Card Cup” National Square Dance Competition, launched an updated version of its “Zizai Card” product exclusively for middle-aged and elderly customers, and created eight core elderly care services encompassing medical care, nursing, health, elderly care, entertainment, education, finance and safety. Efforts have been made to advance the development of Digital Guangfa and Ecological Guangfa. Notably, the distributed banking core system project received the First Prize in the “Fintech Development Award” presented by the People’s Bank of China. The Bank actively explored the field of artificial intelligence through the “AI+” initiative and implemented a “one core, multiple applications” LLM planning and platform construction. This enabled the Bank to provide customers with one-stop intelligent solutions, empowering improvements in the quality and efficiency of its financial services.

The Bank focused on the diversified and individualized financial needs of citizens, optimized the elderly-friendly services both online and offline, provided more humanized services for disabled people, and enhanced the convenience of financial services for foreign nationals coming to China. During the reporting period, 896 domestic outlets offered manual services, maintained counter manual services, and set up elderly-friendly facilities. The customer service hotline, “Silver Hair Channel”, assisted over 5.5 million elderly customers. Additionally, 864 cash service outlets were equipped with banknote counting voice broadcasting services, braille cards, and braille password keyboards, while 827 outlets ensured barrier-free access. In cities like Beijing, Guangzhou, and Chongqing, 21 model outlets for foreign-related services were established, and 782 outlets were staffed with foreign language specialists and equipped with multilingual intelligent translation tools.

### Practice Finance for the People and Assist in Rural Revitalization

The Bank unwaveringly implemented the decisions and directives of the CPC Central Committee, took full responsibilities, and strengthened its commitment to the mission of revitalizing rural areas. During the reporting period, the Bank provided consumer assistance, introduced targeted support, expanded financial services, and consistently enhanced its long-term strategies to aid in the comprehensive rural revitalization and the modernization of agriculture and rural areas. The Bank held an annual rural revitalization support meeting, where the Bank summarized the work achievements, and developed an implementation plan for the key tasks of comprehensive rural revitalization services across the Bank. Vigorous efforts were made to carry out consumer assistance, resulting in nearly RMB15 million in agricultural product procurement throughout the year. The cumulative transaction amount in the “Rural Revitalization Zone” of Guangfa E-mall exceeded RMB100 million.



The Bank actively leveraged its advantages in comprehensive finance, precisely implemented financial service measures, and continuously provided high-quality financial services for the integrated development of urban and rural areas and the comprehensive rural revitalization. The Bank adopted multiple models to assist in the upgrading and development of rural industries. Focusing on the actual scenarios of “villages, circles, and chains”, the Bank created several financial products such as “Agricultural E-loan” and “Rural Insurance Loan”, effectively addressing the pain points of farmers and helping villagers embark on the path to prosperity.

Through targeted assistance, the Bank helped build a beautiful, livable and business-friendly countryside. Guangfa Hope Charity Fund has innovated public welfare programs based on the real needs of rural youth. It has evolved from enabling children to “attend school” to enabling them to “receive a quality education”, and has created a “Good Life” project matrix covering dimensions such as reading, nutrition, sports, aesthetic education, and mental health, so as to assist in the all-round development of rural youth.

## Implement the “Dual Carbon” Goals and Develop Green Finance

During the reporting period, the Bank continuously and deeply implemented the national strategic deployment of ecological civilization, actively responded to the national green development strategy, and clarified the important position of developing green finance. The Bank has established a dedicated task force for the “Five Major Sectors – Green Finance”, and formulated the Guangfa Bank’s Green Finance Work Plan of Year 2024, which defines the annual development goals and key work measures, laying a solid foundation for the stable development of green finance.

The Bank continued to provide green financial services, consistently promoted products such as green bonds, green investments, green supply chains, and green consumption, and innovated products such as environmental rights pledged loans. The Bank has created a diversified green finance service system integrating “insurance + banking + investment”, with a main focus on improving the management level of green finance operations. The Bank successfully completed the evaluation of the first “zero-carbon outlet”, and was recognized as an “Advanced Unit in Green Evaluation of Banks” in the 2023 Green Finance Evaluation conducted by the National Financial Regulatory Administration. Innovative initiatives like the “Ocean Carbon Sink +

Financing Guarantee” and the “Sustainable Development-linked Loans” have been recognized with the “2024 Guangdong Green Finance Reform and Innovation Promotion Case” award, as well as the “2024 Outstanding Case of High-Quality Development of Green Finance” award from the FINANCIAL SOCIETY of Guang Dong. These efforts contribute to supporting CGB’s efforts to support the “Dual Carbon” goals and the Beautiful China Initiative.

## Create a Happy Workplace and Practice Charitable Deeds

Adopting a market-oriented talent selection and employment mechanism, the Bank followed the rule of talent development in its education and training work, and intensified education and training empowerment. The trade union gave full play to its role as a bridge and link and organized a series of labor and skill competitions, which fully mobilized the enthusiasm of employees for work, stimulated the internal innovation potential and the potential for teamwork, and injected innovation vitality and development momentum into high-quality development.

The Bank actively participated in public welfare and charitable initiatives, and further strengthened the management of Guangfa Hope Charity Fund. The Bank continued to explore a distinctive “Finance + Charity” operational model, bringing together the goodwill of its cardholders and the society to spread warmth through acts of charity. In 2008, the Bank and the China Youth Development Foundation jointly established Guangfa Hope Charity Fund. With the mission of “Lighting the Path, Shaping the Future”, Guangfa Hope Charity Fund has been dedicated to long-term initiatives supporting rural youth’s health and educational development, and implemented a series of “Project Hope” programs. In 2024, the Bank invested over RMB12.6 million in public welfare and charity, implemented programs across 140 rural schools in 13 provinces, benefiting more than 300,000 teachers and students. Guangfa Hope Charity Fund won several awards, including the National Bronze Medal in the 7th Youth Volunteer Service Competition of the Central Committee of the Communist Youth League and “Excellent Case of Corporate Social Responsibility in 2024” presented by CNR.cn. Additionally, the “Caring for Youth Mental Health Program” was recognized as a 2024 ESG Best Practice Case in the banking industry.



# Environmental and Social Responsibility



## Inclusive Finance Business Topic: Enhance Financial Vitality to Nourish Inclusive Finance

Under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank comprehensively implemented the spirit of the 20th CPC National Congress, the Third Plenary Session of the 20th CPC Central Committee, the Central Financial Work Conference, and the Central Economic Work Conference. In line with the directives and requirements for advancing inclusive finance, the Bank strengthened financial support for the development of small and micro enterprises and comprehensively promoted the financial services to support rural revitalization. The Bank optimized the allocation of financial resources and formed an inclusive credit service system aligning with the development of the real economy, and achieved the goal of "ensuring quantity, stabilizing prices, and optimizing structure" of inclusive credit supply. These efforts enabled the Bank to better meet the diverse financial needs of a large number of customers and further promote the development of new quality productive forces.

### Strengthen Top-level Design and Clarify the Development Direction of Inclusive Finance for the Bank

The Bank incorporated the inclusive finance system into its overall business ecosystem. The Bank has developed the Inclusive Finance 2.0 model featuring batch-based customer acquisition, comprehensive services, digital and intelligent transformation, and compliant development, making every effort to enhance the service capabilities, quality and efficiency of inclusive finance.

**Formulate a high-quality action plan for inclusive finance to point out the direction for the development of inclusive finance business of the Bank.** The Bank issued the CGB's Action Plan for the High-Quality Development of Inclusive Finance (2024-2025), the CGB's Work Plan for Inclusive Finance Business of Year 2024, the CGB's Work Plan for Financial Services in Rural Revitalization of Year 2024, and the CGB's Action Plan for the Coordination Working Mechanism for Supporting the Financing of Small and Micro Enterprises, clarifying the development directions of inclusive finance and rural revitalization, and strengthening the credit support for the reasonable financing needs of small and micro enterprises.

**Strengthen the promotion and guidance of the action plan and establish the concept of the transformation and development of inclusive finance across the Bank.** The Bank held policy promotion meetings and financial support meetings for the comprehensive rural revitalization, meetings to promote the financing coordination mechanism for small and micro enterprises across the Bank, as well as working meetings for regional branches such as those in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Greater Bay Area. Through various means such as branch surveys and business promotion, the Bank conducted timely, accurate and comprehensive promotion and guidance for each branch to ensure the unified thinking and synchronized actions across the entire Bank.

### Strengthen the construction of the Inclusive Finance 2.0 model and consolidate the core competitiveness of CGB's inclusive finance

**Build a more applicable and market-competitive product system to meet the credit demands in key areas.** Centering around the specific scenarios of "villages", "circles" and "chains", the Bank developed asset-based products in accordance with the principles of small-amount, decentralized and scenario-based batch-based customer acquisition to ensure the diversified supply of products for small and micro customers. During the reporting period, the Bank launched 7 standardized products, including the Tobacco Business Loan, Hui Xin Loan, Technology Talent Loan, Hui Lian Tong, Electricity E-loan, and Loan for Benefiting People and Promoting Rural Revitalization, optimized and updated 11 existing products, such as Easy Mortgage Loan, Agricultural E-loan, and High-tech Enterprise E-loan, and accelerated the construction of an inclusive finance product matrix to build a brand system of inclusive finance products.

**Build a comprehensive customer service supply system of "credit +" to improve the service quality and efficiency.** The Bank firmly upheld the customer-centric development concept, adhered to the closed-loop customer service management of "acquiring customers, activating customers, and retaining customers", and established a three-dimensional service model of "online + offline", "support + accompaniment", and "financing + financing intelligence" to holistically meet the comprehensive financial needs of small and micro enterprises and individual customer groups. In terms of the retail customer group, the Bank focused on the implementation of the "Hui Cai Plan". By issuing lead lists, the Bank tapped into the potential of the retail business loan customer group. In terms of the corporate customer group, the Bank focused on the promotion of the "Digital Enterprise Connect" product. The Bank flexibly utilized E Shopkeeper and CGB's enterprise WeChat to conduct marketing tracking and management of the inclusive target customer group of "Digital Enterprise Connect", and improve the efficiency of product promotion.

**Establish an operation system for digital and intelligent transformation and strengthen collaboration and synergies.** The Bank established a business development model with self-operated business as the core, supplemented by customer diversion. By optimizing and innovating the self-operated model, the Bank took the initiative in development. In addition, the Bank drew on and internalized the successful experience of internet enterprises to enhance the operational capabilities of self-operated loans. The Bank also has established an operation system for digital transformation, strengthened the intensity of precision marketing, increased the support for the inclusive finance business of branches, and enhanced the function construction of E Shopkeeper to further improve management efficiency. The Bank performed well in the digital transformation of inclusive finance products, inclusive finance risk management, and the operation system, and formed intensive operation.

**Build a comprehensive and three-dimensional internal control and compliance management system to standardize the development of inclusive credit business.**

The Bank established an internal control and compliance system that meets the development needs of inclusive finance to standardize the expansion and management of inclusive finance business across the entire Bank. The Bank enhanced the ability to conduct business in compliance with regulations, focused on building compliance capabilities related to pre-loan due diligence, loan assessment, and post-loan monitoring, and promoted the credit business in accordance with regulations. The Bank improved the management execution capabilities, prioritized key compliance work including compliance audits, data governance, anti-money laundering, protection of consumers' rights and interests, and prevention of window dressing at the period-end. The Bank actively promoted the exemption from liability for due diligence. In accordance with the new regulations of the National Financial Regulatory Administration, the Bank revised and improved the Bank's system for exemption from liability for due diligence in inclusive business, optimized the work process, clarified the requirements for exemption from liability for due diligence for various positions and various products, and ensured the effective implementation of "exemption for all eligible cases" to provide a solid guarantee for business development.

**Enhance the Quality and Efficiency of Financial Services for Rural Revitalization**

**Strengthen the cooperation between the Bank and the government, and implement policies related to agriculture.**

The Bank has deepened its cooperation with the Agriculture and Rural Affairs Department of Guangdong Province, and continuously promoted the implementation of the rural revitalization financing risk compensation business in Guangdong. The Bank was honored with the Excellent Contribution Award in the commendation event for cooperative institutions of the rural revitalization financing risk compensation in Guangdong. Meanwhile, the Bank signed a "headquarters-to-headquarters" cooperation agreement with Guangdong Re-Guarantee, a subsidiary of Yuecai Guarantee Group, to establish cooperation in bulk guarantee business, and further promoted the development of inclusive finance and financial services for agriculture, rural areas, and farmers.

**Give prominence to supporting the development of the "High-Quality Development Project for One Hundred Counties, One Thousand Towns, and Ten Thousand Villages" in Guangdong Province.**

The Bank diligently implemented the deployments of the Guangdong Provincial Party Committee's "1310" plan, went all out to promote the "High-Quality Development Project for One Hundred Counties, One Thousand Towns, and Ten Thousand Villages", and strove to achieve the goal of "seeing initial results within three years". By the end of 2024, the cumulative lending for the Project has exceeded RMB250 billion, among which the newly added lending in 2024 exceeded RMB125.8 billion. The Bank actively responded to the work requirements of the Guangdong Provincial Party Committee

and the Provincial Government on supporting the high-quality development of counties, implemented vertical group assistance to Ruyuan Yao Autonomous County, Shaoguan City. The Bank jointly formulated the Work Plan for the Vertical Group Assistance to Ruyuan Yao Autonomous County with the participating units, increasing the provision of credit resources to support the local area.

**Continuously innovate financial services and develop special programs according to local conditions.**

Centering around the Bank's rural revitalization assistance sites, the Bank launched a standard product called "Loan for Benefiting People and Promoting Rural Revitalization". In addition, the Bank has created more than 60 agriculture-tailored special programs in combination with regional characteristics, such as the "Youshan Agriculture Benefiting Loan" in Shaoguan and the "Xuwen Pineapple Loan" in Zhanjiang. Focusing on the agricultural trade business districts, the Bank introduced local agricultural guarantee companies to mitigate risks, and launched a regional special program named "Agricultural Trade Market Loan". Regarding the upstream and downstream of leading agricultural enterprises, the Bank formulated an exclusive credit strategy for the feed industry. By targeting the downstream distributor customer group of Da Bei Nong Group (DBN Group), the Bank launched a special program called "DBN Chain Easy Loan".

**Create a characteristic risk management system for serving small and micro enterprises and individual customer groups.**

Relying on financial technology and big data technology, the Bank established an optimization mechanism for online risk control models to enhance the risk control capabilities of inclusive finance. Through integrating big data resources, the Bank formed a customer risk profile with the tax-related data of enterprises as the core, supplemented by data such as personal/enterprise credit reports, industrial and commercial information, judicial litigation information, multiplatform loan information, and anti-money laundering blacklists. The Bank achieved the synchronous optimization of risk logic, risk ratings, and risk models and continuously improved the online risk control system for inclusive finance to enhance the approval efficiency and customer experience.

## List of Honors

01

### People's Bank of China

The First Prize in the "Fintech Development Award"

07

### People.com.cn

Innovation Practice Case Library for Building a Financial Power in 2024

02

### Research Association of Ideological and Political Work of China Financial Institutions, China Volunteers Association

Demonstration Site for Lei Feng Activities and Model of Lei Feng in the Financial System

08

### CNR.cn

2024 Excellent Case of Corporate Social Responsibility of CNR.cn

03

### Research Association of Ideological and Political Work of China Financial Institutions

In 2024, the Bank won one first prize, one second prize, two third prizes, and two excellence awards for the research achievements in ideological and political work and cultural construction of the national financial system, as well as the Excellent Organization Award, with the number of awards reaching a historical high

09

### China.com.cn

2024 Excellent Case of Brand Building

04

### Office of the Central Secrecy Commission (National Administration of State Secrets Protection)

In the micro-video collection and selection activity of "Searching for the Most Beautiful Spokesperson for Secret-related Rule of Law", the work of CGB won the national third prize and the national excellence award

10

### World Brand Lab

Ranked in the List of China 500 Most Valuable Brands of the World Brand Lab for 17 consecutive years

05

### Xinhua News Agency

2024 Excellent Case of Guangdong Financial Institutions Empowering the "High-Quality Development Project for One Hundred Counties, One Thousand Towns, and Ten Thousand Villages"

11

### China Banking and Insurance News

2024 Typical Case of ESG Practice in the Banking Industry, 2024 Jin Nuo • Annual Financial Brand New Media, and the Best Communication Award of the Fourth "Guard Your Money and Protect Your Happy Family" Short Video Collection Competition

06

### Xinhuanet

2024 Outstanding Case of Pension Finance of Financial Institutions

12

### Global Finance

Best Transaction Bank Award of Stars of China

13

**Financial Times**

2024 Application Case of Science and Technology Finance in the Greater Bay Area

19

**Southern Weekly**

2024 Public Welfare Communication Case Award

14

**Securities Times**

2024 Tianji Award for the Outstanding Service Bank in the Guangdong-Hong Kong-Macao Greater Bay Area

20

**21st Century Business Herald**

ESG Social Responsibility Case, Annual Financial Institution with Brand Influence, and 2024 Outstanding Stability Fixed Income Wealth Management Product

15

**Shanghai Securities News**

Golden Wealth Management Annual Fixed Income Product Award

21

**JRJ.com**

Outstanding Chinese-funded Bank Award, Outstanding Science and Technology Finance Innovation Award

16

**China Business Journal**

2024 Outstanding Competitive Pension Finance Bank

22

**Caijing.com.cn**

2024 Brand Feature Innovation Bank

17

**National Business Daily**

2024 Outstanding Retail Bank Award

23

**Zhaopin.com, Institute of Social Science Survey of Peking University**

Top China Best Employers for 14 consecutive years

18

**Nanfang Daily**

2024 Contribution Award for Serving New Quality Productive Forces

24

**International ARC Awards Competition, LACP**

Gold Awards for cover design in the ARC Awards (International, Asia-Pacific Region, and China), LACP Platinum Award, Ranked 20th in the World Annual Report, and 2nd in the Asia-Pacific Region

Coordinating for the Overall  
Strategic Layout,  
Striving for the Development



Aligned with the strategic deployment of the Central Financial Work Conference, the Bank closely focuses on the overall layout of serving national modernization construction, takes the development as a core, and concentrates on three major tasks in terms of serving the real economy, preventing financial risks, and deepening financial reforms. The Bank thoroughly implements the “Five Major Sectors” of finance, and precisely serves the national major regional development strategies such as the Beijing-Tianjin-Hebei Collaborative Development, the integration of the Yangtze River Delta, and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. The Bank aims to precisely allocate financial resources to support the construction of a modern industrial system, and unswervingly follows the path of financial development with Chinese characteristics.



## Significant Events

### Preliminary Profit Distribution Plan

The Bank (as a legal person) made an after-tax profit of RMB15.006 billion in the audited 2024 financial statements. After the deduction of the dividends of RMB2.025 billion in undated capital bonds issued in 2024, the after-tax profit distributable for ordinary shareholders was RMB12.981 billion. The Bank intended to appropriate RMB1.501 billion at 10% of the after-tax profit to the statutory surplus reserve, and RMB2.915 billion at 1.5% of the closing risk assets balance to the general risk reserve. As of the dividend record date, a cash dividend of RMB0.767 (tax inclusive) per every 10 shares will be paid to all shareholders of record, amounting to RMB1.671 billion.

The above profit distribution plan is subject to the review and approval at 2024 annual general meeting of the Bank.

### Changes in Shareholding of Top 10 Shareholders during the Reporting Period

During the reporting period, Brilliance Auto Group Holding Co., Ltd., the former 8th largest shareholder of the Bank, transferred 149,540,000 shares of the Bank to Xiamen International Bank Co., Ltd. Following the change in shareholding, Brilliance Auto Group Holding Co., Ltd. was not in the list of the Bank's top ten shareholders.

As at the end of 2024, the Bank's top 10 shareholders are China Life Insurance Company Limited, CITIC Trust Co., Ltd., State Grid Yingda International Holdings Co., Ltd., Jiangxi Communications Investment Group Co., Ltd., Ministry of Finance of the PRC, AVIC Investment Holding Co., Ltd., Guangzhou City Construction Investment Group Co., Ltd., Jiangsu Suzhou Steel Group Co., Ltd., Hunan Xiangjiang New Area Development Group Co., Ltd. and Guangdong Yuecai Asset Management Co., Ltd.

### Increase or Decrease of Registered Capital

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

### Acquisition or Sale of Assets, Division and Merger of Enterprises

During the reporting period, the Bank made no significant acquisition or sale of assets or division or merger of enterprises.

### Significant Lawsuits and Arbitrations

During the reporting period, the Bank didn't have any significant lawsuits or arbitration.

As of 31 December 2024, the Bank still has pending litigation or arbitration cases as a defendant or respondent with a principal amount of RMB11.821 billion (including RMB10.841 billion involved in the litigation arising from Huizhou Qiaoxing

Risk Incident). The Bank has made appropriated provisions for the estimated progress of the involved lawsuit cases and disputes in accordance with relevant requirements. The aforesaid events may materially impact the Bank's financial condition or operating results.

### Significant Events concerning Custody, Guarantees, Commitments and Entrustment of Asset Management during the Reporting Period

#### Major Custody, Contracting and Leasing

During the reporting period, there were no major events concerning custody, contracting and leasing of other companies' assets or custody, contracting and leasing of the Bank's assets by other companies apart from the asset custody business conducted by the Bank within the business scope as approved by the National Financial Regulatory Administration.

#### Material Guarantees

During the reporting period, there were no material guaranty events apart from the financial guarantee business conducted by the Bank within the regulatory-approved business scope by the National Financial Regulatory Administration.

#### Entrustment of Cash Asset Management

During the reporting period, there were no events concerning the entrustment arrangements of cash asset management.

### Related Party Transactions

#### Overview of Related Party Transactions

The Bank has established an organizational structure for related party transaction management, featuring the management by the General Meeting of Shareholders, the Board of Directors, the Related Party Transaction Control Committee under the Board of Directors and the senior management, the supervision by the Board of Supervisors in accordance with applicable laws, and division of labour and cooperation among functional departments. The General Meeting of Shareholders is responsible for reviewing and approving related party transactions subject to its approval. The Board of Directors is responsible for reviewing and approving the management system of related party transactions, reviewing and approving major related party transactions and those authorized by the General Meeting of Shareholders; and it bears the ultimate responsibility for the management of related party transactions of the Bank. The Related Party Transaction Control Committee under the Board of Directors assists the Board of Directors to manage related party transactions, controls the risks of related party transactions, and puts forward specific opinions and suggestions to the Board of Directors. The Board of Supervisors is responsible for supervising the deliberation, voting and implementation of related party transactions. The senior management is responsible for guiding and coordinating the management of related party transactions of the entire

Bank, and promoting the improvement of the internal control mechanism and risk management of related party transactions. When conducting related party transactions, the Bank complies with the relevant requirements of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions and the Governing Rules for Related Party Transactions of China Guangfa Bank. The Bank also follows the principle of honesty and credit, openness and fairness, look-through identification and clear structure. In accordance with commercial principles, the Bank conducts related party transactions on terms no better than those for similar transactions with non-related parties. There is no circumstance under which the interests of the Bank and its shareholders would be harmed. Related party transactions are as follows:

**Related party transactions of credit granting business.** In 2024, the Bank's related party transactions of credit granting business totaled RMB32.193 billion. As of 31 December 2024, the balance of these transactions was RMB28.101 billion. According to paragraph 3 in Article 16 of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, the credit balances between the Bank and related parties are not included in the statistics when calculating the proportion of credit balance between the Bank and related parties. After deducting the credit balance of CITIC Bank of RMB9.110 billion, the credit balance of the related party is RMB18.991 billion, accounting for 5.14% of the Bank's net capital at the end of 2024. The Bank's credit balance to a single related party does not exceed 10% of the Bank's net capital at the end of 2024, the total credit balance to the group of a single related party does not exceed 15% of the Bank's net capital at the end of 2024, and the Bank's credit balance to all related parties does not exceed 50% of the Bank's net capital at the end of 2024, which meets the relevant regulatory ratio requirements.

**Related party transaction of non-credit granting business.** In 2024, the cumulative amount of non-credit related party transactions of the Bank was RMB30.891 billion, including RMB1.135 billion in service-related related party transactions, RMB131 million in asset transfer related party transactions, and RMB29.625 billion in deposits and other related party transactions.

### Substantial Related Party Transactions

During the reporting period, the Bank entered into a unified transaction agreement and one major related party transaction.

On 12 April 2024, the Bank signed a Unified Transaction Agreement with China Life Property and Casualty Insurance Company Limited. Under the agreement, both parties set maximum limits for related party transactions for agency insurance and asset custody services spanning 2024 to 2026. Specifically, for the agency insurance business, the annual maximum limits are RMB50 million, RMB50 million, and RMB60 million, respectively, while the respective annual maximum limit for asset custody services is RMB200,000. The agreement is effective from 1 May 2024 to 31 December 2026.

On 27 September 2024, the Bank entered into an RMB Unit Agreement Deposit Contract with China Life Insurance Company Limited. Under the contract, each account has a basic deposit limit of RMB100,000. Deposits within this limit accrue interest at the Bank's standard demand deposit interest rate, while any amount exceeding the basic limit accrues interest at the contractually agreed rate. The total deposit limit under the contract is RMB6 billion, and the agreement is valid until 14 July 2026.

### NPL Balance of Related Party Transactions

As of the end of 2024, there were no NPL regarding related party transactions.

### Penalties on the Commercial Bank, its Directors and Senior Executives by Relevant Regulatory and Judiciary Authorities

During the reporting period, the Bank was not under investigation for alleged criminal activities and did not receive any significant administrative penalties from other relevant authorities that would have a major impact on its operations. Based on the information available to the Bank, there are no Directors, Supervisors, or Senior Management of the Bank who are suspected of crimes and have been subjected to coercive measures according to law, nor are there any who are suspected of serious violations of discipline or law, or duty-related crimes and have been placed under disciplinary measures by the disciplinary and supervisory authorities, which would affect their performance of duties. There are also no individuals who have been subjected to coercive measures by other competent authorities due to suspected violations of laws or regulations, which would affect their performance of duties.

### Engagement and Dismissal of Accounting Firms

Pursuant to the resolution adopted in the First Extraordinary General Meeting of Shareholders of the Bank on 4 March 2025, the Bank appointed BDO China Shu Lun Pan Certified Public Accountants LLP as the Bank's 2024 external auditor to audit the Bank and issue an audit report in accordance with the 2024 financial statements prepared in the light of the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards respectively. The term of office expires at the end of the 2024 Annual General Meeting of Shareholders, and the remuneration is RMB4.13 million. In 2024, BDO China Shu Lun Pan Certified Public Accountants LLP served as the Bank's auditor for the first year.

### Other Significant Events

During the reporting period, there were no other significant events.

## Changes in Shareholding and Shareholders' Profile

### Changes in Shareholding

Unit: Share

Nature of shares	Before changes during the year	Shareholding (%)	Changes during the year increase (decrease)	After changes during the year	Shareholding (%)
Shares held by the State	1,190,332,406	5.463	–	1,190,332,406	5.463
Shares held by State – owned legal entities	19,609,767,115	89.995	14,929,247	19,624,696,362	90.063
Shares held by individuals	1,648,840	0.008	–	1,648,840	0.008
Shares held by other domestic investors	988,112,350	4.534	(14,929,247)	973,183,103	4.466
Total	21,789,860,711	100.000	–	21,789,860,711	100.00

### Number of Shareholders and Shareholdings

As at the end of 2024, there were a total of 454 corporate shareholders and 1,293 natural-person shareholders in the Bank, holding 21,789,860,711 shares.

### Pledged and Frozen Shares

As at the end of 2024, there were no pledged or frozen shares held by major shareholders of the Bank. There were 6 shareholders (whose shares accounted for 1.386% of the total share capital) of the Bank involved in judicial freezing of pledged equity.

### Shareholdings of Top 10 Shareholders at the end of the reporting period

Unit: Share

Name of shareholders	Increase/ decrease during the reporting period	Shares held	Shareholding rate (%)
China Life Insurance Company Limited	–	9,519,210,262	43.686
CITIC Trust Co., Ltd.	–	3,080,479,452	14.137
State Grid Yingda International Holdings Co., Ltd.	–	1,943,533,352	8.919
Jiangxi Communications Investment Group Co., Ltd.	–	1,783,343,771	8.184
Ministry of Finance of the People's Republic of China	–	1,136,946,100	5.218
AVIC Investment Holding Co., Ltd.	–	762,469,249	3.499
Guangzhou City Construction Investment Group Co., Ltd.	–	744,013,552	3.414
Jiangsu Suzhou Steel Group Co., Ltd.	–	222,777,231	1.022
Hunan Xiangjiang New Area Development Group Co., Ltd.	–	217,898,607	1.000
Guangdong Yuecai Asset Management Co., Ltd.	–	210,000,000	0.964
Total	–	19,620,671,576	90.043

- Notes:
- At the end of the reporting period, "China Life Insurance Company Limited" exerted significant influence over "AVIC Investment Holding Co., Ltd.", thereby constituting a related party relationship.
  - At the end of the reporting period, "State Grid Yingda International Holdings Group Co., Ltd." and "State Grid Shanghai Municipal Electric Power Company" were both under the control of State Grid Corporation of China, thereby constituting a related party relationship. "State Grid Shanghai Municipal Electric Power Company" held 0.099% shares in the Bank.
  - At the end of the reporting period, "Guangdong Yuecai Asset Management Co., Ltd." was a subsidiary of "Guangdong Yuecai Investment Holdings Co., Ltd.", the latter held 0.495% shares in the Bank.
  - Apart from the aforementioned situations, the Bank is not aware of any related party relationship or concerted action relationship among the shareholders mentioned above.

## Introduction of Major Shareholders Holding 5% or More

During the reporting period, the Bank had no controlling shareholder or actual controller.

### China Life Insurance Company Limited

China Life Insurance Company Limited was incorporated in Beijing, China on 30 June 2003 in accordance with the Company Law and the Insurance Law of the People's Republic of China. It was successfully listed overseas in December 2003 and returned to the domestic market as an A-share listed company in January 2007. The registered capital of China Life Insurance Company Limited is RMB28.265 billion and its legal representative is Cai Xiliang. China Life Insurance Company Limited is a leading life insurance company in China and possesses an extensive distribution network comprising exclusive agents, direct sales representatives, and dedicated and non-dedicated agencies. Besides, the China Life Insurance Company Limited is one of the largest institutional investors in China, and becomes one of the largest insurance asset management companies in China through its controlling shareholding in China Life Asset Management Company Limited. The China Life Insurance Company Limited also has controlling shareholding in China Life Pension Company Limited.

The controlling shareholder and the final beneficiary of China Life Insurance Company Limited is China Life Insurance (Group) Company, and the actual controller is the Ministry of Finance of the People's Republic of China. Its major related parties include China Life Asset Management Company Limited, China Life Pension Company Limited, China Life AMP Asset Management Co., Ltd., China Life Property and Casualty Insurance Company Limited and China Life Investment Management Company Limited. As of the end of 2024, China Life Insurance Company Limited held 9,519,210,262 shares of the Bank, accounting for 43.686% of the total shares. Its related party, AVIC Investment Holdings Co., Ltd., holds 762,469,249 shares of the Bank, accounting for 3.499% of the total shares. There is no concerted action relationship between China Life Insurance Company Limited and other shareholders of the Bank.

### CITIC Trust Co., Ltd.

Established on 1 March 1988, CITIC Trust Co., Ltd. is a national non-banking financial institution focusing on trust business, an important member of CITIC Group, and one of the leading players in China's trust industry in terms of comprehensive operation strength. Its registered capital is RMB11.276 billion and its legal representative is Lu Wei.

The controlling shareholder of CITIC Trust Co., Ltd. is CITIC Financial Holdings Co., Ltd., the actual controller and the final beneficiary is CITIC Group Corporation. The major related parties included CITIC Financial Holdings Co., Ltd., CITIC Corporation Limited, CITIC Limited, CITIC Juxin (Beijing) Capital Management Co., Ltd., CITIC Xinhui International Capital Co., Ltd. As of the end of 2024, CITIC Trust Co., Ltd. held 3,080,479,452 shares of the Bank, accounting for 14.137% of the total shares. There is no related party relationship or concerted action relationship between CITIC Trust Co., Ltd. and other shareholders of the Bank.

### State Grid Yingda International Holdings Co., Ltd.

State Grid Yingda International Holdings Co., Ltd. was established in December 2010, with a registered capital of RMB108.112 billion. Its legal representative is Yang Dongwei. It is a wholly-owned subsidiary and a financial asset investment management platform of State Grid Corporation, fulfilling the responsibilities of investor and business management for financial units. Under the strong leadership of the Party Committee of State Grid Corporation, State Grid Yingda International Holdings Co., Ltd. adheres to the positioning of financial business, being deeply rooted in the main business, serving the real economy, strengthening the industrial development with finance and creating value, and goes out on a road of development with the integration of industry and finance with the characteristics of State Grid. At present, State Grid Yingda International Holdings Co., Ltd. holds financial company, property insurance, life insurance, insurance broker, insurance asset management, trust, securities, futures, public fund, industrial fund, financial leasing, factoring, investment, carbon finance and other financial or quasi-financial licenses.

The controlling shareholder of the State Grid Yingda International Holdings Co., Ltd. is State Grid Corporation of China and the actual controller and the final beneficiary is the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, and major related parties include State Grid Yingda Co., Ltd., China Power Financial Co., Ltd., Yingda Taihe Property Insurance Co., Ltd., Yingda Taihe Life Insurance Co., Ltd., Yingda Chang'an Insurance Brokers Co., Ltd., and State Grid International Leasing Co., Ltd. As of the end of 2024, State Grid Yingda International Holdings Co., Ltd. held 1,943,533,352 shares of the Bank, accounting for 8.919% of the total shares. Its related party, State Grid Shanghai Municipal Electric Power Company, holds 21,570,898 shares of the Bank, accounting for 0.099% of the total shares. State Grid Yingda International Holdings Co., Ltd. has no concerted action relationship with other shareholders of the Bank.

## Changes in Shareholding and Shareholders' Profile

### Jiangxi Communications Investment Group Co., Ltd.

Jiangxi Communications Investment Group Co., Ltd. was established on 28 November 2009, with a registered capital of RMB9.505 billion and the legal representative of Xie Jianfa. The group directly manages 21 wholly-owned and controlled subsidiaries, 11 directly subordinate road-section management centers, 14 shareholding subsidiaries, with subordinate entities and employees reaching over 860 and 18,000 respectively. Its corporate credit is rated as AAA, and it has ranked among Top 500 in China's service industry for several consecutive years. It operates and manages 5,790 km expressway, accounting for 86% of the traffic mileage of the province. The business is mainly divided into four sections: transportation infrastructure investment, construction and operation, engineering construction, financial investment and roadside resources development.

The controlling shareholder, the actual controller and the final beneficiary of Jiangxi Communications Investment Group Co., Ltd. is the Department of Transportation of Jiangxi Province (with the consent of People's Government of Jiangxi Province, Department of Transportation of Jiangxi Province plans to transfer 90% of the equity held to Jiangxi State-owned Capital Operation Holding Group Co., Ltd. at no consideration. As of the end of the reporting period, the above matter has not completed the industrial and commercial change registration. After the completion of the industrial and commercial change registration, the controlling shareholder will be changed to Jiangxi State-owned Capital Operation Holding Group Co., Ltd., and the actual controller and the final beneficiary will be changed to State-owned Assets Supervision and Administration Commission of Jiangxi Province), and the major related parties include Jiangxi Highway Development Co., Ltd., Jiangxi Ganyue Expressway Co., Ltd., Jiangxi Transportation Engineering Group Co., Ltd., Jiangxi Changxing Expressway Service Area Development and Management Co., Ltd., Jiangxi Communications Design and Research Institute Co., Ltd., Jiangxi Transportation Investment Consultancy Group Co., Ltd., Jiangxi Communications Investment Group Finance Co., Ltd., Jiangxi Expressway Asset Management Co., Ltd., Jiangxi Transportation Investment Digital Intelligence Technology Co., Ltd. and Jiangxi Transportation Investment Fossil Energy Co., Ltd. As of the end of 2024, Jiangxi Communications Investment Group Co., Ltd. held 1,783,343,771 shares of the Bank, accounting for 8.184% of the total shares. Jiangxi Communications Investment Group Co., Ltd. has no related party relationship or concerted action relationship with other shareholders of the Bank.

### Ministry of Finance of the People's Republic of China

The Ministry of Finance of the People's Republic of China was founded in October 1949. As a department of the State Council in China, it is in charge of fiscal revenue and expenditure, tax policy formulation, financial supervision and other matters. The Minister is Lan Foan. The Ministry of Finance implements the guidelines, policies, decisions and arrangements of the CPC Central Committee on financial and economic work, and upholds and strengthens the Party's centralized and unified leadership over financial work in the process of performing its duties.

As of the end of 2024, the Ministry of Finance of the People's Republic of China held 1,136,946,100 shares of the Bank, accounting for 5.218% of the total shares. According to the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, the national administrative organs and government departments do not apply the supervision provisions on the management of related parties.

### Introduction of Other Major Shareholders Required to be Disclosed Pursuant to the Interim Measures for Equity Management of Commercial Banks

#### Guangzhou City Construction Investment Group Co., Ltd.

Guangzhou City Construction Investment Group Co., Ltd. was established in December 2008 with a registered capital of RMB17.524 billion. It is a large state-owned enterprise specializing in urban infrastructure investment, financing, construction, operation and management. The controlling shareholder, actual controller, and final beneficiary of Guangzhou City Construction Investment Group Co., Ltd. is the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government. Its major related parties include Guangzhou Industrial Investment Fund Management Co., Ltd., Guangzhou Tower Tourism Culture Development Co., Ltd., Guangzhou Restaurant Group Co., Ltd., and Guangzhou Pearl River Piano Group Co., Ltd., etc. As of the end of 2024, Guangzhou City Construction Investment Group Co., Ltd. held 744,013,552 shares of the Bank, accounting for 3.414% of the total shares, and nominated one Director to the Bank. There are no related party relationship or concerted action relationship between Guangzhou City Construction Investment Group Co., Ltd. and other shareholders of the Bank.

#### Shantou Investment Holdings Group Co., Ltd.

Shantou Investment Holdings Group Co., Ltd. was established in August 2018 with a registered capital of RMB322 million. The controlling shareholder, actual controller, and final beneficiary of Shantou Investment Holdings Group Co., Ltd. is the State-owned Assets Supervision and Administration Commission of People's Government of Shantou City. Its major related parties include Shantou City Construction Development Co., Ltd., Shantou Energy Investment Co., Ltd., and Shantou Water Investment Co., Ltd., etc. As of the end of 2024, Shantou Investment Holdings Group Co., Ltd. held 23,323,753 shares of the Bank, accounting for 0.107% of the total shares, and appointed one Supervisor to the Bank. Its related party, Shantou Heng Yi Shun Bidding and Procurement Service Co., Ltd., holds 1,795,997 shares of the Bank, accounting for 0.008% of the total shares. Shantou Investment Holdings Group Co., Ltd. has no concerted action relationship with other shareholders of the Bank.

# Directors, Supervisors, Senior Executives and Employees

## Directors, Supervisors and Senior Executives

### Incumbent Directors, Supervisors and Senior Executives

Name	Title	Gender	Age	Appointment date	Total remuneration paid by the Bank (RMB'0'000)				Whether they have received compensation from a shareholder entity or any other related parties
					Remuneration/ Allowances (Before Tax) (1)	Employer's contributions to social insurance, housing provident fund, enterprise annuity, and supplementary medical insurance (2)	Other monetary income (3)	Total before-tax amount (4)=(1)+(2)+(3)	
Cai Xiliang	Director and Chairman of the Board of Directors	Male	58	To be approved by regulatory authorities	—	—	—	—	Yes
Wang Kai	Director, Vice Chairman and President	Male	52	2021/05/17	—	—	—	—	Yes
Lin Xuebing	Director	Female	53	To be approved by regulatory authorities	—	—	—	—	Yes
Wang Bing	Director	Male	58	To be approved by regulatory authorities	157.03	37.77	—	194.80	No
Yu Shengquan	Director	Male	59	2024/05/20	—	—	—	—	Yes
Liu Hui	Director	Female	54	2024/01/25	—	—	—	—	Yes
Yang Dongwei	Director	Male	54	2021/04/02	—	—	—	—	Yes
Xu Yuehong	Director	Male	46	2024/01/25	—	—	—	—	Yes
Zhang Linfu	Director	Male	49	2024/05/20	—	—	—	—	Yes
Guo Yunzhao	Independent Director	Male	58	2020/09/29	35.50	—	—	35.50	No
Chen Shimin	Independent Director	Male	66	2021/01/08	37.00	—	—	37.00	No
Zhao Xudong	Independent Director	Male	65	2020/09/29	36.50	—	—	36.50	No
Wang Xi	Independent Director	Male	54	2023/03/13	36.00	—	—	36.00	No
Li Defeng	Independent Director	Male	52	To be approved by regulatory authorities	—	—	—	—	No
Luo Yubing	Employee Supervisor and Chairman of the Board of Supervisors	Male	55	2020/10/16 (Employee Supervisor) 2020/11/16 (Chairman of the Board of Supervisors)	179.33	37.22	—	216.55	No
Lu Zeyuan	Shareholder Supervisor	Female	52	2023/06/20	30.10	—	—	30.10	Yes
Li Weiyl	External Supervisor	Male	43	2020/06/23	28.50	—	—	28.50	No
Tan Youchao	External Supervisor	Male	41	2023/06/20	27.00	—	—	27.00	No
Pan Hua	Employee Supervisor	Female	52	2022/12/20	105.11	23.34	—	128.45	No
Guan Tiejun	Employee Supervisor	Female	53	2023/06/20	119.79	23.65	—	143.44	No
Lin Deming	Vice President	Male	57	2021/06/07	157.38	33.85	—	191.23	No
Li Xiaoshui	Vice President	Male	50	2024/03/29	157.12	30.72	—	187.84	No
Li Bing	Vice President	Male	49	2024/06/24	156.71	27.93	—	184.64	No
Yang Lin	Secretary of the Discipline Committee	Male	53	2024/09/04	39.04	6.24	—	45.28	No
Zhang Kai	Vice President	Male	53	To be approved by regulatory authorities	—	—	—	—	No
Li Huaigen	Chief Information Officer	Male	53	2024/03/25	141.35	27.25	—	168.60	No
Jin Qian	Chief Credit Officer	Female	51	2024/03/25	143.10	27.18	—	170.28	No

- Notes: 1. Cai Xiliang, Wang Kai, Lin Xuebing, Yu Shengquan, Liu Hui, Yang Dongwei, Xu Yuehong, Zhang Linfu and other directors do not receive remuneration from the Bank. Wang Bing's qualification as a director of the Bank is to be approved by regulatory authorities. He does not receive director's allowances from the Bank, but receives remuneration based on his positions as a member of the CPC Committee of the Bank and also the Secretary of the CPC Committee and Chairman of CGB Wealth Management Co., Ltd.
2. Five directors including Cai Xiliang, Wang Kai, Wang Bing, Yu Shengquan and Liu Hui were nominated by China Life Insurance Company Limited, the director of Lin Xuebing was nominated by the Ministry of Finance of the People's Republic of China, the director of Yang Dongwei was nominated by State Grid Yingda International Holdings Co., Ltd., the director of Xu Yuehong was nominated by Jiangxi Communications Investment Group Co., Ltd., and the director of Zhang Linfu was nominated by Guangzhou City Construction Investment Group Co., Ltd.
3. Since 4 September 2024, Mr. Yang Lin has been appointed as the Secretary of the Discipline Committee of the Bank.
4. Jin Qian serves as both the Chief Credit Officer and the Secretary of the CPC Committee and General Manager of the Bank's Credit Card Center.
5. Zhang Kai currently serves as the Vice President (proposed) and the General Manager of the Corporate Finance Department of the Head Office. During the reporting period, Mr. Zhang did not receive senior executive remuneration from the Bank.
6. The final compensation for the year 2024 is currently being confirmed, and the remaining details will be disclosed once confirmed.

## Directors, Supervisors, Senior Executives and Employees

### Retired Directors, Supervisors and Senior Executives during the Reporting Period and as of the Disclosure Date of the Annual Report

Name	Title	Gender	Age	Appointment date	Total remuneration paid by the Bank (RMB'000)				Whether they have received compensation from a shareholder entity or any other related parties
					Remuneration/ Allowances (Before Tax) (1)	Employer's contributions to social insurance, housing provident fund, enterprise annuity, and supplementary medical insurance (2)	Other monetary income (3)	Total before-tax amount (4)=(1)+(2)+(3)	
Bai Tao	Former Director and Chairman of the Board of Directors	Male	61	2022/05/20-2025/03/10	—	—	—	—	Yes
Cai Chengwei	Former Director	Male	55	2016/12/16-2024/04/09	—	—	—	—	Yes
Tu Yikai	Former Director	Male	48	To be approved by regulatory authorities	—	—	—	—	Yes
Wang Zhulin	Former Independent Director	Male	59	To be approved by regulatory authorities	—	—	—	—	No
Chen Xiangrong	Former Secretary of the Discipline Committee	Male	60	2018/07/11-2024/07/24	91.45	19.58	—	111.03	No
Li Guangxin	Former Secretary to the Board of Directors	Male	53	2019/09/06-2025/04/28	157.02	37.16	—	194.18	No

- Notes:
- On 10 March 2025, Mr. Bai Tao resigned from his positions as the director and Chairman of the 10th session of the Board of Directors of the Bank due to job changes. Mr. Bai Tao did not receive any remuneration from the Bank.
  - On 9 April 2024, Mr. Cai Chengwei resigned from his position as a director of the 10th session of the Board of Directors and relevant position in the special committee of the Board of Directors due to job changes. Mr. Cai Chengwei did not receive any remuneration from the Bank.
  - On 20 June 2024, the Bank held its Annual General Meeting of 2023, electing Mr. Tu Yikai as a director of the 10th session of the Board of Directors. On 4 March 2025, the Bank held its first Extraordinary General Meeting of Shareholders for 2025, electing Mr. Tian Mingming as a director of the 10th session of the Board of Directors. Mr. Tu Yikai ceased to serve as a proposed director of the 10th session of the Board of Directors (pending qualification approval). Mr. Tu Yikai did not receive remuneration from the Bank.
  - On 18 June 2024, Mr. Wang Zhulin resigned from his proposed position as a director of the 10th session of the Board of Directors and his position in the special committee of the Board of Directors due to personal work reasons (pending qualification approval). Mr. Wang Zhulin did not receive remuneration from the Bank.

## Main Working Experience and Positions of Directors, Supervisors and Senior Executives



**Mr. Cai Xiliang**

Mr. Cai holds a Master's degree in Economics.

Mr. Cai currently serves as the Director (proposed) and Chairman (proposed) of the Bank, Secretary of the CPC Committee and Chairman of China Life Insurance (Group) Company, Executive Director and Chairman of China Life Insurance Company Limited.

Mr. Cai served as the Deputy Secretary of the CPC Committee, the Vice Chairman and President of China Life Insurance (Group) Company, Chairman of each of China Life Asset Management Company Limited and China Life Property and Casualty Insurance Company Limited, Deputy Secretary of the CPC Committee, the Vice Chairman and the General Manager of China Export & Credit Insurance Corporation, and a member of the CPC Committee and the Deputy General Manager of CITIC Group Corporation.



**Mr. Wang Kai**

Mr. Wang holds a PhD in Economics and is a Senior Economist.

Mr. Wang currently serves as the Secretary of the CPC Committee, Director, Vice Chairman and President of the Bank; Member of the CPC Committee and Vice President of China Life Insurance (Group) Company, and Director of China Southern Power Grid Co., Ltd.

Mr. Wang served as General Manager of the Capital Operations Department, Director of Financial Market Center, Secretary of the CPC Committee and President of Shanghai Branch of the Export – Import Bank of China; Member of CPC Committee and Vice President of China Life Insurance (Group) Company and Chairman of China Life Insurance (Overseas) Company Limited.



**Ms. Lin Xuebing**

Ms. Lin holds a Master's degree in Economics.

Ms. Lin currently serves as the Director (proposed) of the Bank and a Level II Inspector of the Tax Policy Department of the Ministry of Finance.

Ms. Lin served as the Counselor and a Level II Inspector at the Chinese Embassy in France; Deputy Inspector of the Tax Policy Department of the Ministry of Finance; and Director of the Value-Added Tax Division, Circulation Tax Division, and International Tax Coordination Division of the Tax Policy Department of the Ministry of Finance.

## Directors, Supervisors, Senior Executives and Employees



**Mr. Wang Bing**

Mr. Wang holds a Master's degree in Engineering and is a Senior Engineer.

Mr. Wang currently serves as the Member of the CPC Committee and Director (proposed) of the Bank; Secretary of the CPC Committee and Chairman of CGB Wealth Management Co., Ltd.

Mr. Wang served as an officer, chief officer, deputy director of the Operations Division of the Technology Department at the Head Office of Industrial and Commercial Bank of China (ICBC), as well as deputy director, deputy director (in charge), and director of the Systems Division; member of the CPC Committee and Deputy General Manager of the ICBC Data Center (Beijing); member of the CPC Committee, Chief Information Technology Officer, and Deputy President of China Guangfa Bank.



**Mr. Yu Shengquan**

Mr. Yu holds a Master's degree in Advanced Public Administration and Management, and is a Senior Accountant and a Chinese Certified Public Accountant.

Mr. Yu currently serves as a Director of the Bank; Chief Financial Officer and Head of Finance of China Life Insurance (Group) Company.

Mr. Yu served as an officer, deputy chief officer, and chief officer at the System Research Division of the Business and Finance Department of the Ministry of Finance; Deputy General Manager (deputy-section head level) in the Finance Department of Sil-Metropole Organization Ltd.; Senior Manager at the Statistical Information Management Division of the Finance Department and Deputy General Manager at the Finance and Accounting Department of China Life Insurance (Group) Company; member of the CPC Committee and Vice President of China Life Insurance (Overseas) Co., Ltd. member of the CPC Committee and Deputy General Manager of the Guangdong Branch of China Life Insurance Company Limited; General Manager of the Finance Department at China Life Insurance (Group) Company.



**Ms. Liu Hui**

Ms. Liu holds an MBA Degree and is a Senior Economist.

Ms. Liu currently serves as Director of the Bank and is a member of the CPC Committee, Executive Director, Vice President, Secretary of the Board, and Chief Investment Officer of China Life Insurance Company Limited.

Ms. Liu served as a Senior Manager at the Head Office of China Construction Bank; Assistant to the General Manager of the Enterprise Annuity Department, the Deputy General Manager of the Pension and Institutional Business Department and the General Manager of the Transaction Management Department of China Life Asset Management Company Limited; General Manager of the Investment Management Department at China Life Insurance Company Limited; member of the CPC Committee and Vice President at China Life Investment Management Company Limited; member of the CPC Committee, Executive Director, and Vice President at China Life Investment Management Company Limited.



**Mr. Yang Dongwei**

Mr. Yang holds a PhD in Engineering and is a Senior Accountant (Professor-Level), and an expert entitled to the special allowance from the State Council.

Mr. Yang currently serves as Director of the Bank, Deputy Chief Economist of State Grid Corporation of China, Chairman and Secretary of the CPC Committee of State Grid Yingda International Holdings Group Ltd., Chairman and Secretary of the CPC Committee of State Grid Yingda Co., Ltd., and vice chairman of the China Association for Public Companies.

Mr. Yang worked for Sanmenxia Electric Power Bureau in July 1992, successively assuming positions such as the Chief Accountant, Deputy Director, Member of the CPC Committee and Chief Accountant of Xuchang Electric Power Bureau, Director of Multi-operation Department of State Grid Henan Electric Power Company, Chairman and General Manager of Henan Electric Power Industry Group Limited, General Manager and Member of the CPC Committee of Sanmenxia Power Supply Corporation, Deputy Chief Economist of State Grid Henan Electric Power; Chief Accountant and Member of the CPC Committee of Luneng Group, Chief Accountant and Member of the CPC Committee of State Grid Shanghai Electric Power, Deputy Leader of Preparation Team of Yingda Commerce Service Co., Ltd.; Executive Director, General Manager and Deputy Secretary of the CPC Committee of State Grid E-commerce Corporation, and Chairman and Secretary of the CPC Committee of State Grid E-commerce Corporation (State Grid Xiongan Financial Technology Group).



**Mr. Xu Yuehong**

Mr. Xu holds a Master's degree in law, and is a Senior Economist.

Mr. Xu currently serves as Director of the Bank, Director of the Investment and Management Department of Jiangxi Communications Investment Group Co., Ltd. Additionally, he serves as an Executive Director of Jiangxi Communications Investment Private Equity Fund Management Company, and Director of Jiangxi Communications Investment Group Finance Co., Ltd.

Mr. Xu served as the Manager of the Investment and Management Division at the Asset Operation Department of Jiangxi Expressway Investment Group Co., Ltd., Manager of the Investment and Development Department at Jiangxi Expressway Asset Management Co., Ltd., Chairman of Jiangxi Expressway Power Construction New Energy Co., Ltd., General Manager of Jiangxi CTTIC Network Technology Co., Ltd., and Deputy General Manager of Jiangxi Expressway Real Estate Development Co., Ltd.



**Mr. Zhang Linfu**

Mr. Zhang holds an MBA Degree and is a Senior Accountant and Certified Public Accountant.

Mr. Zhang currently serves as Director of the Bank and member of the CPC Committee and Chief Accountant of Guangzhou City Construction Investment Group Co., Ltd.

Mr. Zhang served as the Manager of the Budget Analysis Division of the Finance Department, Director of the Supervision and Audit Department, Deputy Secretary of the Discipline Committee, Director of the Discipline Inspection and Supervision Department, Director of the Comprehensive Office of the Discipline Inspection and Supervision Commission, General Manager of the Legal Contracts Department, Chief Economist of Guangzhou Metro Group, and Chief Accountant of Guangzhou Water Investment Group Co., Ltd.

## Directors, Supervisors, Senior Executives and Employees



**Mr. Guo Yunzhao**

Mr. Guo holds a PhD in Management and is a Senior Engineer and an expert entitled to the special allowance from the State Council.

Mr. Guo currently serves as the Independent Director of the Bank, President of TuoZeHuiLi Enterprise Management (Hainan) Co., Ltd., Director of Woori Bank (China) Co., Ltd., and Independent Director of China Insurance Investment Co., Ltd.

Mr. Guo served as the Deputy Chief Engineer and Assistant to General Manager of China National BlueStar (Group) Co., Ltd., President of BlueStar Technology Academy, Senior Executive of several listed companies such as BlueStar Cleaning Co., Ltd., Xingchen Chemical New Materials Co., Ltd. and Southwest Chemical Machinery Co., Ltd., Director of Finance Department and Asset Management Department of China National Chemical Corporation, Chairman of China Jingu International Trust Co., Ltd., Deputy General Manager of China Gaoxin Investment Group Corporation, Director of CITICPE, Chairman of China Investment Trust Co., Ltd., Vice President of China Jianyin Investment Limited, Independent Director of Bank of Luoyang, Director of Hainan Rubber Industry Group Co., Ltd., Director of Yunkang Health Industry Investment Co., Ltd and Director of Inner Mongolia Shendong Tianlong Group Co., Ltd.



**Mr. Chen Shimin**

Mr. Chen is a Professor and a Certified Management Accountant of the United States.

Mr. Chen currently serves as the Independent Director of the Bank, Professor in Accounting and Director of Case Center of China Europe International Business School, Independent Director of Advanced Micro-Fabrication Equipment Inc. China (Shanghai) (AMEC Shanghai) and External Supervisor of Postal Savings Bank of China.

Mr. Chen once assumed a Teacher of Shanghai University of Finance and Economics; Associate Professor and Professor in Accounting of the Clarion University of Pennsylvania; Associate Professor in Accounting of Hong Kong Lingnan University; Associate Professor in Accounting of the University of Louisiana at Lafayette; Associate Professor in Accounting of Hong Kong Lingnan University; Associate Professor in Accounting and Deputy Director of School of Accounting and Finance of Hong Kong Polytechnic University.

Mr. Chen served as the Independent Director of Hangzhou Shunwang Science & Technology Co., Ltd., Zhejiang Wolwo Biotech Co., Ltd., Anxin Trust Co., Ltd., and Lian Chu Securities Co., Ltd. and External Supervisor of SPD Bank Co., Ltd.



**Mr. Zhao Xudong**

Mr. Zhao is a Professor and Doctoral Tutor.

Mr. Zhao currently serves as Independent Director of the Bank, Professor, Doctoral Tutor and Director of Commercial Law Research Center of China University of Political Science and Law, President of China Commercial Law Society, Member of Academic Committee of China Law Society, Vice President of Corporate Governance Research Society of China Behaviour Law Association; Independent Director of iFLYTEK Co., Ltd., China National Uranium Co., Ltd., and Beixin Ruifeng Fund Management Co., Ltd.

Mr. Zhao served as the Deputy Director General of the Department of Civil Administrative Inspection of Supreme People's Procuratorate, and Vice President of Civil, Commercial and Economic Law School of China University of Political Science and Law. Since 1999, he was successively honored as the Outstanding Young and Middle-aged Jurist of Beijing City; Nationwide 3rd Outstanding Young and Middle-aged Jurist; Excellent Teacher of Beijing City; New Century Outstanding Talent of the Ministry of Education. He was selected into Famous Chinese Contemporary Jurist in 2005 and was selected as the specially appointed professor of Chang Jiang Scholars Program of the Ministry of Education in 2008. Besides, he was included into "Rule of Law in China – Top 100 Famous Jurists with Outstanding Contributions" in 2016 and was honored as the National Ten Thousand Talent Program-Famous Teacher in 2018.



**Mr. Wang Xi**

Mr. Wang is a Professor and Doctoral Tutor.

Mr. Wang currently serves as an Independent Director of the Bank, Director of the China Institute of Transition and Open Economy of Sun Yat-sen University, one of hundred economic research experts of the Monetary Policy Committee of the People's Bank of China, one of hundred economists of the Economic Prosperity Center of the National Bureau of Statistics, Deputy Secretary – General and Executive Director of the China Society of World Economics, Editorial Board Member of World Economy Magazine, and an Independent Director of Guangdong Nanhai Rural Commercial Bank and Pan-China Financial Services Group Co., Ltd.

Mr. Wang served as the Deputy Director of Lingnan College of Sun Yat-sen University, the Financial Consultant of the Standing Committee of Guangdong Provincial People's Congress, the Deputy Secretary General of the China International Conference in Finance. He was evaluated as an Outstanding Talent in the New Century by the Ministry of Education, a Distinguished Professor of Pearl River Scholar in Guangdong Province, a leading talent in publicity and ideological work of "Guangdong Special Support Program", an Independent Director of BYHEALTH Co., Ltd. and Guangzhou Yuexiu Capital Holding Group Co., Ltd., and External Director of Guangzhou Public Transport Group Co., Ltd.



**Mr. Li Defeng**

Mr. Li is an Associate Professor and holds a PhD in Economics.

Mr. Li currently serves as an Independent Director (proposed) of the Bank, Associate Professor and Master's Supervisor at the School of Finance at Central University of Finance and Economics, and the Director of the China Inclusive Finance Research Center at Central University of Finance and Economics. He also serves as an Independent Director for Bosc Asset Management Co., Ltd., Qianhai Xingbang Financial Leasing Co., Ltd., and Zhangjiakou Rural Commercial Bank.

Mr. Li served as a Secretary in the Office of the Forestry Bureau of Heze Region, Shandong Province, and held positions as Deputy Secretary and Vice Dean at the School of Foreign Languages of Central University of Finance and Economics, and Deputy Secretary at the School of Finance of Central University of Finance and Economics. He also served as a Vice County Mayor in Ningyang County, Shandong Province. Additionally, he served as an Independent Director for multiple institutions, including Weifang Rural Commercial Bank, Sanya Rural Commercial Bank, Ningyang Rural Commercial Bank, Shandong Haihua Co., Ltd., Great Wall Glory Securities Co., Ltd., Shenwu Environmental Technology Co., Ltd., Guoren Property and Casualty Insurance Co., Ltd., and Great China Soft Technology Co., Ltd., as well as an External Supervisor for Shinhan Bank.



**Mr. Luo Yubing**

Mr. Luo holds a PhD in Economics and is an Economist.

Mr. Luo currently serves as Deputy Secretary of the CPC Committee of the Bank, Employee Supervisor and Chairman of the Board of Supervisors.

Mr. Luo joined the People's Bank of China in August 1991, and consecutively served as Vice Director of General Office, Deputy Secretary of the CPC Committee and Vice President of Wuhan Branch, Secretary of the CPC Committee and President of Lanzhou Central Sub-branch of the People's Bank of China and Director of Gansu Branch of State Administration of Foreign Exchange. He also held positions as Secretary of the CPC Committee and Director of Anti-money Laundering Monitoring Center, Secretary of the CPC Committee and Director of Credit Reference Center of the People's Bank of China, and Deputy Secretary of the CPC Committee and Vice President of CGB.

## Directors, Supervisors, Senior Executives and Employees



**Ms. Lu Zeyuan**

Ms. Lu holds an MBA Degree and is an Economist.

Ms. Lu currently serves as a Shareholder Supervisor of the Bank, Director and Deputy General Manager of Shantou Haisheng Investment Development Co., Ltd., and Chairman of the Board of Supervisors of Shantou Institute of Ultrasonic Instruments Co., Ltd.

Ms. Lu served as a Customer Manager in the Foreign Exchange Business Department and Corporate Business Department at the Shantou Branch of Bank of Communications, a Customer Manager at the Shantou Branch of China Everbright Bank, Deputy Manager, and Manager of the Investment Management Department at Shantou Zhugang New Town Investment Development Co., Ltd., and Assistant to General Manager at Shantou Haisheng Investment Development Co., Ltd.



**Mr. Li Weiyl**

Mr. Li holds a PhD in Civil and Commercial Law.

Mr. Li currently serves as an External Supervisor of the Bank, Deputy General Manager and General Manager of the Legal Affairs Center of North China Region of R&F Group, Arbitrator of China International Economic and Trade Arbitration Commission, and Arbitrator of Beijing Arbitration Commission.

Mr. Li served as the Clerk and Judge of Beijing No.1 Intermediate People's Court, Judge of Beijing High People's Court, and Senior Prosecutor, Leader Secretary and Deputy Division Head of the General Office of the Supreme People's Procuratorate.



**Mr. Tan Youchao**

Mr. Tan holds a PhD in management and is a Professor of Accounting and Doctoral Tutor, and one of the National Outstanding Young Talents.

Mr. Tan currently serves as an External Supervisor of the Bank, and Head of the Accounting Department at School of Management of Jinan University. He is a member of the Finance & Accounting Committee of the Accounting Society of China, and the vice president of the Data & Assets Committee of the China Business Accounting Institute, a director of the Accounting Society of Guangdong, a member of the Talent Development Committee of the Guangdong Institute of Certified Public Accountants, and an expert in undergraduate education and teaching evaluation for universities in China. Additionally, he served as an independent director for Guangdong Xinbao Electrical Appliances Holdings Co., Ltd. and Keshun Waterproof Technology Co., Ltd.

Mr. Tan previously served as a lecturer and associate professor at Dongbei University of Finance and Economics and Southwestern University of Finance and Economics.



**Ms. Pan Hua**

Ms. Pan holds a Master's Degree in Management and is an Economist.

Ms. Pan serves as an Employee Supervisor of the Bank, Member, Standing Committee Member, Vice Chairman of the Trade Union Committee of China Guangfa Bank Co., Ltd., and the General Manager of the Party and People Work Department (Party Committee)/Rural Revitalization Office/Trade Union Work Department of the Head Office of China Guangfa Bank.

Ms. Pan served as Deputy Manager (person in charge) and supervisor (in charge of the division) of Organizational Construction Division, and senior manager of the System Executive Division of the Human Resources Department of the Head Office of China Guangfa Bank. She also served as the general manager of the Training Center of the Human Resources Department of the Head Office, the deputy director of the Organization Department of the Party Committee of the Head Office, the deputy general manager of the Human Resources Department and the general manager of the Training Center, and the Deputy Director of the Office of the School Administration Committee of the Party School of China Guangfa Bank (the Research and Training Institute of Guangfa Bank). Additionally, she acted as the Vice Director (temporary person in charge) of the Party and People Work Department (Party Committee)/Rural Revitalization Office/Trade Union Work Department of the Head Office of China Guangfa Bank.



**Ms. Guan Tiejun**

Ms. Guan holds a PhD in Economics and is a Senior Economist.

Ms. Guan currently serves as an Employee Supervisor of the Bank, Standing Committee Member of the Trade Union Committee of China Guangfa Bank Co., Ltd., Director of the Women Employee Union of the Head Office, and General Manager of the Strategy and Planning Department of the Head Office.

Ms. Guan served as Deputy Director (Head of the Department) and Manager of the Innovation Division at the Planning and Management Department, a key member of the Reform, Restructuring and Development Office, head of the preparatory team and Deputy General Manager of the E-Banking Department, Deputy General Manager, Deputy General Manager (person in charge) and General Manager of the E-Finance Department of the Head Office of China Guangfa Bank.



**Mr. Lin Deming**

Mr. Lin holds a Master's Degree in Finance.

Mr. Lin currently serves as Member of CPC Committee and the Vice President of the Bank.

Mr. Lin served in China Guangfa Bank successively as: Deputy Director and Director of Guangzhou Economic & Technological Development District Office, Deputy General Manager of Domestic Business Department of the Head Office, Secretary of the CPC Committee and President of Shaoguan Branch, General Manager of Business Department of the Head Office, General Manager of Credit Card Center, Secretary of the CPC Committee and General Manager of Credit Card Center, Assistant to President, and Secretary of the CPC Committee and General Manager of Credit Card Center of the Head Office.

## Directors, Supervisors, Senior Executives and Employees



**Mr. Li Xiaoshui**

Mr. Li holds a Master's Degree in Finance and is an Economist.

Mr. Li currently serves as Member of the CPC Committee, Vice President and Risk Responsible Person of the Bank.

Mr. Li successively served as a Teacher of Guangzhou University of Finance, Deputy Manager of Tianhe Sub-branch, Guangzhou Branch of China Guangfa Bank, Deputy Manager of General Office of Guangzhou Branch, employee of the Human Resource Department of Head Office, Deputy Manager of the General Office Department, Manager of the Credit Review Department, Secretary of the CPC Committee and Vice President of Changsha Branch, Secretary of the CPC Committee and President of Foshan Branch, President of Zhongshan Branch, Director of the CPC Committee Office of Head Office, Head of the Publicity Department of the CPC Committee, General Manager of the Office and President Assistant of Head Office.



**Mr. Li Bing**

Mr. Li holds a PhD in law.

Mr. Li currently serves as Member of the CPC Committee and the Vice President of the Bank.

Mr. Li served as a Deputy Chief Officer in the Legal Department of the People's Insurance Company of China, Chief Officer in the Legal Department of the PICC Holding Company, General Manager of Legal Compliance Department of China Life Pension Company, General Manager of Risk Management Department/Internal Control Compliance Department and Compliance Officer at China Life Insurance (Group) Company.



**Mr. Yang Lin**

Mr. Yang holds a Bachelor's degree and is an Economist.

Mr. Yang currently serves as Secretary of Discipline Committee and member of the CPC Committee of the Bank.

Mr. Yang served as the Chief at the financial center of Shenyang Branch of China Life Insurance Company Limited; Supervisor of Supervision Department of Liaoning Branch of China Life Insurance Company Limited; Senior Manager of Inspection Office of Supervision Department of China Life Insurance Company Limited; Senior Manager of Inspection Work Division of Supervision Bureau of China Life Insurance (Group) Company; Discipline Inspector of the Discipline Inspection and Supervision Team of the Central Commission for Discipline Inspection and the State Supervision Commission in China Life Insurance (Group) Company (Level of Assistant General Manager of Department) and Director of the first office; as well as Deputy Head of the Discipline Inspection and Supervision Team of the Central Commission for Discipline Inspection and the State Supervision Commission in China Life Insurance (Group) Company.



**Mr. Zhang Kai**

Mr. Zhang holds a Master's degree in Economics and is an Economist

Mr. Zhang currently serves as the member of the CPC Committee of the Bank, the Vice President (proposed) and the General Manager of the Corporate Finance Department of the Head Office.

Mr. Zhang served as the Deputy Director (deputy section level) of the Human Resources and Education Department and Secretary of the Youth League Committee of Tianjin Heping Sub-branch of China Construction Bank, Deputy Director (person in charge) of Xiaobailou Branch, Deputy Secretary of the Youth League Committee of Tianjin Branch, Vice President of Nankai Sub-branch, Secretary of Party General Branch, Vice President (person in charge) and President of Dongli Sub-branch, Secretary of the CPC Committee and President of Heping Sub-branch; Member of the CPC Committee and Vice President of Tianjin Branch of Ping An Bank; Secretary of the CPC Committee and President of Chengdu Branch of China Guangfa Bank, and General Manager of the Corporate Finance Department of the Head Office.



**Mr. Li Huaigen**

Mr. Li holds a Master's degree in Engineering, and is a Senior Engineer.

Mr. Li currently serves as the Chief Information Officer of the Bank.

Mr. Li served as an Assistant Engineer at Guizhou Organic Chemical Plant, Deputy Chief and Chief at the Guangdong Branch of Industrial and Commercial Bank of China (ICBC), Temporary Head and Deputy General Manager (person in charge) of the Technology Department, Deputy General Manager (person in charge) of the Systems Department, General Manager of the Systems Department, General Manager of the Technology Department, General Manager of the Guangzhou Development Department No. 1 of the Software Development Center and an Expert in the information technology sequence at the Software Development Center of ICBC. He also was a Deputy General Manager (person in charge), Secretary of the CPC Committee and General Manager at the Research and Development Center of China Guangfa Bank, and a General Manager of the Risk Management Department at the Head Office.



**Ms. Jin Qian**

Ms. Jin holds a Bachelor's degree in Economics, and is an Economist.

Ms. Jin currently serves as the Chief Credit Officer of the Bank, Secretary of the CPC Committee and General Manager of Credit Card Center.

Ms. Jin served as Manager and Deputy General Manager of the Corporate Banking Department, Deputy General Manager and General Manager of the Strategic Customers Department, General Manager of Institutional Customers Department, General Manager of the Credit Management Department at the Head Office, and General Manager of the Credit Approval Department at the Head Office of China Guangfa Bank.

# Directors, Supervisors, Senior Executives and Employees

## Shareholdings of Directors, Supervisors and Senior Executives

At the end of the reporting period, the Directors, Supervisors and Senior Executives of the Bank didn't hold any shares in the Bank.

## Annual Remuneration and Incentives of Directors, Supervisors and Senior Executives

Executive Directors and Employee Supervisors who hold senior management positions in the Bank receive remuneration according to their positions in the Bank, and do not receive additional allowances, conference fees and subsidies.

The non-executive equity directors of the Bank do not receive remuneration from the Bank.

The remuneration of Independent Directors and Non-employee Supervisors of the Bank is verified and paid respectively in accordance with the Allowance System for Independent Directors of China Guangfa Bank Co., Ltd. and the Allowance System for Non-employee Supervisors of China Guangfa Bank Co., Ltd. The specific standards are as follows:

The allowance of the Bank's Independent Directors and Non-employee Supervisors comprises four parts, i.e. basic allowance, specialized committee allowance, conference fee and research subsidy: (1) basic allowance refers to the basic remuneration paid to Independent Directors and Non-employee Supervisors for their participation in the Board of Directors and the Board of Supervisors. The basic allowance for Director is RMB200,000/person/year and that for Supervisor is RMB160,000/person/year; (2) specialized committee allowance refers to the duty allowance paid to Independent Directors and Non-employee Supervisors for their participation in specialized committees. The committee allowance for ordinary member of the Board of Directors is RMB35,000/person/year and that for principal member is RMB50,000/person/year; the committee allowance for ordinary member of the Board of Supervisors is RMB28,000/person/year and that for principal member is RMB40,000/person/year. Committee allowances payable to Independent Directors and Non-employee Supervisors who participate in various committees are paid based on the cumulative number of committees that they are working in; (3) conference fee is a subsidy for any Independent Directors or Non-employee Supervisor to participate in or attend any general meetings, and on-site meetings of the Board of Directors, the Board of Supervisors, and their specialized committees (including teleconferences and video conferences) and the standard rate is RMB5,000/person/time; (4) research subsidy is a subsidy for Independent Directors and Non-employee Supervisors to participate in work inspections, research, training sessions and activities related to the performance of duties as organized by the Bank and relevant organizations, and the standard rate is RMB5,000/person/time.

The remuneration received by members of the Bank's Nomination and Remuneration Committee under the Board of Directors during the reporting period is set out in "Directors, Supervisors and Senior Executives". Mr. Guo Yunzhao is the principal member of the Nomination and Remuneration Committee under tenth session of the Board of Directors, other members of the Nomination & Remuneration Committee under tenth session of the Board of Directors are Mr. Yu Shengquan and Mr. Zhao Xudong.

The Bank has taken out liability insurance for Directors, Supervisors and Senior Executives.

No incentive options have been granted to Directors, Supervisors and Senior Executives by the Bank.

## Changes in Directors, Supervisors and Senior Executives

### Directors

On 25 January 2024, the National Financial Regulatory Administration approved the qualifications of Ms. Liu Hui and Mr. Xu Yuehong as Directors of the Bank.

On 9 April 2024, Mr. Cai Chengwei resigned as a Director of the Bank and a member of the Risk Management Committee of the Board of Directors due to job changes.

On 20 May 2024, the National Financial Regulatory Administration approved the qualifications of Mr. Yu Shengquan and Mr. Zhang Linfu as Directors of the Bank.

On 18 June 2024, Mr. Wang Zhulin resigned from his proposed positions as an Independent Director of the Bank, a member of the Audit Committee and Related Party Transaction Control/Inclusive Finance Development Committee of the Board due to personal work reasons.

On 20 June 2024, the Bank held the Annual General Meeting of 2023 and elected Mr. Tu Yikai as a Director of the 10th session of the Board of Directors, pending regulatory approval of his qualification.

On 4 March 2025, the Bank held the First Extraordinary General Meeting of Shareholders for 2025 and elected Mr. Tian Mingming as a Director of the 10th session of the Board of Directors, pending regulatory approval of his qualification. Mr. Tu Yikai ceased to serve as a proposed Director of the 10th session of the Board of Directors. Additionally, Mr. Li Defeng was elected as an Independent Director of the 10th session of the Board of Directors, pending regulatory approval of his qualification.

On 10 March 2025, Mr. Bai Tao resigned from his positions as Director and Chairman of the Bank due to job change.

On 8 April 2025, Mr. Tian Mingming resigned from his positions as a proposed Director and a member of the Risk Management Committee of the Board of Directors of the Bank due to job changes.

On 28 April 2025, the Bank held the Second Extraordinary General Meeting of Shareholders for 2025 and elected Mr. Cai Xiliang and Ms. Lin Xuebing as Directors of the 10th session of the Board of Directors, pending regulatory approval of their qualifications. On the same day, the 16th meeting of the 10th session of the Board of Directors was held on which Mr. Cai Xiliang was elected as Chairman of the 10th session of the Board of Directors, pending regulatory approval of his qualification.

## Supervisors

During the reporting period, there were no changes in the Bank's Supervisors.

## Senior Executives

On 25 March 2024, the National Financial Regulatory Administration approved the qualifications of Mr. Li Huaigen as the Chief Information Officer of the Bank and Ms. Jin Qian as the Chief Credit Officer of the Bank.

On 29 March 2024, the National Financial Regulatory Administration approved the qualification of Mr. Li Xiaoshui as Vice President of the Bank.

On 24 June 2024, the National Financial Regulatory Administration approved the qualification of Mr. Li Bing as Vice President of the Bank.

On 9 July 2024, Ms. Jin Qian was appointed as both the Secretary of the CPC Committee and General Manager of the Bank's Credit Card Center.

On 24 July 2024, the CPC Committee of China Life Insurance (Group) Company decided to remove Mr. Chen Xiangrong from the positions of the Secretary of Discipline Committee and Member of CPC Committee of the Bank, and his retirement was processed.

On 4 September 2024, the CPC Committee of China Life Insurance (Group) Company decided to appoint Mr. Yang Lin as the Secretary of Discipline Committee and Member of CPC Committee of the Bank.

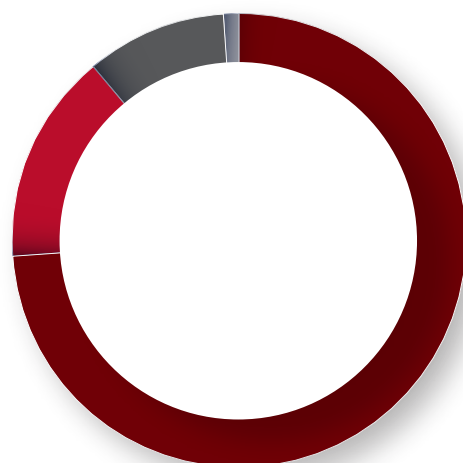
Mr. Li Guangxin resigned from his position as the Secretary to the Board of Directors of the Bank due to job changes. The Board of Directors of the Bank approved his resignation as the Secretary to the Board of Directors on 28 April 2025. The Board of Directors also designated Li Xiaoshui, Vice President to perform the duties of Secretary to the Board of Directors, and the term of office shall be from the date of the Board of Directors' resolution until the qualification of the new Secretary to the Board of Directors is approved.

On 16 April 2025, the CPC Committee of China Life Insurance (Group) Company decided to appoint Mr. Zhang Kai as the Member of the CPC Committee of the Bank. On 28 April 2025, the Board of Directors of the Bank appointed Mr. Zhang Kai as the Vice President, with his qualification subject to approval by the regulatory authorities.

## Employees

At the end of 2024, the number of contract employees of the Bank (including Credit Card Center) was 35,146, representing a decrease of 1,811 employees over the beginning of the year. Employees with doctoral or master degrees accounted for 15.78%, those with bachelor's degrees 75.47%, junior college degrees 7.93% and employees with other educational qualifications 0.82%. Employees aged 35 or below accounted for 48.26%, those aged between 36 and 45 accounted for 38.45% and those aged 46 or above accounted for 13.29%.

### Employee Composition by Education Background



■ Bachelor 75.47%

■ Doctor or Master 15.78%

■ Junior college 7.93%

■ Others 0.82%

### Employee Composition by Age



■ Below age 35 48.26%

■ Age 36-45 38.45%

■ Above age 46 13.29%

# Corporate Governance

## Description and Overall Evaluation of Corporate Governance

### Description of Corporate Governance

During the reporting period, the Bank thoroughly implemented the spirit of the 20th National Congress of CPC, the Third Plenary Session of the 20th Central Committee of the CPC, the Central Financial Work Conference, and the Central Economic Work Conference. The Bank strictly complied with laws, regulations, and financial regulatory policies, fully implemented the requirements of the Corporate Governance Standards for Banking or Insurance Institutions, and enforced the special plan of corporate governance for the 14th Five-Year Plan. Focusing on goals of perfecting the corporate governance system, improving the governance level and achieving sound corporate governance, the Bank better modernized the corporate governance system and governance capabilities, and strived to become a rapidly-growing modern state-owned financial enterprise with Chinese characteristics.

### ***Uphold the Party's centralized and unified leadership and improve the modern corporate governance system with Chinese characteristics***

During the reporting period, the Bank adhered to the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, deeply grasped the decisive significance of the "Two Establishments", and strengthened the "Four Consciousnesses" and the "Four Self-confidences". Focusing on advancing Chinese modernization and further deepening comprehensive reforms, while keeping the nation's paramount interests in mind, the Bank reinforced its sense of mission and strived to drive high-quality development. The Bank earnestly implemented the Opinions on Strengthening Party Leadership in the Improvement of Corporate Governance in Central Enterprises and actively followed the CPC Central Committee's requirements to promote the construction of a modern enterprise system with Chinese characteristics. This approach calls for the organic integration of party leadership with enhanced corporate governance. Adhering to the "two consistent principles", the Bank ensured that the party organization maintains its statutory status in corporate governance through robust mechanism construction and governance practices. Party leadership is integrated into every aspect of corporate governance, with the party committee's deliberations serving as a prerequisite for major decisions by the Board of Directors and the supervision of the Board of Supervisors. Corporate governance resolutions are promptly communicated to the party committee, and the execution of these decisions is regularly reported back. This process guarantees that corporate governance decisions are effectively translated into operational management measures. The Bank continuously reviewed the organic integration of Party leadership and corporate governance, elevating the level of institutionalization, standardization, and normalization, while progressively improving a corporate governance mechanism characterized by legally defined responsibilities and authorities, transparency, coordinated operations, and effective checks and balances. The Bank strictly implemented the corporate governance mechanism for legal entities, ensuring that major matters submitted through corporate

governance procedures comply with the required pre-review protocols. It regularly reviews their implementation to guarantee that management measures are effectively conducted throughout the organization.

### ***Improve the corporate governance mechanism, and promote steady progress in the quality and effectiveness of corporate governance operations***

During the reporting period, the Bank's Shareholders' General Meeting, Board of Directors, Board of Supervisors, and Senior Management each fulfilled their respective roles and operated in an orderly manner. In 2024, the Bank held 2 Shareholders' General Meetings to review and report 14 issues, and 7 meetings of the Board of Directors to review 110 issues, which covered corporate governance, strategic implementation, Director nominations, capital management, performance-based compensation, profit distribution, financial budget, risk management, internal control and compliance, internal and external audits, consumer rights protection, green finance, inclusive finance, and major related party transactions, continuously enhancing the comprehensiveness of decision-making. Additionally, the Board of Supervisors held 7 meetings to review 94 issues, with its in-depth supervision covering seven key areas: financial and operational decision-making, risk management, internal control and compliance, internal audit, performance-based compensation, strategic management, and regulatory compliance in duty fulfillment, along with consumer rights protection, case prevention, anti-money laundering, data governance and other areas of regulatory focus. This approach continuously broadened the scope of supervision, refined supervisory content, and enhanced supervisory effectiveness. During the reporting period, the Bank consistently implemented the routine issues management mechanism for both the Board of Directors and the Board of Supervisors. It revised and issued the 2024 Routine Issues List of the Board, continuously enhancing the compliance, timeliness, and comprehensiveness of corporate governance decision-making. The special committees fully performed their preliminary research responsibilities and actively provided advice and suggestions, thereby enhancing the quality and effectiveness of corporate governance decision-making. In 2024, the special committees under the Board of Directors held 25 meetings, to review 94 issues and hear 2 reports, while the special committees under the Board of Supervisors convened 4 meetings, to review 11 issues. These committees offered numerous constructive recommendations to both the Board of Directors and the Board of Supervisors. The Bank adhered to the corporate governance decision transmission mechanism by promptly sending notifications for the issues made at the "three meetings" to Senior Management and relevant functional departments. The Board of Directors and the Board of Supervisors regularly listen to the execution reports, thereby reinforcing a closed-loop approach to corporate governance management. During the reporting period, the Bank's Board of Directors focused on issues such as consumer rights protection, anti-money laundering, liability quality, and compensation systems, and issued 7 Board Work Letters. This effort reinforced the primary responsibility for compliance in corporate governance and maintained the implementation of the corporate governance compliance performance evaluation mechanism.

***Strengthen the Bank's internal capacity to ensure that the Board of Directors makes sound decisions and the Board of Supervisors provides effective supervision***

During the reporting period, the Bank completed the approval of the qualifications for 4 new Directors, standardized the process for replacing Equity Directors, and advanced the nomination and election procedures for one Independent Director. These efforts helped optimize the composition of the Board of Directors and ensure a well-balanced Board structure. All Directors and Supervisors of the Bank considered strengthening their own capacity as a fundamental guarantee for compliant and professional performance of their duties. They actively participated in specialized trainings organized by the People's Bank of China Financial Training Center on green finance, ESG risk management, anti-money laundering, and anti-terrorist financing policies, as well as participated in training sessions organized by the Bank on consumer rights protection management measures and current regulatory issues. The Bank deeply recognized the critical role of research and investigation in advancing comprehensive reforms. To this end, the Board of Directors and the Board of Supervisors conducted joint research initiatives, with Directors, Supervisors, and Shareholder Representatives visiting the Urumqi Branch and its affiliated Kashgar Branch. This on-site research provided an in-depth understanding of the branches' implementation of decisions and policies set by the Party Central Committee, promoted the integrated rectification of central inspection and internal-external inspection, execution of the 14th Five-Year Plan strategy, achievement of annual business targets, risk control and compliance management, consumer rights protection, and service quality improvements. This effort further deepened the governance entities' understanding of grassroots financial service operations, especially in regions with significant ethnic minority populations, thereby fostering an integrated perspective that connects macro and micro, systemic and localized considerations. The insights gained were systematically summarized into research reports, using high-quality investigation to drive high-quality development. The Bank provided timely, efficient, professional, and comprehensive support services to Directors and Supervisors in fulfilling their duties. During periods when the governance entities were not in session, the Bank promptly delivered regulatory notices and rectification updates, business management briefings, internal research reports, anti-money laundering quarterly reports, and major risk event reports. This ensured that Directors and Supervisors can stay informed about operational developments and have access to the necessary information for performing their roles effectively.

***Strengthen equity and information disclosure management, and improve investor relationship maintenance***

During the reporting period, the Board of Directors effectively fulfilled its management responsibilities for Shareholder affairs, promoting the deepening of equity management, information disclosure, and investor relations maintenance. The Board of Directors continuously

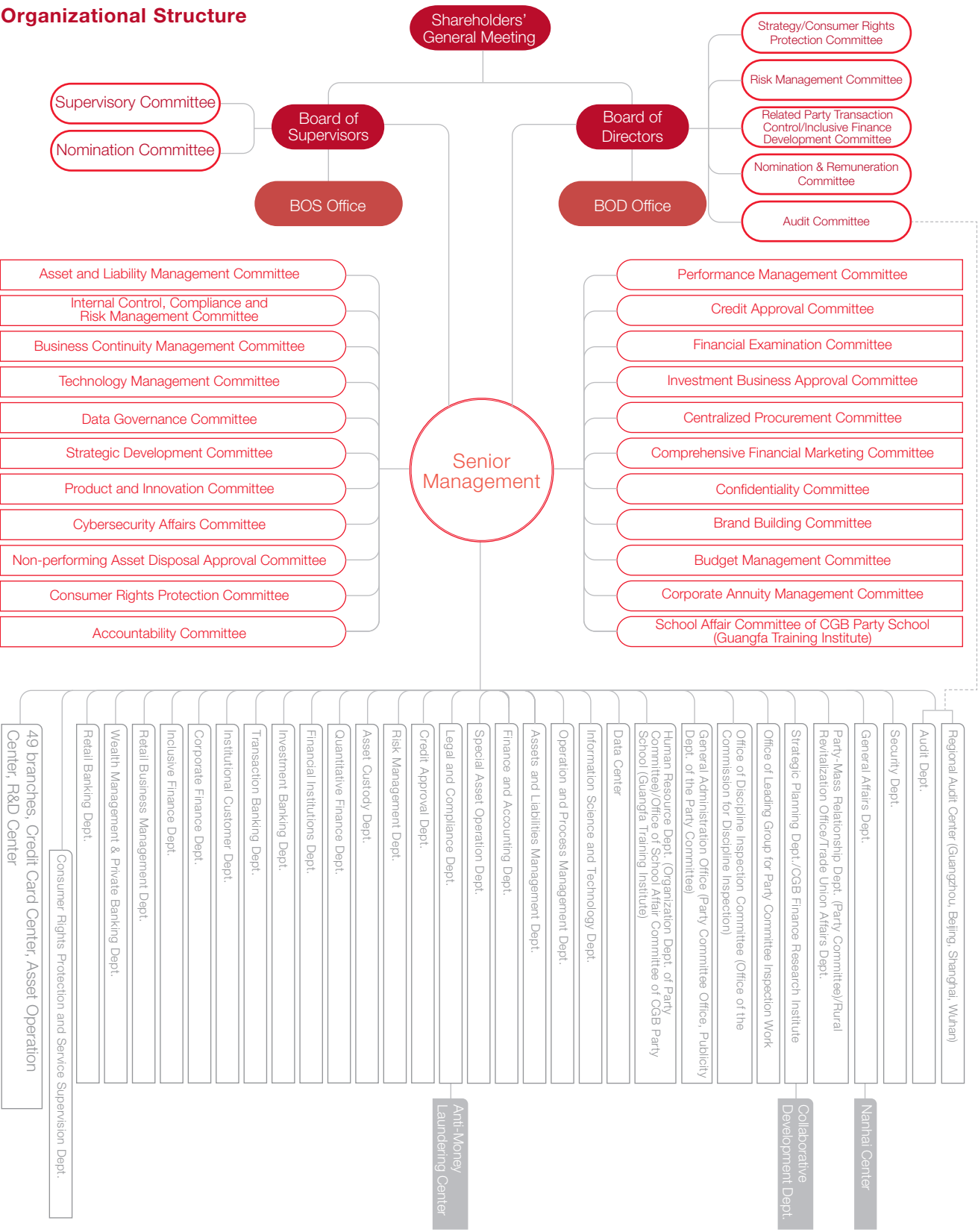
optimized equity management, earnestly implemented requirements of regulatory authorities for the governance of equity and related party transactions data, supported and guided Senior Management in formulating the Equity and Shareholder Related Party Data Standards of China Guangfa Bank to further enhance data quality and solidify the cornerstone of equity management. It reviewed and approved the 2023 Major Shareholder Assessment Report, conducting an annual evaluation of shareholder qualifications, financial status over the past three years, shareholding status, exercise of shareholder rights, fulfillment of obligations and commitments, and related party transactions, and reported to the shareholders' meeting as required. It also reviewed the 2023 Equity Pledge Report to keep awareness of the information on equity pledges of the Bank. Moreover, the Board of Directors continued to enhance the quality of its information disclosure by reviewing and approving the 2023 Annual Report, Social Responsibility Report, and other key documents. Over the year, it disclosed 32 announcements in full compliance with legal requirements, ensuring that all information was released timely, accurately, and in accordance with regulations. This effort highlighted the Bank's latest achievements in actively serving the real economy and consistently enhancing its development quality and efficiency. The Board of Directors continued to enhance its investor relations by guiding and supporting Senior Management in strengthening investor relations maintenance. It organized the 2024 Investor Forum, held joint research sessions with Directors and Shareholders, and actively met with key shareholders and potential investors; issued the Investor Brief quarterly to showcase its strong business performance and foster a deeper understanding and recognition of the Bank among investors.

**Overall Assessment**

During the reporting period, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, the Bank adhered to the general principle of pursuing progress while ensuring stability, promoting stability through progress, upholding core values while breaking new ground, and prioritizing foundational development before transformation. Through systematic integration and coordinated efforts, the Bank advanced the deep integration of Party leadership with corporate governance, thoroughly implemented major decisions and policies set by the Party Central Committee, and resolutely followed the path of financial development with Chinese characteristics. The Bank maintains a well-structured and efficiently operated corporate governance framework. The Board of Directors effectively provides strategic guidance and sound decision-making, while the Board of Supervisors continues to enhance supervision quality and efficiency. Senior management remains strategically focused and strengthens strategic execution, ensuring stable and prudent operations. The Bank balances growth with security, reinforces risk management in key areas, enhances equity management and Shareholder governance, and actively fosters strong investor relations. Timely and compliant information disclosure is maintained, and the governance entities continuously improve their performance. As a result, the corporate governance is becoming more standardized, professional, and effective, with ongoing modernization of corporate governance systems and governance capabilities.

Corporate Governance

Organizational Structure



Note: The Consumer Rights Protection and Service Supervision Department is an independent second-tier department of the Head Office.

## Information of Shareholders' General Meeting

### Responsibilities of Shareholders' General Meeting

The Shareholders' General Meeting of the Bank consists of all Shareholders. The Shareholders' General Meeting is the authority of the Bank and shall exercise the following powers and functions in accordance with the law:

- Deciding on the Bank's business policy and investment plan;
- Electing and replacing Directors, and deciding on the remuneration of Directors;
- Electing and replacing External Supervisors and Supervisors nominated by Shareholders' representatives, and deciding on the remuneration of Supervisors;
- Approving the report of the Board of Directors;
- Approving the report of the Board of Supervisors;
- Approving the annual financial budget and final account plan of the Bank;
- Approving the profit distribution plan and loss recovery plan of the Bank;
- Approving or authorizing the Board of Directors to approve the establishment of legal person institutions, major equity investment, major asset purchase, major asset disposal, major asset write-off, major asset mortgage, other non-commercial bank business guarantees, major external donations and other matters of the Bank;
- Approving the guarantee items stipulated in Article 56 of the Articles of Association of the Bank;
- Making resolutions on the increase or decrease of registered capital of the Bank;
- Making resolutions on the issuance of bonds by the Bank;
- Making resolutions on any change in the capital structure of the Bank, issuing or agree to issue new shares, or creating or agreeing to create any options, warrants or offer rights to subscribe for or acquire shares of the Bank or other share capital of the Bank, which can be converted or exchanged for shares of the Bank or other share capital of the Bank;
- Making resolutions on the merger, acquisition, division, dissolution, liquidation, termination and change of corporate form of the Bank;
- Amending the Articles of Association of the Bank;
- Listening to the notification of the Board of Directors on the supervision opinions of the National Financial Regulatory Administration on the Bank, and reviewing the report of the Board of Directors on the implementation of the rectification of the Bank;
- Reviewing the report of the Board of Directors on the evaluation of Directors and the mutual evaluation results of Independent Directors;
- Reviewing the report of the Board of Supervisors on the evaluation of Supervisors and the mutual evaluation results of External Supervisors;
- Reviewing other matters that should be decided by the Shareholders' General Meeting according to laws, regulations and the Articles of Association.

Matters within the terms of reference of the Shareholders' General Meeting shall be considered and decided by the Shareholders' General Meeting, but the Shareholders' General Meeting may authorise the Board of Directors to decide on those matters where necessary, reasonable and lawful. The content of the authorization shall be clear and specific.

In 2024, the Bank convened 2 Shareholders' General Meeting and Guangzhou Office of East & Concord Partners witnessed the validity and legality of procedures of convening and holding the meeting, the qualifications of the attendees, the qualifications of the conveners, the voting procedures and the voting results on site, and issued legal opinions respectively.

### Information of the Annual Shareholders' General Meeting

On 20 June 2024, the Bank's 2023 Annual Shareholders' General Meeting was held in Guangzhou.

The meeting was attended by 39 shareholders and proxies representing 19,790 million shares with voting rights, accounting for 90.82% of the Bank's total share capital.

The meeting deliberated each proposal and approved the following by separate polling: Proposal on the 2023 Work Report of the Board of Directors of China Guangfa Bank, Proposal on the 2023 Work Report of the Board of Supervisors of China Guangfa Bank, Proposal on the 2023 Final Account Report of China Guangfa Bank, Proposal on the 2023 Profit Distribution Plan of China Guangfa Bank, Proposal on the 2024 Financial Budget of China Guangfa Bank, Proposal on the 2022 Director Compensation Settlement Plan of China Guangfa Bank, Proposal on the 2022 Supervisor Compensation Settlement Plan of China Guangfa Bank, Proposal on the Election of Mr. Tu Yikai as a Director of the 10th Session of the Board of Directors of China Guangfa Bank, and relevant resolutions were duly passed.

At the meeting, the 2023 Performance Report of the Independent Directors of China Guangfa Bank, the Report on the Board of Directors' Implementation of the Authorization by 2023 Annual Shareholders' General Meeting of China Guangfa Bank, the Report on 2023 Related Party Transaction of China Guangfa Bank and 2023 Annual Evaluation Report of Major Shareholders of China Guangfa Bank were also reviewed. The comprehensive evaluation results of the performance of Directors, Supervisors and Senior Management were reported by the Board of Supervisors at the meeting in 2023.

### Information of the Extraordinary Shareholders' General Meetings

On 27 February 2024, the Bank's First Extraordinary Shareholders' General Meetings in 2024 was held in Guangzhou.

The meeting was attended by 27 shareholders and proxies, representing 19,572 million shares with voting rights, accounting for 89.82% of the Bank's total share capital. No shareholders with restricted voting rights participated in the meeting.

The meeting deliberated and approved the following proposal by voting: the Proposal on Engaging an External Audit Firm for 2023 for China Guangfa Bank, and relevant resolutions were duly passed.

# Corporate Governance

## Information of the Board of Directors

### Composition of the Board of Directors

As of the disclosure date, the Bank's Board of Directors has 14 Directors in total, including five Independent Directors which account for more than one third of members of the Board of Directors. The Board members include not only heads and Senior Management from renowned large financial enterprises with extensive experience in the financial industry but also professionals in finance, audit and investment as well as senior experts and scholars in economic and law fields. Such diversified and internationalized members can bring broad visions, independent views and proven expertise, allowing the Board of Directors to ensure more scientific and effective decision-making.

### Responsibilities of the Board of Directors

The Bank has the Board of Directors, which is responsible to the Shareholders' General Meeting. The responsibilities of the Board in accordance with the law include the following:

- Responsible for convening Shareholders' General Meetings and reporting its work to Shareholders' General Meetings;
- Executing resolutions of Shareholders' General Meetings;
- Determining the setup of internal management organizations of the Bank;
- Determining the Bank's risk management and internal control policies;
- Determining the Bank's annual business plans and investment proposals;
- Determining the bonus of Senior Management of the Bank and the withdrawal percentage from gross profit;
- Determining resolutions such as the establishment of legal-person institutions by the Bank, significant equity investment, significant asset purchase, significant asset disposal, significant asset write-off, and significant asset mortgage, and other non-commercial bank business guarantees, significant external donation, etc., within the scope authorized by the Shareholders' General Meeting;
- Deliberating and approving the Bank's proposed material related party transactions with the related parties;
- Formulating the Bank's annual financial budget and final account plans;
- Formulating the Bank's profit distribution and loss recovery plans;
- Formulating plans for increasing or decreasing the Bank's registered capital, issuing bonds or other securities and the IPO plans;
- Formulating plans for the Bank to repurchase the Bank's shares or merger, division and dissolution;
- Formulating the Bank's basic management system;
- Formulating the plans for any amendment to the Articles of Association of the Bank;

- Formulating rules of procedure for meetings of the Board of Directors;
- Nominating member candidates for next session of the Board of Directors;
- Nominating Independent Director candidates, subject to their consent;
- Appointing and dismissing the Bank's President;
- Appointing and dismissing the Secretary to the Board of Directors of the Bank according to Chairman's nomination, appointing and dismissing other Senior Management other than the Bank's President according to the President's nomination; and deciding on their remunerations, incentives and penalty matters;
- Receiving the work report of the Bank's President and reviewing the performance of the President;
- Supervising duty performance of Senior Management and ensuring that Senior Management has effectively performed their management duties;
- Appointing and dismissing the accounting firm that audits the Bank;
- Responsible for the Bank's information disclosure and bearing the ultimate responsibility for the authenticity and accuracy, integrity and timeliness of the Bank's accounting and financial reports;
- Evaluating and improving the Bank's corporate governance regularly;
- Formulating overall strategy and basic system of the Bank's management on consolidated financial statements, and supervising and ensuring Senior Management to effectively perform the duties for management on consolidated financial statements;
- Determining the Bank's green credit development strategy and the strategy, policies and objectives for consumer rights protection; reviewing and approving the green credit objectives set by Senior Management and its report on green credit; and receiving regularly special reports of Senior Management on the progress of protecting consumer rights;
- Responsible for the Bank's internal audit and bearing the ultimate responsibility for the independence and validity of internal audit;
- Establishing the Bank's risk culture and formulating risk management strategies;
- Cultivating the behavior management culture featuring compliance and integrity for employees, approving the code of conduct and detailed rules, and supervising the Senior Management to conduct employees' behavior management;
- Exercising other functions and powers stipulated by laws and regulations or the Articles of Association of the Bank, or authorized by the Shareholders' General Meeting.

The Board of Directors should listen to the opinions of the CPC Committee of the Bank before making significant decisions of the Bank.

## Special Committees under the Board of Directors

### **Strategy/Consumer Rights Protection Committee**

The Strategy/Consumer Rights Protection Committee under the Board consists of four Directors, of whom Mr. Wang Kai is the chairing member. The other members are Mr. Yang Dongwei, Mr. Xu Yuehong and Mr. Guo Yunzhao. The primary responsibilities of the committee are: reviewing and formulating the Bank's business management objectives and development strategies, and supervising its implementation; reviewing and approving the Bank's capital planning, strategic capital allocation, and asset-liability management objectives; reviewing and approving the annual business plan, profit distribution plan, investment plan, financial budget and final account plans; reviewing and approving the setup of internal management organizations; reviewing and approving consumer rights protection strategies, policies, and objectives; reviewing consumer rights protection work reports and supervising and evaluating the consumer rights protection work, etc.

### **Risk Management Committee**

The Risk Management Committee under the Board consists of four Directors, of whom Mr. Wang Bing is the chairing member (proposed). The other members are Mr. Chen Shimin, Mr. Wang Xi and Mr. Li Defeng (proposed). The primary responsibilities of the committee are: reviewing risk management strategies, risk management policies, risk appetite, internal control process, business continuity strategies of the Bank, etc., reviewing risk management matters such as asset risk classification and loss allowance policy, major asset disposal, major asset write-off, etc., supervising and evaluating the risk policy, risk management and risk level, internal control, case prevention management, compliance risk management of the Bank, etc., and performing part of the responsibilities of money laundering management risk.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee under the Board consists of three Directors, of whom Mr. Guo Yunzhao is the chairing member. The other members are Mr. Yu Shengquan and Mr. Zhao Xudong. The primary responsibilities of the committee are: formulating procedures and standards of selection and appointment of Directors, and Senior Management, conducting preliminary review of the eligibilities of Director and Senior Management candidates, formulating evaluation system, remuneration policy and incentives scheme for Directors and Senior Management, supervising the implementation of such policy and scheme, etc.

### **Audit Committee**

The Audit Committee under the Board consists of three Directors, of whom Mr. Chen Shimin is the chairing member. The other members are Mr. Zhang Linfu and Mr. Zhao Xudong. The primary responsibilities of the committee are: studying the establishment, operation and maintenance of the internal audit system of the Bank; supervising, inspecting and evaluating internal audit work of the Bank and the external audit institutions, auditing the Bank's financial information, and disclosing significant financial policies and their implementation, supervising annual auditing of the Bank, etc.

### **Related Party Transaction Control/Inclusive Finance Development Committee**

The Related Party Transaction Control/Inclusive Finance Development Committee consists of three Directors, of whom Mr. Wang Xi is the chairing member. The other members are Ms. Liu Hui and Mr. Li Defeng (proposed). The primary responsibilities of the committee are: reviewing and urging the formulation and implementation of related party transaction management policies, supervising the establishment and improvement of the related party transaction management system, examining and appraising the related party transactions, controlling risks associated with related party transactions; researching and deliberating the development strategy planning and basic management system of inclusive finance business, deliberating annual business plans and appraisal measures of inclusive finance, etc.

# Corporate Governance

## Meetings Convened by the Board of Directors and its Special Committees

### Meetings Convened by the Board of Directors

During the reporting period, the Bank convened a total of 7 Board meetings. The table below shows Directors' attendance rate at Board meetings during the reporting period:

#### Incumbent Directors' Attendance Rate at Board Meetings during the reporting period

Members of the Board of Directors	Number of meetings attended in person/ Number of meetings required to attend	Number of on-site meetings to attend by proxy/Number of on-site meetings required to attend	Rate of attendance at on-site meetings in person
Cai Xiliang (proposed)	–	–	–
Wang Kai	7/7	0/4	100%
Lin Xuebing (proposed)	–	–	–
Wang Bing (proposed)	–	–	–
Yu Shengquan	4/4	0/4	100%
Liu Hui	7/7	0/4	100%
Yang Dongwei	6/7	1/4	75%
Xu Yuehong	7/7	0/4	100%
Zhang Linfu	4/4	0/4	100%
Guo Yunzhao	7/7	0/4	100%
Chen Shimin	6/7	1/4	75%
Zhao Xudong	7/7	0/4	100%
Wang Xi	7/7	0/4	100%
Li Defeng (proposed)	–	–	–

#### Retired Directors' Attendance Rate at Board Meetings during the reporting period

Directors	Number of meetings attended in person/ Number of meetings required to attend	Number of on-site meetings to attend by proxy/Number of on-site meetings required to attend	Rate of attendance at on-site meetings in person
Bai Tao	5/7	1/4	75%
Cai Chengwei	1/2	1/2	–
Tu Yikai (Proposed)	–	–	–
Wang Zhulin (proposed)	–	–	–

From 25 January to 1 February 2024, the Bank held the 6th meeting of the 10th session of the Board of Directors through written endorsement. During the meeting, the Bank reviewed and approved 5 proposals, including the Proposal on Engaging an External Audit Firm for 2023 of China Guangfa Bank, the Proposal on the 2024 Risk Appetite Policy of China Guangfa Bank, the Proposal on Revising the Country Risk Management Measures of China Guangfa Bank, the Proposal on Formulating the Consumer Rights Protection Management Measures of China Guangfa Bank, the Proposal on the Mid-Term Evaluation Report of the 14th Five-Year Special Plan for Consumer Rights Protection and Customer Service of China Guangfa Bank and made corresponding resolutions.

On 29 March 2024, the Bank convened the 7th meeting of the 10th session of the Board of Directors via both on-site and video connection. During the meeting, the Bank reviewed and approved 21 proposals, including the Proposal on the Work Report for 2023 and the Work Plan for 2024 of the Board of Directors of China Guangfa Bank, the Proposal on the Performance Report of Independent Directors of China Guangfa Bank for 2023, the Proposal on the Business Plan and Financial Budget for 2024 of China Guangfa Bank, the Proposal on the 2023 Work Summary and 2024 Work Plan for Consumer Rights Protection and Service Supervision of China Guangfa Bank, the Proposal on Adjusting the Performance-Based Assessment Results and Compensation Allocation for Senior Executives for 2022 of China Guangfa Bank, the Proposal on Adjusting Certain Directors' Compensation in the Director Compensation Settlement Plan for 2022 of China Guangfa Bank, the Proposal on Replacing a Board Member of China Guangfa Bank by CITIC Trust Co., Ltd., the Proposal on the Comprehensive Risk Management Report for 2023 of China Guangfa Bank, the Proposal on the Consolidated Management Report for 2023 of China Guangfa Bank, the Proposal on the Management Report of Interest Rate Risk on Bank Account Book of China Guangfa Bank for 2023, the Proposal on the Report on Case Risk Prevention and Control for 2023 of China Guangfa Bank, the Proposal on the Report on Compliance Risk Management for 2023 of China Guangfa Bank, the Proposal on the Internal Control Evaluation Report for 2023 of China Guangfa Bank, the Proposal on Engaging an External Audit Firm to Conduct the 2023 Internal Control Audit of China Guangfa Bank, the Proposal on the 2023 Reputation Risk Management Report and the 2024 Management Strategy of China Guangfa Bank, the Proposal on Revising the China Guangfa Bank's Management Measures for the Distribution of Wealth Management Products from Wealth Management Companies, the Proposal on the Problems Found in Internal Audit and Subsequent Rectification for 2023 of China Guangfa Bank, the Proposal on the Internal Audit Work Plan for 2024 of China Guangfa Bank, the Proposal on the Report on Related Party Transactions for 2023 of China Guangfa Bank, the Proposal on the Major Shareholders' Evaluation Report for 2023 of China Guangfa Bank, the Proposal on the Report on the Board of Directors' Implementation of the Authorization by 2023 Shareholders' General Meeting of China Guangfa Bank. Additionally, the Bank reviewed 17 reports, including the Report on the Progress of Remediation of the Regulatory Findings for 2022 of China Guangfa Bank, the Report on the Remediation and Accountability Measures Following the On-site Review of Risk Management and Internal Control Effectiveness of China Guangfa Bank, the Report on the Operation and Budget Execution of China Guangfa Bank for 2023, the Report on the Technology Work of China Guangfa Bank for 2023, the Report on the Market Risk Management of China Guangfa Bank for 2023, the Report on the Country Risk

Management of China Guangfa Bank for 2023, the Report on the Operational Risk Management of China Guangfa Bank for 2023, the Report on the Liquidity Risk Management of China Guangfa Bank for 2023, the Report on the Information Technology Risk Management of China Guangfa Bank for 2023, the Report on the Management of Employee Conduct for 2023 of China Guangfa Bank, the Report on the Business Continuity Management of China Guangfa Bank for 2023, the Report on the Wealth Management Product Sales for 2023 of China Guangfa Bank, the Report on the Implementation of Disaster Recovery Drills at the Disaster Backup Center of China Guangfa Bank for 2023, the Report on the Internal Audit of China Guangfa Bank for 2023, the Report on the Implementation of Authorization by the Board of Directors to the Senior Management of China Guangfa Bank for 2023, the Report on the Self-Assessment of Corporate Governance of China Guangfa Bank for 2023, the Report on the Execution of Agreed Matters Determined by the Board of Directors for 2023 of China Guangfa Bank. Subsequently, corresponding resolutions were reached at the meeting.

On 28 April 2024, the Bank convened the 8th meeting of the 10th session of the Board of Directors via both on-site and video connection. The Bank reviewed and approved 17 proposals, including: the Proposal on the Audit Report under Chinese Accounting Standards of China Guangfa Bank for 2023, the Proposal on the Audit Report under International Accounting Standards of China Guangfa Bank for 2023, the Proposal on the Financial Final Account Report of China Guangfa Bank for 2023, the Proposal on the Preliminary Profit Distribution Plan of China Guangfa Bank for 2023, the Proposal on the Implementation Plan of Dividend Distribution of China Guangfa Bank for 2023, the Proposal on the Annual Report of China Guangfa Bank for 2023, the Proposal on the Internal Control Audit Report of China Guangfa Bank for 2023, the Proposal on the Environmental, Social and Governance (ESG) Report of China Guangfa Bank for 2023, the Proposal on the 2023 and Mid-Term Evaluation Report of the "14th Five-Year" Development Plan of China Guangfa Bank, the Proposal on the Internal Capital Adequacy Assessment Report of China Guangfa Bank for 2024, the Proposal on the Disclosure of Capital Management Information for Q1 2024 of China Guangfa Bank, the Proposal on Deferred Payment and Recovery Management of Employee Performance-Based Compensation of China Guangfa Bank for 2023, the Proposal on the Evaluation Report of Online Lending Business of China Guangfa Bank for 2023, the Proposal on the Report of Implementation Status of the Expected Credit Loss Method of China Guangfa Bank for 2023, the Proposal on the Pre-Production Verification Report of the Interest Rate Risk Model in the Bank Account Books of China Guangfa Bank, the Proposal to Convene the Annual Shareholders' General Meeting of China Guangfa Bank for 2023, the Proposal on Revising the Information Technology Risk Management Measures of China Guangfa Bank. Additionally, the Bank reviewed 7 reports, including the Report on the Comprehensive Risk Stress Test of China Guangfa Bank for 2024, the Report on the Operation of the Credit Risk Internal Rating System of China Guangfa Bank for 2023, the Verification Report on the Risk Internal Assessment and Application Model of China Guangfa Bank for 2023, the Report on the Settlement, Disposal and Management of Non-Performing Assets of China Guangfa Bank for 2023, the Report on Bad Debts Writing-Off of Non-Performing Assets of China Guangfa Bank for 2023, the Report on the Outsourcing Management of China Guangfa Bank for 2023, the Report on Pledged Equity of China Guangfa Bank. Subsequently, relevant resolutions were duly passed.

## Corporate Governance

From 21 June to 28 June 2024, the Bank convened the 9th meeting of the 10th session of the Board of Directors via written endorsement. The Bank reviewed and approved 5 proposals, including: the Proposal on the Green Finance Development Report of China Guangfa Bank for 2023, the Proposal on Revising the Capital Management Measures of China Guangfa Bank, the Proposal on Formulating the Management Measures for the Selection and Appointment of Accounting Firms of China Guangfa Bank, the Proposal on Revising the Operational Risk Management Measures of China Guangfa Bank, the Proposal on Adjustment of Important Models and Key Parameters for the Implementation of the Expected Credit Loss Method for the Mid-term of 2024 of China Guangfa Bank. Additionally, the Bank reviewed the Report on the Operation and Budget Execution for the First Quarter of 2024 of China Guangfa Bank and passed relevant resolutions.

On 16 August 2024, the Bank convened the 10th meeting of the 10th session of the Board of Directors via both on-site and video connection. The Bank reviewed and approved 11 proposals, including the 2024 First Half Review and Second Half Roadmap for Consumer Rights Protection of China Guangfa Bank, the Proposal on the Disclosure of Capital Management Information for the First Half of 2024 of China Guangfa Bank, the Proposal on Revising the Rules of Procedure for the Strategy/Consumer Rights Protection Committee under the Board of China Guangfa Bank Co., Ltd., the Proposal on the Performance Evaluation Indicators for Senior Management of China Guangfa Bank for 2024, the Proposal on the Audit Work Plan (2024-2026) of China Guangfa Bank, the Proposal on Engaging an External Audit Firm for 2024 of China Guangfa Bank, the Proposal on Engaging an External Audit Firm to Conduct a Special Audit on the Effectiveness of Internal Controls for 2024 of China Guangfa Bank, the Proposal on the Comprehensive Risk Management Report for the First Half of 2024 of China Guangfa Bank, the Proposal on the Recovery Plan and Disposal Plan (2024 Edition) of China Guangfa Bank, the Proposal on the Related Party Transaction of Agreed Deposits between China Guangfa Bank and China Life Insurance Company Limited, the Proposal on Convening Extraordinary General Meeting of Shareholders of China Guangfa Bank. Additionally, the Bank reviewed 6 reports, including: the Report on the Operation and Budget Execution for the First Half of 2024 of China Guangfa Bank, the Report on the Market Risk Management for the First Half of 2024 of China Guangfa Bank, the Report on the Non-Performing Asset Management for the First Half of 2024 of China Guangfa Bank, the Report on the Progress of Anti-Money Laundering Rectification Efforts of China Guangfa Bank, the Report on Data Governance Work in the First Half of 2024 of China Guangfa Bank, the Report on the Implementation of Board Resolutions in the First Half of 2024 of China Guangfa Bank, and passed relevant resolutions.

From 15 November to 26 November 2024, the Bank convened the 11th meeting of the 10th session of the Board of Directors via written endorsement. The Bank reviewed and approved 14 proposals, including: the Proposal on Revising the Asset and Liability Management Measures of China Guangfa Bank, the Proposal on Revising the Management Measures for the Information Disclosure of Consumer Rights Protection of China Guangfa Bank, the Proposal on the Progress Report of the Consumer Rights Protection Regulatory Evaluation and Rectification Work for 2023 of China Guangfa Bank, the Proposal on Revising the Stress Testing Management Measures of China Guangfa Bank, the Proposal on

Revising the Validation Management Measures of Advanced Capital Measurement Method of China Guangfa Bank, the Proposal on Revising the Credit Risk Model Management Measures of China Guangfa Bank, the Proposal on Revising the Credit Risk Rating Management Measures for Corporate Client of China Guangfa Bank, the Proposal on Revising the Retail Credit Internal Rating Management Measures of China Guangfa Bank, the Proposal on Formulating the Business Continuity Management Strategy of China Guangfa Bank, the Proposal on Formulating the Risk Prevention and Control Regulations for Criminal Case of China Guangfa Bank, the Proposal on the Low-Risk Credit Related Party Transaction Between China Guangfa Bank and State Grid Huitong, the Proposal on Making a Donation to the China Life Foundation, the Proposal on the Change of Director Candidate of China Guangfa Bank by CITIC Trust Co., Ltd., the Proposal on Nominating Mr. Li Defeng as an Independent Director Candidate for the 10th session of the Board of Directors of China Guangfa Bank Co., Ltd. Additionally, the Bank reviewed the Report on Operation and Budget Execution for the First Three Quarters of 2024 of China Guangfa Bank, and relevant resolutions were duly passed.

On 26 December 2024, the Bank convened the 12th meeting of the 10th session of the Board of Directors through a combination of on-site and video connection. During the meeting, the Bank reviewed and approved 5 proposals, including: the Proposal on the Adjustment of Important Models and Key Parameters under the Expected Credit Loss Framework for the End of 2024 of China Guangfa Bank, the Proposal on Revising the Credit Card Risk Exposure Pool Management Measures of China Guangfa Bank, the Proposal on Formulating the Employee Code of Conduct of China Guangfa Bank, the Proposal on the Anti-Money Laundering Work Report of China Guangfa Bank, and relevant resolutions were duly passed.

### ***Meetings of Special Committees of the Board of Directors***

During the reporting period, the special committees of the Board of Directors held 25 meetings, deliberated 68 proposals, reviewed 26 reports, and heard 2 reports. The committees reviewed and approved the Bank's financial final accounts report, financial audit report, preliminary profit distribution plan, comprehensive risk management report, internal control assessment report, annual related party transaction report, annual report, consumer rights protection and service work summary for 2023 and work plan for 2024, operational plan and financial budget for 2024, internal audit work plan, anti-money laundering work report, inclusive finance business plan, as well as Director nominations, Senior Management performance appraisal and remuneration distribution, risk appetite policy, implementation of the expected credit loss method, recovery and disposal plan, problems found in internal audit and subsequent rectification, significant related party transactions and asset write-off, etc. Additionally, the committees reviewed reports on business performance and budget execution, business continuity management assessment, various risk management, non-performing asset management, internal audit, data governance, regulatory assessment for consumer rights protection and rectification, external donations, technology work, outsourcing management, etc. Among those meetings, 4 meetings were held by the Nomination and Remuneration Committee in 2024, deliberating 7 proposals.

## Implementation of the Resolutions of the Shareholders' General Meeting by the Board of Directors

During the reporting period, the Board of Directors strictly complied with the relevant laws and regulations and financial regulatory requirements, implemented the decisions of the CPC Central Committee, conscientiously and comprehensively carried out the resolutions of the Shareholders' General Meeting, guided the Senior Management to adhere to their essential duties to serve the real economy, and promoted reform and innovation, thereby promoting the steady and sustainable development of the Bank's businesses.

## Independence and Performance of Duties of Independent Directors

As of the disclosure date, there were five Independent Directors (one proposed Independent Director) in the Board of Directors of the Bank, which meets regulatory requirements on the qualification, number and proportion of Independent Directors. None of the Independent Directors has any business or financial interests in the Bank or assumed any managerial post in the Bank, which meets relevant regulatory requirements on independence. Independent Directors represent no less than one third of the Nomination and Remuneration Committee, Audit Committee, Risk Management Committee, Related Party Transaction Control/Inclusive Finance Development Committee, and act as chairing members in the Nomination and Remuneration Committee, Audit Committee, and Related Party Transaction Control/Inclusive Finance Development Committee.

During the reporting period, Independent Directors of the Bank, as required by laws and regulations and the Articles of Association of the Bank, acted with due diligence and attended Board and its special committees meetings to exercise their supervision rights and express their opinions on an adequate, objective and independent basis, in order to assist the Board of Directors and special committees to improve efficiency and scientific decision-making ability. Moreover, Independent Directors fully leveraged their expertise and professionalism to actively participate in the deliberation and decision-making of proposals at Board and its special committees meetings, made independent judgments on major matters such as annual profit distribution, Director nomination, settlement of Directors' remuneration, performance assessment results and remuneration distribution for Senior Management, selection of external audit institutions, major related party transactions, etc., and expressed independent opinions in an objective and impartial manner, to protect overall interest of the Bank and legitimate rights and interests of the whole shareholder, especially minority shareholders, and gave full play to their role as Independent Directors. During the inter-sessional period, Independent Directors actively participated in specialized training on consumer rights protection, anti-money laundering, and green finance, continuously improving their capabilities to perform their duties. Independent Directors took part in joint investigations by the Board of Directors and the Board of Supervisors, gained in-depth insights into the implementation of decisions and deployments of the Party Central Committee, promoted the integrated rectification of central inspections and internal and external inspections, the execution of the 14th Five-Year Plan, risk prevention and control, internal control and compliance, and consumer rights protection in branches,

and provided professional opinions and suggestions. The Board of Directors and Senior Management attached great importance to the opinions and suggestions of Independent Directors.

## Board of Supervisors

### Composition of the Board of Supervisors

As of the disclosure date, the Board of Supervisors of the Bank consisted of six Supervisors, including one Shareholder Supervisor, two External Supervisors and three Employee Supervisors. The number of members and composition of the Board of Supervisors complied with the regulatory requirements and provisions of the Articles of Association of the Bank. The Shareholder Supervisors possess extensive experience in enterprise management. The External Supervisors are professionals in accounting and legal affairs, while the Employee Supervisors have been engaged in bank operations and management for a long time with extensive professional experience in finance.

### Responsibilities of the Board of Supervisors

The Bank has the Board of Supervisors. The responsibilities of the Board of Supervisors in accordance with the law include the following:

- Supervising the duty performance of the Board of Directors, Senior Management and their members, and proposing dismissal of Directors and Senior Management in violation of laws, administrative regulations, the Articles of Association of the Bank or resolutions of the Shareholders' General Meeting;
- Conducting comprehensive appraisal of the performance of the Directors, Supervisors and Senior Management, and reporting to the Shareholders' General Meeting and regulatory authorities;
- Requiring Directors and Senior Management to rectify any of their behaviors in damage of the Bank's interests;
- Inquiring Directors and Senior Management;
- Supervising the electing and engaging procedures of Directors;
- Examining and supervising financial activities of the Bank;
- Deliberating the Bank's profit distribution plan, and issuing opinions on the compliance and rationality;
- Deliberating the Bank's regular reports, and issuing written audit opinions on the authenticity, accuracy and integrity of reports;
- Supervising business decisions, risk management and internal control of the Bank and guiding the internal audit department about their work;
- Attending meetings held by the Board of Directors;
- Proposing to convene an Extraordinary General Meeting, and convening and presiding over the Shareholders' General Meeting when the Board of Directors fails to do so in accordance with the Articles of Association of the Bank;
- Making proposals to Shareholders' General Meeting;
- Filing lawsuits to the Directors and Senior Management in accordance with laws and provisions of the Articles of Association of the Bank;

## Corporate Governance

- Supervising the Board of Directors to determine a sound business philosophy, value criterion and formulating development strategy according to the actual situation of the Bank;
- Regularly assessing the scientificity, rationality and effectiveness of the development strategies developed by the Board of Directors and formulating assessment reports;
- Supervising the scientificity and rationality of the bank-wide remuneration management system and remuneration schemes for Senior Management;
- Exercising other responsibilities stipulated by laws, regulations and the Articles of Association of the Bank, or authorized by the Shareholders' General Meeting.

### Special Committees under the Board of Supervisors

The Nomination Committee and Supervisory Committee are set up under the Board of Supervisors of the Bank, both of which are chaired by External Supervisors.

#### Nomination Committee

As at the end of the reporting period, the Nomination Committee was composed of three Supervisors, of whom Mr. Li Weiyl was the chairing member and the other members were Ms. Lu Zeyuan and Ms. Pan Hua.

The primary responsibilities of the Nomination Committee are:

- Making proposals to the Board of Supervisors in terms of the size and composition of the Board of Supervisors, according to the Bank's operation and management situations, asset size and equity structure;
- Formulating the selection procedures and standards for Supervisors, conducting preliminary review on the eligibilities and qualifications of Supervisor candidates, and making proposals to the Board of Supervisors;
- Nominating and recommending candidates of special committees to the Board of Supervisors;
- Formulating the supervision proposal for the performance of Directors, Senior Management and their members, and organizing the implementation after the proposal is approved by the Board of Supervisors;
- Conducting comprehensive appraisal of the performance of Directors, Supervisors and Senior Management and reporting to the Board of Supervisors;
- Supervising the electing and engaging procedures of Directors;
- Supervising the scientificity and rationality of the bank-wide remuneration management system and remuneration schemes for Senior Management;
- Exercising other responsibilities stipulated by laws, regulations and the Articles of Association of the Bank, or authorized by the Board of Supervisors.

#### Supervisory Committee

As at the end of the reporting period, the Supervisory Committee was composed of three Supervisors, of whom Mr. Tan Youchao was the chairing member and the other members were Ms. Lu Zeyuan and Ms. Guan Tiejun.

The primary responsibilities of the Supervisory Committee are:

- Formulating proposals (as needed) of supervision and inspection on the operational decision-making, risk management and internal control, etc. and organizing the implementation after the proposals are approved by the Board of Supervisors;
- Formulating plans (as needed) to supervise the financial activities of the Bank and implement related inspections;
- Formulating the supervision proposals (as needed) on whether the Board of Directors has established a sound business philosophy, values criterion and development strategy according to the actual situation of the Bank, and organizing the implementation after the proposals are approved by the Board of Supervisors;
- Putting forward opinions on the profit distribution plan to be submitted by the Board of Directors to the Shareholders' General Meeting, and reporting to the Board of Supervisors;
- Reviewing the Bank's regular reports made by the Board of Directors, raising written opinions, and reporting to the Board of Supervisors;
- Regularly assessing the scientificity, rationality and effectiveness of the development strategies developed by the Board of Directors;
- Exercising other responsibilities stipulated by laws, regulations and the Articles of Association of the Bank, or authorized by the Board of Supervisors.

### Meetings of the Board of Supervisors and special committees during the reporting period

During the reporting period, the Board of Supervisors of the Bank convened a total of seven meetings, which are as follows:

From 25 January to 1 February 2024, the Bank convened the 6th meeting of the 9th session of the Board of Supervisors via written endorsement. During the meeting, the Bank reviewed and approved 5 proposals, including: the Proposal on Engaging an External Audit Firm of China Guangfa Bank for 2023, the Proposal on Risk Appetite Policy of China Guangfa Bank for 2024, the Proposal on Revising the Country Risk Management Measures of China Guangfa Bank, the Proposal on Formulating the Consumer Rights Protection Management Measures of China Guangfa Bank, the Proposal on the Mid-Term Evaluation Report of the "14th Five-Year" Special Plan for Consumer Rights Protection and Customer Service of China Guangfa Bank, and relevant resolutions were duly passed.

On 29 March 2024, the Bank convened the 7th meeting of the 9th session of the Board of Supervisors through a combination of on-site and video connection. During the meeting, the Bank reviewed and approved 15 proposals, including: the Proposal on the Board of Supervisors Work Report for 2023 and Work Plan for 2024 of China Guangfa Bank, the Proposal on Adjusting the Remuneration of Supervisors under the China Guangfa Bank 2022 Annual Supervisor Remuneration, the Proposal on the Business Plan and Financial Budget for 2024 of China Guangfa Bank, the Proposal on the 2023 Work Summary and 2024 Work Plan for Consumer Rights Protection and Service Supervision of China Guangfa Bank, the Proposal on the Comprehensive Risk Management Report for 2023 of China Guangfa Bank, the Proposal on the Consolidated Management Report for 2023 of China Guangfa Bank, the Proposal on the Management Report of Interest Rate Risk on Bank Account Book of China Guangfa Bank for 2023, the Proposal on the Case Risk Prevention and Control Report for 2023 of China Guangfa Bank, the Proposal on the Compliance Risk Management Report for 2023 of China Guangfa Bank, the Proposal on the Internal Control Evaluation Report for 2023 of China Guangfa Bank, the Proposal on Engaging an External Audit Firm to Conduct the Internal Control Audit for 2023, the Proposal on the Related Party Transactions Report for 2023 of China Guangfa Bank, the Proposal on the Reputation Risk Management for 2023 and Management Strategy for 2024 of China Guangfa Bank, the Proposal on the Problems Found in Internal Audit and Subsequent Rectification for 2023 of China Guangfa Bank, the Proposal on the Internal Audit Work Plan for 2024 of China Guangfa Bank. Additionally, the Bank reviewed 14 reports on the following issues, including: Operating Performance and Budget Execution for 2023, Liquidity Risk Management, Market Risk Management, Operational Risk Management, Country Risk Management, Employee Conduct Management, Business Continuity Management, Information Technology Risk Management, Disaster Recovery Drill Implementation at the Disaster Backup Center, Internal Audit Work, Corporate Governance Self-Assessment, Implementation of Resolutions at the Board of Supervisors, Remediation and Accountability Measures Following the On-Site Review of Risk Management and Internal Control Effectiveness, Progress on Remediation of the Regulatory Findings for 2022, and relevant resolutions were duly passed.

On 28 April 2024, the Bank convened the 8th meeting of the 9th session of the Board of Supervisors through a combination of on-site and video connection. During the meeting, the Bank reviewed and approved 16 proposals, including: the Proposal on the Evaluation Report of the Performance of Directors in 2023 by the Board of Supervisors of China Guangfa Bank, the Proposal on the Evaluation Report of the Performance of Supervisors in 2023 by the Board of Supervisors of China Guangfa Bank, the Proposal on the Evaluation Report of the Performance of Senior Management in 2023 by the Board of Supervisors of China Guangfa Bank, the Proposal on the Audit Report under Chinese Accounting Standards of China Guangfa Bank for 2023, the Proposal on the Audit Report under International Accounting Standards of China Guangfa Bank for 2023, the Proposal on the Final Account Report of China Guangfa Bank for 2023, the Proposal on the Preliminary Profit Distribution Plan of China Guangfa Bank for 2023, the Proposal on the Annual Report of China Guangfa Bank for 2023, the Proposal on the Internal Capital Adequacy Assessment Report of China Guangfa Bank for 2024, the Proposal on the 2023 and Mid-Term

Evaluation Report of the 14th Five-Year Development Plan of China Guangfa Bank, the Proposal on Deferred Payment and Recovery of Employee Performance-Based Compensation of China Guangfa Bank for 2023, the Proposal on the Report of Implementation Status of the Expected Credit Loss Method of China Guangfa Bank for 2023, the Proposal on the Internal Control Audit Report for 2023 of China Guangfa Bank, the Proposal on Revising the Information Technology Risk Management Measures of China Guangfa Bank, the Proposal on the Environmental, Social, and Governance (ESG) Report of China Guangfa Bank for 2023, the Proposal on the Evaluation Report of Online Lending Business of China Guangfa Bank for 2023. Additionally, the Bank reviewed 7 reports on the following issues: Comprehensive Risk Stress Testing for 2024, Credit Risk Internal Rating System Operations for 2023, Risk Internal Assessment and Application Model Validation, Non-Performing Asset Recovery, Disposal and Management, Write-off of Doubtful Debts of Non-Performing Assets, Outsourcing Management, Pledged Equity, and relevant resolutions were duly passed.

From 21 June to 28 June 2024, the Bank convened the 9th meeting of the 9th session of the Board of Supervisors via written endorsement. During the meeting, the Bank reviewed and approved 5 proposals, including: the Proposal on the Green Finance Development Report for 2023 of China Guangfa Bank, the Proposal on Revising the Capital Management Measures of China Guangfa Bank, the Proposal on Formulating the Management Measures for the Selection and Appointment of Accounting Firms of China Guangfa Bank, the Proposal on Revising the Operational Risk Management Measures of China Guangfa Bank, the Proposal on the Adjustment of Important Models and Key Parameters under the Expected Credit Loss Framework for the Mid-term of 2024 of China Guangfa Bank. Additionally, the Bank reviewed the Report on the Operation and Budget Execution for the First Quarter of 2024 of China Guangfa Bank, and relevant resolutions were duly passed.

On 16 August 2024, the Bank convened the 10th meeting of the 9th session of the Board of Supervisors through a combination of on-site and video connection. During the meeting, the Bank reviewed and approved 8 proposals, including: the Proposal on the 2024 First Half Review and Second Half Roadmap for Consumer Rights Protection of China Guangfa Bank, the Proposal on the Performance Evaluation Indicators for Senior Management of China Guangfa Bank for 2024, the Proposal on the Comprehensive Risk Management Report for the First Half of 2024 of China Guangfa Bank, the Proposal on the Recovery Plan and Disposal Plan (2024 Edition) of China Guangfa Bank, the Proposal on Audit Work Plan (2024-2026) of China Guangfa Bank, the Proposal on Engaging an External Audit Firm for 2024 of China Guangfa Bank, the Proposal on Engaging an External Audit Firm to Conduct the Internal Control Effectiveness Audit for 2024 of China Guangfa Bank, the Proposal on the Related Party Transaction of Agreed Deposits Between China Guangfa Bank and China Life Insurance Company Limited. Additionally, the Bank reviewed 6 reports on the following issues: Progress on Anti-Money Laundering (AML) Rectification Efforts; Operation and Budget Execution for the First Half of 2024, Market Risk Management, Non-Performing Asset (NPA) Management, Data Governance Work, Implementation of Resolutions Passed by the Board of Supervisors, and relevant resolutions were duly passed.

## Corporate Governance

From 15 November to 26 November 2024, the Bank convened the 11th meeting of the 9th session of the Board of Supervisors through written endorsement. During the meeting, the Bank reviewed and approved 11 proposals, including the Proposal on the Work Plan for the Performance Evaluation of Directors, Supervisors and Senior Management for 2024 by the Board of Supervisors of China Guangfa Bank, the Proposal on Revising the Asset and Liability Management Measures of China Guangfa Bank, the Proposal on Revising the Management Measures for the Information Disclosure of Consumer Rights Protection of China Guangfa Bank, the Proposal on the Progress Report of the Consumer Rights Protection Regulatory Evaluation and Rectification Work for 2023 of China Guangfa Bank, the Proposal on Revising the Stress Testing Management Measures of China Guangfa Bank, the Proposal on Revising the Validation Management Measures for Advanced Capital Measurement Method of China Guangfa Bank, the Proposal on Revising the Credit Risk Rating Management Measures for Corporate Client of China Guangfa Bank, the Proposal on Revising the Retail Credit Internal Rating Management Measures of China Guangfa Bank, the Proposal on Formulating the Business Continuity Management Strategy of China Guangfa Bank, the Proposal on Formulating the Risk Prevention and Control Regulations for Criminal Case of China Guangfa Bank, the Proposal on the Low-Risk Credit Related Party Transaction Between China Guangfa Bank and State Grid Huitong. Additionally, the Bank reviewed the Report on Operation and Budget Execution for the First Three Quarters of 2024 of China Guangfa Bank, and relevant resolutions were duly passed.

On 26 December 2024, the Bank convened the 12th meeting of the 9th session of the Board of Supervisors through a combination of on-site and video connection. During the meeting, the Bank reviewed and approved 5 proposals, including: the Proposal on the Adjustment of Important Models and Key Parameters under the Expected Credit Loss Framework for the End of 2024 of China Guangfa Bank, the Proposal on Revising the Credit Card Risk Exposure Pool Management Measures of China Guangfa Bank, the Proposal on Formulating the Employee Code of Conduct of China Guangfa Bank, the Proposal on the Anti-Money Laundering Work Report of China Guangfa Bank, and relevant resolutions were duly passed.

During the reporting period, the Nomination Committee under the Board of Supervisors of the Bank convened a total of 3 meetings, reviewing and approving 6 proposals, including: the Proposal on the Evaluation Report of the Performance of Directors in 2023 by the Board of Supervisors of China Guangfa Bank, the Proposal on the Evaluation Report of the Performance of Supervisors in 2023 by the Board of Supervisors of China Guangfa Bank, the Proposal on the Evaluation Report of the Performance of Senior Management in 2023 by the Board of Supervisors of China Guangfa Bank, the Proposal on Deferred Payment and Recovery of Employee Performance-Based Compensation for 2023 of China Guangfa Bank, the Proposal on the Performance Evaluation Indicators for Senior Management of China Guangfa Bank for 2024, the Proposal on the Work Plan for the Performance Evaluation of Directors, Supervisors and Senior Management for 2024 by the Board of Supervisors of China Guangfa Bank, and relevant resolutions were duly passed.

During the reporting period, the Supervisory Committee of the Board of Supervisors of the Bank convened one meeting, reviewing and approving 5 proposals, including: the Proposal on the Preliminary Profit Distribution Plan of China Guangfa Bank for 2023, the Proposal on the Audit Report under Chinese Accounting Standards of China Guangfa Bank for 2023, the Proposal on the

Audit Report under International Accounting Standards of China Guangfa Bank for 2023, the Proposal on the Annual Report of China Guangfa Bank for 2023, the Proposal on the 2023 and Mid-Term Evaluation Report of the 14th Five-Year Development Plan of China Guangfa Bank, and relevant resolutions were duly passed.

### Performance of Duties by External Supervisors

The Board of Supervisors of the Bank currently has two external supervisors. The chairpersons of the Nomination Committee and the Supervisory Committee of the Board of Supervisors are all External Supervisors. During the reporting period, the Bank's External Supervisors worked diligently, gave full play to their expertise, and performed various supervisory duties in strict accordance with relevant laws and regulations, regulatory requirements and the Articles of Association of the Bank. They actively participated in meetings of the Board of Supervisors and special committees, carefully considered various proposals and expressed independent opinions and suggestions; effectively performed the duties of the chairmen of the special committees, promptly convened the meetings of the special committees; actively participated in the performance evaluation, joint investigation and other activities organized by the Board of Supervisors of the Bank; and strengthened study and training to further improve the ability to perform duties.

### Work of the Board of Supervisors

#### ***Uphold the leadership of Party building, and deepen the organic integration between Party leadership and the governance of the Board of Supervisors***

The Board of Supervisors elevated its political stance by consciously placing governance and supervision under the full leadership of the Party. It integrated this approach into every stage of its work, ensured the continuous implementation of the Bank's plan to strengthen Party leadership and improve corporate governance in an organic manner. During the reporting period, important proposals submitted to the Board of Supervisors for deliberation were preliminarily reviewed by the Party committee while the opinions of the Party committee were earnestly taken, so as to practically apply the procedure in which the Party committee sets the direction. The Board of Supervisors incorporated the implementation of the Party Central Committee's decisions and policies, the integration of Party leadership with corporate governance, and other related aspects into the annual performance evaluation of Directors, Supervisors, and Senior Management who are also Head Office Party Committee members. This ensured continuous improvement in the quality and effectiveness of Party leadership and governance of the Board of Supervisors.

#### ***Optimize the supervisory mechanism, and enhance the effectiveness of the supervisory functions of the Board of Supervisors***

##### **(I) Strengthening the efficiency of deliberation and supervision**

The Bank convened seven meetings of the Board of Supervisors, to review and deliberate on 94 proposals and reports; and held four meetings for the Special Committee of the Board of Supervisors, to review 11 proposals. These meetings enhanced

the routine issue list of the Board of Supervisors to ensure that supervision comprehensively covers seven key areas, including financial and operational decision-making, risk management, and internal control and compliance, while also addressing regulatory concerns such as consumer rights protection, case prevention and control, anti-money laundering, and capital measurement. Supervisors actively provided supervisory opinions, fully leveraging the guiding role of deliberative supervision. A total of 58 implementation notices for resolutions passed at meetings of the Board of Supervisors were issued and promptly sent to the relevant departments for action. All supervisory opinions and recommendations put forward by the Supervisors in 2024 have been effectively implemented.

#### (II) Improving attendance supervision

The Board of Supervisors implemented the normal mechanism for supervisors to attend corporate governance meetings. Supervisors were organized to attend two Shareholders' General Meeting and four on-site meetings of the Board of Directors in 2024. This allowed them to supervise the decision-making process on major issues such as overall operation and financial management, profit distribution, risk prevention and control, internal control and compliance, capital management, related party transactions, thus ensuring timely awareness of the daily performance of Directors and Senior Management. The Board of Supervisors appointed an external supervisor as the chief scrutineer to supervise the voting and counting process at the Shareholders' General Meeting, so as to effectively protect the legitimate rights and interests of all shareholders, the Bank, and stakeholders.

#### (III) Broadening inquiry-based supervision

The Board of Supervisors focused on key areas such as inspection and rectification, regulatory inspection and rectification, liability quality, case prevention and control, anti-money laundering, off-balance-sheet business risks, customer complaint management, and compensation management. It sent 15 Letters of Work of the Board of Supervisors to departments at the head office, compiled 3 batches of inquiry and supervision reports, and promptly shared them with Directors, Supervisors, and Senior Management for review, so as to continuously improve the supervision scope and timeliness for the Board of Supervisors during the adjournment. Additionally, it enhanced the exchange and sharing of supervisory information among corporate governance entities.

#### (IV) Deepening survey-based supervision

In collaboration with the Board of Directors, the Board of Supervisors conducted on-site research at the Urumqi Branch and its affiliated Kashgar Branch. The investigation focused on how the branches implement the Party Central Committee's decisions, carry out inspection and rectifications, execute their strategies, and manage risk prevention and control. They engaged with the branch leadership, middle management, and frontline employee representatives, and also visited key local clients. A dedicated research report was produced, with the recommendations effectively implemented and transformed into actionable measures to drive the high-quality development of the branches.

#### (V) Optimizing performance evaluations

The Board of Supervisors continuously enhanced its performance supervision and evaluation system, which is built on daily performance supervision and centered on annual performance assessments, and conducted the 2023 performance evaluation for Directors, Supervisors, and Senior Management in accordance with laws and regulations. The Board of Supervisors also optimized the implementation process of performance evaluation. Through daily supervision and reviewing performance records, the Board of Supervisors meticulously grasped the performance situation. It conducted self-assessment, peer evaluation among Directors, Supervisors, and Senior Management, as well as assessments of Directors and Senior Management by the Board of Directors, and objectively evaluated the annual performance of Directors, Supervisors, and Senior Management in 2023. This evaluation was documented in a performance evaluation report, which is submitted to regulatory authorities for review after approval by the Board of Supervisors and notified to the Shareholders' General Meeting.

#### (VI) Participating in joint supervision

The Board of Supervisors actively participated in joint supervision meetings, proactively extended governance supervision touchpoints, and for the first time incorporated the implementation of inspection and rectification into the supervision scope of the Board of Supervisors. This approach enabled the Board of Supervisors to monitor the quality of inspection and rectifications from a corporate governance perspective, strengthen the tracking of corrective measures and their outcomes, and enhance communication and collaboration with functional and departmental supervisors, thereby boosting the overall synergy of joint supervision.

### **Focus on key supervision areas to enhance the supervision quality and effectiveness of the Board of Supervisors**

During the reporting period, the Board of Supervisors leveraged the "Four Supervisions and One Evaluation" approach to continuously optimize its operational mechanisms, expand its supervisory scope, deepen supervisory content, and consistently enhance the effectiveness of governance supervision.

(I) Strengthening the capability of implementing the CPC Central Committee's deployments and arrangements and contributing to the overall interests. The Board of Supervisors deliberated on annual operating plans, green finance development reports, social responsibility reports, and other proposals. It recommended that the Management earnestly implements the spirit of the Central Financial Work Conference, thoroughly execute the "Five Major Sectors" of finance, boosts financial support for nurturing and developing new quality productive forces, and proactively contributes to the broader economic and social development agenda.

## Corporate Governance

(II) Strengthening supervision of strategic management to drive improvements in the effectiveness of plan execution. The Board of Supervisors reviewed the 2023 and Mid-Term Evaluation Report of the “14th Five-Year” Development Plan. It recommended that the Management maintains strategic focus, dynamically optimizes strategic initiatives, enhances coordination in strategy execution, and strives to achieve the goals of the 14th Five-Year Plan.

(III) Strengthening financial and capital supervision to improve operational and management standards. The Board of Supervisors reviewed and deliberated on proposals concerning financial budgets and execution, annual final accounts reports, preliminary profit distribution plans, internal capital adequacy assessment reports. It urged the Management to strengthen revenue increase, cost reduction and efficiency enhancement by rigorously advancing key initiatives and to strive to achieve the annual budget targets. It also actively implemented capital planning to ensure asset-liability management, risk management, and capital management work in a coordinated and unified manner.

(IV) Strengthening supervision of risk management to enhance the capacity for risk prevention and mitigation. The Board of Supervisors reviewed and deliberated on various proposals and reports, including the risk appetite policy, comprehensive risk management report, risk management report in major categories, stress testing, and disposal of non-performing asset. It urged the Management to steadily build comprehensive risk management capabilities by proactively integrating risk control strategies into business operations and reinforcing risk prevention responsibilities at every level. It also emphasized strict control over incremental risks, monitored the interconnections among different risk categories, and enhanced risk prevention and resolution in key areas.

(V) Strengthening internal control and compliant supervision to promote internal control management. The Board of Supervisors reviewed and deliberated on proposals and reports concerning internal control assessment, compliant risk management, related party transactions, consolidated management, and anti-money laundering rectification. It urged the Management to deepen the application of technological tools in employee behavior management; standardize the full process management of related party transaction; strengthen the identification, monitoring, and control of consolidated risks, and enhance guidance and management of subsidiaries. Besides, it comprehensively implemented anti-money laundering rectification, and improved the long-term mechanism for managing money laundering risks by learning from past experiences.

(VI) Strengthening internal audit supervision and improving the quality of audit work. The Board of Supervisors reviewed and deliberated on proposals and reports concerning the annual internal audit work report and work plan, problems found in internal audit and subsequent rectification, audit work plan for 2024-2026. It urged the Management to focus on key areas of financial regulation, strategic execution challenges, weak links in business management, and high-risk areas, while balancing audit priorities and audit coverage. It also promoted the implementation of the audit work plan and bolstered efforts to enhance audit standardization, regulation, professionalism, and digitalization.

(VII) Strengthening performance-based compensation supervision to optimize the incentive and constraint mechanism. The Board of Supervisors reviewed the proposals on deferred payment and recovery of performance-based compensation of employees, and the annual performance evaluation indicators for Senior Management. It recommended that the Management continuously implements employee performance-based compensation and recovery policies to ensure consistency between remuneration and risk exposure, and strengthens the management over Senior Management performance evaluations to ensure the evaluation system is compliant, reasonable, and scientifically sound.

(VIII) Strengthening the supervision of consumer rights protection to improve customer service capability. The Board of Supervisors reviewed proposals concerning the work summary and work plan for annual and semi-annual consumer rights protection, mid-term implementation evaluation of the “14th Five-Year” Plan for consumer rights protection, and rectification work for consumer rights protection. It recommended that the Management establishes a comprehensive consumer rights protection management system covering the entire process from product and service development, strengthens coordination between the head office and branches as well as cross-departmental collaboration, and enhances the compliant performance of branch offices and their employees in consumer rights protection. Meanwhile, it actively addressed the gaps in executing the consumer rights protection plan to improve subsequent implementation outcomes, and fully implemented the regulatory evaluation and rectification requirements, ensuring a closed-loop management process for rectification.

### ***Enhance internal development to improve the compliance and performance capabilities of the Board of Supervisors***

During the reporting period, the Board of Supervisors continued to strengthen its own development, and solidified the foundation for compliance and performance to enhance the supervision level of corporate governance.

(I) Strengthening institutional framework construction. The Board of Supervisors continuously revised its research and supervision management measures, drafted a proposal for evaluating the performance of Senior Management, and developed institutional systems based on practical needs, so as to continually strengthen its governance framework.

(II) Enhancing performance reinforcement. The Board of Supervisors directed its office to provide support for performance, and continuously improve the performance level. The Board of Supervisor also maintained individuated files for Supervisors with regularly updates to ensure a more refined and detailed management of their performance. Throughout the year, more than 40 reference materials were provided to the supervisors, such as management briefs, anti-money laundering quarterly reports, regulatory notice on rectification. Meanwhile, the Board of Supervisors assisted supervisors in purchasing corporate governance reference books and helped them perform their duties efficiently. Additionally, it organized specialized training for supervisors on topics such as green finance and ESG risk management, anti-money laundering and counter-terrorist financing, and consumer rights protection to enhance their professional performance capabilities.

(III) Improving research capabilities. The Board of Supervisors conducted a focused analysis of how the implementation of the new Company Law impacts the corporate governance of the Bank, with special attention to evolving trends in the responsibilities and duties of the Board of Supervisors. The Board of Supervisors focused on China Life Group's "Seven Controls" requirements, and conducted research from a corporate governance perspective on how digital transformation can drive high-quality development.

### **Independent Opinions of the Board of Supervisors on Relevant Matters**

#### ***Legitimate business***

During the reporting period, the Bank carried out operations in strict compliance with all applicable laws and regulations. The decision-making procedure of the Bank met relevant requirements of laws and regulations, regulatory requirements and the Articles of Association of the Bank. The Board of Supervisors did not find that the Bank's Directors and Senior Management violated laws and regulations, regulatory provisions, the Bank's Articles of Association or other acts that harmed the interests of the Bank and shareholders in the performance of their duties.

#### ***Financial reporting***

During the reporting period, Ernst & Young Hua Ming LLP (Special General Partnership) audited the 2023 Financial Statements prepared by the Bank in accordance with Chinese Accounting Standards (CAS) and International Accounting Standards (IAS). The Board of Supervisors believes that the 2023 financial statements of the Bank are prepared and audited in accordance with legal and regulatory requirements and give a true, fair and comprehensive view on the Bank's actual operation.

#### ***Preliminary profit distribution plan***

During the reporting period, the Board of Supervisors considered and approved the 2023 Preliminary Profit Distribution Plan of China Guangfa Bank, concluded that the preliminary profit distribution plan and decision-making procedures were in compliance with requirements of laws, regulations, regulatory requirements and the Article of Association of the Bank while giving consideration to the current and long-term interests of shareholders of the Bank and taking full account of, among others, the Bank's capital adequacy level, strategic development requirements and external regulations, thus determined such plan is in line with the actual conditions of the Bank and agreed on its submission to the Shareholder's General Meeting for deliberation.

#### ***Related party transactions***

During the reporting period, the Board of Supervisors considered and approved the Proposal on Report on Related Party Transactions of China Guangfa Bank for 2023, the Proposal on the Related Party Transaction of Agreed Deposits Between China Guangfa Bank and China Life Insurance Company Limited, and the Proposal on Related Party Transactions between China Guangfa Bank and State Grid Huitong about Low-Risk Credit Approval, and urged the Management to strictly adhere to compliance, fairness, and necessity requirements, ensuring standardized execution of related party transaction

identification, pricing, approval, reporting, and disclosure processes. Additionally, the Supervisory Board strengthened rigid controls and closed-loop management to mitigate related party transaction risks based on the principle of substance over form. Meanwhile, it continuously advanced the development of related party transaction management system to achieve full integration with business systems. No related party transactions of the Bank were found to violate the principle of fairness or damage the interests of the Bank and its shareholders.

#### ***Internal control***

During the reporting period, the Board of Supervisors considered and approved the Proposal on the 2023 Internal Control Evaluation Report of China Guangfa Bank, believed that as of the base date of the 2023 Internal Control Evaluation Report, no major deficiencies were found in the Bank's internal control over financial reporting, nor in internal control over non-financial reporting, and agreed with the report.

#### ***Implementation of information disclosure system***

During the reporting period, the Bank fulfilled its information disclosure obligations in compliance with laws, regulations and regulatory requirements, conscientiously implemented the information disclosure management system, disclosed information in a timely manner, and disclosed truthful, accurate and complete information.

#### ***Implementation of resolutions of Shareholders' General Meeting***

During the reporting period, the Board of Supervisors had no objections to the proposals and reports submitted by the Board of Directors to the Shareholders' General Meeting and concluded that the Board of Directors had conscientiously implemented the relevant resolutions of Shareholders' General Meeting.

### **Information on Senior Management**

The President of the Bank is responsible to the Board of Directors and is subject to the supervision of the Board of Supervisors. Vice Presidents and other Senior Management shall assist the President's work. The authority of Senior Management and the Board of Directors are separated strictly in accordance with corporate governance policies including the Articles of Association of the Bank.

The specialized committees under Senior Management of the Bank include: Budget Management Committee, Central Procurement Committee, Financial Examination Committee, Strategy Development Committee, Product and Innovation Committee, Comprehensive Financial Marketing Committee, Consumer Rights Protection Committee, Performance Management Committee, Corporate Annuity Management Committee, School Affair Committee of CGB Party School (Guangfa Training Institute), Internal Control Compliance and Risk Management Committee, Business Continuity Management Committee, Accountability Committee, Confidentiality Committee, Brand Building Committee, Technology Management Committee, Cyber Security and Informatization Committee, Data Management and Control Committee, Non-performing Asset Disposal Approval Committee, Asset and Liabilities Management Committee, Credit Approval Committee, and Investment Business Approval Committee.

# Confirmation of the Bank’s Annual Report 2024 by Directors and Senior Executives

We, as Directors and Senior Executives of China Guangfa Bank Co., Ltd., have thoroughly understood and reviewed the Bank’s 2024 Annual Report, and hereby issue our opinions as follows:

- I. Operations of the Bank are in strict compliance with the Accounting Standards for Business Enterprises, the Accounting Regulations for Business Enterprises, the Accounting Regulations for Financial Enterprises and relevant provisions; and the Bank’s 2024 Annual Report gives a fair view of financial position and operating results of the Bank for the reporting period.
- II. The Bank’s financial statements for 2024 have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP in accordance with China Standards on Auditing for Certified Public Accountants, which issued a standard unqualified audit report.
- III. We confirm that the information disclosed in the Bank’s Annual Report 2024 is authentic, accurate and complete, and we confirm that there is no misrepresentation or misleading statement contained or material omission from it. We undertake individual and several liability for the authenticity, accuracy and completeness of its content.

## Signatures of Directors and Senior Executives

Name	Name
Wang Kai	Yu Shengquan
Liu Hui	Yang Dongwei
Xu Yuehong	Zhang Linfu
Guo Yunzhao	Chen Shimin
Zhao Xudong	Wang Xi
Lin Deming	Li Xiaoshui
Li Bing	Yang Lin
Li Huaigen	Jin Qian

## Documents Available for Inspection

- I. The original copy of written confirmation opinions of the Annual Report 2024 by Directors and Senior Executives of the Bank.
- II. The original audit report with Certified Public Accountant Firm's chop affixed, signed and sealed by Certified Public Accountants.
- III. Articles of Association of China Guangfa Bank Co., Ltd.

# Reforming and Innovating to Embrace Challenges, Transforming and Upgrading to Strengthen Momentum



The Bank thoroughly implements the national strategy for innovation-driven development, accelerates digital transformation and financial innovation, and strives to create new quality productive forces in the financial sector. Based on the positioning of the Greater Bay Area as a “dual circulation” hub, the Bank further deepens the comprehensive financial service system, enhances the in-depth application of big data models and artificial intelligence technologies, comprehensively reinforces the quality and efficiency of customer service and risk pricing capabilities, continuously strengthens value creation capabilities, and fosters new growth drivers.



## Auditor's Report



立信会计师事务所(特殊普通合伙)  
BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP

### Auditors' Report

Xin Kuai Shi Bao Zi [2025] No. ZA32617

To the board of directors of China Guangfa Bank Co., Ltd.:

#### (I) Opinion

We have audited the financial statements of China Guangfa Bank Co., Ltd. (the "Bank"), which comprise the consolidated and bank balance sheet as at 31 December 2024 and the consolidated and bank income statement, the consolidated and bank statement of changes in equity and the consolidated and bank statement of cash flows for the year then ended, and notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Bank's financial position as at 31 December 2024, and the the consolidated and Bank's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

#### (II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of China Guangfa Bank Co., Ltd. in accordance with *China Code of Ethics for Certified Public Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### (III) Other Information

Management of the Bank is responsible for the other information. The other information comprises all of the information included in 2024 annual report of the Bank other than the financial statements and our auditor's report thereon.

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

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

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



## 立信会计师事务所(特殊普通合伙)

BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP

### Auditors' Report (continued)

Xin Kuai Shi Bao Zi [2025] No. ZA32617

#### (IV) Responsibilities of the management and those charged with governance for the financial statements

The management of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

#### (V) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

## Auditor's Report



**立信会计师事务所(特殊普通合伙)**  
BDO CHINA SHU LUN PAN CERTIFIED PUBLIC ACCOUNTANTS LLP

### Auditors' Report (continued)

Xin Kuai Shi Bao Zi [2025] No. ZA32617

#### (V) Auditor's responsibilities for the audit of the financial statements (continued)

- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- (5) Evaluate the overall presentation including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO CHINA Shu Lun Pan  
Certified Public Accountants LLP

Chinese Certified Public Accountant: \_\_\_\_\_  
Ma Qiang

Chinese Certified Public Accountant: \_\_\_\_\_  
Li Jie

# Consolidated Balance Sheet

31 December 2024 Expressed in thousands of Renminbi

		The Group	
	VII	31 December 2024	31 December 2023
<b>Assets</b>			
Cash and due from central banks	1	153,784,429	231,997,008
Due from banks and other financial institutions	2	7,622,222	10,117,554
Precious metals		1,187,387	2,182,633
Placements with banks and other financial institutions	3	93,124,730	62,296,098
Derivative financial assets	4	14,627,182	7,587,798
Financial assets held under resale agreements	5	204,960,427	112,252,131
Loans and advances to customers	6	2,077,352,768	2,020,932,355
Financial investment			
– Financial assets held for trading	7	136,102,655	119,641,206
– Debt investments	8	465,033,069	536,401,090
– Other debt investments	9	433,848,346	347,714,836
– Investments in other equity instruments	10	5,416,980	4,870,595
Fixed assets	12	9,423,573	9,608,384
Construction in progress	13	1,858,474	2,215,370
Intangible assets	14	7,259,932	6,884,883
Right-of-use assets	15	4,383,278	4,862,925
Deferred tax assets	16	15,997,022	16,891,173
Other assets	17	13,010,489	13,065,532
<b>TOTAL ASSETS</b>		<b>3,644,992,963</b>	<b>3,509,521,571</b>

# Consolidated Balance Sheet

31 December 2024 Expressed in thousands of Renminbi

		The Group	
	VII	31 December 2024	31 December 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Due to central banks		<b>22,637,807</b>	67,015,262
Due to banks and other financial institutions	19	<b>376,598,313</b>	411,168,322
Placements from banks and other financial institutions	20	<b>64,091,401</b>	88,779,817
Financial liabilities held for trading	21	<b>952,908</b>	217,308
Derivative financial liabilities	4	<b>13,622,735</b>	7,227,735
Financial assets sold under repurchase agreements	22	<b>148,331,064</b>	167,722,913
Customer deposits	23	<b>2,257,249,475</b>	2,181,525,472
Employee benefits payable	24	<b>10,619,126</b>	9,285,629
Taxes payable	25	<b>5,854,805</b>	5,005,560
Provisions	26	<b>2,009,992</b>	2,136,211
Lease liabilities	27	<b>4,364,048</b>	4,880,325
Bonds issued	28	<b>430,824,994</b>	276,173,702
Other liabilities	29	<b>8,825,132</b>	11,399,029
<b>Total liabilities</b>		<b>3,345,981,800</b>	3,232,537,285

The Group			
	VII	31 December 2024	31 December 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (continued)</b>			
<b>Shareholders' equity</b>			
Share capital	30	21,789,861	21,789,861
Other equity instruments	31	50,000,000	44,991,071
Capital reserve	32	53,306,614	53,315,958
Other comprehensive income	33	9,115,391	3,529,726
Surplus reserve	34	18,887,917	17,387,359
General reserve	35	43,640,419	40,683,801
Undistributed profits	36	102,270,961	95,286,510
<b>Total shareholders' equity</b>		<b>299,011,163</b>	276,984,286
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,644,992,963</b>	3,509,521,571

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 135 to 330 signed by:

\_\_\_\_\_  
Wang Kai  
Legal representative and President

\_\_\_\_\_  
Li Xiaoshui  
Vice President in Charge of Finance

\_\_\_\_\_  
Sun Guangming  
Person in Charge of the Finance Department

## Bank Balance Sheet

31 December 2024 Expressed in thousands of Renminbi

		The Bank	
	VII	31 December 2024	31 December 2023
<b>Assets</b>			
Cash and due from central banks	1	153,784,429	231,997,008
Due from banks and other financial institutions	2	6,783,601	9,775,346
Precious metals		1,187,387	2,182,633
Placements with banks and other financial institutions	3	93,124,730	62,296,098
Derivative financial assets	4	14,627,182	7,587,798
Financial assets held under resale agreements	5	204,960,427	112,252,131
Loans and advances to customers	6	2,077,352,768	2,020,932,355
Financial investment			
– Financial assets held for trading	7	134,652,693	118,111,318
– Debt investments	8	461,834,015	533,054,018
– Other debt investments	9	433,696,719	347,510,700
– Investments in other equity instruments	10	5,416,980	4,870,595
Long-term equity investments	11	5,079,000	5,079,000
Fixed assets	12	9,414,012	9,594,983
Construction in progress	13	1,858,474	2,215,370
Intangible assets	14	7,162,296	6,766,705
Right-of-use assets	15	4,376,657	4,840,259
Deferred tax assets	16	15,996,959	16,890,099
Other assets	17	12,889,131	12,968,493
<b>TOTAL ASSETS</b>		<b>3,644,197,460</b>	<b>3,508,924,909</b>

## The Bank

	VII	31 December 2024	31 December 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Due to central banks		<b>22,637,807</b>	67,015,262
Due to banks and other financial institutions	19	<b>376,651,817</b>	411,193,334
Placements from banks and other financial institutions	20	<b>64,091,401</b>	88,779,817
Financial liabilities held for trading	21	<b>952,908</b>	217,308
Derivative financial liabilities	4	<b>13,622,735</b>	7,227,735
Financial assets sold under repurchase agreements	22	<b>148,331,064</b>	167,722,913
Customer deposits	23	<b>2,257,249,475</b>	2,181,525,472
Employee benefits payable	24	<b>10,581,154</b>	9,258,896
Taxes payable	25	<b>5,834,223</b>	4,995,872
Provisions	26	<b>2,008,359</b>	2,134,578
Lease liabilities	27	<b>4,357,066</b>	4,857,469
Bonds issued	28	<b>430,824,994</b>	276,173,702
Other liabilities	29	<b>8,813,602</b>	11,323,048
<b>Total liabilities</b>		<b>3,345,956,605</b>	3,232,425,406

## Bank Balance Sheet

31 December 2024 Expressed in thousands of Renminbi

		The Bank	
	VII	31 December 2024	31 December 2023
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (continued)</b>			
<b>Shareholders' equity</b>			
Share capital	30	21,789,861	21,789,861
Other equity instruments	31	50,000,000	44,991,071
Capital reserve	32	53,306,614	53,315,958
Other comprehensive income	33	9,105,542	3,526,491
Surplus reserve	34	18,887,917	17,387,359
General reserve	35	43,379,413	40,464,845
Undistributed profits	36	101,771,508	95,023,918
<b>Total shareholders' equity</b>		<b>298,240,855</b>	276,499,503
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,644,197,460</b>	3,508,924,909

The accompanying notes form an integral part of these financial statements.

# Consolidated Income Statement

Year ended 31 December 2024 Expressed in thousands of Renminbi

		The Group	
	VII	2024	2023
Interest income		117,463,214	125,591,865
Interest expenses		(67,812,028)	(74,523,310)
Net interest income	37	49,651,186	51,068,555
Fee and commission income		15,630,302	17,013,171
Fee and commission expenses		(4,656,334)	(5,158,625)
Net fee and commission income	38	10,973,968	11,854,546
Investment income	39	6,671,903	5,553,955
Including: Income from the derecognition of financial assets measured at amortised cost		1,555,323	1,059,419
Gains arising from changes in fair value	40	1,450,385	878,965
Foreign exchange gains	41	360,348	212,586
Other operating income		62,073	65,950
Gains from disposals of assets	42	33,983	20,189
Other income	43	32,844	23,562
<b>Revenue</b>		<b>69,236,690</b>	<b>69,678,308</b>
Taxes and surcharges	44	(836,374)	(915,425)
Operating and administrative expenses	45	(26,059,073)	(27,108,155)
Impairment losses on assets		(23,467,756)	(22,711,013)
Including: Credit impairment losses	46	(23,464,575)	(22,664,004)
Other asset impairment losses		(3,181)	(47,009)
Other operating expenses		(85)	(110)
<b>Operating expenses</b>		<b>(50,363,288)</b>	<b>(50,734,703)</b>
<b>Operating profit</b>		<b>18,873,402</b>	<b>18,943,605</b>
Add: Non-operating income	47	114,186	86,054
Less: Non-operating expenses	47	(605,650)	(238,310)
<b>Profit before income tax</b>		<b>18,381,938</b>	<b>18,791,349</b>
Less: Income tax expenses	48	(3,097,444)	(2,772,579)
<b>Profit for the year</b>		<b>15,284,494</b>	<b>16,018,770</b>
– Attributable to shareholders of the Company		<b>15,284,494</b>	<b>16,018,770</b>

## Consolidated Income Statement

Year ended 31 December 2024 Expressed in thousands of Renminbi

		The Group	
	VII	2024	2023
Earnings per share			
– Basic and diluted earnings per share (in RMB)		0.61	0.64
Other comprehensive income, net of tax:	33	5,519,703	2,840,745
Items that may not be reclassified subsequently to profit or loss		476,011	1,952,934
1. Changes in fair value of investments in other equity instruments		476,011	1,952,934
Items that may be reclassified subsequently to profit or loss		5,043,692	887,811
1. Changes in fair value of other debt investments		4,768,433	758,740
2. Provision for credit impairment of other debt investments		47,974	(8,735)
3. Change in fair value of loans and advances to customers measured at fair value through other comprehensive income		114,619	244,294
4. Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income		43,427	(100,874)
5. Exchange differences on translation of financial statements and others		69,239	(5,614)
<b>Total comprehensive income</b>		<b>20,804,197</b>	<b>18,859,515</b>

The accompanying notes form an integral part of these financial statements.

# Bank Income Statement

Year ended 31 December 2024 Expressed in thousands of Renminbi

		The Bank	
	VII	2024	2023
Interest income		117,352,179	125,483,981
Interest expenses		(67,814,322)	(74,525,329)
Net interest income	37	49,537,857	50,958,652
Fee and commission income		15,304,614	16,770,053
Fee and commission expenses		(4,656,381)	(5,159,536)
Net fee and commission income	38	10,648,233	11,610,517
Investment income	39	6,635,028	5,512,118
Including: Income from the derecognition of financial assets measured at amortised cost		1,549,219	1,059,419
Gains arising from changes in fair value	40	1,433,049	856,161
Foreign exchange gains	41	360,347	212,590
Other operating income		133,378	65,950
Gains from disposals of assets	42	33,983	20,189
Other income	43	14,611	12,725
<b>Revenue</b>		<b>68,796,486</b>	<b>69,248,902</b>
Taxes and surcharges	44	(834,714)	(913,721)
Operating and administrative expenses	45	(25,885,412)	(26,938,891)
Impairment losses on assets		(23,467,724)	(22,711,096)
Including: Credit impairment losses	46	(23,464,543)	(22,664,087)
Other asset impairment losses		(3,181)	(47,009)
Other operating expenses		(71,388)	(110)
<b>Operating expenses</b>		<b>(50,259,238)</b>	<b>(50,563,818)</b>
<b>Operating profit</b>		<b>18,537,248</b>	<b>18,685,084</b>
Add: Non-operating income	47	114,087	85,990
Less: Non-operating expenses	47	(605,650)	(237,189)
<b>Profit before income tax</b>		<b>18,045,685</b>	<b>18,533,885</b>
Less: Income tax expenses	48	(3,040,102)	(2,735,279)
<b>Profit for the year</b>		<b>15,005,583</b>	<b>15,798,606</b>

## Bank Income Statement

Year ended 31 December 2024 Expressed in thousands of Renminbi

		The Bank	
	VII	2024	2023
Earnings per share			
– Basic and diluted earnings per share (in RMB)		0.60	0.63
Other comprehensive income, net of tax:	33	5,513,089	2,837,415
Items that may not be reclassified subsequently to profit or loss		476,011	1,952,934
1. Changes in fair value of investments in other equity instruments		476,011	1,952,934
Items that may be reclassified subsequently to profit or loss		5,037,078	884,481
1. Changes in fair value of other debt investments		4,763,249	755,708
2. Provision for credit impairment of other debt investments		47,974	(8,735)
3. Change in fair value of loans and advances to customers measured at fair value through other comprehensive income		114,619	244,294
4. Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income		43,427	(100,874)
5. Exchange differences on translation of financial statements and others		67,809	(5,912)
<b>Total comprehensive income</b>		<b>20,518,672</b>	<b>18,636,021</b>

The accompanying notes form an integral part of these financial statements.

## Consolidated Statement of Changes in Shareholders' Equity

Year ended 31 December 2024 Expressed in thousands of Renminbi

	VII	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Total
1 January 2024		21,789,861	44,991,071	53,315,958	3,529,726	17,387,359	40,683,801	95,286,510	276,984,286
Changes in equity for the year:									
1. Profit for the year		-	-	-	-	-	-	15,284,494	15,284,494
2. Other comprehensive income	33	-	-	-	5,519,703	-	-	-	5,519,703
Total comprehensive income		-	-	-	5,519,703	-	-	15,284,494	20,804,197
3. Capital contribution by equity owners									
- Increase in other equity instruments	31	-	50,000,000	(415)	-	-	-	-	49,999,585
- Decrease in other equity instruments	31	-	(44,991,071)	(8,929)	-	-	-	-	(45,000,000)
		-	5,008,929	(9,344)	-	-	-	-	4,999,585
4. Appropriation of profit	36								
- Appropriation to surplus reserve	34	-	-	-	-	1,500,558	-	(1,500,558)	-
- Appropriation to general reserve	35	-	-	-	-	-	2,956,618	(2,956,618)	-
- Dividends	36	-	-	-	-	-	-	(1,751,905)	(1,751,905)
- Perpetual bond interest	36	-	-	-	-	-	-	(2,025,000)	(2,025,000)
		-	-	-	-	1,500,558	2,956,618	(8,234,081)	(3,776,905)
5. Internal transfer of equity									
- Transfer of other comprehensive income to retained earnings	10	-	-	-	65,962	-	-	(65,962)	-
31 December 2024		21,789,861	50,000,000	53,306,614	9,115,391	18,887,917	43,640,419	102,270,961	299,011,163

## Consolidated Statement of Changes in Shareholders' Equity

Year ended 31 December 2024 Expressed in thousands of Renminbi

	VII	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Total
1 January 2023		21,789,861	44,991,071	53,315,958	659,992	15,807,498	40,659,845	84,625,155	261,849,380
Changes in equity for the year:									
1. Profit for the year		-	-	-	-	-	-	16,018,770	16,018,770
2. Other comprehensive income	33	-	-	-	2,840,745	-	-	-	2,840,745
Total comprehensive income		-	-	-	2,840,745	-	-	16,018,770	18,859,515
3. Appropriation of profit	36								
- Appropriation to surplus reserve	34	-	-	-	-	1,579,861	-	(1,579,861)	-
- Appropriation to general reserve	35	-	-	-	-	-	23,956	(23,956)	-
- Dividends	36	-	-	-	-	-	-	(1,699,609)	(1,699,609)
- Perpetual bond interest	36	-	-	-	-	-	-	(2,025,000)	(2,025,000)
		-	-	-	-	1,579,861	23,956	(5,328,426)	(3,724,609)
4. Internal transfer of equity									
- Transfer of other comprehensive income to retained earnings	10	-	-	-	28,989	-	-	(28,989)	-
31 December 2023		21,789,861	44,991,071	53,315,958	3,529,726	17,387,359	40,683,801	95,286,510	276,984,286

The accompanying notes form an integral part of these financial statements.

## Bank Statement of Changes in Shareholders' Equity

Year ended 31 December 2024 Expressed in thousands of Renminbi

	VII	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Total
1 January 2024		21,789,861	44,991,071	53,315,958	3,526,491	17,387,359	40,464,845	95,023,918	276,499,503
Changes in equity for the year:									
1. Profit for the year		-	-	-	-	-	-	15,005,583	15,005,583
2. Other comprehensive income	33	-	-	-	5,513,089	-	-	-	5,513,089
Total comprehensive income		-	-	-	5,513,089	-	-	15,005,583	20,518,672
3. Capital contribution by equity owners									
- Increase in other equity instruments	31	-	50,000,000	(415)	-	-	-	-	49,999,585
- Decrease in other equity instruments	31	-	(44,991,071)	(8,929)	-	-	-	-	(45,000,000)
		-	5,008,929	(9,344)	-	-	-	-	4,999,585
4. Appropriation of profit	36								
- Appropriation to surplus reserve	34	-	-	-	-	1,500,558	-	(1,500,558)	-
- Appropriation to general reserve	35	-	-	-	-	-	2,914,568	(2,914,568)	-
- Dividends	36	-	-	-	-	-	-	(1,751,905)	(1,751,905)
- Perpetual bond interest	36	-	-	-	-	-	-	(2,025,000)	(2,025,000)
		-	-	-	-	1,500,558	2,914,568	(8,192,031)	(3,776,905)
5. Internal transfer of equity									
- Transfer of other comprehensive income to retained earnings	10	-	-	-	65,962	-	-	(65,962)	-
31 December 2024		21,789,861	50,000,000	53,306,614	9,105,542	18,887,917	43,379,413	101,771,508	298,240,855

## Bank Statement of Changes in Shareholders' Equity

Year ended 31 December 2024 Expressed in thousands of Renminbi

	VII	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Undistributed profits	Total
1 January 2023		21,789,861	44,991,071	53,315,958	660,087	15,807,498	40,464,845	84,558,771	261,588,091
Changes in equity for the year:									
1. Profit for the year		-	-	-	-	-	-	15,798,606	15,798,606
2. Other comprehensive income	33	-	-	-	2,837,415	-	-	-	2,837,415
Total comprehensive income		-	-	-	2,837,415	-	-	15,798,606	18,636,021
3. Appropriation of profit	36								
- Appropriation to surplus reserve	34	-	-	-	-	1,579,861	-	(1,579,861)	-
- Appropriation to general reserve	35	-	-	-	-	-	-	-	-
- Dividends	36	-	-	-	-	-	-	(1,699,609)	(1,699,609)
- Perpetual bond interest	36	-	-	-	-	-	-	(2,025,000)	(2,025,000)
		-	-	-	-	1,579,861		(5,304,470)	(3,724,609)
4. Internal transfer of equity									
- Transfer of other comprehensive income to retained earnings	10	-	-	-	28,989	-	-	(28,989)	-
31 December 2023		21,789,861	44,991,071	53,315,958	3,526,491	17,387,359	40,464,845	95,023,918	276,499,503

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

Year ended 31 December 2024 Expressed in thousands of Renminbi

	VII	The Group	
		2024	2023
<b>Cash flows from operating activities</b>			
Net decrease in amounts due from central banks, and due from banks and other financial institutions		<b>24,841,031</b>	14,055,271
Net decrease in financial assets held for trading		–	2,844,097
Net increase in amounts due to central banks		–	49,146,241
Net increase in placements from banks and other financial institutions and financial assets sold under repurchase agreements		–	2,417,313
Net increase in customer deposits and amounts due to banks and other financial institutions		<b>34,941,460</b>	41,266,235
Cash received from interest, fee and commission		<b>115,996,322</b>	124,386,929
Cash received relating to other operating activities		<b>288,900</b>	184,060
Sub-total of cash inflows		<b>176,067,713</b>	234,300,146
Net increase in placements with banks and other financial institutions and financial assets held under resale agreements		<b>(8,481,818)</b>	(1,203,653)
Net increase in loans and advances to customers		<b>(78,907,464)</b>	(42,216,550)
Net increase in financial assets held for trading		<b>(1,122,669)</b>	–
Net decrease in amounts due to central banks		<b>(44,255,000)</b>	–
Net decrease in placements from banks and other financial institutions and financial assets sold under repurchase agreements		<b>(44,141,401)</b>	–
Cash paid for interest, fee and commission		<b>(56,630,667)</b>	(64,511,773)
Cash paid to and on behalf of employees		<b>(15,334,382)</b>	(15,395,279)
Payments of taxes and surcharges		<b>(9,687,799)</b>	(14,471,044)
Cash paid relating to other operating activities		<b>(11,484,119)</b>	(10,209,545)
Sub-total of cash outflows		<b>(270,045,319)</b>	(148,007,844)
<b>Net cash flows from operating activities</b>	49	<b>(93,977,606)</b>	86,292,302

# Consolidated Statement of Cash Flows

Year ended 31 December 2024 Expressed in thousands of Renminbi

		The Group	
	VII	2024	2023
<b>Cash flows from investing activities</b>			
Cash received from disposals of investments		394,598,645	402,357,319
Cash dividends received		56,900	56,980
Cash received from returns on investments		31,998,315	27,750,630
Net cash received from disposals of fixed assets and other assets		36,796	8,919
Sub-total of cash inflows		426,690,656	430,173,848
Cash paid to acquire investments		(415,004,115)	(453,520,052)
Cash paid to acquire fixed assets, intangible assets and other assets		(3,013,160)	(4,467,204)
Sub-total of cash outflows		(418,017,275)	(457,987,256)
<b>Net cash flows from investing activities</b>		8,673,381	(27,813,408)
<b>Cash flows from financing activities</b>			
Cash received from issuance of other equity instruments		50,000,000	—
Cash received from issuance of bonds issued		672,031,775	365,739,960
Sub-total of cash inflows		722,031,775	365,739,960
Cash payments for distribution of dividends		(1,689,598)	(1,699,609)
Cash payments for debt		(518,369,193)	(380,701,206)
Cash payments for redemption of other equity instruments		(45,000,000)	—
Interest paid on issuance of bonds issued		(8,696,955)	(8,275,125)
Cash payments for distribution of perpetual bond interest		(2,025,000)	(2,025,000)
Repayment of principal and interest on lease liabilities		(1,675,309)	(1,760,161)
Cash payments for other financing activities		(415)	—
<b>Sub-total of cash outflows</b>		(577,456,470)	(394,461,101)
<b>Net cash flows from financing activities</b>		144,575,305	(28,721,141)
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>		141,676	119,240
<b>Net increase in cash and cash equivalents</b>	49	59,412,756	29,876,993
Add: Cash and cash equivalents at the beginning of the year		208,930,853	179,053,860
<b>Cash and cash equivalents at the end of the year</b>	49	268,343,609	208,930,853

The accompanying notes form an integral part of these financial statements.

## Bank Statement of Cash Flows

Year ended 31 December 2024 Expressed in thousands of Renminbi

	VII	The Bank	
		2024	2023
<b>Cash flows from operating activities</b>			
Net decrease in amounts due from central banks, and due from banks and other financial institutions		<b>25,071,031</b>	14,055,271
Net decrease in financial assets held for trading		–	2,813,828
Net increase in amounts due to central banks		–	49,146,241
Net increase in placements from banks and other financial institutions and financial assets sold under repurchase agreements		–	2,417,313
Net increase in customer deposits and amounts due to banks and other financial institutions		<b>34,969,952</b>	41,240,709
Cash received from interest, fee and commission		<b>115,635,435</b>	124,136,230
Cash received relating to other operating activities		<b>341,700</b>	173,159
Sub-total of cash inflows		<b>176,018,118</b>	233,982,751
Net increase in placements with banks and other financial institutions and financial assets held under resale agreements		<b>(8,481,818)</b>	(1,203,653)
Net increase in loans and advances to customers		<b>(78,907,464)</b>	(42,216,550)
Net increase in financial assets held for trading		<b>(1,381,050)</b>	–
Net decrease in amounts due to central banks		<b>(44,255,000)</b>	–
Net decrease in placements from banks and other financial institutions and financial assets sold under repurchase agreements		<b>(44,141,401)</b>	–
Cash paid for interest, fee and commission		<b>(56,633,007)</b>	(64,514,760)
Cash paid to and on behalf of employees		<b>(15,247,325)</b>	(15,292,834)
Payments of taxes and surcharges		<b>(9,622,043)</b>	(14,433,305)
Cash paid relating to other operating activities		<b>(11,504,618)</b>	(10,214,186)
Sub-total of cash outflows		<b>(270,173,726)</b>	(147,875,288)
<b>Net cash flows from operating activities</b>	49	<b>(94,155,608)</b>	86,107,463

# Bank Statement of Cash Flows

Year ended 31 December 2024 Expressed in thousands of Renminbi

		The Bank	
	VII	2024	2023
<b>Cash flows from investing activities</b>			
Cash received from disposals of investments		394,341,533	401,416,693
Cash dividends received		56,900	56,980
Cash received from returns on investments		31,864,060	27,608,018
Net cash received from disposals of fixed assets and other assets		36,796	8,919
Sub-total of cash inflows		426,299,289	429,090,610
Cash paid to acquire investments		(414,794,115)	(452,400,052)
Cash paid to acquire fixed assets, intangible assets and other assets		(2,934,172)	(4,447,777)
Sub-total of cash outflows		(417,728,287)	(456,847,829)
<b>Net cash flows used in investing activities</b>		8,571,002	(27,757,219)
<b>Cash flows from financing activities</b>			
Cash received from issuance of other equity instruments		50,000,000	—
Cash received from issuance of bonds issued		672,031,775	365,739,960
Sub-total of cash inflows		722,031,775	365,739,960
Cash payments for distribution of dividends		(1,689,598)	(1,699,609)
Cash payments for debt		(518,369,193)	(380,701,206)
Cash payments for redemption of other equity instruments		(45,000,000)	—
Interest paid on issuance of bonds issued		(8,696,955)	(8,275,125)
Cash payments for distribution of perpetual bond interest		(2,025,000)	(2,025,000)
Repayment of principal and interest on lease liabilities		(1,659,435)	(1,743,159)
Cash payments for other financing activities		(415)	—
Sub-total of cash outflows		(577,440,596)	(394,444,099)
<b>Net cash flows from financing activities</b>		144,591,179	(28,704,139)
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>		141,676	119,240
<b>Net increase in cash and cash equivalents</b>	49	59,148,249	29,765,345
Add: Cash and cash equivalents at the beginning of the year		208,588,990	178,823,645
<b>Cash and cash equivalents at the end of the year</b>	49	267,737,239	208,588,990

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## I General information

China Guangfa Bank Co., Ltd. (“the Bank”) (formerly known as Guangdong Develop Bank Co., Ltd.) is a joint-stock commercial bank with limited liability incorporated in Guangzhou Municipal of Guangdong Province in the People's Republic of China (“PRC”) on 8 September 1988 with the approval of the State Council of the PRC and the The People's Bank Of China (“PBOC”). The Bank is established with special placement, and registered in Guangdong Province Administration for Industry and Commerce to obtain a legal person business license. The registered address is 713 Dongfeng East Road, Yuexiu District, Guangzhou.

With the approval of the former China Banking Regulatory Commission on 27 January 2011, the Bank changed the name to “China Guangfa Bank Co., Ltd.”. The Bank obtained an updated financial license on 16 February 2011, and an updated business license for enterprises on 18 February 2011.

As at 31 December 2024, apart from the Head Office, the Bank has 49 direct branches in Beijing, Shanghai, Dalian, Shenyang, Zhengzhou, Nanjing, Hangzhou, Kunming, Guangzhou, Shenzhen, Dongguan, Zhuhai, Shantou, Meizhou, Huizhou, Shaoguan, Qingyuan, Zhongshan, Foshan, Jiangmen, Zhaoqing, Yangjiang, Zhanjiang, Wuhan, Maoming, Heyuan, Changsha, Tianjin, Harbin, Jinan, Urumqi, Chengdu, Fuzhou, Ningbo, Suzhou, Hefei, Chongqing, Xi'an, Shijiazhuang, Nanchang, Nanning, Taiyuan, Changchun, Guiyang, Qingdao, Haikou, Huhehaote, Macau Special Administration Region of the People's Republic of China (“Macau”) and Hong Kong Special Administration Region of the People's Republic of China (“Hong Kong”) respectively.

The Bank's principal activities are the provision of corporate and retail deposits, loans and advances, settlement treasure and other financial services. The Bank mainly operates in Mainland China, Macau and Hong Kong.

For the purpose of the Financial Information, Mainland China refers to the PRC excluding Hong Kong, Macau and Taiwan. Overseas refers to countries and regions other than Mainland China.

As at 31 December 2024, the Bank has 1 subsidiary in total. “The Group” includes China Guangfa Bank Co., Ltd., GuangYin Wealth Management Co., Ltd. and structured entities controlled by the Bank.

Subsidiaries included in the scope of consolidation are listed in Note IX.

## II Basis of preparation of the financial statements

The financial statements have been prepared in accordance with *Accounting Standards for Business Enterprises – Basic* and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the “MOF”) (collectively referred to as the “ASBEs”).

The Consolidated and the Bank's financial statements have been prepared under the historical costs convention except for loans and advances to customers measured at fair value, other debt investments, other equity investments and financial assets/liabilities held for trading (including derivative financial instruments) and that have been measured at fair value. If an asset is impaired, a provision for impairment loss of the asset is recognised in accordance with the relevant requirements.

The financial statements have been prepared on a going concern basis.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## III Statement of compliance with accounting standards for business enterprises

The financial statements comply with the requirements of ASBEs and present truly and completely the financial position of The Consolidated and the Bank as at 31 December 2024 and the financial performance and cash flows of the The Consolidated and the Bank for the year then ended.

## IV Summary of principal accounting policies

### 1. Accounting year

The accounting year of the Group is from 1 January to 31 December.

### 2. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Group's domestic subsidiaries operate. Therefore, the Group's domestic subsidiaries choose RMB as their functional currency. The Group's foreign subsidiary chooses its functional currency on the basis of the primary economic environment in which it operates. The Group adopts RMB to prepare its financial statements..

### 3. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

#### ***Business combinations involving entities under common control***

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The differences between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital premium under capital reserves. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. Expenses directly related to the business combination are recognized in profit or loss when incurred. The transaction costs of issuing equity securities or debt securities for business combination shall be included in the initial recognition amount of equity securities or debt securities.

#### ***Business combinations not involving entities under common control***

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

## IV Summary of principal accounting policies (continued)

### 3. Business combinations (continued)

#### *Business combinations not involving entities under common control (continued)*

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date. Goodwill is initially recognised and measured at cost, being the excess of the cost of the combination over the Group's interest in the fair value of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the cost of the combination is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the combination. If after that reassessment, the cost of the combination is still lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group recognises the remaining difference in profit or loss. Expenses directly related to the business combination are recognized in profit or loss when incurred. The transaction costs of issuing equity securities or debt securities for business combination shall be included in the initial recognition amount of equity securities or debt securities.

### 4. Consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Bank and all of its subsidiaries, is determined on the basis of control. A subsidiary is an entity that is controlled by the Bank (such as an enterprise, a deemed separate entity, or a structured entity controlled by the Bank). An investor controls an investee if and only if the investor has all the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns.

If the accounting policies or the accounting period of a subsidiary are different from those of the Bank, necessary adjustments are made to the subsidiary's financial statements based on the Bank's own accounting policies or accounting period in preparing the consolidated financial statements.

All significant intra-group balances, transactions and unrealised profits are eliminated in preparing the consolidated financial statements. The portion of subsidiaries' owners' equity and the portion of subsidiaries' profit or loss for the year and comprehensive income for the period not attributable to the Bank are recognised as minority interests, profit or loss attributable to minority interests and total comprehensive income attributable to minority interests, and presented separately in the consolidated financial statements under owners' equity, profit for the year and total comprehensive income respectively. When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is allocated against the balance of minority interests. Unrealised profits and losses resulting from the sale of assets by the Bank to its subsidiaries are fully eliminated against profit for the year attributable to owners of the parent. Unrealised profits and losses resulting from the sale of assets by a subsidiary to the Bank are eliminated and allocated between profit for the year attributable to owners of the parent company and profit or loss attributable to minority interests in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profits and losses resulting from the sale of assets by one subsidiary to another are eliminated and allocated between profit for the year attributable to owners of the parent and profit or loss attributable to minority interests in accordance with the allocation proportion of the parent in the subsidiary.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 4. Consolidated financial statements (continued)

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any change in facts and circumstances indicates that there are changes to one or more of the three elements of control.

A change in the non-controlling interests, without a loss of control, is accounted for as an equity transaction.

### 5. Cash and cash equivalents

Cash and cash equivalents refer to short-term, highly liquid monetary assets held by the Group that are readily convertible to known amounts of cash and have little risk of changes in value, including cash, unrestricted deposits with central banks, short-term bond investments with an original maturity of less than three months, deposits with banks and other financial institutions, placements with banks and non-bank financial institutions and financial assets held under resale agreements.

### 6. Foreign currency translation

The Group translates foreign currency transactions into its functional currency.

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi as at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates or rates that approximate the spot exchange rates on the dates of transactions. A rate that approximates the spot exchange rate is determined by a systematic and rational method, such as the average exchange rate of the current period.

## IV Summary of principal accounting policies (continued)

### 6. Foreign currency translation (continued)

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate as at the date the fair value is determined; Translation differences on non-monetary financial assets classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income. Other translation differences are recognised to profit or loss in the period.

Foreign currency financial statements of overseas branch are translated into Renminbi for the preparation of financial statements. Assets and liabilities in the financial statements denominated in foreign currencies are translated into Renminbi at the spot exchange rates ruling as at the end of the relevant periods. Equity items, excluding “undistributed profits”, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operations are translated into Renminbi at the spot exchange rates or rates that approximate the spot exchange rates at the transaction dates. The resulting exchange differences are recognised in other comprehensive income. The exchange differences in equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

### 7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### ***Recognition and derecognition***

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated balance sheet) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred the financial asset; and has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (i) has transferred substantially all the risks and rewards of the financial asset; or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

A financial liability is derecognised when the obligation under the liability has been discharged. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets under contracts whose terms require delivery within the time frame generally established by regulation or convention in the marketplace concerned. The trade date is the date that the Group committed to purchase or sell a financial asset.

#### ***Classification and measurement of financial assets***

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Equity investments are those classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are listed as "financial assets held for trading" and "investments in other equity instruments". The debt investments, which are classified as financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on its business model, cash flow characteristics as well as taking into account fair value options at the time of purchase, are listed as "debt investment", "other debt investment" and "financial assets held for trading".

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Bank has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

At initial recognition, the Group may designate financial assets as financial assets at fair value through profit or loss if the designation can eliminate or significantly reduce accounting mismatch. Once the designation is made, it cannot be revoked.

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### *Determination of fair value of financial instruments*

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

#### *Business models*

The Group's business model refers to how the Bank manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the business model of the financial assets is "other". The Group's assessment of the business model is performed on a financial assets portfolio basis, and determined on a reasonable expected scenario, taking into account: how cash flows were generated in the past, how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Group's key management personnel; how risks are evaluated and managed; and how managers of the business are compensated.

#### *Contractual cash flows characteristics*

The assessments of the contractual cash flow characteristics aims to identify whether the contractual cash flow is only for the payment of principal and the interest of the outstanding amount. If financial assets are held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group then assess whether the asset's cash flows are solely payments of principal and interest. And during the assessments, the Group will consider if the contractual cash flow is consistent with basic lending arrangements, whether interest only include time value of money, credit risks, other basic lending risks and considerations for costs and profits. If the terms of the contracts raise risks or volatility exposures that are inconsistent with the basic lending arrangements, the relevant financial assets will be classified as financial assets at fair value through profit or loss.

Financial assets containing embedded derivatives shall be analysed as a whole when determining whether contractual cash flows are solely payments of principal and interest.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### *Contractual cash flows characteristics (continued)*

The subsequent measurement of financial assets depends on the classification:

##### *Debt investments measured at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### *Debt investments at fair value through other comprehensive income*

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

##### *Equity investments at fair value through other comprehensive income*

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no provision for impairment is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

##### *Financial assets at fair value through profit or loss*

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### *Classification and measurement of financial liabilities*

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to financial liabilities measured at amortised cost are included in the initial recognition amounts.

Financial liabilities are designated as financial liabilities at fair value through profit or loss upon initial recognition when:

- (i) the designation can eliminate or significantly reduce inconsistencies in the recognition or measurement of related gains or losses arising from different measurement bases of financial instruments; or
- (ii) the formal written file of the Group's risk management or investment strategy have clearly stated that the financial instruments, are managed, evaluated and reported to key management personnel on the basis of fair value; or
- (iii) financial liabilities contain one or more embedded derivatives, unless the embedded derivative does not significantly change the cash flows of the hybrid instrument or it is apparent that the embedded derivative should not be separated from the related hybrid instrument.

It is designated as financial liabilities held for trading at initial recognition and cannot be reclassified into other types of financial liabilities subsequently; Other types of financial liabilities cannot be reclassified as financial liabilities held for trading.

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at fair value through profit or loss*

The financial liabilities are measured at fair value, and all gains or losses arising therefrom are included in the current profits and losses. Unless the financial liabilities are designated as financial liabilities measured at fair value with changes included in the current profits and losses, the gains or losses arising from the financial liabilities shall be treated in accordance with the following provisions:

- (i) The amount of changes in the fair value of the financial liabilities arising from changes in the Group's own credit risk shall be included in other comprehensive income;
- (ii) Other changes in the fair value of the financial liabilities are included in profit and loss.

When the financial liabilities is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### *Classification and measurement of financial liabilities (continued)*

##### *Financial liabilities measured at amortised cost*

After initial recognition, such financial liabilities are measured at amortised cost using the effective interest method.

##### *Impairment of financial instruments*

The Group assesses expected credit losses based on forward-looking information. The Group recognises an allowance for ECLs for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

The Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate.

At each balance sheet date, the Group assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition. The Group compares the risk of a default occurring as at the balance sheet date with the risk of a default as at the date of initial recognition, to determine changes in the risk of a default occurring of the financial instrument in the expected lifetime.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current balance sheet date that the financial instrument no longer meets the condition that the credit risk has increased significantly since initial recognition, the Group shall measure the loss allowance at an amount equal to 12-month ECL at the current balance sheet date. Reversal of loss allowance therefrom shall be recognised in profit or loss for the current period, as impairment gains, except for purchased or originated credit-impaired financial assets. At the current balance sheet date, the Group shall only recognise the cumulative changes in lifetime ECL since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

Refer to Note XVI.2 for the disclosure of the Group's assumption about the measurement of ECLs.

When there are one or more events that have adverse effects on the expected future cash flows of a financial asset, the financial asset is credit-impaired.

When the Group no longer reasonably expects to collect all or part of the contractual cash flows of the financial asset, the Group directly writes down the carrying amount of the financial asset.

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### ***Modification of financial assets***

If the Group amends or rearranges the contract with its counterparty, which does not result in the derecognition of the financial assets, but changes the cash flow of the contract, the Group shall evaluate whether the credit risk of the relevant financial instrument has increased significantly by comparing the risk of default of such assets after modification at the balance sheet date with the risk of default under the original terms at initial recognition. The gross carrying amount of the financial asset is recalculated and the related gain or loss is recognised in profit or loss for the current period. The gross carrying amount of the financial asset is determined based on the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate.

#### ***Offsetting of financial instruments***

Financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset against each other. However, financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### ***Loan commitments and Financial guarantees contracts***

The impairment allowance of loan commitments provided by the Group is measured by ECL. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for ECLs at the balance sheet date, and (ii) the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined allowance for ECL exceed the gross carrying amount of the loan, the ECL are recognised as a provision.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### *Derivative financial instruments*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair value is obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow analysis and option pricing models, as appropriate. Credit risk valuation adjustments are applied to the Group's over-the-counter derivatives to reflect the credit risk of the counterparties and the Group respectively. They are dependent on expected future values of exposures for each counterparty and default probabilities, etc. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises profit or loss on the date of transaction.

For derivatives not related to hedge accounting, changes in the fair value of these derivatives are recognised in the income statement.

#### *Transfer of financial assets*

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum amount of consideration that the Group could be required to repay.

## IV Summary of principal accounting policies (continued)

### 7. Financial instruments (continued)

#### *Reverse repurchase and repurchase transactions*

Assets sold under agreements to repurchase at a specified future date (“repos”) are not derecognised from the the balance sheet. The corresponding cash received is recognised on the the balance sheet as a “repurchase agreement”. The difference between the sale and repurchase prices is treated as an interest expenses and is accrued over the life of the agreement using the effective interest rate method.

Conversely, assets purchased under agreements to resell at a specified future date (“reverse repos”) are not recognised on the the balance sheet. The corresponding cash paid, including accrued interest, is recognised on the the balance sheet as a “reverse repurchase agreement”. The difference between the purchase and resale prices is treated as an interest income and is accrued over the life of the agreement using the effective interest rate method.

### 8. Precious metals

Precious metals mainly include gold.

Precious metals that are not related to the Group’s precious metal trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net realisable value. The Group’s precious metals held for trading are initially and subsequently measured at fair value and changes in fair value are recorded in profit or loss for the current period.

### 9. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, measured at its initial investment cost on acquisition.

#### *Subsidiaries*

For a long-term equity investment where the Group can exercise control over the investee, the long-term investment is accounted for using the cost method in the Group’s individual financial statements. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

Upon disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss.

For the impairment test and calculation of impairment of long-term equity investment, please refer to Note IV. 16.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 10. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably.

Fixed assets are initially measured at cost, by taking into account the effect of any asset retirement obligations. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. Fixed assets are presented at historical cost less accumulated depreciation and impairment provision.

Subsequent expenditures related to fixed assets that meet the recognition conditions shall be included in the cost of fixed assets and the book value of the replaced part shall be derecognized; Otherwise, it is recognized in profit or loss when it occurs.

Depreciation is calculated using the straight-line method. The useful lives, estimated residual value rates and annual depreciation rates of each category of the fixed assets are as follows:

Types of assets	Useful life	Estimated residual value rate	Annual depreciation rate
Properties and buildings	30 – 35 years	3% – 5%	2.7% – 3.2%
Computers and electronic equipments	5 years	3% – 5%	19% – 19.4%
Transportation and other equipments	5 years	3% – 5%	19% – 19.4%

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make adjustments if necessary.

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

For the impairment test and calculation of impairment of fixed assets, please refer to Note IV. 16.

### 11. Construction in progress

Construction in progress comprises the actual costs of construction. These costs comprise various direct construction costs during the period of construction and other related expenditures. When an asset under construction is ready for its intended use, it is reclassified to fixed assets, intangible assets or other assets, and depreciation or amortization is provided for according to corresponding policies. Construction in progress is not depreciated until the construction is completed and the asset is ready for its intended use. If the recoverable amount of construction in progress is less than its carrying amount, the carrying amount of construction in progress is reduced to its recoverable amount.

## IV Summary of principal accounting policies (continued)

### 12. Intangible assets

Intangible assets refer to identifiable non-monetary assets without physical form owned or controlled by the Group.

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, if the fair value of intangible assets acquired in a business combination can be measured reliably, they are separately recognized as intangible assets and measured at fair value.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The useful lives for such intangible assets are as follows:

Types of assets	Useful life	Amortization rate
Land use rights	30 – 50 years	2.00%-3.33%
Computer software	5 years	20%
Others	5 years	20%

Land use rights that are purchased by the Group are accounted for as intangible assets. Buildings, such as plants that are developed and constructed by the Group, and relevant land use rights are accounted for as fixed assets and intangible assets, respectively. Payments for the land and buildings purchased are allocated between the land use rights and the buildings; they are accounted for as fixed assets if they cannot be reasonably allocated.

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

An intangible asset with an indefinite useful life is tested for impairment annually, irrespective of whether there is any indication that it may be impaired. Such asset is not amortised, but its useful life is reassessed in each accounting period. If there is evidence indicating that the useful life of the intangible asset is finite, it is accounted for using the above accounting policies applicable to intangible assets with finite useful lives.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 13. Research and development expenditure

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred.

Expenditure on the development phase is capitalised only when the Bank can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the Bank can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

### 14. Long-term deferred expenses

Long-term deferred expenses include the expenditure for improvements to fixed assets held under leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term deferred expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation. If long-term deferred expenses are no longer expected to generate economic benefits to the Group in the future, they shall be recognised as expenses in the income statement of the current period.

### 15. Repossessed assets

Financial repossessed assets are initially recognised at fair value. Relevant transaction fees such as tax fees and advance litigation fees payable for obtaining repossessed assets are taken into the profit or loss or initial carrying amount according to the type of financial asset. Non-financial repossessed assets are initially recognised at fair value of the waived claims. Relevant transaction fees such as tax fees and advance litigation fees payable for obtaining repossessed assets are taken into the initial carrying amount of the repossessed assets. At the end of each year, when there are indicators that the recoverable amount is lower than carrying amount, the carrying amount is written down immediately to its recoverable amount.

Impairment losses on non-financial repossessed assets are accounted for in accordance with the accounting policies as set out in Note IV. 16.

## IV Summary of principal accounting policies (continued)

### 16. Impairment of assets

The Group determines the impairment of assets, other than the impairment of deferred tax assets and financial assets, using the following methods:

The Group assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A provision for impairment loss of the asset is recognised accordingly.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

### 17. Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

#### ***Short-term employee benefits***

Short-term employee benefits include wages and salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs. The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 17. Employee benefits (continued)

#### *Post-employment benefits (defined contribution plans)*

##### *Statutory defined contribution plans*

In accordance with the relevant laws and regulations, the employees of the Group participate in basic pension insurance and unemployment insurance schemes administered by the local government authorities. The Group calculates and contributes to the local government agencies the above pension and insurance schemes using applicable contribution bases and rates stipulated in the relevant local regulations in the period the employees providing their services to the Group. Contributions to these plans are recognised in the income statement or the cost of relevant assets as incurred.

##### *Retirement benefit annuity plan*

In addition to the basic pension insurance scheme, employees and early retirees of the Group also participate in a defined contribution plan established by the Group (the “Annuity Plan”). The Group and its employees are required to contribute a certain percentage of the employees’ previous year basic salaries to the Annuity Plan. The contribution is charged to the income statement or recognised in the cost of relevant assets when it incurs. The Group pays a fixed contribution into the Annuity Plan and has no obligation to pay further contributions if the Annuity Plan does not hold sufficient assets to pay all employee benefits. For overseas branches, the Annuity Plan is implemented in accordance with local laws and regulations.

##### *Termination benefits*

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

##### *Early retirement benefits*

The Group pays early retirement benefits to those employees who accepted an early retirement arrangement. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by management. The related benefit payments are made from the date of early retirement to the normal retirement date. The liability related to the early retirement benefit obligations as at each balance sheet date is calculated by the Group using the projected unit credit method and is recorded as a liability under “Employee benefits obligations” in the the balance sheet. The present value of the liability is determined by discounting the estimated future cash outflows using interest rates of RMB treasury bonds which have terms to maturity approximating the terms of the related liability. The actuarial gains or losses of early retirement benefit obligations and the gains or losses arising from amendments to the obligations are recognised immediately in “Operating and administrative expenses” in the income statement.

## IV Summary of principal accounting policies (continued)

### 18. Provisions

An obligation related to a contingency shall be recognised as provisions when all of the following conditions are satisfied:

- (i) The obligation is a present obligation of the Group;
- (ii) It is probable that an outflow of economic benefits from the Group will be required to settle the obligation;
- (iii) A reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

Loss provision for financial guarantee contracts and provision for loan commitments which are recognised on the basis of ECL are presented as provisions.

### 19. Dividend

Dividends are recognised as a liability and deducted from equity when they are approved by the General Meeting and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Group. Dividends that are approved after the end of the year are disclosed as an event after the year.

### 20. Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and when the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Interest income and expenses*

The “Interest income” and “Interest expenses” in the Group’s income statement are the interest income and expenses calculated by using the effective interest method on financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial liabilities at amortised cost.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 20. Recognition of income and expenses (continued)

#### *Interest income and expenses (continued)*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate.

For the purchased or originated credit-impaired financial assets, the Group calculates the interest income according to the amortised cost of the financial assets and the effective interest rate after credit adjustment since the initial recognition by the Group. The effective interest rate after credit adjustment refers to the estimated future cash flows of the acquired or originated financial assets with credit impairment in the expected duration, which is converted into the interest rate of amortised cost of the financial assets.

For the financial assets acquired or originated without any credit impairment, but incurred credit impairment in the subsequent period, the Group calculates the interest income in accordance with the amortised cost and the effective interest rate of the financial assets.

#### *Fee and commission income*

Fee and commission income is recognised when the Group fulfils the contract performance obligation, namely at a point in time or in the period of time the customer obtains the control over relevant services.

For a contract obligation at a point in time, the Group recognises the revenue when a customer is in control of the underlying services. For a contract obligation satisfied over time, the Group recognises the revenue based on the progress of the obligation fulfilment within that period of time.

#### *Contract assets and contract liabilities*

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet.

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services.

The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

## IV Summary of principal accounting policies (continued)

### 21. Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government.

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount. A government grant related to income is accounted for as follows: (1) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; (2) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses. A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income or expenses.

### 22. Deferred tax

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 22. Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax losses and any unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and unused tax credits can be utilised, except:

- (i) When the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- (ii) In respect of the deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## IV Summary of principal accounting policies (continued)

### 23. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *The Group as the lessee*

The Group recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

#### *Right-of-use assets*

At the commencement date of the lease, the Group recognises a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Group remeasures the lease liability for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

Impairment losses on right-of-use assets are accounted for in accordance with the accounting policies as set out in Note IV. 16.

#### *Lease liabilities*

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 23. Leases (continued)

#### *The Group as the lessee (continued)*

##### *Lease liabilities (continued)*

In calculating the present value of the lease payments, the Group uses the interest rate implicit in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss, except those in the costs of the related asset as required. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related asset as required.

After the commencement date of the lease, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the Group remeasures the lease liability at the present value of revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

##### *Lease modification*

The Group accounts for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

For a lease modification that is not accounted for as a separate lease, the Group redetermines the lease term at the effective date of the lease modification, and remeasures the lease liability by discounting the revised lease payments using a revised discount rate, except that the contract changes are accounted for by applying the practical expedient allowed by the Ministry of Finance. For a lease modification which decreases the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset, and recognises in profit or loss any gain or loss relating to the partial or full termination of the lease. For other lease modifications which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

##### *Short-term leases and leases of low-value assets*

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease of the individual underlying asset with low value, when new, as a lease of low-value assets. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

## IV Summary of principal accounting policies (continued)

### 23. Leases (continued)

#### *The Group as the lessor*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

#### *As lessor of an operating lease*

Rental income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred. Initial direct costs are capitalised and recognised over the lease term on the same basis as rental income, through profit or loss.

### 24. Fiduciary activities

Generally, the Group acts as agent, custodian or in any other fiduciary capacity to manage assets on behalf of the customer based on the agent agreements entered into with securities investment funds, wealth management products, insurance companies, trust companies, eligible overseas institutional investors, securities companies and other institutions. The Group provides services and charges fees only based on the agent agreement, but does not assume any risk or interest arising from the assets it manages on behalf of the customer. Such assets are not recognised in the balance sheet of the Group.

The Group also runs entrusted loan business. According to the entrusted loan contract, as the intermediary, the Group grants loans to the borrowers based on the targeted borrowers, purpose, amounts, interest rate and repayment plans determined by the trustor. The Group is responsible for arranging and collecting the entrusted loans, and charges fees for the services it provides, but does not assume any risk or interest arising from the entrusted loans. The entrusted loans and entrusted loan funds are not recognised in the balance sheet of the Group.

Entrusted investments represent the investment and asset management services provided by the Group to third parties in accordance with the agreed investment plans. The third parties provide funding for the related investments. Income from such investment activities is collected on behalf of and paid to the third parties according to the relevant contractual terms.

### 25. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Instead of recognising such obligations, the Group only discloses commitments in Note XII to the financial statements. The Group will recognise them in provisions if they meet the recognition criteria for provisions.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## IV Summary of principal accounting policies (continued)

### 26. Related party

If a party has the power to control, jointly control or exercise significant influence over another party, they are regarded as related parties. Two or more parties are also regarded as related parties if they are subject to control or joint control from the same party.

The following parties are the related parties of the Bank:

- (1) Parent of the Bank
- (2) Subsidiaries of the Bank;
- (3) Other entities controlled by the parent of the Bank;
- (4) Entities that have joint control over the Bank;
- (5) Entities that have significant influence over the Bank;
- (6) Joint ventures of the Group;
- (7) Associates of the Group;
- (8) Principal individual investors of the Bank and close family members of such individuals;
- (9) Key management personnel of the Bank or of the parent and close family members of such individuals;
- (10) Other entities controlled, jointly controlled or significantly influenced by the Bank's principal individual investors, key management personnel or close family members of such individuals;
- (11) Joint ventures or associates of other members of enterprise groups (including parent companies and subsidiaries) of the Bank;
- (12) Joint ventures or associates of enterprises who has control over of the Bank;
- (13) Joint ventures of an enterprise exerting significant influence over the Bank;
- (14) Enterprise pension funds established by the Bank.

Entities are not regarded as related parties simply because they are merely under common control from the State without other related party relationships between them.

## IV Summary of principal accounting policies (continued)

### 27. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have the same or similar economic characteristics and are similar in respect of the nature of each segment's products and services, the nature of productive process, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified and disclosed based on operating segment with consideration of materiality.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the financial statements.

### 28. Changes in accounting policies and accounting estimates

The group has applied the following standards, amendments and interpretation issued by Ministry of Finance for the first time since 1 January 2024:

- Interpretation of ASBE No. 17 (Caijing [2023] No. 21); and
- Interpretation of ASBE No. 18 (Caijing [2024] No. 24).

The adoption of the above interpretations did not have a significant impact on the Group's financial position and operating results.

## V Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 1. Critical judgements in applying the accounting policies

#### (1) *Classification of financial assets*

Significant judgements made by the Group in the classification of financial assets include analysis on business models and contractual cash flow characteristics.

The Group determines the business model for financial asset management at the level of different groups, and factors to be considered include the methods of evaluation on financial asset performance and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and management methods for such risks, the ways in which related business management personnel are remunerated, etc.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## V Critical accounting estimates and judgements (continued)

### 1. Critical judgements in applying the accounting policies (continued)

#### (1) Classification of financial assets (continued)

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in timing or amount of the principal during the duration due to reasons such as early repayment; whether interest only include time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the amount of prepayment only reflects the principal outstanding and the interest based on the principal outstanding, as well as the reasonable compensation due to the early termination of the contract.

#### (2) Criteria for judging significant increases in credit risk

Judgement of the Group for significant increase in credit risk is mainly based on whether it is overdue due to deterioration of credit risk, or whether one or more of the following conditions are met: the debtor is classified into Special Mention category in five-tier loan classification, the debtor has a restructuring of performing loans, or the debtor's probability of default has increased significantly since the initial recognition date and it is currently up against a lower internal rating, etc.

Judgement of the Group on the occurred credit impairment is mainly based on whether the number of overdue days exceeds 90 days (i.e., a default has occurred), or whether one or more of the following conditions are met: the debtor is classified into Substandard, Doubtful or Loss category in five-tier loan classification, or the debtor is classified into default category in internal rating, etc.

### 2. Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

#### (1) Measurement of ECL

The Group calculates ECL through exposure at default and ECL rates, and determines the ECL rates based on probability of default and loss given default. In determining the ECL rates, the Group uses data such as internal historical credit loss experience, and adjusts historical data based on current conditions and forward-looking information. Please refer to Note XVI. 2 "Credit risk".

## V Critical accounting estimates and judgements (continued)

### 2. Critical accounting estimates and key assumptions (continued)

#### (2) *Fair value of financial instruments*

For financial instruments not traded in active markets, fair value is determined using appropriate valuation techniques. Valuation techniques include the use of prices of recent transactions or similar financial instruments, discounted cash flow analysis and generally accepted pricing models, etc. Models for the valuation of fair value use actual market observable inputs and data, such as interest yield curves, foreign exchange rates and option volatilities. When market observable inputs are not available, the Group uses calibrated assumptions as close as possible to market observable data. Besides, management is required to make estimates of the Group's and counterparties' exposure to credit risk, liquidity, market volatility and correlation, and changes in these assumptions may affect the fair value of financial instruments.

#### (3) *Consolidation of structured entities*

When acting as the asset manager or an investor of a structured entity, the Group needs to make significant judgements on whether to take control over the structured entity and include it into the consolidation scope. The Group evaluates its contractual rights and obligations under the transaction structure as well as its rights over the structured entities, and performs analysis and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned and residual income retained by the Group as the asset manager, and, if any, liquidity and other support provided to the structured entities. Besides, the Group performs judgement on whether it acts as a principal or an agent in structured entity transactions, including analysis and evaluation on the scope of its decision-making rights over the structured entities, rewards for its asset management services, risks assumed for the variable returns from other interests in the structured entities, and substantial rights held by other engaged parties.

#### (4) *Income taxes and deferred income taxes*

The Group is subject to income taxes in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income tax in each of these jurisdictions. Where the final tax outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

A deferred tax asset is recognised for the carryforward of unused deductible losses to the extent that it is probable that future taxable profits will be available against which the deductible losses can be utilised. Future taxable profits include taxable profits that can be achieved through normal operations and the increase in taxable profits due to the reversal of taxable temporary differences arising from previous period in future period. The Group needs to apply estimates and judgements in determining the timing and amount of future taxable profits. If there is any difference between the actual and the estimates, adjustment may be made to the carrying amount of deferred tax assets.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## V Critical accounting estimates and judgements (continued)

### 2. Critical accounting estimates and key assumptions (continued)

#### (5) *Derecognition of transfer of financial assets*

During the ordinary course of business, the Group transfers financial assets in the form of regular transaction, asset securitisation, repurchase agreements and securities lending. Significant judgements and estimates are required from the Group when determining whether the financial assets transferred can be fully or partly derecognised.

Where the Group transfers financial assets to special purpose entities through structured transactions, it is required to analyse and evaluate whether the relationship between the Group and the special purpose entities essentially indicates a control over the special purpose entities, so as to determine the necessity of consolidation. The derecognition analysis at the level of the consolidated entity or at the level of an individual entity that transfers out financial assets depends on the judgement on whether to perform consolidation.

The Group needs to analyse its rights and obligations in contractual cash flows related to the transfer of a financial asset, and determines whether they are qualified for derecognition based on the following judgements:

- Whether the rights for receiving contractual cash flows are transferred; or whether the contractual cash flows are transferred to an independent third party in accordance with the “pass-through” requirements.
- Evaluation on the transfer extent on the risks and rewards of ownership of the financial asset. The Group applies critical accounting estimates and judgements when estimating the cash flows before and after the transfer and other factors affecting the transfer extent on the risks and rewards.
- If the Group neither transfers nor retains almost all risks and rewards of ownership of the financial asset, it will continue to analyse and evaluate whether to transfer its control over the financial asset, and whether to maintain the continuing involvement in the transferred financial asset. When evaluating whether to transfer its control over a financial asset, the Group performs analysis on whether the transferee has the essential ability to sell the asset transferred, which means whether the transferee is able to sell the asset to a non-related third party as a whole on condition that the transferee can implement this capability unilaterally without any additional restriction. If the Group has transferred the control over the financial asset, the financial asset shall be derecognised, and the relevant assets or liabilities will be recognised based on the rights and obligations incurred from the transfer of the financial asset. If the Group has not transferred the control over the financial asset, the Group will continue to recognise the relevant financial asset to the extent of its continuing involvement in the transferred asset.

## V Critical accounting estimates and judgements (continued)

### 2. Critical accounting estimates and key assumptions (continued)

#### (6) Provisions

The Group uses judgement to assess whether the Group has a present legal or constructive obligation as a result of past event at each balance sheet date and judgement is used to determine if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and to determine a reliable estimate of the amount of the obligation and relevant disclosure in the financial statements.

## VI Taxation

The main categories and rates of taxes applicable to the Group are set out below:

Category	Tax base	Tax rate
Enterprise Income tax (i)	Taxable income	25%
Value-added tax ("VAT") (ii)	Taxable value-added amount (Tax payable is calculated using the taxable sale amount multiplied by the applicable tax rate less deductible input VAT of the current period)	6%/9%/13%
City maintenance and construction tax (iii)	The payment amount of turnover tax	1%/5%/7%
Education surcharge (iv)	The payment amount of turnover tax	3%
Local education surcharge (iv)	The payment amount of turnover tax	2%

- (i) Pursuant to the Enterprise Income Tax Law of the People's Republic of China, enterprise income tax for domestic operations of the Group is calculated at 25% based on the taxable income.

Enterprise income taxes for the overseas operations of the Group are paid to local authorities at the local rates. The shortfall arising from the differential in income tax rates of overseas operations and domestic operations shall be reported and paid by the PRC head office based on relevant tax law.

Pre-tax deduction items of enterprise income tax are governed by the relevant regulations of the PRC.

- (ii) Revenue from loan service, direct charge of financial services, insurance service, financial product transfer of the Group is subject to VAT at the rate of 6%.

According to the Circular on Value-added Tax Policies on Finance, Real Estate Development and Education Services (Cai Shui [2016] No. 140), Supplementary Notice on Issues Concerning the VAT on Asset Management Products (Cai Shui [2017] No. 2) and Notice on Issues Concerning the VAT on Asset Management Products (Cai Shui [2017] No. 56) issued by the Ministry of Finance and the State Taxation Administration, VAT taxable activities by manager of asset management products ("AMPs") occurred in the operation of asset management products are subject to VAT levied at a rate of 3% by simple approach since 1 January 2018 (inclusive).

The Group's related interest income, fee and commission income, revenue from financial product transfer and insurance service are presented on a net basis after deducting applicable VAT.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VI Taxation (continued)

- (iii) The Group's domestic subsidiaries pay city maintenance and construction tax at 1%, 5% or 7% of the payment of VAT.
- (iv) The Group's domestic subsidiaries pay educational surcharge and local education surcharge at 3% and 2% of the payment of VAT respectively.

## VII Notes to the financial statements

### 1 Cash and due from central banks

	The Group and the Bank	
	31 December 2024	31 December 2023
Cash on hand	3,163,596	3,014,310
Statutory deposit reserves (i)	123,547,360	148,761,645
Surplus deposit reserves (ii)	26,756,170	80,033,437
Fiscal deposits due from central banks	254,359	111,105
Sub-total	153,721,485	231,920,497
Accrued interest	62,944	76,511
Total	153,784,429	231,997,008

- (i) The Group and the Bank place statutory deposit reserves at the PBOC, the Monetary Authority of Hong Kong and the Monetary Authority of Macau. Pursuant to relevant laws and regulations, the statutory deposit reserves are not available for the Group's and the Bank's daily business.

As at each balance sheet date, the statutory deposit reserve ratios were as follows:

	The Group and the Bank	
	31 December 2024	31 December 2023
Reserve ratio for Renminbi deposits	6.00%	7.00%
Reserve ratio for foreign currency deposits	4.00%	4.00%
Reserve ratio for Renminbi deposits outside the Chinese mainland	6.00%	7.00%

The amount of statutory deposit reserve funds placed with the Monetary Authority of Hong Kong and Macau by Hong Kong and Macau branch is determined by the local jurisdiction.

- (ii) The surplus deposit reserves refer to the funds placed at the PBOC for the purposes of clearing.

## VII Notes to the financial statements (continued)

### 2 Due from banks and other financial institutions

	The Group	
	31 December 2024	31 December 2023
Banks operating in the Chinese mainland	3,057,265	4,443,954
Other financial institutions operating in the Chinese mainland	1,365,418	1,841,229
Banks operating outside the Chinese mainland	3,176,751	3,833,014
Other financial institutions operating outside the Chinese mainland	24,100	—
Sub-total	7,623,534	10,118,197
Accrued interest	2,583	715
Total	7,626,117	10,118,912
Less: Provision for ECL	(3,895)	(1,358)
Carrying amount	7,622,222	10,117,554

	The Bank	
	31 December 2024	31 December 2023
Banks operating in the Chinese mainland	2,220,896	4,102,091
Other financial institutions operating in the Chinese mainland	1,365,418	1,841,229
Banks operating outside the Chinese mainland	3,176,751	3,833,013
Other financial institutions operating outside the Chinese mainland	24,100	—
Sub-total	6,787,165	9,776,333
Accrued interest	331	306
Total	6,787,496	9,776,639
Less: Provision for ECL	(3,895)	(1,293)
Carrying amount	6,783,601	9,775,346

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 3 Placements with banks and other financial institutions

	The Group and the Bank	
	31 December 2024	31 December 2023
Banks operating in the Chinese mainland	19,622,110	920,753
Other financial institutions operating in the Chinese mainland	67,579,000	61,279,000
Banks operating outside the Chinese mainland	6,469,810	460,376
Sub-total	93,670,920	62,660,129
Accrued interest	198,228	215,694
Total	93,869,148	62,875,823
Less: Provision for ECL	(744,418)	(579,725)
Carrying amount	93,124,730	62,296,098

### 4 Derivative financial assets and derivative financial liabilities

The Group enters into derivative financial instruments related to exchange rate, interest rate and precious metal for the purpose of trading, asset and liability management and handling on behalf of customers.

The contractual/nominal amounts and fair value of the derivative financial instruments held by the Group at the balance sheet date are presented in the table below. The contractual/nominal amounts of the derivative financial instruments only work as basis for comparing the fair value of assets or liabilities recognised in the balance sheet, not for the purpose of representing the future cash flows or current fair value involved, and therefore do not reflect the credit risk or market risk assumed by the Group. With the fluctuation of the market interest rate, foreign exchange rate or precious metal price related to derivative financial instrument contract terms, the valuation of derivative financial instruments may cast favourable (for assets) or adverse (for liabilities) effects on the Group, and such effects may fluctuate heavily in different periods.

Certain financial assets and financial liabilities of the Group are subject to enforceable master netting arrangements or similar agreements. The agreement between the Group and the counterparty generally allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such a mutual consent, financial assets and financial liabilities will be settled on a gross basis. However, each party to the master netting arrangements or similar agreements will have the option to settle all such amounts on a net basis in the event of default of the other party. The Group does not offset such financial assets or financial liabilities. As at 31 December 2024 and 31 December 2023, other than derivative financial instruments, the Group had no other financial assets or financial liabilities to which netting arrangements or similar agreements apply.

## VII Notes to the financial statements (continued)

### 4 Derivative financial assets and derivative financial liabilities (continued)

#### (1) Analysed by type of derivative contracts

	The Group and the Bank		
	31 December 2024		
	Nominal amounts	Fair value	
		Assets	Liabilities
<i>Derivative financial instruments held for trading</i>			
Foreign exchange derivatives	364,029,792	3,081,459	(3,059,986)
Interest rate derivatives	1,835,997,673	9,368,193	(9,478,055)
Other derivatives	295,780,672	2,177,530	(1,084,694)
Total	2,495,808,137	14,627,182	(13,622,735)

	The Group and the Bank		
	31 December 2023		
	Nominal amounts	Fair value	
		Assets	Liabilities
<i>Derivative financial instruments held for trading</i>			
Foreign exchange derivatives	346,619,120	2,289,923	(1,991,058)
Interest rate derivatives	1,464,039,241	4,572,205	(4,690,515)
Other derivatives	84,846,160	725,670	(546,162)
Total	1,895,504,521	7,587,798	(7,227,735)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 5 Financial assets held under resale agreements

	The Group and the Bank	
	31 December 2024	31 December 2023
Bonds		
– Policy banks bonds	194,485,229	106,327,135
– Chinese government bonds	10,281,666	5,853,333
– Central Bank Bills Swap	150,000	
Sub-total	204,916,895	112,180,468
Notes	403,313	403,313
Accrued interest	43,532	71,663
Total	205,363,740	112,655,444
Less: Provision for ECL	(403,313)	(403,313)
Carrying amount	204,960,427	112,252,131

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers

#### (1) Analysis by measurement

	The Group and the Bank	
	31 December 2024	31 December 2023
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	1,059,164,058	976,824,794
Residential mortgages loans	254,209,491	266,542,293
Credit card receivables	392,846,050	424,878,847
Other personal loans	208,855,283	192,151,218
Personal loans and advances	855,910,824	883,572,358
Sub-total	1,915,074,882	1,860,397,152
Loans and advances to customers measured at fair value through other comprehensive income		
Discount	209,072,448	206,728,240
Total	2,124,147,330	2,067,125,392
Accrued interest	6,723,727	6,080,809
Gross loans and advances to customers	2,130,871,057	2,073,206,201
Less: Provision for impairment of loans and advances to customers measured at amortised cost	(53,518,289)	(52,273,846)
Carrying amount of loans and advances to customers	2,077,352,768	2,020,932,355
Provision for impairment of loans and advances to customers measured at fair value through other comprehensive income	(254,574)	(196,672)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (2) Analysed by type of collateral

	The Group and the Bank	
	31 December 2024	31 December 2023
Unsecured loans	960,846,859	902,610,963
Guaranteed loans	569,545,326	561,421,958
Loans secured by collateral	532,580,311	544,450,511
Pledged loans	61,174,834	58,641,960
Total	2,124,147,330	2,067,125,392
Accrued interest	6,723,727	6,080,809
Gross loans and advances to customers	2,130,871,057	2,073,206,201
Less: Provision for impairment of loans and advances to customers measured at amortised cost	(53,518,289)	(52,273,846)
Carrying amount of loans and advances to customers	2,077,352,768	2,020,932,355
Provision for impairment of loans and advances to customers measured at fair value through other comprehensive income	(254,574)	(196,672)

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (3) Analysed by industry

	The Group and the Bank			
	31 December 2024		31 December 2023	
	Gross balance	Percentage %	Gross balance	Percentage %
Corporate loans and advances				
– Manufacturing	253,674,063	11.90	214,660,034	10.35
– Leasing and commercial service	159,062,488	7.46	152,974,271	7.38
– Water, environment and public utilities management	112,246,145	5.27	120,674,282	5.82
– Wholesale and retail trade	108,804,854	5.11	99,906,168	4.82
– Real estate	104,360,355	4.90	106,074,034	5.12
– Transportation, logistics and postal services	71,866,219	3.37	66,117,161	3.19
– Construction	70,197,561	3.29	71,763,943	3.46
– Production and supply of electricity, heat, gas and water	51,851,556	2.43	42,916,531	2.07
– Mining	31,074,871	1.46	21,587,733	1.04
– Others	96,025,946	4.51	80,150,637	3.87
Sub-total	1,059,164,058	49.70	976,824,794	47.12
Discount	209,072,448	9.81	206,728,240	9.97
Personal loans and advances	855,910,824	40.17	883,572,358	42.62
Total	2,124,147,330	99.68	2,067,125,392	99.71
Accrued interest	6,723,727	0.32	6,080,809	0.29
Gross loans and advances to customers	2,130,871,057	100	2,073,206,201	100.00
Less: Provision for impairment of loans and advances to customers measured at amortised cost	(53,518,289)		(52,273,846)	
Carrying amount of loans and advances to customers	2,077,352,768		2,020,932,355	
Provision for impairment of loans and advances to customers measured at fair value through other comprehensive income	(254,574)		(196,672)	

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (4) Analysed by geographical sector

	The Group and the Bank			
	31 December 2024		31 December 2023	
	Gross balance	Percentage %	Gross balance	Percentage %
Head Office	392,854,712	18.44	424,887,608	20.50
Pearl River Delta	521,255,815	24.46	501,566,769	24.19
Yangtze River Delta	446,198,674	20.94	404,922,444	19.53
Central and Western	430,219,997	20.19	403,430,770	19.46
Bohai Rim	297,762,087	13.97	305,659,459	14.74
Overseas	35,856,045	1.68	26,658,342	1.29
Total	2,124,147,330	99.68	2,067,125,392	99.71
Accrued interest	6,723,727	0.32	6,080,809	0.29
Gross loans and advances to customers	2,130,871,057	100	2,073,206,201	100.00
Less: Provision for impairment of loans and advances to customers measured at amortised cost	(53,518,289)		(52,273,846)	
Carrying amount of loans and advances to customers	2,077,352,768		2,020,932,355	
Provision for impairment of loans and advances to customers measured at fair value through other comprehensive income	(254,574)		(196,672)	

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (5) Overdue loans and advances analysed by type of collateral and overdue period

The Group and the Bank					
31 December 2024					
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	Total
Pledged loans	46,760	51,399	10,009	928	109,096
Loans secured by collateral	3,614,107	2,545,160	6,238,406	750,821	13,148,494
Guaranteed loans	400,364	1,789,184	4,080,075	2,656,142	8,925,765
Unsecured loans	9,053,405	8,151,018	1,147,135	27,004	18,378,562
Total	13,114,636	12,536,761	11,475,625	3,434,895	40,561,917

The Group and the Bank					
31 December 2023					
	Overdue between 1 and 90 days (inclusive)	Overdue between 90 days and one year (inclusive)	Overdue between one year and three years (inclusive)	Overdue more than three years	Total
Pledged loans	3,000	25,190	870	35,322	64,382
Loans secured by collateral	3,772,638	5,294,119	5,547,811	121,559	14,736,127
Guaranteed loans	1,660,447	3,168,374	5,102,209	106,308	10,037,338
Unsecured loans	10,614,659	5,759,084	357,048	25,295	16,756,086
Total	16,050,744	14,246,767	11,007,938	288,484	41,593,933

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

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (6) Analysed by assessment on provision for impairment

	The Group and the Bank			
	31 December 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Principal of loans and advances to customers	1,996,838,584	87,351,474	39,957,272	2,124,147,330
Accrued interest	5,703,021	806,016	214,690	6,723,727
Less: Provision for impairment of loans and advances to customers measured at amortised cost	(15,393,279)	(12,180,967)	(25,944,043)	(53,518,289)
Loans and advances to customers, net	1,981,445,305	75,170,507	14,013,229	2,070,629,041
Carrying amount of loans and advances to customers	1,987,148,326	75,976,523	14,227,919	2,077,352,768
Provision for impairment of loans and advances to customers measured at fair value through other comprehensive income	(250,982)	(3,592)	–	(254,574)

	The Group and the Bank			
	31 December 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Principal of loans and advances to customers	1,954,080,279	74,933,727	38,111,386	2,067,125,392
Accrued interest	5,484,141	456,255	140,413	6,080,809
Less: Provision for impairment of loans and advances to customers measured at amortised cost	(16,205,994)	(11,159,054)	(24,908,798)	(52,273,846)
Loans and advances to customers, net	1,937,874,285	63,774,673	13,202,588	2,014,851,546
Carrying amount of loans and advances to customers	1,943,358,426	64,230,928	13,343,001	2,020,932,355
Provision for impairment of loans and advances to customers measured at fair value through other comprehensive income	(191,915)	(4,757)	–	(196,672)

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (7) Movements of provision for impairment of loans and advances to customers

	The Group and the Bank			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2024	(16,205,994)	(11,159,054)	(24,908,798)	(52,273,846)
(Increase)/Reversal in the current year	(477,928)	(3,884,841)	(19,027,581)	(23,390,350)
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	689,984	(689,984)	-	-
Transfer from Stage 1 to Stage 3	1,121,793	-	(1,121,793)	-
Transfer from Stage 2 to Stage 1	(414,369)	414,369	-	-
Transfer from Stage 2 to Stage 3	-	3,488,587	(3,488,587)	-
Transfer from Stage 3 to Stage 2	-	(348,941)	348,941	-
Transfer from Stage 3 to Stage 1	(102,329)	-	102,329	-
Write-offs and disposals in the current year	-	-	28,693,966	28,693,966
Recovery after write-off	-	-	(6,516,665)	(6,516,665)
Exchange Rate Fluctuations and Other Adjustments	(4,436)	(1,103)	(25,855)	(31,394)
31 December 2024	(15,393,279)	(12,180,967)	(25,944,043)	(53,518,289)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (7) Movements of provision for impairment of loans and advances to customers (continued)

	The Group and the Bank			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2023	(15,501,508)	(13,547,178)	(26,424,436)	(55,473,122)
Increase in the current year	(10,462,113)	(5,205,717)	(27,106,399)	(42,774,229)
Reversal in the current year	9,821,109	4,823,758	4,622,618	19,267,485
Write-offs and disposals in the current year	–	–	32,373,688	32,373,688
Recovery after write-off	–	–	(5,667,668)	(5,667,668)
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	1,127,229	(1,127,229)	–	–
Transfer from Stage 1 to Stage 3	934,979	–	(934,979)	–
Transfer from Stage 2 to Stage 1	(2,108,269)	2,108,269	–	–
Transfer from Stage 2 to Stage 3	–	2,674,033	(2,674,033)	–
Transfer from Stage 3 to Stage 2	–	(884,990)	884,990	–
Transfer from Stage 3 to Stage 1	(17,421)	–	17,421	–
31 December 2023	(16,205,994)	(11,159,054)	(24,908,798)	(52,273,846)

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (8) *Movements in gross carrying amount of loans*

In 2024, the Bank newly issued a loan principal at Stage 1 of RMB814,032 million (2023: RMB782,538 million), and recovered the loan principal at Stage 1 of RMB706,196 million (2023: RMB622,591 million), the loan principal at Stage 2 of RMB24,049 million (2023: RMB34,146 million) and the loan principal at Stage 3 of RMB3,059 million (2023: RMB4,424 million).

In 2024, the loan principal transferred from Stage 1 to Stage 2 was RMB50,721 million (2023: RMB61,850 million), the loan principal transferred from Stage 1 to Stage 3 was RMB22,744 million (2023: RMB23,733 million), the loan principal transferred from Stage 2 to Stage 3 was RMB14,184 million (2023: RMB13,287 million), and the loan principal transferred from Stage 2 to Stage 1 was RMB5,185 million (2023: RMB25,125 million). The loan principal transferred from Stage 3 to Stage 1 or Stage 2 was RMB934 million (2023: RMB1,698 million).

In 2024, the Bank wrote off the principal of non-performing loans of RMB10,702 million (2023: RMB13,505 million), resulting in a corresponding reduction of RMB10,702 million (2023: RMB13,505 million) in the Stage 3 impairment allowances. The Bank still seeks to recover the full amount of debts to which it is legally entitled.

In 2024, the Bank transferred the principal of non-performing loans of RMB21,901 million (2023: RMB22,089 million) through debt-to-equity swaps, transfer of creditor's rights, asset securitization, etc., resulting in a corresponding reduction of RMB17,992 million (2023: RMB18,869 million) in the Stage 3 impairment allowances.

In 2024, the modification of the contractual cash flows that did not lead to the derecognition of loan resulted in the transfer of the relevant impairment provision for loans from Stage 3 to Stage 2, and from Stage 3 or Stage 2 to Stage 1, but the loan principal involved was not significant (2023: not significant).

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 6 Loans and advances to customers (continued)

#### (9) Fair value of collaterals

The fair value of collaterals for credit impaired loans and advances to customers at the balance sheet date is as follows:

	The Group and the Bank	
	31 December 2024	31 December 2023
Lands and buildings	4,432,410	5,625,334
Other assets	515,049	981,843
Total	4,947,459	6,607,177

The fair value of collaterals was determined and adjusted by management based on the latest available external valuations by taking into account the current experience on disposal of collaterals as well as the market situation. The collaterals include land, buildings and machines. Assets pledged as collateral include inventories, certificates of deposit, shares and deposit.

### 7 Financial assets held for trading

		The Group	
		31 December 2024	31 December 2023
Investments at fair value through profit or loss	(i)	136,102,655	119,641,206

		The Bank	
		31 December 2024	31 December 2023
Investments at fair value through profit or loss	(i)	134,652,693	118,111,318

## VII Notes to the financial statements (continued)

### 7 Financial assets held for trading (continued)

#### (i) Investments at fair value through profit or loss

	The Group	
	31 December 2024	31 December 2023
Funds	87,265,188	63,797,872
Commercial banks and other financial institutions bonds	20,075,030	16,460,527
Corporate bonds	8,723,236	8,112,360
Policy bank bonds	5,946,853	15,180,913
Government bonds	2,165,772	3,974,956
Fund trusts, asset management plans and others	11,926,576	12,114,578
Total	136,102,655	119,641,206

	The Bank	
	31 December 2024	31 December 2023
Funds	86,904,177	63,493,320
Commercial banks and other financial institutions bonds	20,043,639	16,188,519
Corporate bonds	8,723,236	8,112,360
Policy bank bonds	5,946,853	15,180,913
Government bonds	2,165,772	3,974,955
Fund trusts, asset management plans and others	10,869,016	11,161,251
Total	134,652,693	118,111,318

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## VII    Notes to the financial statements (continued)

### 8       Debt investments

#### (1)    Analysed by type of investment

	The Group	
	31 December 2024	31 December 2023
Government bonds	311,023,367	355,049,256
Policy bank bonds	121,444,618	124,388,884
Debt financing plan	19,031,927	38,824,150
Fund trust, asset management plans and others	10,487,496	15,087,790
Corporate bonds	155,443	987,376
Accrued interest	6,368,291	6,830,209
Total	468,511,142	541,167,665
Less: Provision for ECL	(3,478,073)	(4,766,575)
Carrying amount	465,033,069	536,401,090

	The Bank	
	31 December 2024	31 December 2023
Government bonds	307,845,887	351,724,209
Policy bank bonds	121,444,618	124,388,884
Debt financing plan	19,031,927	38,824,150
Fund trust, asset management plans and others	10,487,496	15,087,790
Corporate bonds	155,443	987,376
Accrued interest	6,346,471	6,808,035
Total	465,311,842	537,820,444
Less: Provision for ECL	(3,477,827)	(4,766,426)
Carrying amount	461,834,015	533,054,018

## VII Notes to the financial statements (continued)

### 8 Debt investments (continued)

#### (2) Movements in loss provisions for debt investments:

	The Group			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2024	(703,796)	(345,088)	(3,717,691)	(4,766,575)
(Increase)/Reversal in the current year	206,956	(438,969)	241,472	9,459
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	10,058	(10,058)	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	(5,122)	5,122	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-
Write-offs and disposals in the current year	-	-	1,279,208	1,279,208
Recovery after write-off	-	-	-	-
Exchange Rate Fluctuations and Other Adjustments	(165)	-	-	(165)
31 December 2024	(492,069)	(788,993)	(2,197,011)	(3,478,073)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 8 Debt investments (continued)

#### (2) Movements in loss provisions for debt investments (continued):

	The Group			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2023	(844,115)	(8,435)	(4,110,394)	(4,962,944)
Increase in the current year	(192,273)	(119,935)	(418,649)	(730,857)
Reversal in the current year	282,652	35,076	549,580	867,308
Write-offs and disposals in the current year	–	–	59,918	59,918
Recovery after write-off	–	–	–	–
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	46,797	(46,797)	–	–
Transfer from Stage 1 to Stage 3	3,143	–	(3,143)	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 2	–	(204,997)	204,997	–
Transfer from Stage 3 to Stage 1	–	–	–	–
31 December 2023	(703,796)	(345,088)	(3,717,691)	(4,766,575)

## VII Notes to the financial statements (continued)

### 8 Debt investments (continued)

#### (2) Movements in loss provisions for debt investments (continued):

	The Bank			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2024	(703,647)	(345,088)	(3,717,691)	(4,766,426)
(Increase)/Reversal in the current year	207,053	(438,969)	241,472	9,556
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	10,058	(10,058)	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	(5,122)	5,122	-	-
Transfer from Stage 2 to Stage 3	-	-	-	-
Transfer from Stage 3 to Stage 2	-	-	-	-
Transfer from Stage 3 to Stage 1	-	-	-	-
Write-offs and disposals in the current year	-	-	1,279,208	1,279,208
Recovery after write-off	-	-	-	-
Exchange Rate Fluctuations and Other Adjustments	(165)	-	-	(165)
31 December 2024	(491,823)	(788,993)	(2,197,011)	(3,477,827)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 8 Debt investments (continued)

#### (2) Movements in loss provisions for debt investments (continued):

	The Bank			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2023	(843,845)	(8,435)	(4,110,394)	(4,962,674)
Increase in the current year	(192,273)	(119,935)	(418,649)	(730,857)
Reversal in the current year	282,531	35,076	549,580	867,187
Write-offs and disposals in the current year	–	–	59,918	59,918
Recovery after write-off	–	–	–	–
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	46,797	(46,797)	–	–
Transfer from Stage 1 to Stage 3	3,143	–	(3,143)	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 2	–	(204,997)	204,997	–
Transfer from Stage 3 to Stage 1	–	–	–	–
31 December 2023	(703,647)	(345,088)	(3,717,691)	(4,766,426)

## VII Notes to the financial statements (continued)

### 8 Debt investments (continued)

#### (3) Movements of debt investments:

In 2024, debt investments held at Stage 1 was RMB460,762 million (2023: RMB529,040 million); debt investments held at Stage 2 was RMB3,991 million (2023: RMB6,055 million); debt investments held at Stage 3 was RMB3,758 million (2023: RMB6,073 million).

In 2024, the amount increased at Stage 1 due to held or buy-in debt investments was RMB23,770 million (2023: RMB126,280 million); the amount decreased at Stage 1 due to recovery was RMB90,847 million (2023: RMB50,855 million); the amount decreased at Stage 3 due to write-offs and disposals or recovery was RMB2,315 million (2023: RMB1,203 million); and the debt investments transferred from Stage 1 to Stage 2 was RMB1,522 million (2023: RMB5,636 million); the debt investments transferred from Stage 2 to Stage 1 was RMB164 million (2023: Nil); the debt investments transferred from Stage 3 to Stage 2 was RMB0 million (2023: RMB419 million). For the Group, the debt investments transferred between other Stages and the debt investments with modification of the contractual cash flows that did not lead to the recognition of the debt investments termination were not significant.

### 9 Other debt investments

	The Group	
	31 December 2024	31 December 2023
Government bonds	155,180,389	170,862,809
Commercial banks and other financial institutions bonds	172,262,164	103,175,245
Policy bank bonds	95,328,942	62,731,157
Corporate bonds	6,692,712	6,566,848
Sub-total	429,464,207	343,336,059
Accrued interest	4,384,139	4,378,777
Total	433,848,346	347,714,836
Including:		
– Amortised cost	426,004,110	346,228,510
– Accumulated changes in fair value	7,844,236	1,486,326

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## VII    Notes to the financial statements (continued)

### 9        Other debt investments (continued)

	The Bank	
	31 December 2024	31 December 2023
Government bonds	155,030,758	170,660,853
Commercial banks and other financial institutions bonds	172,262,164	103,175,245
Policy bank bonds	95,328,942	62,731,157
Corporate bonds	6,692,712	6,566,848
Sub-total	429,314,576	343,134,103
Accrued interest	4,382,143	4,376,597
Total	433,696,719	347,510,700
Including:		
– Amortised cost	425,863,343	346,028,322
– Accumulated changes in fair value	7,833,376	1,482,378

## VII Notes to the financial statements (continued)

### 9 Other debt investments (continued)

#### (1) Movements in loss provisions for other debt investments:

	The Group and the Bank			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2024	(318,061)	–	(60,000)	(378,061)
(Increase)/Reversal in the current year	(81,912)	–	20,000	(61,912)
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Write-offs and disposals in the current year	–	–	–	–
Recovery after write-off	–	–	–	–
Exchange Rate Fluctuations and Other Adjustments	(1,894)	–	–	(1,894)
31 December 2024	(401,867)	–	(40,000)	(441,867)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 9 Other debt investments (continued)

#### (1) Movements in loss provisions for other debt investments (continued):

	The Group and the Bank			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2023	(309,708)	–	(80,000)	(389,708)
Increase in the current year	(184,610)	–	–	(184,610)
Reversal in the current year	176,257	–	20,000	196,257
Write-offs and disposals in the current year	–	–	–	–
Recovery after write-off	–	–	–	–
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
31 December 2023	(318,061)	–	(60,000)	(378,061)

#### (2) Movements of other debt investments:

In 2024, the Group and the Bank's amount of other debt investments increased at Stage 1 due to held or buy-in other debt investments was RMB211,570 million (2023: RMB174,202 million); the amount decreased at Stage 1 due to recognition of termination was RMB125,440 million (2023: RMB146,282 million). Movements of other debt investments at Stage 2 and Stage 3 were not significant.

## VII Notes to the financial statements (continued)

### 10 Investments in other equity instruments

	The Group and the Bank	
	31 December 2024	31 December 2023
Investments in equity instrument not held for trading		
Equity of unlisted companies	4,327,502	3,796,650
Equity of listed companies	1,089,478	1,073,945
Total	5,416,980	4,870,595
Cost of equity instruments	2,280,164	2,456,409
Fair value changes charged to other comprehensive income	3,136,816	2,414,186
Fair value	5,416,980	4,870,595

Investments in other equity instruments mainly comprise the assets acquired by the Group and the Bank from disposal of assets corresponding to collaterals or other credit enhancements.

The Group and the Bank designated equity instruments held not for trading as other equity instruments measured at fair value through other comprehensive income ("FVOCI"), and as at 31 December 2024, the fair value was RMB5,417 million (2023: RMB4,871 million). In 2024, the dividend the Bank had received from the above equity instruments was RMB57 million (2023: RMB57 million).

In 2024, the Group and the Bank disposed a part of the FVOCI, and on the disposal date the fair value was RMB232 million (2023: RMB411 million). The disposal resulted in the loss transferred from other comprehensive income to retained earnings was RMB66 million (2023: the profit was RMB29 million).

### 11 Long-term equity investments

	The Bank	
	2024	2023
Ending balance	5,079,000	5,079,000

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 12 Fixed assets

	The Group			
	Buildings	Computers and electronic equipment	Motor vehicles and other equipment	Total
Cost				
31 December 2023	12,545,339	5,135,670	1,142,101	18,823,110
Increase in the current year	24,846	522,515	59,266	606,627
Transfers from construction in progress	272,539	–	–	272,539
Decrease in the current year	(36,497)	(118,677)	(76,083)	(231,257)
Other	–	(263,391)	263,391	–
31 December 2024	12,806,227	5,276,117	1,388,675	19,471,019
Accumulated depreciation				
31 December 2023	(4,745,361)	(3,375,093)	(865,998)	(8,986,452)
Increase in the current year	(400,550)	(539,251)	(106,666)	(1,046,467)
Decrease in the current year	29,657	111,986	72,104	213,747
Other	–	175,312	(175,312)	–
31 December 2024	(5,116,254)	(3,627,046)	(1,075,872)	(9,819,172)
Provision for impairment				
31 December 2023	(228,274)	–	–	(228,274)
31 December 2024	(228,274)	–	–	(228,274)
Net book value				
31 December 2024	7,461,699	1,649,071	312,803	9,423,573
31 December 2023	7,571,704	1,760,577	276,103	9,608,384

## VII Notes to the financial statements (continued)

### 12 Fixed assets (continued)

	The Group			
	Buildings	Computers and electronic equipment	Motor vehicles and other equipment	Total
Cost				
31 December 2022	12,223,271	5,019,684	1,107,642	18,350,597
Increase in the current year	22,598	740,625	104,595	867,818
Transfers from construction in progress	304,747	–	–	304,747
Decrease in the current year	(5,277)	(624,639)	(70,136)	(700,052)
31 December 2023	12,545,339	5,135,670	1,142,101	18,823,110
Accumulated depreciation				
31 December 2022	(4,345,040)	(3,448,124)	(845,488)	(8,638,652)
Increase in the current year	(401,927)	(524,202)	(80,743)	(1,006,872)
Decrease in the current year	1,606	597,233	60,233	659,072
31 December 2023	(4,745,361)	(3,375,093)	(865,998)	(8,986,452)
Provision for impairment				
31 December 2022	(228,274)	–	–	(228,274)
31 December 2023	(228,274)	–	–	(228,274)
Net book value				
31 December 2023	7,571,704	1,760,577	276,103	9,608,384
31 December 2022	7,649,957	1,571,560	262,154	9,483,671

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 12 Fixed assets (continued)

	The Bank			
	Buildings	Computers and electronic equipment	Motor vehicles and other equipment	Total
Cost				
31 December 2023	12,545,339	5,112,867	1,139,509	18,797,715
Increase in the current year	24,846	521,143	59,163	605,152
Transfers from construction in progress	272,539	–	–	272,539
Decrease in the current year	(36,497)	(118,677)	(76,083)	(231,257)
Other	–	(263,391)	263,391	–
31 December 2024	12,806,227	5,251,942	1,385,980	19,444,149
Accumulated depreciation				
31 December 2023	(4,745,361)	(3,363,727)	(865,370)	(8,974,458)
Increase in the current year	(400,550)	(534,437)	(106,165)	(1,041,152)
Decrease in the current year	29,657	111,986	72,104	213,747
Other	–	175,312	(175,312)	–
31 December 2024	(5,116,254)	(3,610,866)	(1,074,743)	(9,801,863)
Provision for impairment				
31 December 2023	(228,274)	–	–	(228,274)
31 December 2024	(228,274)	–	–	(228,274)
Net book value				
31 December 2024	7,461,699	1,641,076	311,237	9,414,012
31 December 2023	7,571,704	1,749,140	274,139	9,594,983

## VII Notes to the financial statements (continued)

### 12 Fixed assets (continued)

	The Bank			
	Buildings	Computers and electronic equipment	Motor vehicles and other equipment	Total
Cost				
31 December 2022	12,223,271	4,997,635	1,105,927	18,326,833
Increase in the current year	22,598	739,871	103,718	866,187
Transfers from construction in progress	304,747	–	–	304,747
Decrease in the current year	(5,277)	(624,639)	(70,136)	(700,052)
31 December 2023	12,545,339	5,112,867	1,139,509	18,797,715
Accumulated depreciation				
31 December 2022	(4,345,040)	(3,441,447)	(845,230)	(8,631,717)
Increase in the current year	(401,927)	(519,513)	(80,372)	(1,001,812)
Decrease in the current year	1,606	597,233	60,232	659,071
31 December 2023	(4,745,361)	(3,363,727)	(865,370)	(8,974,458)
Provision for impairment				
31 December 2022	(228,274)	–	–	(228,274)
31 December 2023	(228,274)	–	–	(228,274)
Net book value				
31 December 2023	7,571,704	1,749,140	274,139	9,594,983
31 December 2023	7,649,957	1,556,188	260,697	9,466,842

- (i) As at 31 December 2024, the Group and the Bank had not fully completed ownership changing procedures. Management of the Group and the Bank expects that the outstanding ownership changing procedures will not affect the Group's right to inherit such assets or adversely affect the operation of the Group and the Bank.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 13 Construction in progress

	The Group and the Bank	
	2024	2023
Opening balance	2,215,370	1,841,662
Increase in the current year	151,787	678,455
Transfer to fixed assets	(508,683)	(304,747)
Carrying amount at the end of the year	1,858,474	2,215,370

### 14 Intangible assets

	The Group		
	Land use rights	Computer software	Total
Cost			
31 December 2023	3,121,859	11,782,360	14,904,219
Increase in the current year	236,160	1,835,940	2,072,100
Decrease in the current year	–	(9,393)	(9,393)
31 December 2024	3,358,019	13,608,907	16,966,926
Accumulated amortisation			
31 December 2023	(573,004)	(7,446,332)	(8,019,336)
Increase in the current year	(77,833)	(1,618,042)	(1,695,875)
Decrease in the current year	–	8,217	8,217
31 December 2024	(650,837)	(9,056,157)	(9,706,994)
Net book value			
31 December 2024	2,707,182	4,552,750	7,259,932
31 December 2023	2,548,855	4,336,028	6,884,883

## VII Notes to the financial statements (continued)

### 14 Intangible assets (continued)

	The Group			
	Land use rights	Computer software	Other intangible assets	Total
Cost				
31 December 2022	3,121,859	9,757,300	1,498	12,880,657
Increase in the current year	–	2,030,080	–	2,030,080
Decrease in the current year	–	(5,020)	(1,498)	(6,518)
31 December 2023	3,121,859	11,782,360	–	14,904,219
Accumulated amortisation				
31 December 2022	(497,602)	(6,069,003)	(1,498)	(6,568,103)
Increase in the current year	(75,402)	(1,381,884)	–	(1,457,286)
Decrease in the current year	–	4,555	1,498	6,053
31 December 2023	(573,004)	(7,446,332)	–	(8,019,336)
Net book value				
31 December 2023	2,548,855	4,336,028	–	6,884,883
31 December 2022	2,624,257	3,688,297	–	6,312,554

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 14 Intangible assets (continued)

	The Bank		
	Land use rights	Computer software	Total
Cost			
31 December 2023	3,121,859	11,631,342	14,753,201
Increase in the current year	236,160	1,824,143	2,060,303
Decrease in the current year	–	(9,393)	(9,393)
31 December 2024	3,358,019	13,446,092	16,804,111
Accumulated amortisation			
31 December 2023	(573,004)	(7,413,492)	(7,986,496)
Increase in the current year	(77,833)	(1,585,703)	(1,663,536)
Decrease in the current year	–	8,217	8,217
31 December 2024	(650,837)	(8,990,978)	(9,641,815)
Net book value			
31 December 2024	2,707,182	4,455,114	7,162,296
31 December 2023	2,548,855	4,217,850	6,766,705

## VII Notes to the financial statements (continued)

### 14 Intangible assets (continued)

	The Bank			
	Land use rights	Computer software	Other intangible assets	Total
Cost				
31 December 2022	3,121,859	9,682,100	1,498	12,805,457
Increase in the current year	–	1,954,262	–	1,954,262
Decrease in the current year	–	(5,020)	(1,498)	(6,518)
31 December 2023	3,121,859	11,631,342	–	14,753,201
Accumulated amortisation				
31 December 2022	(497,602)	(6,054,845)	(1,498)	(6,553,945)
Increase in the current year	(75,402)	(1,363,202)	–	(1,438,604)
Decrease in the current year	–	4,555	1,498	6,053
31 December 2023	(573,004)	(7,413,492)	–	(7,986,496)
Net book value				
31 December 2023	2,548,855	4,217,850	–	6,766,705
31 December 2022	2,624,257	3,627,255	–	6,251,512

As at 31 December 2024, the Group and the Bank had no land use rights that were subject to uncompleted ownership changing procedures (2023: Nil).

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 15 Right-of-use assets

	The Group		
	Buildings	Machinery and equipment and motor vehicles	Total
Cost			
31 December 2023	8,465,987	52,366	8,518,353
Increase in the current year	1,212,466	47,233	1,259,699
Decrease in the current year	(1,027,532)	(44,804)	(1,072,336)
31 December 2024	8,650,921	54,795	8,705,716
Accumulated depreciation			
31 December 2023	(3,631,661)	(23,767)	(3,655,428)
Increase in the current year	(1,489,665)	(14,706)	(1,504,371)
Decrease in the current year	836,799	562	837,361
31 December 2024	(4,284,527)	(37,911)	(4,322,438)
Carrying amount			
31 December 2024	4,366,394	16,884	4,383,278
31 December 2023	4,834,326	28,599	4,862,925

## VII Notes to the financial statements (continued)

### 15 Right-of-use assets (continued)

	The Group		
	Buildings	Machinery and equipment and motor vehicles	Total
Cost			
31 December 2022	7,928,008	27,065	7,955,073
Increase in the current year	1,520,877	34,543	1,555,420
Decrease in the current year	(982,898)	(9,242)	(992,140)
31 December 2023	8,465,987	52,366	8,518,353
Accumulated depreciation			
31 December 2022	(2,968,898)	(7,740)	(2,976,638)
Increase in the current year	(1,566,694)	(19,720)	(1,586,414)
Decrease in the current year	903,931	3,693	907,624
31 December 2023	(3,631,661)	(23,767)	(3,655,428)
Carrying amount			
31 December 2023	4,834,326	28,599	4,862,925
31 December 2022	4,959,110	19,325	4,978,435

Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

VII    Notes to the financial statements (continued)

15    Right-of-use assets (continued)

	The Bank		
	Buildings	Machinery and equipment and motor vehicles	Total
Cost			
31 December 2023	8,409,858	52,366	8,462,224
Increase in the current year	1,212,466	47,233	1,259,699
Decrease in the current year	(1,027,532)	(44,804)	(1,072,336)
31 December 2024	8,594,792	54,795	8,649,587
Accumulated depreciation			
31 December 2023	(3,598,198)	(23,767)	(3,621,965)
Increase in the current year	(1,473,620)	(14,706)	(1,488,326)
Decrease in the current year	836,799	562	837,361
31 December 2024	(4,235,019)	(37,911)	(4,272,930)
Carrying amount			
31 December 2024	4,359,773	16,884	4,376,657
31 December 2023	4,811,660	28,599	4,840,259

## VII Notes to the financial statements (continued)

### 15 Right-of-use assets (continued)

	The Bank		
	Buildings	Machinery and equipment and motor vehicles	Total
Cost			
31 December 2022	7,871,879	27,065	7,898,944
Increase in the current year	1,520,877	34,543	1,555,420
Decrease in the current year	(982,898)	(9,242)	(992,140)
31 December 2023	8,409,858	52,366	8,462,224
Accumulated depreciation			
31 December 2022	(2,951,481)	(7,740)	(2,959,221)
Increase in the current year	(1,550,648)	(19,720)	(1,570,368)
Decrease in the current year	903,931	3,693	907,624
31 December 2023	(3,598,198)	(23,767)	(3,621,965)
Carrying amount			
31 December 2023	4,811,660	28,599	4,840,259
31 December 2022	4,920,398	19,325	4,939,723

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 16 Deferred tax assets and liabilities

(1) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	The Group	
	2024	2023
Opening balance of deferred tax assets	16,891,173	17,192,117
Deferred taxes recognised in the income statement for the current year	944,496	657,507
Deferred taxes recognised in other comprehensive income	(1,838,647)	(958,451)
Ending balance of deferred tax assets	15,997,022	16,891,173

	The Bank	
	2024	2023
Opening balance of deferred tax assets	16,890,099	17,192,117
Deferred taxes recognised in the income statement for the current year	943,779	655,422
Deferred taxes recognised in other comprehensive income	(1,836,919)	(957,440)
Ending balance of deferred tax assets	15,996,959	16,890,099

## VII Notes to the financial statements (continued)

### 16 Deferred tax assets and liabilities (continued)

- (2) Deferred tax assets and liabilities before offsetting of certain debit and credit balances are set out as follows:

#### (a) Deferred tax assets

	The Group			
	31 December 2024		31 December 2023	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Provision for asset impairment	17,731,964	70,927,859	16,864,314	67,457,255
Accrued payroll	1,104,225	4,416,899	878,082	3,512,329
Provisions	491,349	1,965,396	528,725	2,114,898
Deferred interest income of discounted notes	273,273	1,093,092	284,025	1,136,098
Changes in fair value	17,519	70,077	35,737	142,947
Lease liabilities	1,089,267	4,357,066	1,214,367	4,857,469
Others	215,775	863,098	154,441	617,765
Total	20,923,372	83,693,487	19,959,691	79,838,761

	The Bank			
	31 December 2024		31 December 2023	
	Deferred tax assets	Deductible temporary differences	Deferred tax assets	Deductible temporary differences
Provision for asset impairment	17,731,964	70,927,859	16,864,314	67,457,255
Accrued payroll	1,101,440	4,405,760	875,297	3,501,189
Provisions	491,349	1,965,396	528,725	2,114,898
Deferred interest income of discounted notes	273,273	1,093,092	284,025	1,136,098
Changes in fair value	15,913	63,651	34,107	136,427
Lease liabilities	1,089,267	4,357,066	1,214,367	4,857,469
Others	214,908	859,632	153,575	614,301
Total	20,918,114	83,672,456	19,954,410	79,817,637

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 16 Deferred tax assets and liabilities (continued)

(2) Deferred tax assets and liabilities before offsetting of certain debit and credit balances are set out as follows (continued):

(b) *Deductible temporary differences that are not recognised as deferred tax assets are analysed as follows:*

	The Group and the Bank	
	31 December 2024	31 December 2023
Deductible temporary differences	2,466,461	2,164,977

According to the accounting policies stated in Note IV 22, as at 31 December 2024 the Group and the Bank’s amount of not recognised as deferred tax assets was RMB617 million (2023: 541 million), mainly caused by the uncertainty of deduction before tax of provision for impairment of assets that generated the deductible temporary differences in the foreseeable future.

(c) *Deferred tax liabilities*

	The Group			
	31 December 2024		31 December 2023	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Changes in fair value	(3,449,631)	(13,798,525)	(1,499,986)	(5,999,943)
Right-of-use assets	(1,094,164)	(4,376,657)	(1,210,065)	(4,840,259)
Others	(382,555)	(1,530,216)	(358,467)	(1,433,868)
Total	(4,926,350)	(19,705,398)	(3,068,518)	(12,274,070)

## VII Notes to the financial statements (continued)

### 16 Deferred tax assets and liabilities (continued)

- (2) Deferred tax assets and liabilities before offsetting of certain debit and credit balances are set out as follows (continued):

**(c) Deferred tax liabilities (continued)**

	The Bank			
	31 December 2024		31 December 2023	
	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences
Changes in fair value	(3,449,631)	(13,798,525)	(1,499,986)	(5,999,943)
Right-of-use assets	(1,094,164)	(4,376,657)	(1,210,065)	(4,840,259)
Others	(377,360)	(1,509,440)	(354,260)	(1,417,040)
Total	(4,921,155)	(19,684,622)	(3,064,311)	(12,257,242)

- (3) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	The Group	
	31 December 2024	31 December 2023
Deferred tax assets, net	15,997,022	16,891,173

	The Bank	
	31 December 2024	31 December 2023
Deferred tax assets, net	15,996,959	16,890,099

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 17 Other assets

	The Group	
	31 December 2024	31 December 2023
Suspense account for clearing	9,284,422	8,934,414
Long-term prepaid expenses	817,634	854,194
Advances and temporary payments	733,619	813,416
Continuing involvement in assets (i)	717,036	734,668
Interest receivable (ii)	619,592	738,882
Prepayment for purchase of long-term assets	240,548	481,961
Reposessed assets (iii)	210,525	210,525
Prepaid rentals	30,803	31,628
Others	845,604	765,289
Total	13,499,783	13,564,977
Less: Provision for impairment	(489,294)	(499,445)
Carrying amount	13,010,489	13,065,532

	The Bank	
	31 December 2024	31 December 2023
Suspense account for clearing	9,284,422	8,934,414
Long-term prepaid expenses	811,407	846,040
Advances and temporary payments	732,841	812,451
Continuing involvement in assets (i)	717,036	734,668
Interest receivable (ii)	619,592	738,882
Prepayment for purchase of long-term assets	239,800	475,686
Reposessed assets (iii)	210,525	210,525
Prepaid rentals	30,732	31,593
Others	732,070	683,679
Total	13,378,425	13,467,938
Less: Provision for impairment	(489,294)	(499,445)
Carrying amount	12,889,131	12,968,493

## VII Notes to the financial statements (continued)

### 17 Other assets (continued)

#### (i) Continuing involvement in assets

As at 31 December 2024, the Group and the Bank continued to recognise assets of RMB717 million (2023: RMB735 million). Meanwhile, the Group and the Bank recognised continuing involvement in assets and liabilities in the same amounts as a result of this matter.

(ii) Interest receivable only represents the interest that is receivable since the relevant financial instruments are due but remains unreceived at the balance sheet date.

#### (iii) Repossessed assets

*Analysed by type*

	The Group and the Bank	
	31 December 2024	31 December 2023
Buildings	84,467	84,467
Land use rights	126,058	126,058
Total original value of repossessed assets	210,525	210,525
Less: Provision for impairment of repossessed assets	(92,260)	(89,079)
Carrying amount	118,265	121,446

Repossessed assets comprise the assets acquired by the Group and the Bank from disposal of assets corresponding to collaterals or other credit enhancements.

In 2024, the Group and the Bank did not convert any repossessed assets to fixed assets for own use (2023: Nil).

In 2024, the Group and the Bank disposed of repossessed assets with an original value of RMB0 million (2023: RMB9 million).

The Group and the Bank planned to dispose of the repossessed assets as at 31 December 2024 through public disposal methods such as auction and bidding in the future.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 18 Provision for asset impairment

	The Group					31 December 2024
	1 January 2024	(Increase)/ Reversal in the current year	Write- offs and disposals in the current year	Recovery after write-off	Exchange Rate Fluctuations and Other Adjustments	
Due from banks and other financial institutions	(1,358)	(2,537)	-	-	-	(3,895)
Placements with banks and other financial institutions	(579,725)	(164,677)	-	-	(16)	(744,418)
Financial assets held under resale agreements	(403,313)	-	-	-	-	(403,313)
Loans and advances to customers						
– Loans and advances to customers measured at amortised cost	(52,273,846)	(23,390,350)	28,693,966	(6,516,665)	(31,394)	(53,518,289)
– Loans and advances to customers measured at fair value through other comprehensive income	(196,672)	(57,902)	-	-	-	(254,574)
Financial investment						
– Debt investments	(4,766,575)	9,459	1,279,208	-	(165)	(3,478,073)
– Other debt investments	(378,061)	(61,912)	-	-	(1,894)	(441,867)
Loan commitments and financial guarantee contracts	(2,063,614)	237,758	-	-	(1,243)	(1,827,099)
Fixed assets	(228,274)	-	-	-	-	(228,274)
Other assets	(499,445)	(37,595)	60,691	(12,912)	(33)	(489,294)
Total	(61,390,883)	(23,467,756)	30,033,865	(6,529,577)	(34,745)	(61,389,096)

## VII Notes to the financial statements (continued)

### 18 Provision for asset impairment (continued)

	The Group					
	1 January 2023	Increase in the current year	Reversal in the current year	Write- offs and disposals in the current year	Recovery after write-off in the current year	31 December 2023
Due from banks and other financial institutions	(2,100)	–	742	–	–	(1,358)
Placements with banks and other financial institutions	(551,910)	(200,725)	172,910	–	–	(579,725)
Financial assets held under resale agreements	(403,313)	–	–	–	–	(403,313)
Loans and advances to customers						
– Loans and advances to customers measured at amortised cost	(55,473,122)	(42,774,229)	19,267,485	32,373,688	(5,667,668)	(52,273,846)
– Loans and advances to customers measured at fair value through other comprehensive income	(331,171)	(196,672)	331,171	–	–	(196,672)
Financial investment						
– Debt investments	(4,962,944)	(730,857)	867,308	59,918	–	(4,766,575)
– Other debt investments	(389,708)	(184,610)	196,257	–	–	(378,061)
Loan commitments and financial guarantee contracts	(2,730,620)	(1,646,882)	2,313,888	–	–	(2,063,614)
Fixed assets	(228,274)	–	–	–	–	(228,274)
Other assets	(440,854)	(194,046)	67,247	87,724	(19,516)	(499,445)
Total	(65,514,016)	(45,928,021)	23,217,008	32,521,330	(5,687,184)	(61,390,883)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 18 Provision for asset impairment (continued)

	The Bank					31 December 2024
	1 January 2024	(Increase)/ Reversal in the current year	Write- offs and disposals in the current year	Recovery after write-off	Exchange Rate Fluctuations and Other Adjustments	
Due from banks and other financial institutions	(1,293)	(2,602)	-	-	-	(3,895)
Placements with banks and other financial institutions	(579,725)	(164,677)	-	-	(16)	(744,418)
Financial assets held under resale agreements	(403,313)	-	-	-	-	(403,313)
Loans and advances to customers						
– Loans and advances to customers measured at amortised cost	(52,273,846)	(23,390,350)	28,693,966	(6,516,665)	(31,394)	(53,518,289)
– Loans and advances to customers measured at fair value through other comprehensive income	(196,672)	(57,902)	-	-	-	(254,574)
Financial investment						
– Debt investments	(4,766,426)	9,556	1,279,208	-	(165)	(3,477,827)
– Other debt investments	(378,061)	(61,912)	-	-	(1,894)	(441,867)
Loan commitments and financial guarantee contracts	(2,063,614)	237,758	-	-	(1,243)	(1,827,099)
Fixed assets	(228,274)	-	-	-	-	(228,274)
Other assets	(499,445)	(37,595)	60,691	(12,912)	(33)	(489,294)
Total	(61,390,669)	(23,467,724)	30,033,865	(6,529,577)	(34,745)	(61,388,850)

## VII Notes to the financial statements (continued)

### 18 Provision for asset impairment (continued)

	The Bank					
	1 January 2023	Increase in the current year	Reversal in the current year	Write- offs and disposals in the current year	Recovery after write-off in the current year	31 December 2023
Due from banks and other financial institutions	(2,073)	–	780	–	–	(1,293)
Placements with banks and other financial institutions	(551,910)	(200,725)	172,910	–	–	(579,725)
Financial assets held under resale agreements	(403,313)	–	–	–	–	(403,313)
Loans and advances to customers						
– Loans and advances to customers measured at amortised cost	(55,473,122)	(42,774,229)	19,267,485	32,373,688	(5,667,668)	(52,273,846)
– Loans and advances to customers measured at fair value through other comprehensive income	(331,171)	(196,672)	331,171	–	–	(196,672)
Financial investment						
– Debt investments	(4,962,674)	(730,857)	867,187	59,918	–	(4,766,426)
– Other debt investments	(389,708)	(184,610)	196,257	–	–	(378,061)
Loan commitments and financial guarantee contracts	(2,730,620)	(1,646,882)	2,313,888	–	–	(2,063,614)
Fixed assets	(228,274)	–	–	–	–	(228,274)
Other assets	(440,854)	(194,046)	67,247	87,724	(19,516)	(499,445)
Total	(65,513,719)	(45,928,021)	23,216,925	32,521,330	(5,687,184)	(61,390,669)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 19 Due to banks and other financial institutions

	The Group	
	31 December 2024	31 December 2023
Banks operating in the Chinese mainland	37,106,931	64,694,843
Other financial institutions operating in the Chinese mainland	337,352,213	344,150,585
Banks operating outside the Chinese mainland	15,172	35,999
Accrued interest	2,123,997	2,286,895
Total	376,598,313	411,168,322

	The Bank	
	31 December 2024	31 December 2023
Banks operating in the Chinese mainland	37,106,931	64,719,855
Other financial institutions operating in the Chinese mainland	337,405,717	344,150,585
Banks operating outside the Chinese mainland	15,172	35,999
Accrued interest	2,123,997	2,286,895
Total	376,651,817	411,193,334

### 20 Placements from banks and other financial institutions

	The Group and the Bank	
	31 December 2024	31 December 2023
Banks operating in the Chinese mainland	43,724,958	86,860,441
Banks operating outside the Chinese mainland	20,180,458	1,801,971
Accrued interest	185,985	117,405
Total	64,091,401	88,779,817

## VII Notes to the financial statements (continued)

### 21 Financial liabilities held for trading

	The Group and the Bank	
	31 December 2024	31 December 2023
Precious metal contracts and others	952,908	217,308

### 22 Financial assets sold under repurchase agreements

	The Group and the Bank	
	31 December 2024	31 December 2023
Bonds		
– Commercial banks and other financial institutions bonds	27,301,442	105,402,476
– Chinese government bonds	105,233,220	48,420,000
Sub-total	132,534,662	153,822,476
Notes	15,746,713	13,843,304
Accrued interest	49,689	57,133
Total	148,331,064	167,722,913

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 23 Customer deposits

	The Group and the Bank	
	31 December 2024	31 December 2023
Demand deposits		
– Corporate customers	496,122,503	722,718,134
– Personal customers	168,969,012	158,954,686
Time Deposits (including notice deposits)		
– Corporate customers	871,359,689	691,251,037
– Personal customers	465,569,256	421,837,303
Pledged deposits	211,127,394	148,401,174
Others	425,739	1,062,688
Sub-total	2,213,573,593	2,144,225,022
Accrued interest	43,675,882	37,300,450
Total	2,257,249,475	2,181,525,472

### 24 Employee benefits payable

	The Group	
	31 December 2024	31 December 2023
Short-term employee benefits payable (a)	10,110,782	8,983,225
Defined contribution plans payable (b)	508,344	302,389
Termination benefits payable (c)	–	15
Total	10,619,126	9,285,629

	The Bank	
	31 December 2024	31 December 2023
Short-term employee benefits payable (a)	10,073,161	8,956,784
Defined contribution plans payable (b)	507,993	302,097
Termination benefits payable (c)	–	15
Total	10,581,154	9,258,896

## VII Notes to the financial statements (continued)

### 24 Employee benefits payable (continued)

#### (a) Short-term employee benefits

	The Group			
	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Wages and salaries, bonus, allowances and subsidies	8,544,586	11,557,251	(10,223,119)	9,878,718
Staff welfare	25,403	491,730	(494,985)	22,148
Social security contributions				
Including: Medical insurance and Maternity insurance	10,117	582,275	(584,499)	7,893
Work injury insurance	377	20,188	(20,158)	407
Housing funds	9,905	958,323	(958,889)	9,339
Labour union funds and employee education funds	61,093	298,561	(266,815)	92,839
Other short-term employee benefits	331,744	510,412	(742,718)	99,438
Total	8,983,225	14,418,740	(13,291,183)	10,110,782

	The Group			
	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Wages and salaries, bonus, allowances and subsidies	7,568,597	11,646,212	(10,670,223)	8,544,586
Staff welfare	27,151	500,807	(502,555)	25,403
Social security contributions				
Including: Medical insurance and Maternity insurance	7,621	624,833	(622,337)	10,117
Work injury insurance	375	17,854	(17,852)	377
Housing funds	9,201	936,173	(935,469)	9,905
Labour union funds and employee education funds	58,487	322,433	(319,827)	61,093
Other short-term employee benefits	495,432	910,619	(1,074,307)	331,744
Total	8,166,864	14,958,931	(14,142,570)	8,983,225

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 24 Employee benefits payable (continued)

#### (a) Short-term employee benefits (continued)

	The Bank			
	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Wages and salaries, bonus, allowances and subsidies	8,520,670	11,489,178	(10,167,013)	9,842,835
Staff welfare	24,459	487,626	(490,881)	21,204
Social security contributions				
Including: Medical insurance and Maternity insurance	8,865	579,534	(580,738)	7,661
Work injury insurance	372	20,126	(20,096)	402
Housing funds	9,710	953,641	(954,175)	9,176
Labour union funds and employee education funds	60,963	297,081	(265,599)	92,445
Other short-term employee benefits	331,745	510,121	(742,428)	99,438
Total	8,956,784	14,337,307	(13,220,930)	10,073,161

	The Bank			
	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Wages and salaries, bonus, allowances and subsidies	7,532,257	11,582,985	(10,594,572)	8,520,670
Staff welfare	27,151	494,678	(497,370)	24,459
Social security contributions				
Including: Medical insurance and Maternity insurance	8,858	619,742	(619,735)	8,865
Work injury insurance	375	17,790	(17,793)	372
Housing funds	9,455	931,382	(931,127)	9,710
Labour union funds and employee education funds	58,487	320,956	(318,480)	60,963
Other short-term employee benefits	493,942	910,606	(1,072,803)	331,745
Total	8,130,525	14,878,139	(14,051,880)	8,956,784

## VII Notes to the financial statements (continued)

### 24 Employee benefits payable (continued)

#### (b) Defined contribution plans

The Group				
2024				
	Opening balance	Increase in the current year	Payment for the current year	Ending balance
Basic pensions	16,410	1,172,089	(1,170,813)	17,686
Unemployment insurance	829	54,009	(54,080)	758
Enterprise annuity	285,150	855,843	(651,093)	489,900
Total	302,389	2,081,941	(1,875,986)	508,344

The Group				
2023				
	Opening balance	Increase in the current year	Payment for the current year	Ending balance
Basic pensions	15,643	1,118,563	(1,117,796)	16,410
Unemployment insurance	490	45,527	(45,188)	829
Enterprise annuity	195,366	741,109	(651,325)	285,150
Total	211,499	1,905,199	(1,814,309)	302,389

The Bank				
2024				
	Opening balance	Increase in the current year	Payment for the current year	Ending balance
Basic pensions	16,023	1,165,857	(1,164,540)	17,340
Unemployment insurance	822	53,813	(53,882)	753
Enterprise annuity	285,252	851,443	(646,795)	489,900
Total	302,097	2,071,113	(1,865,217)	507,993

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## VII   Notes to the financial statements (continued)

### 24   Employee benefits payable (continued)

(b)   *Defined contribution plans (continued)*

	The Bank			
	2023			
	Opening balance	Increase in the current year	Payment for the current year	Ending balance
Basic pensions	15,643	1,112,162	(1,111,782)	16,023
Unemployment insurance	490	45,327	(44,995)	822
Enterprise annuity	195,366	736,101	(646,215)	285,252
Total	211,499	1,893,590	(1,802,992)	302,097

(c)   *Termination benefits payable*

	The Group	
	2024	2023
Opening balance	15	–
Increase in the current year	31,729	5,626
Payment for the current year	(31,744)	(5,611)
Ending balance	–	15

	The Bank	
	2024	2023
Opening balance	15	–
Increase in the current year	31,595	5,626
Payment for the current year	(31,610)	(5,611)
Ending balance	–	15

## VII Notes to the financial statements (continued)

### 25 Taxes payable

	The Group	
	31 December 2024	31 December 2023
Enterprise income tax payable	4,296,319	3,353,495
VAT payable	1,305,809	1,348,366
City maintenance and construction tax payable	96,084	103,596
Educational surcharge payable	68,823	74,116
Others	87,770	125,987
Total	5,854,805	5,005,560

	The Bank	
	31 December 2024	31 December 2023
Enterprise income tax payable	4,281,284	3,346,892
VAT payable	1,301,578	1,346,252
City maintenance and construction tax payable	95,839	103,468
Educational surcharge payable	68,375	73,831
Others	87,147	125,429
Total	5,834,223	4,995,872

### 26 Provisions

	The Group	
	31 December 2024	31 December 2023
Loan commitments and financial guarantee contracts (i)	1,827,099	2,063,614
Estimated losses of cases and litigations (ii)	138,295	51,284
Others	44,598	21,313
Total	2,009,992	2,136,211

	The Bank	
	31 December 2024	31 December 2023
Loan commitments and financial guarantee contracts (i)	1,827,099	2,063,614
Estimated losses of cases and litigations (ii)	138,295	51,284
Others	42,965	19,680
Total	2,008,359	2,134,578

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 26 Provisions (continued)

- (i) Movements in provision for expected credit impairment of loan commitments and financial guarantees contracts:

	The Group and the Bank			
	2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2024	(1,916,502)	(140,256)	(6,856)	(2,063,614)
(Increase)/Reversal in the current year	227,252	50,800	(40,294)	237,758
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	34,589	(34,589)	–	–
Transfer from Stage 1 to Stage 3	420	–	(420)	–
Transfer from Stage 2 to Stage 1	(17,160)	17,160	–	–
Transfer from Stage 2 to Stage 3	–	33	(33)	–
Transfer from Stage 3 to Stage 2	–	–	–	–
Transfer from Stage 3 to Stage 1	(254)	–	254	–
Exchange Rate Fluctuations and Other Adjustments	(1,105)	(89)	(49)	(1,243)
31 December 2024	(1,672,760)	(106,941)	(47,398)	(1,827,099)

	The Group and the Bank			
	2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
1 January 2023	(2,017,519)	(553,127)	(159,974)	(2,730,620)
Increase in the current year	(1,538,202)	(107,814)	(866)	(1,646,882)
Reversal in the current year	1,756,380	412,028	145,480	2,313,888
Transfer in the current year:				
Transfer from Stage 1 to Stage 2	32,637	(32,637)	–	–
Transfer from Stage 1 to Stage 3	21	–	(21)	–
Transfer from Stage 2 to Stage 1	(141,540)	141,540	–	–
Transfer from Stage 2 to Stage 3	–	17	(17)	–
Transfer from Stage 3 to Stage 2	–	(263)	263	–
Transfer from Stage 3 to Stage 1	(8,279)	–	8,279	–
31 December 2023	(1,916,502)	(140,256)	(6,856)	(2,063,614)

## VII Notes to the financial statements (continued)

### 26 Provisions (continued)

(ii) Movements in estimated losses for litigation are as follows:

	The Group and the Bank	
	2024	2023
Opening balance	51,284	45,803
(Increase)/Reversal in the current year	88,511	5,481
Payment for the current year	(1,500)	–
Ending balance	138,295	51,284

As at 31 December 2024, the Group and the Bank were the defendants or the third parties in certain pending litigations, with gross claims of RMB12,497 million (31 December 2023: RMB12,880 million). Based on the opinions of internal or external lawyers of the Group and the Bank, provision has been made for the estimated losses of these litigations and disputes. Management of the Group and the Bank are of the view that the provision made is reasonable and adequate.

### 27 Lease liabilities

	The Group	
	31 December 2024	31 December 2023
Lease liabilities	4,364,048	4,880,325

	The Bank	
	31 December 2024	31 December 2023
Lease liabilities	4,357,066	4,857,469

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 28 Bonds issued

		The Group and the Bank	
		31 December 2024	31 December 2023
Interbank negotiable certificates of deposit	(i)	348,508,602	189,963,916
Financial bonds	(ii)	21,999,994	51,999,962
Tier two capital bonds	(iii)	59,499,282	33,499,578
Accrued interest		817,116	710,246
Total		430,824,994	276,173,702

(i) As at 31 December 2024, the Bank held 189 (31 December 2023: 132) outstanding interbank negotiable certificates of deposit, with a total face value of RMB351,024 million (31 December 2023: RMB191,264 million) and periods of 3 months to 12 months (31 December 2023: 3 months to 12 months), and 182 (31 December 2023: 127) of them were under zero-coupon.

(ii) The Bank issued 3-year fixed interest rate financial bonds with a face value of RMB30 billion on 12 November 2021. The coupon interest rate is 3.03% per annum. The bond matured and was fully redeemed on 16 November 2024.

The Bank issued 3-year fixed interest rate financial bonds with a face value of RMB22 billion on 26 May 2022. The coupon interest rate is 2.70% per annum.

(iii) The Bank issued 10-year fixed-rate tier 2 capital bonds with a face value of RMB30 billion on 30 October 2020. The coupon interest rate is 4.26% per annum. The Bank has an option to redeem the bond at the end of the fifth year. If the Bank does not exercise the option of redemption, the coupon interest rate of the bonds will remain unchanged from the sixth year for the next five years till maturity. The Bank issued 15-year fixed-rate tier 2 capital bonds with a face value of RMB3.5 billion on 30 October 2020. The coupon interest rate is 4.51% per annum. The Bank has an option to redeem the bonds at the end of the tenth year. If the Bank does not exercise the option of redemption, the coupon interest rate of the bonds will remain unchanged from the eleventh year for the next five years till maturity.

The Bank issued 10-year fixed-rate tier 2 capital bonds with a face value of RMB20 billion on 1 August 2024. The coupon interest rate is 2.17% per annum. The Bank has an option to redeem the bonds at the end of the fifth year. If the Bank does not exercise the option of redemption, the coupon interest rate of the bonds will remain unchanged from the sixth year for the next five years till maturity. The Bank issued 15-year fixed-rate tier 2 capital bonds with a face value of RMB6 billion on 1 August 2024. The coupon interest rate is 2.30% per annum. The Bank has an option to redeem the bonds at the end of the tenth year. If the Bank does not exercise the option of redemption, the coupon interest rate of the bonds will remain unchanged from the eleventh year for the next five years till maturity.

## VII Notes to the financial statements (continued)

### 29 Other liabilities

	The Group	
	31 December 2024	31 December 2023
Contract liabilities (i)	3,085,371	5,239,590
Accrued expenses	1,730,717	2,055,832
Suspense account for clearing	1,218,178	1,035,170
Payables for fund subscription	580,480	854,172
Continuing involvement in liabilities (Note VII. 17(i))	717,036	734,668
Payables for purchase of long-term assets	187,022	299,698
Payables arising from the transferred credit assets	240,979	285,252
Long-suspended outstanding payments	187,549	187,064
Deferred income	36,739	26,192
Others	841,061	681,391
Total	8,825,132	11,399,029

	The Bank	
	31 December 2024	31 December 2023
Contract liabilities (i)	3,085,371	5,239,590
Accrued expenses	1,725,717	2,048,265
Suspense account for clearing	1,218,175	1,035,166
Payables for fund subscription	580,480	854,172
Continuing involvement in liabilities (Note VII. 17(i))	717,036	734,668
Payables for purchase of long-term assets	181,648	224,971
Payables arising from the transferred credit assets	240,979	285,252
Long-suspended outstanding payments	187,549	187,064
Deferred income	36,739	26,192
Others	839,908	687,708
Total	8,813,602	11,323,048

- (i) As at 31 December 2024 and 31 December 2023, the obligation of the Group and the Bank to transfer goods or services to customers according to consideration received has been presented as other liabilities – contract liability.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 30 Share capital

	The Bank	
	31 December 2024	31 December 2023
Ordinary shares (share)	21,789,860,711	21,789,860,711
Ordinary share capital (RMB)	21,789,860,711	21,789,860,711

The registered currency of the Bank's paid-in capital is RMB. As at 31 December 2024, the Bank's total share capital is 21,789,860,711 shares (31 December 2023: 21,789,860,711 shares), with par value per share of RMB1.

### 31 Other equity instruments

	The Group and the Bank			
	31 December 2024		31 December 2023	
	Quantity (billion shares)	Carrying amount	Quantity (billion shares)	Carrying amount
Perpetual bonds (i)				
Undated capital bonds	0.50	50,000,000	0.45	44,991,071

- (i) With the approvals by relevant regulatory authorities, the Bank issued RMB45 billion write-down perpetual capital bonds in the domestic interbank bond market on 25 September 2019, and completed the issuance on 27 September 2019. The face value of the bonds is RMB100 each unit, and the annual coupon interest rate of the Bonds for the first five years is 4.5%, resetting every 5 years. The bonds were redeemed on 27 September 2024.

With the approval of the relevant regulatory authorities, the Bank issued a total of RMB30 billion of write-down perpetual capital bonds (Tranche I) on 19 June, 2024 and completed the issuance on 21, June 2024 in the national interbank bond market. The face value of the bonds is RMB100 each unit and the coupon rate is 2.39% for the first five years, which is reset every five years.

With the approval of the relevant regulatory authorities, the Bank issued a total of RMB20 billion of write-down perpetual capital bonds (Tranche II) on 21 November 2024 and completed the issue on 25 November 2024 in the national interbank bond market. The face value of the bonds is RMB100 each unit and the coupon rate is 2.42% for the first five years, which is reset every five years.

The maturity of the above bonds is consistent with the Bank's operation period. The bonds above include a conditional redemption option for the Bank. The Bank has the right to redeem the bonds, in whole or in part, after 5 years from the date of issuance, on the interest payment date of each year (including the interest payment date of the 5th year after the date of issuance). In the event of unanticipated regulatory rule changes that result in these bonds no longer being classified as other tier 1 capital, the Bank has the right to redeem the bonds in full, rather than in part.

The Bank is required to exercise the redemption right with the approval of the State Administration of Financial Supervision (SAFS) and subject to the following conditions: (i) replacement of the redeemed instrument with capital instruments of equal or higher quality, and such replacement may be carried out only under the condition of sustainability of the revenue capacity; (ii) or the capital level remains significantly above the regulatory capital requirements stipulated by the SAFS after the exercise of the redemption right.

The above bonds are paid by non-cumulative interest, and the Bank has the right to partially or completely cancel the interest payment of the bonds, and this does not constitute an event of default. The proceeds of the canceled interest payment can be used to pay other debts as they fall due. The cancellation of all or part of the interest of these bonds, apart from restricting the distribution of dividends on ordinary shares, does not impose any other restrictions on the Bank.

## VII Notes to the financial statements (continued)

### 32 Capital reserve

	The Group and the Bank	
	31 December 2024	31 December 2023
Share premium	53,306,614	53,315,958

### 33 Other comprehensive income

#### (1) Statement of other comprehensive income in the balance sheet

	The Group		
	31 December 2024		
	Amount before tax	Income tax	Net amount after tax
Items that may not be reclassified subsequently to profit or loss			
Changes in fair value of other equity investments	3,136,816	(784,204)	2,352,612
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of other debt investments	7,844,236	(1,961,059)	5,883,177
Provision for credit impairment of other debt investments	441,867	(110,347)	331,520
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	132,941	(33,235)	99,706
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	254,574	(63,643)	190,931
Exchange differences on translation of financial statements and others	257,445	–	257,445
Sub-total	8,931,063	(2,168,284)	6,762,779
Total other comprehensive income	12,067,879	(2,952,488)	9,115,391

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (1) Statement of other comprehensive income in the balance sheet (continued)

	The Group		
	31 December 2023		
	Amount before tax	Income tax	Net amount after tax
Items that may not be reclassified subsequently to profit or loss			
Changes in fair value of other equity investments	2,414,186	(603,547)	1,810,639
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of other debt investments	1,486,326	(371,582)	1,114,744
Provision for credit impairment of other debt investments	378,061	(94,515)	283,546
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	(19,884)	4,971	(14,913)
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	196,672	(49,168)	147,504
Exchange differences on translation of financial statements and others	188,206	–	188,206
Sub-total	2,229,381	(510,294)	1,719,087
Total other comprehensive income	4,643,567	(1,113,841)	3,529,726

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (1) Statement of other comprehensive income in the balance sheet (continued)

	The Bank		
	31 December 2024		
	Amount before tax	Income tax	Net amount after tax
Items that may not be reclassified subsequently to profit or loss			
Changes in fair value of other equity investments	3,136,816	(784,204)	2,352,612
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of other debt investments	7,833,376	(1,958,344)	5,875,032
Provision for credit impairment of other debt investments	441,867	(110,347)	331,520
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	132,941	(33,235)	99,706
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	254,574	(63,643)	190,931
Exchange differences on translation of financial statements and others	255,741	–	255,741
Sub-total	8,918,499	(2,165,569)	6,752,930
Total other comprehensive income	12,055,315	(2,949,773)	9,105,542

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (1) Statement of other comprehensive income in the balance sheet (continued)

	The Bank		
	31 December 2023		
	Amount before tax	Income tax	Net amount after tax
Items that may not be reclassified subsequently to profit or loss			
Changes in fair value of other equity investments	2,414,186	(603,547)	1,810,639
Items that may be reclassified subsequently to profit or loss			
Changes in fair value of other debt investments	1,482,378	(370,595)	1,111,783
Provision for credit impairment of other debt investments	378,061	(94,515)	283,546
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	(19,884)	4,971	(14,913)
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	196,672	(49,168)	147,504
Exchange differences on translation of financial statements and others	187,932	–	187,932
Sub-total	2,225,159	(509,307)	1,715,852
Total other comprehensive income	4,639,345	(1,112,854)	3,526,491

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (2) Statement of other comprehensive income in the income statement

	The Group			
	2024			
	Amount incurred before income tax for the current year	Less: Reclassification of previous other comprehensive income to profit or loss in the current year	Less: Income tax expenses	Other comprehensive income, net of tax
Other comprehensive income that will not be reclassified to profit or loss				
Changes in fair value of other equity investments	656,668	-	(180,657)	476,011
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of other debt investments	8,146,104	(1,788,194)	(1,589,477)	4,768,433
Provision for credit impairment of other debt investments	63,806	-	(15,832)	47,974
Changes in fair value of loans and advances to customers measured at fair value through other comprehensive income	569,752	(416,927)	(38,206)	114,619
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	57,902	-	(14,475)	43,427
Exchange differences on translation of financial statements and others	69,239	-	-	69,239
Total	9,563,471	(2,205,121)	(1,838,647)	5,519,703

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (2) Statement of other comprehensive income in the income statement (continued)

	The Group			
	2023			
	Amount incurred before income tax for the current year	Less: Reclassification of previous other comprehensive income to profit or loss in the current year	Less: Income tax expenses	Other comprehensive income, net of tax
Other comprehensive income that will not be reclassified to profit or loss				
Changes in fair value of other equity investments	2,613,576	–	(660,642)	1,952,934
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of other debt investments	2,264,190	(1,252,535)	(252,915)	758,740
Provision for credit impairment of other debt investments	(11,647)	–	2,912	(8,735)
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	702,415	(376,690)	(81,431)	244,294
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	(134,499)	–	33,625	(100,874)
Exchange differences on translation of financial statements and others	(5,614)	–	–	(5,614)
Total	5,428,421	(1,629,225)	(958,451)	2,840,745

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (2) Statement of other comprehensive income in the income statement (continued)

	The Bank			
	2024			
	Amount incurred before income tax for the current year	Less: Reclassification of previous other comprehensive income to profit or loss in the current year	Less: Income tax expenses	Other comprehensive income, net of tax
Other comprehensive income that will not be reclassified to profit or loss				
Changes in fair value of other equity investments	656,668	-	(180,657)	476,011
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of other debt investments	8,135,743	(1,784,745)	(1,587,749)	4,763,249
Provision for credit impairment of other debt investments	63,806	-	(15,832)	47,974
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	569,752	(416,927)	(38,206)	114,619
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	57,902	-	(14,475)	43,427
Exchange differences on translation of financial statements and others	67,809	-	-	67,809
Total	9,551,680	(2,201,672)	(1,836,919)	5,513,089

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 33 Other comprehensive income (continued)

#### (2) Statement of other comprehensive income in the income statement (continued)

	The Bank			
	2023			
	Amount incurred before income tax for the current year	Less: Reclassification of previous other comprehensive income to profit or loss in the current year	Less: Income tax expenses	Other comprehensive income, net of tax
Other comprehensive income that will not be reclassified to profit or loss				
Changes in fair value of other equity investments	2,613,576	-	(660,642)	1,952,934
Items that may be reclassified subsequently to profit or loss				
Changes in fair value of other debt investments	2,260,147	(1,252,535)	(251,904)	755,708
Provision for credit impairment of other debt investments	(11,647)	-	2,912	(8,735)
Change in the fair value of loans and advances to customers measured at fair value through other comprehensive income	702,415	(376,690)	(81,431)	244,294
Provision for credit impairment of loans and advances to customers measured at fair value through other comprehensive income	(134,499)	-	33,625	(100,874)
Exchange differences on translation of financial statements and others	(5,912)	-	-	(5,912)
Total	5,424,080	(1,629,225)	(957,440)	2,837,415

## VII Notes to the financial statements (continued)

### 34 Surplus reserve

	The Group and the Bank	
	2024	2023
Opening balance	17,387,359	15,807,498
Increase in the current year	1,500,558	1,579,861
Ending balance	18,887,917	17,387,359

- (a) In accordance with the *Company Law of the People's Republic of China* and the Articles of Association of the Bank, the Bank and its subsidiaries should appropriate 10% of profit for the year for the year to the statutory surplus reserve, and the Bank can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities.

### 35 General reserve

	The Group	
	2024	2023
Opening balance	40,683,801	40,659,845
Increase in the current year	2,956,618	23,956
Ending balance	43,640,419	40,683,801

	The Bank	
	2024	2023
Opening balance	40,464,845	40,464,845
Increase in the current year	2,914,568	—
Ending balance	43,379,413	40,464,845

Pursuant to relevant banking laws and regulations in China, from 1 July 2012, the Bank appropriated statutory general reserve from profit for the year through appropriation of profit in accordance with the *Administrative Measures for the Provision of Reserves of Financial Enterprises* (Cai Jin [2012] No. 20). The proportion of statutory general reserve appropriated is determined by the Bank, taking into account the risks it assumes and other factors. The proportion is generally no less than 1.5% of the ending balance of risk assets. The statutory general reserve is an integral part of shareholders' equity but not subject to dividend distribution. The Bank's subsidiaries also appropriate corresponding general risk reserve based on the regulatory requirements.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 36 Appropriation of profit

- (a) According to relevant laws and regulations, the Bank planned the following distributions of profits for the year ended 31 December 2024:

- Appropriated 10% of profit for the year, amounting to RMB1,501 million to the statutory surplus reserve;
- Distributed cash dividends of RMB0.767 (tax inclusive) per 10 shares to shareholders registered in the share ledger, amounting to a total dividends of RMB1,671 million. The dividend payable is not reflected in liabilities of the financial statements.

The above plans of distributions of profits were pending approval of General Meeting.

- (b) At the 2023 Annual General Meeting held on 20 June 2024, the shareholders approved the following appropriations of profits of the bank for the year ended 31 December 2023:

- Appropriated 10% of profit for the year, amounting to RMB1,580 million to the statutory surplus reserve;
- Based on the risk-weighted assets balance as at the end of 2023, the required balance of general risk provisions at year-end 2023 was lower than the balance at the beginning of the year. Therefore, no general risk provisions were required to be made for the year 2023;
- Distributed cash dividends of RMB0.804 (tax inclusive) per 10 shares to shareholders registered in the share ledger, amounting to a total dividends of RMB1,752 million.

In distributing cash dividends to shareholders, the Bank withholds and remits the applicable income tax on behalf of its individual shareholders in accordance with the relevant tax administration laws and regulations of China. Corporate shareholders are required to pay income tax at their applicable tax rates.

- (c) The Bank paid interest on the 2019 undated capital bonds of RMB2,025 million (2023: RMB2,025 million) on 27 September 2024.

## VII Notes to the financial statements (continued)

### 37 Net interest income

	The Group	
	2024	2023
Interest income		
Due from central banks	2,124,408	2,612,888
Due from banks and other financial institutions	120,918	154,421
Placements with banks and other financial institutions	1,868,152	1,912,666
Financial assets held under resale agreements	628,057	1,489,603
Loans and advances to customers		
– Corporate loans and advances	37,969,700	37,248,652
– Personal loans and advances (a)	46,026,493	53,205,503
– Discounted notes	3,442,902	4,410,151
Financial investment	25,282,584	24,557,981
Sub-total	117,463,214	125,591,865
Interest expenses		
Borrowings from central banks	(1,575,854)	(762,514)
Due to banks and other financial institutions	(9,191,620)	(8,605,710)
Placements from banks and other financial institutions	(1,790,661)	(2,309,477)
Financial assets sold under repurchase agreements	(1,448,639)	(1,783,850)
Customer deposits	(44,118,774)	(53,370,820)
Bonds issued	(9,686,480)	(7,690,939)
Sub-total	(67,812,028)	(74,523,310)
Net interest income	49,651,186	51,068,555

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 37 Net interest income (continued)

	The Bank	
	2024	2023
Interest income		
Due from central banks	2,124,408	2,612,888
Due from banks and other financial institutions	106,935	146,800
Placements with banks and other financial institutions	1,868,152	1,912,666
Financial assets held under resale agreements	627,846	1,489,362
Loans and advances to customers		
– Corporate loans and advances	37,969,700	37,248,652
– Personal loans and advances (a)	46,026,493	53,205,503
– Discounted notes	3,442,902	4,410,151
Financial investment	25,185,743	24,457,959
Sub-total	117,352,179	125,483,981
Interest expenses		
Borrowings from central banks	(1,575,854)	(762,514)
Due to banks and other financial institutions	(9,193,914)	(8,607,729)
Placements from banks and other financial institutions	(1,790,661)	(2,309,477)
Financial assets sold under repurchase agreements	(1,448,639)	(1,783,850)
Customer deposits	(44,118,774)	(53,370,820)
Bonds issued	(9,686,480)	(7,690,939)
Sub-total	(67,814,322)	(74,525,329)
Net interest income	49,537,857	50,958,652

## VII Notes to the financial statements (continued)

### 38 Net fee and commission income

	The Group	
	2024	2023
Fee and commission income		
Bank card fees	10,980,741	12,570,790
Agency service fees	964,284	1,110,794
Guarantee and commitment fees	695,178	802,883
Settlement and clearing fees	862,003	676,380
Commission on trust and fiduciary activities	587,366	581,483
Debenture underwriting fees	340,005	465,444
Commission on wealth management products	584,212	431,662
Consultancy and advisory fees	321,636	294,723
Others	294,877	79,012
Sub-total	15,630,302	17,013,171
Fee and commission expenses		
Bank card fees	(4,179,114)	(4,564,263)
Settlement and clearing fees	(240,454)	(229,939)
Agency expenses	(81,004)	(122,994)
Others	(155,762)	(241,429)
Sub-total	(4,656,334)	(5,158,625)
Net fee and commission income	10,973,968	11,854,546

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 38 Net fee and commission income (continued)

	The Bank	
	2024	2023
Fee and commission income		
Bank card fees	10,980,741	12,570,790
Agency service fees	964,284	1,110,794
Guarantee and commitment fees	695,178	802,883
Settlement and clearing fees	862,003	676,380
Commission on trust and fiduciary activities	587,366	581,483
Debenture underwriting fees	340,005	465,444
Commission on wealth management products	258,524	188,544
Consultancy and advisory fees	321,636	294,723
Others	294,877	79,012
Sub-total	15,304,614	16,770,053
Fee and commission expenses		
Bank card fees	(4,179,114)	(4,564,263)
Settlement and clearing fees	(240,454)	(229,939)
Agency expenses	(81,051)	(123,905)
Others	(155,762)	(241,429)
Sub-total	(4,656,381)	(5,159,536)
Net fee and commission income	10,648,233	11,610,517

## VII Notes to the financial statements (continued)

### 39 Investment income

	The Group	
	2024	2023
Gains on financial instruments at fair value through profit or loss	3,375,519	2,998,977
Gains on disposal of other debt investments at fair value through other comprehensive income	1,788,194	1,252,535
Gains on derecognition of debt investments at amortised cost	1,555,323	1,059,419
Losses on derivative financial instruments	(445,620)	(67,409)
Precious metal investment losses	(61,029)	(85,860)
Net losses on financial liabilities at fair value through profit or loss	(14,241)	(37,355)
Others	473,757	433,648
Total	6,671,903	5,553,955

	The Bank	
	2024	2023
Gains on financial instruments at fair value through profit or loss	3,348,196	2,957,140
Gains on disposal of other debt investments at fair value through other comprehensive income	1,784,746	1,252,535
Gains on derecognition of debt investments at amortised cost	1,549,219	1,059,419
Gains on derivative financial instruments	(445,620)	(67,409)
Precious metal investment losses	(61,029)	(85,860)
Net losses on financial liabilities at fair value through profit or loss	(14,241)	(37,355)
Others	473,757	433,648
Total	6,635,028	5,512,118

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 40 Gains/(Losses) arising from changes in fair value

	The Group	
	2024	2023
Financial assets held for trading, precious metals and others	1,435,295	942,310
Derivative financial assets and derivative financial liabilities	15,090	(63,345)
Total	1,450,385	878,965

	The Bank	
	2024	2023
Financial assets held for trading, precious metals and others	1,417,959	919,506
Derivative financial assets and derivative financial liabilities	15,090	(63,345)
Total	1,433,049	856,161

### 41 Foreign exchange gains/(losses)

Foreign exchange gains/(losses) mainly consist of the gains or losses on conversion of foreign currency assets and liabilities, the realised gains or losses and unrealised changes in the fair value arising from foreign exchange derivatives.

### 42 Gains from disposal of non-current assets

	The Group and the Bank	
	2024	2023
Gains on disposals of fixed assets	29,138	4,935
Losses on disposals of repossessed assets	–	(161)
Gains on disposals of right-of-use assets	4,845	15,415
Total	33,983	20,189

## VII Notes to the financial statements (continued)

### 43 Other income

The Group		
	2024	2023
Government grants – Income related	32,844	23,562

The Bank		
	2024	2023
Government grants – Income related	14,611	12,725

### 44 Taxes and surcharges

The Group		
	2024	2023
City maintenance and construction tax	390,004	434,278
Educational surcharge	279,484	311,397
Property tax	113,485	112,701
Stamp tax	49,788	50,472
Others	3,613	6,577
Total	836,374	915,425

The Bank		
	2024	2023
City maintenance and construction tax	389,050	433,382
Educational surcharge	278,803	310,756
Property tax	113,485	112,700
Stamp tax	49,763	50,313
Others	3,613	6,570
Total	834,714	913,721

Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

VII   Notes to the financial statements (continued)

45   Operating and administrative expenses

	The Group	
	2024	2023
Employee benefits and welfare	15,948,500	16,295,058
Depreciation, amortisation and leasing fees	4,628,765	4,611,115
Outsourcing service fees	1,429,154	1,501,051
General operating expenses	815,861	1,042,627
Others	3,236,793	3,658,304
Total	26,059,073	27,108,155

	The Bank	
	2024	2023
Employee benefits and welfare	15,856,105	16,201,892
Depreciation, amortisation and leasing fees	4,572,262	4,568,790
Outsourcing service fees	1,422,311	1,493,364
General operating expenses	814,459	1,039,909
Others	3,220,275	3,634,936
Total	25,885,412	26,938,891

## VII Notes to the financial statements (continued)

### 46 Credit impairment losses

	The Group	
	2024	2023
Loans and advances to customers		
– Loans and advances to customers measured at amortised cost	23,390,350	23,506,744
– Loans and advances to customers measured at fair value through other comprehensive income	57,902	(134,499)
Financial investment		
– Debt investments	(9,459)	(136,451)
– Other debt investments	61,912	(11,647)
Provisions for guarantee and commitment	(237,758)	(667,006)
Placements with banks and other financial institutions	164,677	27,815
Others	36,951	79,048
Total	23,464,575	22,664,004

	The Bank	
	2024	2023
Loans and advances to customers		
– Loans and advances to customers measured at amortised cost	23,390,350	23,506,744
– Loans and advances to customers measured at fair value through other comprehensive income	57,902	(134,499)
Financial investment		
– Debt investments	(9,556)	(136,330)
– Other debt investments	61,912	(11,647)
Provisions for guarantee and commitment	(237,758)	(667,006)
Placements with banks and other financial institutions	164,677	27,815
Others	37,016	79,010
Total	23,464,543	22,664,087

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## VII    Notes to the financial statements (continued)

### 47    Non-operating income and expenses

#### *Non-operating income*

	The Group	
	2024	2023
Write back of long-term payables	45,979	10
Write back of income from long-term undrawn payments	28,438	12,039
Government grants unrelated to daily activities	24,848	20,194
Penalty and overdue fine	9,474	38,648
Others	5,447	15,163
Total	114,186	86,054

	The Bank	
	2024	2023
Write back of long-term payables	45,979	10
Write back of income from long-term undrawn payments	28,438	12,039
Government grants unrelated to daily activities	24,846	20,188
Penalty and overdue fine	9,474	38,648
Others	5,350	15,105
Total	114,087	85,990

## VII Notes to the financial statements (continued)

### 47 Non-operating income and expenses (continued)

#### *Non-operating expenses*

The Group		
	2024	2023
Accrual/(Reversal) of provisions	114,111	5,481
Penalty and compensation	283,981	52,160
Losses on fixed assets pending for disposal	8,068	31,800
Donation	16,000	22,000
Others	183,490	126,869
Total	605,650	238,310

The Bank		
	2024	2023
Accrual/(Reversal) of provisions	114,111	5,481
Penalty and compensation	283,981	52,160
Losses on fixed assets pending for disposal	8,068	31,800
Donation	16,000	22,000
Others	183,490	125,748
Total	605,650	237,189

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 48 Income tax expenses

	The Group	
	2024	2023
Current income tax	4,041,940	3,430,151
Deferred income tax	(944,496)	(657,572)
Total	3,097,444	2,772,579

	The Bank	
	2024	2023
Current income tax	3,983,881	3,390,701
Deferred income tax	(943,779)	(655,422)
Total	3,040,102	2,735,279

The reconciliation from income tax calculated based on the applicable tax rates and profit before income tax presented in the consolidated financial statements to the income tax expenses is listed below:

	The Group	
	2024	2023
Profit before income tax	18,381,938	18,791,349
Income tax expenses at statutory tax rate of 25%	4,595,484	4,697,837
Non-deductible expenses (Note (i))	1,483,220	1,996,376
Income not subject to income tax (Note (ii))	(3,768,695)	(3,420,947)
Income tax adjustment for prior years	1,342,908	34,986
Others	(555,473)	(535,673)
Income tax expenses	3,097,444	2,772,579

## VII Notes to the financial statements (continued)

### 48 Income tax expenses (continued)

The reconciliation from income tax calculated based on the applicable tax rates and profit before income tax presented in the consolidated financial statements to the income tax expenses is listed below (continued):

	The Bank	
	2024	2023
Profit before income tax	18,045,685	18,533,885
Income tax expenses at statutory tax rate of 25%	4,511,421	4,633,471
Non-deductible expenses (Note (i))	1,483,220	1,996,376
Income not subject to income tax (Note (ii))	(3,741,974)	(3,393,881)
Income tax adjustment for prior years	1,342,908	34,986
Others	(555,473)	(535,673)
Income tax expenses	3,040,102	2,735,279

- (i) These amounts primarily represent staff costs in excess of the statutory deductible threshold, non-deductible entertainment expenses and impairment losses not expected to be approved by the tax authorities.
- (ii) These amounts primarily represent interest income from Chinese government bonds and local government bonds.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VII Notes to the financial statements (continued)

### 49 Notes to the cash flow statement

#### (a) Reconciliation from profit for the year to cash flows from operating activities

	The Group	
	2024	2023
Profit for the year	15,284,494	16,018,770
Add: Other asset impairment losses	3,181	47,009
Credit impairment losses	23,464,575	22,664,004
Depreciation of right-of-use assets	1,504,371	1,586,414
Depreciation of fixed assets	1,046,467	1,006,872
Amortisation of intangible assets	1,695,875	1,457,286
Amortisation of long-term prepaid expenses	336,362	387,655
Gains on disposals of fixed assets, intangible assets and other long-term assets	(33,983)	(20,350)
Losses on scrapping of long-term assets	11,027	133,638
Exchange gains	(1,142,690)	(767,114)
Losses arising from changes in fair value	(1,450,385)	(878,965)
Investment income	(6,316,075)	(5,320,127)
Interest income from investments	(25,282,584)	(24,557,981)
Interest expenses on bonds issued	9,686,480	7,690,939
Interest expenses on lease liabilities	162,438	174,681
Increase in deferred tax assets	(944,496)	(657,507)
Decrease in deferred tax liabilities	—	(65)
Increase in operating receivables	(68,498,766)	(29,551,560)
(Decrease)/increase in operating payables	(43,503,897)	96,878,703
Net cash flows from operating activities	(93,977,606)	86,292,302

## VII Notes to the financial statements (continued)

### 49 Notes to the cash flow statement (continued)

#### (a) Reconciliation from profit for the year to cash flows from operating activities (continued)

	The Bank	
	2024	2023
Profit for the year	15,005,583	15,798,606
Add: Other asset impairment losses	3,181	47,009
Credit impairment losses	23,464,543	22,664,087
Depreciation of right-of-use assets	1,488,326	1,570,368
Depreciation of fixed assets	1,041,152	1,001,812
Amortisation of intangible assets	1,663,536	1,438,604
Amortisation of long-term prepaid expenses	333,558	385,117
Gains on disposals of fixed assets, intangible assets and other long-term assets	(33,983)	(20,350)
Losses on scrapping of long-term assets	11,027	133,457
Exchange gains	(1,142,690)	(766,822)
Losses arising from changes in fair value	(1,433,049)	(856,161)
Investment income	(6,279,200)	(5,278,290)
Interest income from investments	(25,185,743)	(24,457,959)
Interest expenses on bonds issued	9,686,480	7,690,939
Interest expenses on lease liabilities	162,438	173,564
Increase in deferred tax assets	(943,779)	(655,422)
Increase in operating receivables	(68,482,458)	(29,568,016)
(Decrease)/increase in operating payables	(43,514,530)	96,806,920
Net cash flows from operating activities	(94,155,608)	86,107,463

Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

VII Notes to the financial statements (continued)

49 Notes to the cash flow statement (continued)

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

	The Group	
	2024	2023
Cash at the end of the year	3,163,596	3,014,310
Less: Cash at the beginning of the year	(3,014,310)	(3,237,716)
Add: Cash equivalents at the end of the year	265,180,013	205,916,543
Less: Cash equivalents at the beginning of the year	(205,916,543)	(175,816,144)
Net increase in cash and cash equivalents	59,412,756	29,876,993

	The Bank	
	2024	2023
Cash at the end of the year	3,163,596	3,014,310
Less: Cash at the beginning of the year	(3,014,310)	(3,237,716)
Add: Cash equivalents at the end of the year	264,573,643	205,574,680
Less: Cash equivalents at the beginning of the year	(205,574,680)	(175,585,929)
Net increase in cash and cash equivalents	59,148,249	29,765,345

## VII Notes to the financial statements (continued)

### 49 Notes to the cash flow statement (continued)

#### (c) Cash and cash equivalents

The Group		
	31 December 2024	31 December 2023
Cash on hand	3,163,596	3,014,310
Due from central banks	26,756,170	80,033,437
Due from banks and other financial institutions	7,393,534	10,118,197
Placements with banks and other financial institutions and Financial assets held under resale agreements	231,030,309	115,764,909
Total	268,343,609	208,930,853

The Bank		
	31 December 2024	31 December 2023
Cash on hand	3,163,596	3,014,310
Due from central banks	26,756,170	80,033,437
Due from banks and other financial institutions	6,787,164	9,776,334
Placements with banks and other financial institutions and Financial assets held under resale agreements	231,030,309	115,764,909
Total	267,737,239	208,588,990

The original maturity of financial assets listed in cash equivalents are within 3 months.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VIII Segment information

### 1 Geographical segments

The Bank operates principally in Mainland China. Apart from the Head Office, the Group has 49 direct branches in Beijing, Shanghai, Dalian, Shenyang, Zhengzhou, Nanjing, Hangzhou, Kunming, Guangzhou, Shenzhen, Dongguan, Zhuhai, Shantou, Meizhou, Huizhou, Shaoguan, Qingyuan, Zhongshan, Foshan, Jiangmen, Zhaoqing, Yangjiang, Zhanjiang, Wuhan, Maoming, Heyuan, Changsha, Tianjin, Harbin, Jinan, Urumqi, Chengdu, Fuzhou, Ningbo, Suzhou, Hefei, Chongqing, Xi'an, Shijiazhuang, Nanchang, Nanning, Taiyuan, Changchun, Guiyang, Qingdao, Haikou, Huhehaote, Macau Special Administration Region of the People's Republic of China ("Macau") and Hong Kong Special Administration Region of the People's Republic of China ("Hong Kong") respectively. Meanwhile, the Group has set up a capital operation centre and GuangYin Wealth Management Co., Ltd. in Shanghai.

In presenting information on the basis of geographical segments, operating income is allocated based on the location of the branches that generate the income. Assets are allocated based on the geographical location of the underlying assets.

Geographical areas which are based on the location of the Group's organizations, as defined for management reporting purposes, are as follows:

- "Yangtze River Delta": Shanghai, Jiangsu Province and Zhejiang Province;
- "Pearl River Delta": Guangdong Province, Fujian Province and Hainan Province;
- "Bohai Rim": Beijing, Tianjin, Liaoning Province, Heilongjiang Province, Jilin Province, Shandong Province and Hebei Province;
- "Central and Western": Henan Province, Hubei Province, Hunan Province, Yunnan Province, Sichuan Province, Guizhou Province, Anhui Province, Shaanxi Province, Chongqing, Guangxi Zhuang Autonomous Region, Jiangxi Province, Shanxi Province, Xinjiang Uygur Autonomous Region and Neimenggu Autonomous Region;
- "Head Office": Head Office and Credit Card Centre;
- "Overseas": Macau and Hong Kong

## VIII Segment information (continued)

### 1 Geographical segments (continued)

	The Group 2024						
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central and Western	Head Office	Overseas	Total
External net interest income/ (expenses)	11,870,615	568,122	(2,437,124)	9,441,402	29,880,790	327,381	49,651,186
Inter-segment net interest income/(expenses)	(396,085)	10,485,694	8,006,606	(2,600,201)	(15,031,527)	(464,487)	–
Net interest income	11,474,530	11,053,816	5,569,482	6,841,201	14,849,263	(137,106)	49,651,186
Net fee and commission income	968,046	916,272	648,358	718,365	7,458,968	263,959	10,973,968
Other net income	8,651,152	242,406	230,835	187,289	(1,050,748)	350,602	8,611,536
Revenue	21,093,728	12,212,494	6,448,675	7,746,855	21,257,483	477,455	69,236,690
Operating and administrative expenses	(3,563,518)	(5,624,268)	(3,540,446)	(3,579,927)	(9,569,302)	(181,612)	(26,059,073)
Impairment losses on assets	(2,214,908)	(2,668,331)	(1,499,968)	(1,979,740)	(14,836,926)	(267,883)	(23,467,756)
Other operating expenses	(172,350)	(168,505)	(99,264)	(144,721)	(250,599)	(1,020)	(836,459)
Operating expenses	(5,950,776)	(8,461,104)	(5,139,678)	(5,704,388)	(24,656,827)	(450,515)	(50,363,288)
Operating profit	15,142,952	3,751,390	1,308,997	2,042,467	(3,399,344)	26,940	18,873,402
Net non-operating income	(103,948)	14,418	(21,365)	(140,378)	(240,192)	1	(491,464)
Profit before income tax	15,039,004	3,765,808	1,287,632	1,902,089	(3,639,536)	26,941	18,381,938

	The Group 2024						
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central and Western	Head Office	Overseas	Total
Segment assets	1,809,224,519	926,626,538	628,289,171	443,006,539	628,823,828	88,081,479	4,524,052,074
Offsetting							(879,059,111)
Total assets							3,644,992,963
Segment liabilities	1,786,559,044	922,761,457	627,530,659	441,324,729	359,880,854	86,984,168	4,225,040,911
Offsetting							(879,059,111)
Total liabilities							3,345,981,800

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VIII Segment information (continued)

### 1 Geographical segments (continued)

	The Group 2023						
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central and Western	Head Office	Overseas	Total
External net interest income/ (expenses)	11,953,653	(1,303,870)	(4,528,464)	8,815,953	36,024,837	106,446	51,068,555
Inter-segment net interest income/(expenses)	(3,195,662)	13,447,919	10,601,614	(1,382,259)	(19,063,001)	(408,611)	–
Net interest income	8,757,991	12,144,049	6,073,150	7,433,694	16,961,836	(302,165)	51,068,555
Net fee and commission income	913,695	679,542	713,160	619,839	8,737,041	191,269	11,854,546
Other net income	6,020,274	232,849	203,431	155,340	20,865	122,448	6,755,207
Revenue	15,691,960	13,056,440	6,989,741	8,208,873	25,719,742	11,552	69,678,308
Operating and administrative expenses	(3,656,892)	(5,840,499)	(3,569,162)	(3,654,133)	(10,186,783)	(200,686)	(27,108,155)
Impairment losses on assets	(1,911,163)	(2,712,264)	(126,307)	(2,750,597)	(14,435,004)	(775,678)	(22,711,013)
Other operating expenses	(191,383)	(172,703)	(110,644)	(150,357)	(289,533)	(915)	(915,535)
Operating expenses	(5,759,438)	(8,725,466)	(3,806,113)	(6,555,087)	(24,911,320)	(977,279)	(50,734,703)
Operating profit	9,932,522	4,330,974	3,183,628	1,653,786	808,422	(965,727)	18,943,605
Net non-operating income	(33,526)	(22,683)	(25,553)	(22,088)	(48,631)	225	(152,256)
Profit before income tax	9,898,996	4,308,291	3,158,075	1,631,698	759,791	(965,502)	18,791,349

	The Group 2023						
	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central and Western	Head Office	Overseas	Total
Segment assets	1,612,755,759	874,854,434	626,634,635	414,385,063	757,368,114	67,391,313	4,353,389,318
Offsetting							(843,867,747)
Total assets							3,509,521,571
Segment liabilities	1,595,706,244	870,529,020	624,062,257	413,012,327	505,917,443	67,177,741	4,076,405,032
Offsetting							(843,867,747)
Total liabilities							3,232,537,285

## VIII Segment information (continued)

### 2 Operating segments

The Group manages its business by business lines and geographical areas. The Group has presented the operating segments in a manner consistent with the way in which information is reported internally to the Group's management for the purposes of resource allocation and performance assessment. The Group defines reporting segments based on the following business operating segments:

#### ***Corporate banking business***

This segment provides financial products and services to corporations, government agencies and financial institutions. The range of products and services includes corporate loans, trade financing, deposit services, agency services, cash management services, finance consulting and advisory services, remittance and settlement services, and guarantee services.

#### ***Retail banking and credit card business***

This segment provides financial products and services to individual customers. The range of products and services includes loans, deposit services, wealth management services, remittance services, securities agency services and credit cards services, etc.

#### ***Treasury operations and other business***

This segment contains the income, profit achievements, assets and liabilities of GuangYin Wealth Management Co., Ltd.

Treasury operations and other business cover inter-bank market transactions, repurchase transactions, debenture investments and transactions, derivative financial instruments, custody services, asset management services, equity investments, foreign currency trading and segments that could not be listed separately or could not be divided by any reasonable benchmark. It also covers the management of the Group's overall liquidity position, including the issuance of bonds

Segment accounting policies are consistent with those for the Group's financial statements. Transactions between segments are conducted under normal commercial terms and conditions. Internal charges and transfer pricing are determined with reference to market price and have been reflected in the performance of each segment. Interest income and expenses earned from third parties are listed as "external net interest income/(expenses)". Net interest income and expenses arising from internal charges and transfer pricing adjustments are listed as "inter-segment net interest income/(expenses)".

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 include intra-bank balances and intra-bank transactions that are eliminated in the preparation of the financial statements.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## VIII Segment information (continued)

### 2 Operating segments (continued)

	The Group			
	2024			
	Corporate banking business	Retail banking and credit card business	Treasury operations and other business	Total
External net interest income	13,715,487	33,430,928	2,504,771	49,651,186
Inter-segment net interest income/(expenses)	6,014,036	(9,742,277)	3,728,241	–
Net interest income	19,729,523	23,688,651	6,233,012	49,651,186
Net fee and commission income	2,029,823	7,650,968	1,293,177	10,973,968
Net Other income	430,352	10,684	8,170,500	8,611,536
Revenue	22,189,698	31,350,303	15,696,689	69,236,690
Segment assets	1,169,628,684	854,694,497	1,620,669,782	3,644,992,963
Segment liabilities	1,631,297,060	642,008,800	1,072,675,940	3,345,981,800

	The Group			
	2023			
	Corporate banking business	Retail banking and credit card business	Treasury operations and other business	Total
External net interest income	8,497,559	40,719,718	1,851,278	51,068,555
Inter-segment net interest income/(expenses)	11,860,196	(12,129,690)	269,494	–
Net interest income	20,357,755	28,590,028	2,120,772	51,068,555
Net fee and commission income	2,032,892	8,868,413	953,241	11,854,546
Net Other income	450,840	13,742	6,290,625	6,755,207
Revenue	22,841,487	37,472,183	9,364,638	69,678,308
Segment assets	1,122,231,202	888,890,614	1,498,399,755	3,509,521,571
Segment liabilities	1,608,579,061	590,207,449	1,033,750,775	3,232,537,285

## IX Subsidiaries

**Subsidiaries included in the consolidation scope as at 31 December 2024 are as follows:**

	Place of registration	Major business location	Nature of business	Shareholding (%)
GuangYin Wealth Management Co., Ltd. (a)	Shanghai, China	China	Issuing wealth management products, investing and managing the entrusted property of investors, etc	100%

- (a) On 1 December 2021, the Bank established GuangYin Wealth Management Co., Ltd.
- (b) The percentage of shareholding in GuangYin Wealth Management Co., Ltd. held by the Bank is 100%. The decisions on GuangYin Wealth Management Co., Ltd.'s relevant activities are made by the Board of Directors. The resolution of the Board of Directors should be subject to the consensus of a majority directors.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## X Related parties and related party transactions

### 1 Major shareholders and subsidiaries of the Group they belong to

The Bank has no controlling shareholders. According to the *Interim Measures for the Equity Management of Commercial Banks* (China Banking Regulatory Commission [2018] No.1), the related parties of the Bank's major shareholders refer to shareholders who hold more than 5% of the Bank's shares or a shareholder who has a total share of less than 5% but has a significant impact on the Bank's operations and management. Among them, major influences include, but are not limited to, the dispatch of directors, supervisors or senior management personnel to the Bank. As at 31 December 2024, the related parties of the Bank's major shareholders were as follows:

	Place of registration	Registered Capital	Shareholding in the Bank as at 31 December 2024	Main operations	Relationship with the Bank	Nature or type of business	Legal representative
China Life Insurance Company Limited	Beijing	RMB28.265 billion	43.686%	Providing personal life insurance, group life insurance, accident insurance and health insurance products and services, etc.	Shareholders	Joint-stock enterprise	Cai Xiliang
CITIC Trust Co., Ltd.	Beijing	RMB11.276 billion	14.137%	Trust, investment funds, advisory and consulting, debenture underwriting, inherent property application, inter-bank money market transactions and other business permitted by regulations or approved by the former China Banking Regulatory Commission, etc.	Shareholders	Limited liability company	Lu Wei
State Grid Yingda International Holdings Corporation, Ltd.	Beijing	RMB108.112 billion	8.919%	Investment and asset management; asset custody; services for corporate restructuring, mergers and acquisitions, strategic allotment and venture capital; investment consultant	Shareholders	Limited liability company	Yang Dongwei
Jiangxi Provincial Transportation Investment Group Co., Ltd.	Nanchang	RMB9.505 billion	8.184%	Investment, construction and operation of expressway infrastructure, operation of expressway service area and construction of transportation infrastructure, etc.	Shareholder	Limited liability company	Xie Jianfa
The Ministry of Finance of the People's Republic of China (a)	Beijing	/	5.218%	/	Shareholder	/	/
Guangzhou Urban Construction Investment Group Co., Ltd. (b)	Guangzhou	RMB17.524 billion	3.414%	Municipal facilities management, investment management service, real estate development and management, engineering project management	Shareholder	Limited liability company	Chen Qiang
Shantou Investment Holdings Group Co., Ltd. (c)	Shantou	RMB0.322 billion	0.107%	Investment, development, sales, service	Shareholder	Limited liability company	Yang Haiwen

(a) According to the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions, the Ministry of Finance of the People's Republic of China does not apply the regulatory requirements for the management of related parties.

## X Related parties and related party transactions (continued)

### 1 Major shareholders and subsidiaries of the Group they belong to (continued)

#### *Changes in major shareholders' shareholdings in the Bank*

	31 December 2024	
	Shares	Shareholding (%)
China Life Insurance Company Limited	9,519,210,262	43.686
CITIC Trust Co., Ltd.	3,080,479,452	14.137
State Grid Yingda International Holdings Corporation, Ltd.	1,943,533,352	8.919
Jiangxi Provincial Transportation Investment Group Co., Ltd.	1,783,343,771	8.184
The Ministry of Finance of the People's Republic of China	1,136,946,100	5.218
Guangzhou Urban Construction Investment Group Co., Ltd.	744,013,552	3.414
Shantou Investment Holdings Group Co., Ltd.	23,323,753	0.107

	31 December 2023	
	Shares	Shareholding (%)
China Life Insurance Company Limited	9,519,210,262	43.686
CITIC Trust Co., Ltd.	3,080,479,452	14.137
State Grid Yingda International Holdings Corporation, Ltd.	1,943,533,352	8.919
Jiangxi Provincial Transportation Investment Group Co., Ltd.	1,783,343,771	8.184
The Ministry of Finance of the People's Republic of China	1,136,946,100	5.218
Guangzhou Urban Construction Investment Group Co., Ltd.	744,013,552	3.414
Shantou Investment Holdings Group Co., Ltd.	23,323,753	0.107

The related party transactions and balances with major shareholders and subsidiaries of the Group they belong to are summarised in Note X.5 and 7.

Subsidiaries of the Group that the Bank's major shareholders belong to include the companies controlled or jointly controlled by the Bank's major shareholders, the parents of the Bank's major shareholders and the companies controlled or jointly controlled by the parents.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## X Related parties and related party transactions (continued)

### 2 Other related parties

Other related parties include companies directly or indirectly controlled and jointly controlled by the Bank’s directors, supervisors, senior management and close family members, or companies in which the Bank’s directors, supervisors, senior management and close family members serve as their directors or senior management personnel and joint ventures and subsidiaries of enterprises exerting significant influence on the Bank.

### 3 Controlled subsidiaries

The controlled subsidiaries of the Bank are detailed in Note IX.

### 4 Related natural persons

- (1) Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including directors, supervisors and senior management.
- (2) Close family members of the key management stated above.

## X Related parties and related party transactions (continued)

### 5 Related party transactions

	Main shareholders	Controlled subsidiaries	Other related parties	Total
Transactions for the year ended 31 December 2024:				
Interest income	263,705	–	135	263,840
Fee and commission income	329,710	85	–	329,795
Investment income	744,241	–	–	744,241
Other operating expenses	1,578	71,303	–	72,881
Non-operating income	3,245	–	–	3,245
Interest expenses	(1,646,419)	(2,293)	(5,397)	(1,654,109)
Fee and commission expenses	(4,823)	–	–	(4,823)
Operating and administrative expenses	(1,053,582)	–	–	(1,053,582)
Balances as at 31 December 2024:				
Financial assets held for trading	26,579,403	–	–	26,579,403
Derivative financial assets	240,198	–	–	240,198
Loans and advances to customers	14,279,078	–	3,580	14,282,658
Other debt investments	5,074,109	–	–	5,074,109
Right-of-use assets	156,150	–	–	156,150
Deposits from banks and non-bank financial institutions	23,272,699	53,504	–	23,326,203
Derivative financial liabilities	63,307	–	–	63,307
Customer deposits	34,194,344	–	80,006	34,274,350
Bonds issued	49,457	–	–	49,457
Lease liabilities	146,289	–	–	146,289

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## X Related parties and related party transactions (continued)

### 5 Related party transactions (continued)

	Main shareholders	Controlled subsidiaries	Other related parties	Total
Transactions for the year ended 31 December 2023				
Interest income	412,805	–	450	413,255
Fee and commission income	405,591	938	–	406,529
Investment income	508,355	–	–	508,355
Other operating income	4,188	–	–	4,188
Non-operating income	540	–	–	540
Interest expenses	(3,031,918)	(2,019)	(1,570)	(3,035,507)
Fee and commission expenses	(3,493)	–	–	(3,493)
Operating and administrative expenses	(365,222)	–	–	(365,222)
Balances as at 31 December 2023:				
Financial assets held for trading	21,118,439	–	–	21,118,439
Derivative financial assets	131,856	–	–	131,856
Loans and advances to customers	8,752,974	–	11,436	8,764,410
Debt investments	4,941,386	–	–	4,941,386
Other debt investments	1,834,916	–	–	1,834,916
Right-of-use assets	262,207	–	623	262,830
Deposits from banks and non-bank financial institutions	20,004,454	25,012	–	20,029,466
Derivative financial liabilities	73,272	–	–	73,272
Customer deposits	69,884,827	–	59,514	69,944,341
Bonds issued	98,100	–	–	98,100
Lease liabilities	269,631	–	505	270,136
Other liabilities	–	7,902	–	7,902

Excluding the above balances, the Bank has no other amounts refer to shareholders having 5% or more of the Bank's shares or holding less than 5% of the total shares but has a significant impact on the Bank's operation and management. All significant related-party transactions of the Bank (including the manner and terms of receipt and payment) are conducted on normal commercial terms.

Transactions with related natural persons and other related parties are conducted in accordance with normal commercial terms and business procedures, on the basis of general transaction prices. Except for the transactions with other related parties disclosed in Note X.5 and 7, other transactions between the Bank and related natural persons and other related parties are not significant. Therefore, the Bank does not disclose other related transactions.

## X Related parties and related party transactions (continued)

### 6 Remuneration of key management

	2024	2023
Remuneration of key management	<b>RMB28 million</b>	RMB33 million

The total compensation package for key management for the year ended 31 December 2024 has not yet been finalised in accordance with regulations of relevant authorities. But it is expected to have no significant impact on the Bank's financial statements for the year ended 31 December 2024.

During 2024 and 2023, there were no amounts paid or payable by the Bank to the directors, supervisors or senior management as an inducement to join or upon joining the Bank or as termination benefits, and there was also no waiver of any emoluments.

### 7 Enterprise annuity

During 2024, the Group made annuity contributions of RMB814 million to the Annuity Plan managed by China Life Pension Company Limited. The contributions of the Bank and the employees were RMB651 million and RMB163 million respectively. (2023: RMB814 million, including RMB651 million contributed by the Bank and RMB163 million contributed by employees).

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XI Interests in structured entities

### 1. Unconsolidated structured entities

#### *Unconsolidated structured entities sponsored and managed by the Group*

The unconsolidated structured entities sponsored and managed by the Group consist primarily of non-principal guaranteed wealth management products (WMPs), which are not subject to any guarantee of the Group on the principal invested or interest to be paid. The WMPs are mainly invested in money market instruments, bonds, bank deposits, non-standard debt assets, public funds and other assets that are allowed to be invested by regulations. As the manager of these products, the Group manages and invests the wealth management funds in accordance with the provisions of the product contracts, and distributes the principal and investment income (if any) to investors according to the operation of the products..

As at 31 December 2024, the size of non-principal guaranteed WMPs issued by the Group amounted to RMB182,368 million (31 December 2023: RMB166,515 million). In 2024, the Group's revenue from WMPs service was RMB584 million (2023: RMB432 million).

In 2024 and 2023, the Group did not enter into any agreed liquidity arrangements, guarantees or other commitments that would increase the Group's risk as a result of the above WMPs with wealth management entities or any third parties. There were no provisions that the Group should assume losses on the non-guaranteed WMPs. In 2024 and 2023, the non-guaranteed WMPs issued by the Group did not cause any losses to the Group, nor financial difficulties.

#### *Other unconsolidated structured entities invested by the Group*

The Group invests in other unconsolidated structured entities which are sponsored or managed by other entities for investment return, and related gains or losses are included in investment income or losses and interest income therefrom. These unconsolidated structured entities mainly comprise asset management products, fund products and asset-backed securities invested by the Group. As at 31 December 2024, the carrying amount of the above unconsolidated structured entities held by the Group and the resulting maximum risk exposure amounted to RMB126,772 million (31 December 2023: RMB126,667 million), which are presented in financial assets held for trading and debt investments of the Group's consolidated financial statements separately.

## XII Commitments

### 1 Loan commitments and financial guarantee contracts

	31 December 2024	31 December 2023
	The Group and the Bank	The Group and the Bank
Undrawn credit facilities	818,097,160	853,128,231
Loan commitments	42,558,585	37,063,294
Bank acceptance notes	349,715,941	304,284,069
Guarantee and letters of guarantee issued	60,774,786	60,408,210
Letters of credit issued	95,884,191	70,526,475
Total	1,367,030,663	1,325,410,279

Loan commitments and financial guarantee contracts include credit facilities provided to customers and general credit facilities which can be realised by loans or letters of credit issued, guarantee and letters of guarantee issued or bank acceptance notes.

### 2 Capital commitments

Capital commitments contracted for by the Group and the Bank but are not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

	The Group	
	31 December 2024	31 December 2023
Contracted but not provided	4,254,020	4,564,266

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## XII Commitments (continued)

### 3 National bonds redemption commitments

The Group and the Bank are appointed by the Ministry of Finance as its agent to underwrite national bonds. The Group and the Bank are obliged to redeem the bonds at the discretion of the holders prior to maturity. The redemption price for the bonds is based on the principal of the bonds plus any interest payable as determined under early redemption agreement.

As at 31 December 2024, the principal balance of the acceptance of the Group and the Bank in respect of underwritten, sold but not yet matured Chinese government bonds in the current year amounted to RMB2,001 million (31 December 2023: RMB1,868 million). The original maturities of the above national bonds vary from 3 to 5 years.

### 4 Lawsuits

The Group and the Bank acted as defendants in a number of legal proceedings in the normal course of business. As at 31 December 2024, according to court judgement or opinion of legal advisor, the Group and the Bank made provision of RMB138 million (31 December 2023: RMB51 million).

## XIII Collateral

### 1 Financial assets pledged as collateral

Financial assets of the Group including bonds and notes have been pledged as collateral for liabilities or contingent liabilities, mainly the repurchase agreements, due to central banks, the time deposits placed by Central Treasury in the commercial banks and bonds lending. As at 31 December 2024, the carrying amounts of the above financial assets pledged as collateral are as follows:

	The Group and the Bank	
	31 December 2024	31 December 2023
Bonds	259,324,686	341,424,743
Discounted notes	15,746,713	13,843,304
Total	275,071,399	355,268,047

As at 31 December 2024, the carrying amount of the Group's and the Bank's financial assets sold under repurchase agreements was RMB148,331 million (31 December 2023: RMB167,723 million). The repurchase agreements expire primarily within 1 year from the effective date.

### XIII Collateral (continued)

#### 2 Collateral accepted for financial assets held under resale agreements

The Group conducts resale agreements under usual and customary terms of placements, and holds collateral for these transactions. For the carrying amount of the financial assets held under resale agreements. As at 31 December 2024, the Group did not hold the collaterals for resale agreements which it was permitted to sell or repledge in the absence of default for the transactions (31 December 2023: Nil).

### XIV Fiduciary activities

#### 1 Entrusted loan business

The Group and the Bank act as the agent and grants such entrusted loans to borrowers under the direction of the third-party lenders who fund these loans. The Group and the Bank have been contracted by the third-party lenders to manage the administration and collection of these loans on their behalf. The credit risk is not recognised on the balance sheet as it remains with the trustees. As at 31 December 2024 and 31 December 2023, the scales of entrusted loans and deposits were as follows:

	The Group and the Bank	
	31 December 2024	31 December 2023
Entrusted deposits	(151,975,443)	(137,185,980)
Entrusted loans	151,975,443	137,185,980

#### 2 Entrusted wealth management

The Group and the Bank's entrusted wealth management is primarily unconsolidated non-principal guaranteed WMPs sold to enterprises or individuals. Details are set out in Note XI.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XV Transfer of financial assets

### 1 Credit asset securitisation

The Group transfers credit assets to special purpose entities which in turn issue asset-backed securities or fund shares to investors. The Group may acquire some or all of the asset-backed securities and fund shares at the subordinated tranche level and accordingly, and may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

With respect to the credit assets that are securitised and qualified for derecognition, the Bank derecognises the transferred credit assets in their entirety. As at 31 December, 2024, the Group held asset-backed securities investments of RMB17 million (31 December 2023: RMB14 million) in such credit asset securitisation transactions, which also approximated the Bank's maximum exposure to loss.

As at 31 December 2024, in the securitisation transactions of credit assets in which the Group continued to be involved to a certain extent, the value of assets that the Group continued to recognize was RMB717 million (31 December 2023: RMB735 million). At the same time, the Group recognized the same amount of continuing assets and continuing liabilities due to this event.

### 2 Transfer of right to earnings or right to properties

The Group enters into transfer of right to earnings or right to properties of credit assets transactions by which it transfers the right to structured entities which sell share of trust to investors. The Group would analyse and judge whether to derecognise relevant credit assets according to the degree of retention of risks and rewards. The Group did not hold corresponding share in transfers of right to earnings and right to properties of credit assets transactions as at 31 December 2024 (2023: Nil), and the Group derecognised all transferred credit assets.

### 3 Transfer of non-performing loans

The Group transferred non-performing loans and written-off loans to third parties with an original carrying amount of RMB2,776 million in 2024 (2023: RMB3,380 million). The Group transferred all the risks and rewards of these non-performing loans and therefore derecognised these transferred non-performing loans.

### 4 Securities lending transactions

In securities lending transactions, the counterparties are allowed to sell or repledge those securities in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. The Group has determined that it retains all the risks and rewards of these securities and therefore has not derecognised them. As at 31 December 2024, the balance of assets transferred in the Group's securities lending transactions was RMB150 million (2023: Nil).

## XVI Financial instruments and risk management

### Overview

The Group's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### Risk management framework

The Board of Directors has overall responsibility for the Group's risk management, and is responsible for establishing risk culture and determining the risk preference and risk tolerance, evaluating and discussing its objectives, strategies, policies and process towards significant risk management. The Risk Management Committee has been established under the Board of Directors, and it is responsible for reviewing and discussing the Bank's risk management strategies, risk management policies, major risk management matters, money laundering risk management, case prevention management and major asset disposal projects, and controlling, managing, evaluating and supervising the Group's risks. The Board of Supervisors bears the supervision responsibility for comprehensive risk management, and is responsible for supervising and inspecting the performance of the Board of Directors and senior management in risk management and supervising the rectification. The senior management is authorised to set up the Internal Control Compliance and Risk Management Committee, the Credit Review Committee, the Investment Business Review Committee, and the Non-performing Assets Disposal Review Committee and the Assets and Liabilities Management Committee under the management, to formulate the strategies, guidelines and policies of managing credit risk, market risk, interest rate risk of bank account, liquidity risk, operational risk, country risk and money laundering risk, evaluate the effectiveness of the management policies, supervise the implementation of the policies, identify deficiencies and sort out follow-up solutions.

As a leading department, the Risk Management Department is responsible for the daily management of overall risks. The Risk Management Department, the Credit Approval Department, the Retail Business Management Department and the Special Assets Operation Department are responsible for the enactment, implementation and management of the Bank's internal control policies on credit risk. The Risk Management Department is responsible for the enactment, implementation and management of the Bank's internal control policies on market risk, operational risk and country risk. The Assets and Liabilities Management Department is responsible for the enactment, implementation and management of the Group's internal control policies on interest rate risk of bank account and liquidity risk. The Legal and Compliance Department is responsible for enactment, implementation, inspection and management of the Group's compliance risk, information technology risk and money laundering risk policies; while the Internal Auditing Department and the Regional Auditing Centre are responsible for independent review and evaluation of the appropriateness and effectiveness of the Group's corporate governance, internal control and risk management. The various risk management decisions of the Board of Directors, the Risk Management Committee of the Board of Directors and the senior management shall be implemented by the branches under the guidance of relevant departments.

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## XVI   Financial instruments and risk management (continued)

### 1   Market risk

Market risk refers to the potential loss in both on-balance and off-balance sheet businesses of the Group caused by adverse changes of market prices (interest rates, exchange rates, goods price, stock prices and other prices). The market risk of the Group primarily arises from the interest rate risk and exchange rate risk of the banking business.

The Group has established a market risk management system framework according to the Commercial Bank Market Risk Management Guidance and other relevant policies. With the approval of the Board of Directors, the Group has established Risk Management Committee to lead the market risk management of the Bank. The Internal Control Compliance and Risk Management Committee has been established under the Vice President and it is responsible for the establishment, periodical review and monitoring of policies, procedures and detailed operational regulations on market risk management, as well as the evaluation on the comprehensiveness of market risk management. The Risk Management Department is responsible for managing and monitoring market risk of trading book, the Assets and Liabilities Management Department is responsible for managing and monitoring market risk of bank book, and reporting respectively to senior management and the Board of Directors independently.

The Group's risk control methods include, to identify, measure and monitor market risk through duration monitoring, exposure analysis, sensitivity analysis, and scenario analysis; to set up market risk limiting system for the Financial Market Department, which mainly consists of value at risk and sensitivity indicators, and to monitor the usage status of market risk limits. By performing deliberation procedures on the market risk of new products and complicated transactional business, the Group will ensure that market risk of new business will be identified and assessed as early as possible. The Group has executed the stress test for market risk under prudent condition. The Group quantitatively manages and monitors the market risk of trading book of the whole bank through the market risk and capital management system, and measures and monitors the interest rate risk of the bank account through the interest rate risk management system of the bank account.

The commodity price risk borne by the Group mainly comes from gold and other precious metals. The risk of loss arises from the fluctuation of commodity prices. The Group believes that the market risk arising from stock prices in transactions and portfolios and commodity prices (excluding gold) is not significant.

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (1) Foreign exchange risk

The Group's major transactions are denominated in RMB, part of transactions denominated in USD and HKD, and few transactions denominated in other foreign currencies. The Group's foreign currency risk comprises exposures that arise from foreign currency portfolio originated from daily treasury business and loans and advances to customers, balances from financial institutions, investments and customer deposits.

The foreign currency risk of the trading book includes the risks arising from foreign currency transactions on behalf of the customers and the corresponding squared transactions, as well as proprietary foreign currency transactions. The Group manages the foreign currency risk mainly by imposing quota on the transaction (including sensitivity limits and stop-loss limits). The Group evaluates the foreign currency risk with pressure test. The retail foreign currency businesses are operated on an automated trading system and the Bank can monitor the exposure timely. The market risk management system of the Group is able to measure and monitor the currency position created by various transactions that fall in the scope of the Bank's market risk management. Besides, the Group manages its foreign currency risk through spot foreign exchange and derivative transactions, and manages its foreign currency assets and liabilities portfolio and structured position with appropriate derivative such as foreign swap contracts.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (1) Foreign exchange risk (continued)

As at 31 December 2024 and 31 December 2023, the Group and the Bank's foreign exchange risk exposures on assets and liabilities were as follows:

	The Group				
	31 December 2024				
	RMB	USD	HKD	Others	Total
Cash and due from central banks	151,035,281	1,556,857	536,418	655,873	153,784,429
Due from banks and other financial institutions	4,167,942	2,796,388	460,182	197,710	7,622,222
Placements with banks and other financial institutions	85,405,098	7,719,317	-	315	93,124,730
Financial assets held under resale agreements	204,960,427	-	-	-	204,960,427
Loans and advances to customers	2,030,304,907	22,783,638	20,116,186	4,148,037	2,077,352,768
Financial assets held for trading	132,141,245	3,961,410	-	-	136,102,655
Debt investments	462,797,159	2,235,910	-	-	465,033,069
Other debt investments	362,600,365	65,713,001	5,534,980	-	433,848,346
Other equity investments	4,374,802	1,041,234	812	132	5,416,980
Others	51,595,801	162,101	102,908	1,259,345	53,120,155
<b>Total assets</b>	<b>3,489,383,027</b>	<b>107,969,856</b>	<b>26,751,486</b>	<b>6,261,412</b>	<b>3,630,365,781</b>
Due to central banks	(22,637,807)	-	-	-	(22,637,807)
Due to banks and other financial institutions	(358,442,638)	(18,080,583)	(75,089)	(3)	(376,598,313)
Placements from banks and other financial institutions	(20,013,015)	(30,295,008)	(5,265,406)	(8,517,972)	(64,091,401)
Financial liabilities held for trading	(952,908)	-	-	-	(952,908)
Financial assets sold under repurchase agreements	(147,788,372)	(542,567)	-	(125)	(148,331,064)
Customer deposits	(2,183,979,063)	(53,537,976)	(15,148,396)	(4,584,040)	(2,257,249,475)
Bonds issued	(430,824,994)	-	-	-	(430,824,994)
Others	(31,210,871)	(197,474)	(120,623)	(144,135)	(31,673,103)
<b>Total liabilities</b>	<b>(3,195,849,668)</b>	<b>(102,653,608)</b>	<b>(20,609,514)</b>	<b>(13,246,275)</b>	<b>(3,332,359,065)</b>
<b>Net exposure in balance sheet</b>	<b>293,533,359</b>	<b>5,316,248</b>	<b>6,141,972</b>	<b>(6,984,863)</b>	<b>298,006,716</b>
Net nominal amount of derivative financial instruments	(15,624,953)	(2,289,868)	(4,601,633)	6,642,611	(15,873,843)
Loan commitments and financial guarantee contracts	1,343,455,079	10,587,680	8,856,871	4,131,033	1,367,030,663

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (1) Foreign exchange risk (continued)

As at 31 December 2024 and 31 December 2023, the Group and the Bank's foreign exchange risk exposures on assets and liabilities were as follows (continued):

	The Group				
	31 December 2023				
	RMB	USD	HKD	Others	Total
Cash and due from central banks	229,020,185	1,747,585	408,340	820,898	231,997,008
Due from banks and other financial institutions	4,974,535	4,103,964	629,386	409,669	10,117,554
Placements with banks and other financial institutions	60,915,755	1,380,343	–	–	62,296,098
Financial assets held under resale agreements	112,252,131	–	–	–	112,252,131
Loans and advances to customers	1,978,780,509	26,995,553	11,529,306	3,626,987	2,020,932,355
Financial assets held for trading	112,753,228	6,887,978	–	–	119,641,206
Debt investments	525,751,544	10,649,546	–	–	536,401,090
Other debt investments	303,963,290	39,954,722	3,691,357	105,467	347,714,836
Other equity investments	4,030,094	840,370	–	131	4,870,595
Others	52,846,218	126,727	481,410	2,256,545	55,710,900
<b>Total assets</b>	<b>3,385,287,489</b>	<b>92,686,788</b>	<b>16,739,799</b>	<b>7,219,697</b>	<b>3,501,933,773</b>
Due to central banks	(67,015,262)	–	–	–	(67,015,262)
Due to banks and other financial institutions	(400,585,900)	(10,502,719)	(79,703)	–	(411,168,322)
Placements from banks and other financial institutions	(58,686,366)	(16,758,031)	(2,535,247)	(10,800,173)	(88,779,817)
Financial liabilities held for trading	(217,308)	–	–	–	(217,308)
Financial assets sold under repurchase agreements	(166,794,631)	(928,282)	–	–	(167,722,913)
Customer deposits	(2,123,058,127)	(40,412,401)	(14,256,894)	(3,798,050)	(2,181,525,472)
Bonds issued	(276,173,702)	–	–	–	(276,173,702)
Others	(30,711,490)	(1,635,737)	(213,610)	(145,917)	(32,706,754)
<b>Total liabilities</b>	<b>(3,123,242,786)</b>	<b>(70,237,170)</b>	<b>(17,085,454)</b>	<b>(14,744,140)</b>	<b>(3,225,309,550)</b>
<b>Net exposure in balance sheet</b>	<b>262,044,703</b>	<b>22,449,618</b>	<b>(345,655)</b>	<b>(7,524,443)</b>	<b>276,624,223</b>
Net nominal amount of derivative financial instruments	13,066,925	(20,330,006)	(189,690)	(6,441,959)	(13,894,730)
Loan commitments and financial guarantee contracts	1,306,898,783	9,465,836	4,434,385	4,611,275	1,325,410,279

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (1) Foreign exchange risk (continued)

The following table presents the potential impacts of net exposure of foreign currency assets and liabilities and net position of currency derivatives on profit before tax if the spot exchange rate and forward exchange rate of Renminbi to foreign currencies simultaneously appreciate or depreciate by 5%.

	The Group	
	31 December 2024	31 December 2023
	Profit before tax	Profit before tax
Appreciate by 5%	(292,090)	(891,134)
Depreciate by 5%	292,090	891,134

The impacts on profit before tax and other comprehensive income are determined based on the assumption that the Group and the Bank’s exchange rate sensitive position and net position of currency derivatives as at balance sheet dates remain unchanged. Based on management’s judgement of foreign exchange rate changes, the Group mitigates foreign currency risk by actively adjusting foreign currency exposure and using appropriate derivatives. The analysis does not take into consideration of the relevance among changes of different currency exchange rates, and the measures management may take to mitigate foreign currency risk. Therefore, the estimation of sensitivity analysis above may be different from actual results of foreign exchange rate changes.

#### (2) Interest rate risk

Interest rate risk refers to the risk of losses in the overall return and market value of financial instruments and positions due to adverse changes in interest rate levels, term structures, and other factors. In accordance with external regulatory requirements and internal bank book interest rate risk management policies, the Group has established and continuously improved the bank book interest rate risk management system, defined the interest rate risk governance structure, and established management processes for identifying, measuring, monitoring, controlling, and reporting interest rate risks.

The Group primarily manages interest rate risk through on-balance-sheet adjustments such as the scale of assets and liabilities business, term structure, and interest rate structure adjustments. Key methods used to measure and monitor bank book interest rate risk include gap analysis, duration analysis, sensitivity analysis, scenario simulation, and stress testing.

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (2) Interest rate risk (continued)

Currently, the main manifestations of interest rate risk include gap risk and the basis risk arising from inconsistent changes in lending and deposit rates, while the optionality risk associated with prepayments by customers is gradually increasing. The main measures for managing interest rate risk in the Group include:

- (i) Strengthening the analysis of interest rate trends, closely monitoring market conditions and policy dynamics, taking into account the internal interest rate risk exposure, proactively planning interest rate risk management strategies, and making flexible adjustments;
- (ii) Based on risk preferences, setting rate risk limits at various levels to constrain investment trading behavior, and continuously monitoring and reporting;
- (iii) Optimizing the asset-liability structure and continuously reducing the cost of liabilities; and
- (iv) Measuring and monitoring bank book interest rate risk through the bank book interest rate risk management system, establishing customer behavior option models as per regulatory requirements, with key models and parameter assumptions being independently validated in advance.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (2) Interest rate risk (continued)

As at the balance sheet date, the Group and the Bank's assets and liabilities categorised by the earlier of contractual maturity or repricing dates were as follows:

	The Group					
	31 December 2024					
	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Cash and due from central banks	150,303,530	-	-	-	3,480,899	153,784,429
Due from banks and other financial institutions	7,439,639	180,000	-	-	2,583	7,622,222
Placements with banks and other financial institutions	43,267,677	49,658,825	-	-	198,228	93,124,730
Financial assets held under resale agreements	204,916,895	-	-	-	43,532	204,960,427
Loans and advances to customers	722,892,587	1,046,330,765	280,051,274	21,354,415	6,723,727	2,077,352,768
Financial assets held for trading	1,917,393	13,348,769	13,796,487	15,837,294	91,202,712	136,102,655
Debt investments	21,130,105	90,763,711	213,552,711	133,218,251	6,368,291	465,033,069
Other debt investments	46,049,464	111,820,513	141,051,060	130,543,171	4,384,138	433,848,346
Investments in other equity instruments	-	-	-	-	5,416,980	5,416,980
Others	-	-	-	-	27,617,808	27,617,808
<b>Total assets</b>	<b>1,197,917,290</b>	<b>1,312,102,583</b>	<b>648,451,532</b>	<b>300,953,131</b>	<b>145,438,898</b>	<b>3,604,863,434</b>
Due to central banks	(14,472,000)	(7,800,000)	-	-	(365,807)	(22,637,807)
Due to banks and other financial institutions	(327,565,194)	(46,909,122)	-	-	(2,123,997)	(376,598,313)
Placements from banks and other financial institutions	(61,201,863)	(2,703,553)	-	-	(185,985)	(64,091,401)
Financial assets sold under repurchase agreements	(139,975,598)	(8,305,777)	-	-	(49,689)	(148,331,064)
Customer deposits	(1,064,362,593)	(485,347,882)	(637,277,511)	(26,159,868)	(44,101,621)	(2,257,249,475)
Bonds issued	(157,711,734)	(212,796,868)	-	(59,499,276)	(817,116)	(430,824,994)
Others	(494,809)	(836,605)	(2,494,382)	(538,252)	(20,278,665)	(24,642,713)
<b>Total liabilities</b>	<b>(1,765,783,791)</b>	<b>(764,699,807)</b>	<b>(639,771,893)</b>	<b>(86,197,396)</b>	<b>(67,922,880)</b>	<b>(3,324,375,767)</b>
<b>Asset-liability exposure</b>	<b>(567,866,501)</b>	<b>547,402,776</b>	<b>8,679,639</b>	<b>214,755,735</b>	<b>77,516,018</b>	<b>280,487,667</b>

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (2) Interest rate risk (continued)

As at the balance sheet date, the Group and the Bank's assets and liabilities categorised by the earlier of contractual maturity or repricing dates were as follows (continued):

	The Group					
	31 December 2023					
	Within 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Cash and due from central banks	228,795,082	-	-	-	3,201,926	231,997,008
Due from banks and other financial institutions	10,116,839	-	-	-	715	10,117,554
Placements with banks and other financial institutions	15,367,069	46,713,335	-	-	215,694	62,296,098
Financial assets held under resale agreements	112,180,468	-	-	-	71,663	112,252,131
Loans and advances to customers	706,832,460	1,002,163,910	283,788,539	22,066,637	6,080,809	2,020,932,355
Financial assets held for trading	6,024,079	15,971,042	15,764,283	16,463,040	65,418,762	119,641,206
Debt investments	7,885,362	54,544,420	315,540,943	151,600,156	6,830,209	536,401,090
Other debt investments	9,914,535	61,767,293	179,089,431	92,564,800	4,378,777	347,714,836
Investments in other equity instruments	-	-	-	-	4,870,595	4,870,595
Others	-	-	-	-	63,298,698	63,298,698
Total assets	1,097,115,894	1,181,160,000	794,183,196	282,694,633	154,367,848	3,509,521,571
Due to central banks	(13,541,000)	(52,986,000)	-	-	(488,262)	(67,015,262)
Due to banks and other financial institutions	(296,145,784)	(112,735,643)	-	-	(2,286,895)	(411,168,322)
Placements from banks and other financial institutions	(79,571,413)	(9,090,999)	-	-	(117,405)	(88,779,817)
Financial assets sold under repurchase agreements	(160,669,213)	(6,996,567)	-	-	(57,133)	(167,722,913)
Customer deposits	(1,267,795,955)	(343,732,234)	(531,609,683)	(24,585)	(38,363,015)	(2,181,525,472)
Bonds issued	(106,620,053)	(113,343,845)	(21,999,980)	(33,499,578)	(710,246)	(276,173,702)
Others	-	-	-	-	(40,151,797)	(40,151,797)
Total liabilities	(1,924,343,418)	(638,885,288)	(553,609,663)	(33,524,163)	(82,174,753)	(3,232,537,285)
Asset-liability exposure	(827,227,524)	542,274,712	240,573,533	249,170,470	72,193,095	276,984,286

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 1 Market risk (continued)

#### (2) Interest rate risk (continued)

The table below illustrates the potential impact on the profit for the year and other comprehensive income before tax over the next 12 months on the assumption of a 100 basis point parallel move of the relevant yield curve based on the structure of the Group and the Bank’s interest-earning assets and interest-bearing liabilities at the end of the reporting period. The analysis assumes that the interest rates of all periods move at the same levels and does not reflect the scenarios where some interest rates change while others remain constant.

The sensitivity analysis on profit for the year is based on possible changes in the expectation of interest rate. It does not take into account changes such as customer behavior, basis risk, or options for early repayment of bonds, and excludes the impact of changes in the yield curve for demand deposits.

The sensitivity analysis on other comprehensive income refers to the impact of changes in certain interest rates on the fair value changes arising from reassessment of financial assets measured at fair value through other comprehensive income as at balance sheet dates.

	The Group			
	31 December 2024		31 December 2023	
	Profit for the year	Other comprehensive income	Profit for the year	Other comprehensive income
+ 100 basis points	(2,369,545)	(17,335,245)	1,771,601	(7,202,674)
– 100 basis points	2,369,545	16,465,577	(1,771,601)	7,683,590

The related assumptions do not consider the measures the Group and the Bank may take to mitigate interest rate risk due to capital utilisation and interest rate risk management policies. Therefore, the results of the analysis above may be different from actual conditions.

In addition, the impact of interest rate fluctuation is only for illustrating purpose, showing the estimated changes in profit for the year and other comprehensive income under different parallel move of the relevant yield curve and the Group and the Bank’s current exposure to interest rate risk other than derivative financial instruments.

## XVI Financial instruments and risk management (continued)

### 2 Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor to meet its obligation or commitment to the Group. It arises primarily from the Group's credit asset portfolios.

Concentration of credit risk: When a certain number of customers conduct the same operating activities, are situated in the same geographical location or their industries have similar economic characteristics, their ability to honour their contracts would be influenced by the same economic change. Concentration of credit risk reflects the sensitivity of the Group's results to a specific industry or geographical location. The Group formulates credit risk asset portfolio limits from the dimensions of region, industry, customer, product, and maturity based on the principle of credit risk asset portfolio management. The principal place of business of the Group is Mainland China. However, Mainland China covers a wide range of land with specific characteristics developed for the economy of each region (e.g., some regions are designated by the central government as special economic zones to attract investment). As a result, the risks among regions differ.

To identify, evaluate and monitor credit risk, the Group designs reporting structure, credit policies and processes required for effective credit risk management and implements systematic control procedures. As approved by the Board of Directors, the Group optimises its credit approval process, in which both management and control of credit risks are reinforced while function and responsibilities of credit approval section are further specified. The Vice President in charge of risk is responsible for all the operations regarding the Bank's risk management, and also leads relevant departments to formulate the credit policies and standards from time to time, to analyse the development of credit business and the level of risk management, and to approve loans with amounts not exceeding the authorised limit in accordance with relevant rules, regulations and monetary policies in the PRC and the Bank's business strategy.

With respect to the credit risk management of corporate and institutional business, the Group develops the industry-specific guidelines, improves policies of credit client acceptance and decline, and implements its credit structure adjustment policies and credit risk limit management, which facilitates the improvement in credit structure. The Group manages credit risk throughout the entire credit process including pre-lending evaluations, credit approval and post-lending monitoring.

With respect to the personal credit business, the Group relies on credit assessment of applicants as the basis for loan approval. Assessment on the income level, credit history, and repayment ability of the applicant is required. The Group monitors borrowers' repayment ability, the status of collateral and any changes to collateral's value. Once a loan becomes overdue, the Group starts the recovery process according to standard personal loan recovery procedures.

To mitigate risks, where appropriate, the Group requests customers to provide collateral and guarantees. It also sets guidelines as to the use and suitability of specific types of collateral. Collateral structures and legal covenants are regularly reviewed to ensure that they still serve their intended purposes and conform to market practices.

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in loans and advances to customers. These transactions are, therefore, subject to the same credit application, post-disbursement loan management and collateral requirements as for loans and advances to customers.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

The Group has individually established a range of risk management policies and adopted different methods to mitigate credit risk. A critical method for the Group's control of its credit risks is to acquire collateral, security deposits and guarantees from enterprises or individuals. The Group has specified acceptable types of collaterals, mainly including the following:

- Real estate and land use rights
- Financial instruments such as time deposits, bonds and equities
- Accounts receivables and right to receive payments
- Inventory

In order to minimise its credit risk, once an indication of impairment has been identified with an individual loan, the Group will request for early loan repayment or seek additional collateral from counterparties, require additional guarantors.

#### ***Grouping of similar credit risk***

The Group has classified exposures with similar risk characteristics when the provision for ECL is made on a grouping basis. The main grouping reference indicators currently include industry, business type, and etc.

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### *Credit risk measurement*

##### *Measurement of ECL*

According to the changes of credit risk of financial instruments since the initial recognition, the Group calculates the ECL by three stages:

- Stage 1: The financial instruments without significant increase in credit risk since initial recognition are included in Stage 1 to calculate their provision for impairment at an amount equivalent to the ECL of the financial instrument for the next 12 months;
- Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition but have no objective evidence of impairment are included in Stage 2, with their provision for impairment measured at an amount equivalent to the ECL over the lifetime of the financial instruments; and
- Stage 3: Financial assets with objective evidence of impairment at the balance sheet date are included in Stage 3, with their provision for impairment measured at the amount equivalent to the ECL over the lifetime of the financial instruments.

For the previous accounting period, the provision for impairment has been measured at the amount equivalent to the ECL over the entire lifetime of the financial instrument. However, at the balance sheet date of the current period, if the financial instrument no longer belongs to the situation of there being a significant increase in credit risk since initial recognition, the Group will measure the provision for impairment of the financial instruments on the balance sheet date of the current period on the 12-month ECL basis.

For purchased or originated credit-impaired financial assets, the Group only recognises the lifetime cumulative change in ECL since initial recognition on the financial reporting date as provision for impairment. On each financial reporting date, the Group recognises the amount of the changes in lifetime ECL as an impairment losses or gains in profit or loss for the current period.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### *Credit risk measurement (continued)*

##### *Measurement of ECL (continued)*

The Group shall measure ECL of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

It is not necessary to identify every possible situation when measuring the ECL. However, the Group shall consider the risk or probability that a credit loss occurs by reflecting the likelihood of a credit loss occurring and the likelihood that a credit loss will not occur, even if the likelihood of such a loss is extremely low.

The Group conducted an assessment of ECL according to forward-looking information and used complex models and assumptions in its expected measurement of credit losses. These models and assumptions involve future macro-economic conditions and the credit record of the borrower (such as, possibility of default by customers and losses therefrom). The Group adopts judgement, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as:

- Criteria for judging significant increases in credit risk
- Definition of default and credit-impaired assets
- Parameters for measuring ECL
- Forward-looking information
- Modification of contract cash flows

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### *Credit risk measurement (continued)*

##### *Measurement of ECL (continued)*

When considering forward-looking information, the Group takes different economic scenarios into consideration. The Group regularly monitors and reviews assumptions and parameters related to the calculation of ECL, including the risk of economic downturn, external market environment, changes in customer conditions, Gross Domestic Product ("GDP") and Consumer Price Index ("CPI"), etc.

##### Internal credit risk rating

The Group conducts internal rating on the risk characteristics of assets based on the quality status of assets, and classifies the credit ratings of financial assets included in the measurement of expected credit losses into sixteen levels. Internal credit risk rating is based on quantitative and qualitative factors.

##### Criteria for judging significant increase in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group and external credit risk rating. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The group assesses whether there has been a significant increase in the credit risk of financial instruments since their initial recognition by setting quantitative and qualitative standards. The criteria for this assessment is mainly based on whether it is overdue due to deterioration of credit risk, or whether one or more of the following conditions are met: the debtor is classified into Special Mention category in five-tier loan classification, the debtor has a restructuring of performing loans, or the debtor's probability of default has increased significantly since the initial recognition date and it is currently up against a lower internal rating, etc.

The Group adheres to the estimate of substantial risk, taking into account the changes in the operating ability and debt paying ability of the borrower to assess whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### *Credit risk measurement (continued)*

##### *Measurement of ECL (continued)*

##### Definition of default and credit-impaired assets

When a credit impairment occur on the financial assets, the group define the financial assets having defaulted. The standard adopted by the Group to determine whether a credit impairment occurs under New Financial Instrument Standards is consistent with the internal credit risk management objectives of the relevant financial instruments, taking into account quantitative and qualitative criteria. When the Group assesses whether there is credit impairment of debtor, the following factors are mainly considered:

- Be classified into Substandard, Doubtful or Loss category within five-tier loan classification;
- The debtor leaves any of the principal, advances, interest or investments in corporate bonds of the Bank overdue for more than 90 days;
- Internal credit rating is defaulted.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

##### Parameters of ECL measurement

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different assets with 12-month ECL or lifetime ECL. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). Based on the current New Basel Capital Accord used in risk management and the requirements of New Financial Instrument Standards, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### *Credit risk measurement (continued)*

##### *Measurement of ECL (continued)*

Parameters of ECL measurement (continued)

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the results of the Internal Rating-Based Approach under the New Basel Capital Accord, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment;
- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the difference of credit products, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure after the time of default, based on historical statistics, the loss rate may be different in various economic environments;
- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

##### Forward-looking information

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types, such as GDP, M2.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Group combined statistic model and experts' judgement in this process, according to the result of model and experts' judgement, the Group predicts these economic indicators on a quarterly basis and determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

In addition to providing a baseline economic scenario, the Group combines statistic model with experts' judgement to determine the weight of other possible scenarios. For the fiscal year 2024, the weights for the benchmark, optimistic, and pessimistic scenarios are 60%, 20%, and 20%, respectively. The Group measures the relevant impairment provisions using either the weighted 12-month expected credit losses (Stage 1) or the weighted lifetime expected credit losses (Stages 2 and 3). The weighted average credit loss above is calculated by multiplying the ECL for each scenario by the weight of the corresponding scenario.

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### Credit risk measurement (continued)

##### Measurement of ECL (continued)

Forward-looking information (continued)

During the reporting period, the Group updated forward-looking information such as key economic indicators based on changes in the current macroeconomic environment.

With the quarter-on-quarter changes of GDP and M2 as examples, the estimations are calculated under the benchmark, optimistic and pessimistic scenarios through the statistical model based on actual historical data. The details are presented below:

Indicator	Average estimation under the benchmark, optimistic and pessimistic scenarios in year 2025		
	Optimistic	Benchmark	Pessimistic
Quarter-on-quarter changes of GDP	5.73%	4.50%	3.45%
Quarter-on-quarter changes of M2	8.40%	6.80%	5.40%

Sensitive information

Changes in parameters for measuring ECL and in forward-looking information can have an impact on the judgement of significant increase in credit risk and the measurement of ECL.

As at 31 December 2024, the Group's provision for credit impairment would be decreased by no more than 1% of the current provision for credit impairment in case of a 5% increase in the weight of the optimistic scenario and a 5% decrease in the weight of the basic scenario. The Group's provision for credit impairment would be increased by no more than 1% of the current provision for credit impairment in case of a 5% increase in the weight of the pessimistic scenario and a 5% decrease in the weight of the basic scenario.

As at 31 December 2023, the Bank's provision for credit impairment would be decreased by no more than 1% of the current provision for credit impairment in case of a 5% increase in the weight of the optimistic scenario and a 5% decrease in the weight of the basic scenario. The Bank's provision for credit impairment would be increased by no more than 1% of the current provision for credit impairment in case of a 5% increase in the weight of the pessimistic scenario and a 5% decrease in the weight of the basic scenario.

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### *Credit risk measurement (continued)*

##### *Measurement of ECL (continued)*

##### Modification of contractual cash flows

If the Group amends or rearranges the contract with its counterparty, which does not result in the derecognition of the financial assets, but changes the contractual cash flows, the Group shall assess the default risk of the modified asset at the reporting date by comparing it with the risk of default at initial recognition under the original terms when the modification of the contract does not result in a material change or derecognition of the original asset. The gross carrying amount of the financial asset shall be recalculated and related gains or losses shall be recognised in profit or loss for the current period. The gross carrying amount of the financial asset is determined based on the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate.

The Group monitors the subsequent performance of modified assets. If the Group concludes that the credit risk has significantly improved after modification, the assets are moved from Stage 3 or Stage 2 to Stage 1 when certain conditions are met, and the provision for impairment is calculated on the 12-month ECL basis instead of the lifetime ECL basis. As at 31 December 2024, the carrying amount of financial assets modified by such contractual cash flows is not significant.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### (1) Maximum credit risk exposure

Maximum exposure to credit risk before considering collateral held or other credit enhancements

Without taking into account of any collateral held or any other credit enhancement, the maximum credit risk exposure at the end of each period represents the worst scenario. The Group and the Bank's credit risk exposure arises mainly from its credit business as well as its treasury business. In addition, the Group is also exposed to credit risk for off-balance sheet items such as loan commitments, unused credit card limits, bank acceptance notes, issuance of guarantees and warranties and letters of credit.

	The Group				
	31 December 2024				
	Stage 1	Stage 2	Stage 3	Not applicable	Total
Credit risk exposures relating to on-balance sheet assets are as follows:					
Due from central banks	150,620,833	-	-	-	150,620,833
Due from banks and other financial institutions	7,619,485	2,737	-	-	7,622,222
Placements with banks and other financial institutions	84,772,786	8,351,944	-	-	93,124,730
Derivative financial assets	-	-	-	14,627,182	14,627,182
Financial assets held under resale agreements	204,960,427	-	-	-	204,960,427
Loans and advances to customers	1,987,148,326	75,976,523	14,227,919	-	2,077,352,768
Financial assets held for trading	-	-	-	45,132,149	45,132,149
Debt investments	460,270,641	3,201,710	1,560,718	-	465,033,069
Other debt investments	433,840,076	-	8,270	-	433,848,346
Others	11,301,123	227,222	274,894	1,187,387	12,990,626
Off-balance sheet items					
Loan commitments and financial guarantee contracts	1,359,169,643	7,551,128	309,892	-	1,367,030,663
Total	4,699,703,340	95,311,264	16,381,693	60,946,718	4,872,343,015

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### (1) Maximum credit risk exposure (continued)

	The Group				
	31 December 2023				
	Stage 1	Stage 2	Stage 3	Not applicable	Total
Credit risk exposures relating to on-balance sheet assets are as follows:					
Due from central banks	228,982,698	–	–	–	228,982,698
Due from banks and other financial institutions	10,106,232	11,322	–	–	10,117,554
Placements with banks and other financial institutions	62,296,098	–	–	–	62,296,098
Derivative financial assets	–	–	–	7,587,798	7,587,798
Financial assets held under resale agreements	112,252,131	–	–	–	112,252,131
Loans and advances to customers	1,943,358,426	64,230,928	13,343,001	–	2,020,932,355
Financial assets held for trading	–	–	–	55,843,334	55,843,334
Debt investments	528,336,054	5,709,935	2,355,101	–	536,401,090
Other debt investments	347,709,800	–	5,036	–	347,714,836
Others	10,446,826	162,182	498,601	–	11,107,609
Off-balance sheet items					
Loan commitments and financial guarantee contracts	1,316,564,794	6,760,910	20,961	–	1,323,346,665
Total	4,560,053,059	76,875,277	16,222,700	63,431,132	4,716,582,168

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### (2) Credit quality analysis of financial assets

	The Group				
	31 December 2024				
	Loans and advances to customers measured at amortised cost	Due from/Placements with other financial institutions	Financial assets held under resale agreements	Investment (i)	Others (ii)
Credit impaired					
– Gross amount	40,171,962	379,000	403,313	3,765,998	331,318
– Provision for impairment	(25,944,043)	(379,000)	(403,313)	(2,197,010)	(56,424)
Sub-total	14,227,919	–	–	1,568,988	274,894
Overdue within 3 months but not credit impaired					
– Gross amount	9,985,395	–	–	–	341,747
– Provision for impairment	(1,786,121)	–	–	–	(10,851)
Sub-total	8,199,274	–	–	–	330,896
Neither overdue nor credit impaired					
– Gross amount	2,080,713,700	101,116,265	204,960,427	898,593,490	11,527,208
– Provision for impairment	(25,788,125)	(369,313)	–	(1,281,063)	(329,759)
Sub-total	2,054,925,575	100,746,952	204,960,427	897,312,427	11,197,449
Total	2,077,352,768	100,746,952	204,960,427	898,881,415	11,803,239

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### (2) Credit quality analysis of financial assets (continued)

The Group					
31 December 2023					
	Loans and advances to customers measured at amortised cost	Due from/ Placements with other financial institutions	Financial assets held under resale agreements	Investment (i)	Others (ii)
Credit impaired					
– Gross amount	38,251,799	379,000	403,313	7,927,302	908,967
– Provision for impairment	(24,908,798)	(379,000)	(403,313)	(3,717,691)	(410,366)
Sub-total	13,343,001	–	–	4,209,611	498,601
Overdue within 3 months but not credit impaired					
– Gross amount	11,755,039	–	–	–	298,667
– Provision for impairment	(2,731,003)	–	–	–	–
Sub-total	9,024,036	–	–	–	298,667
Neither overdue nor credit impaired					
– Gross amount	2,023,199,363	72,615,735	112,252,131	936,798,533	10,310,341
– Provision for impairment	(24,634,045)	(202,083)	–	(1,048,884)	–
Sub-total	1,998,565,318	72,413,652	112,252,131	935,749,649	10,310,341
Total	2,020,932,355	72,413,652	112,252,131	939,959,260	11,107,609

(i) Investments comprise financial assets held for trading, debt investments, other debt investments.

(ii) Others comprise interest receivable, suspense account for clearing and other receivables.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### (3) Credit rating of debt investments as at the balance sheet date by rating agencies:

Credit rating	The Group			
	Financial assets held for trading	Debt investments	Other debt investments	Total
31 December 2024				
AAA	23,198,077	170,042,331	199,063,236	392,303,644
AA+ to AA-	543,411	186,942	1,435,647	2,166,000
A+ to A-	300,513	–	16,620,285	16,920,798
BBB or below	–	–	4,728,929	4,728,929
Unrated				
– Government bonds	1,471,625	144,163,327	66,288,867	211,923,819
– Financial institution bonds	10,697,063	123,960,085	107,733,799	242,390,947
– Interbank deposits	–	–	37,654,583	37,654,583
– Corporate bonds	217,503	–	323,000	540,503
– Fund trust and asset management plans	8,703,957	8,438,207	–	17,142,164
– Debt financing plan	–	18,242,177	–	18,242,177

## XVI Financial instruments and risk management (continued)

### 2 Credit risk (continued)

#### (3) Credit rating of debt investments as at the balance sheet date by rating agencies (continued):

Credit rating	The Group			
	Financial assets held for trading	Debt investments	Other debt investments	Total
31 December 2023				
AAA	16,239,431	168,130,970	122,513,615	306,884,016
AA+ to AA-	150,570	–	–	150,570
A+ to A-	–	73,137	9,963,217	10,036,354
BBB or below	5,300,526	–	2,498,540	7,799,066
Unrated				
– Government bonds	3,873,241	191,472,612	94,110,597	289,456,450
– Financial institution bonds	17,625,694	126,867,197	96,918,884	241,411,775
– Interbank deposits	–	–	21,296,909	21,296,909
– Corporate bonds	539,294	–	413,074	952,368
– Fund trust and asset management plans	12,114,578	11,240,747	–	23,355,325
– Debt financing plan	–	38,616,427	–	38,616,427

### 3 Liquidity risk

Liquidity risk refers to the risk that a commercial bank cannot obtain sufficient funds at a reasonable cost for timely repayment of debts, performance of other payment obligations and satisfaction of other financial needs for normal business.

In accordance with the principle of separation of policy formulation, implementation and supervision functions, the Group has established a governance structure for liquidity risk management. It defines the functions, responsibilities and reporting lines of the Board of Directors and its special committees, the Board of Supervisors, the senior management, the Assets and Liabilities Management Committee and relevant departments to improve the effectiveness of liquidity risk management.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

The Group strictly enforces regulatory requirements and the Bank's internal policies, adheres to a sound and prudent liquidity risk management strategy in accordance with the liquidity risk appetite requirements set by the Board of Directors, strengthens day-to-day liquidity management, increases the allocation of high-quality liquid assets, maintains moderate and reasonable provision and ensures a safe and smooth payment clearing process. The Group continuously optimises the asset and liability structure and prudently manages risk exposures. Through internal transfer price instruments, the Group proactively adjusts the total amount, structure and cash flow gap limits of assets and liabilities, extends the duration of liabilities, improves the stability of liabilities and narrows the maturity mismatch. The Group applies a variety of liquidity risk management tools and techniques to measure, assess, monitor and control bank-wide liquidity risk indicators, conducts quarterly the liquidity risk stress tests to analyse the liquidity risk tolerance and risk mitigation capacity under various scenarios. In addition, the Group conducts liquidity emergency drills regularly to verify the effectiveness and timeliness of emergency measures, to ensure a safe and smooth liquidity situation for the Bank under various contingencies.

#### (1) Undiscounted contractual cash flows categorised by contractual maturities

	The Group							
	31 December 2024							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Cash and due from central banks	29,982,710	-	-	-	-	-	123,801,719	153,784,429
Due from banks and other financial institutions	7,390,325	51,464	-	182,336	-	-	-	7,624,125
Placements with banks and other financial institutions	-	26,527,122	17,057,249	50,808,642	-	-	-	94,393,013
Financial assets held under resale agreements	-	204,977,057	-	-	-	-	-	204,977,057
Loans and advances to customers (i)	218,317,740	91,420,282	167,109,032	713,530,312	535,346,982	551,094,846	17,084,794	2,293,903,988
Financial assets held for trading	90,493,041	1,039,489	329,272	13,984,053	15,833,488	18,288,965	-	139,968,308
Debt investments	1,560,718	7,139,301	15,619,363	101,774,339	246,258,123	156,265,302	-	528,617,146
Other debt investments	8,270	13,349,295	32,930,441	119,461,354	168,304,428	149,514,557	-	483,568,345
Investments in other equity instruments	-	-	-	-	-	-	5,416,980	5,416,980
Others	1,941,909	9,372,147	159,814	254,317	212,978	772,863	276,598	12,990,626
Total non-derivative assets	349,694,713	353,876,157	233,205,171	999,995,353	965,955,999	875,936,533	146,580,091	3,925,244,017

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (1) Undiscounted contractual cash flows categorised by contractual maturities (continued)

	The Group							
	31 December 2024							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Due to central banks	-	(6,152,500)	(8,683,382)	(7,963,490)	-	-	-	(22,799,372)
Due to banks and other financial institutions	(59,516,574)	(137,210,707)	(133,236,698)	(47,709,034)	-	-	-	(377,673,013)
Placements from banks and other financial institutions	-	(50,715,859)	(10,785,629)	(2,726,588)	-	-	-	(64,228,076)
Financial assets sold under repurchase agreements	-	(110,007,943)	(30,157,301)	(8,400,058)	-	-	-	(148,565,302)
Financial liabilities held for trading	(197,874)	-	-	-	(755,034)	-	-	(952,908)
Customer deposits	(716,426,545)	(146,409,896)	(234,363,615)	(557,034,054)	(682,619,931)	(29,616,045)	-	(2,366,470,086)
Bonds issued	-	(44,015,665)	(115,374,138)	(219,388,383)	(8,038,370)	(65,279,042)	-	(452,095,598)
Others	(251,743)	(3,901,768)	(281,340)	(1,010,321)	(2,746,472)	(1,321,702)	(925,317)	(10,438,663)
Total non-derivative liabilities	(776,392,736)	(498,414,338)	(532,882,103)	(844,231,928)	(694,159,807)	(96,216,789)	(925,317)	(3,443,223,018)
Net position	(426,698,023)	(144,538,181)	(299,676,932)	155,763,425	271,796,192	779,719,744	145,654,774	482,020,999
Derivative financial instruments settled on a total basis								
Cash inflows	4,012,131	97,045,249	29,429,827	72,286,574	1,313,770	-	-	204,087,551
Cash outflows	(4,014,354)	(85,958,040)	(27,818,721)	(67,991,568)	(1,273,589)	-	-	(187,056,272)
Derivative financial instruments settled on a net basis	-	7,778	(26,715)	(32,003)	(39,356)	-	-	(90,296)

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (1) Undiscounted contractual cash flows categorised by contractual maturities (continued)

	The Group							
	31 December 2023							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Cash and due from central banks	83,124,258	-	-	-	-	-	148,872,750	231,997,008
Due from banks and other financial institutions	10,117,554	-	-	-	-	-	-	10,117,554
Placements with banks and other financial institutions	-	5,233,721	10,417,195	47,808,419	-	-	-	63,459,335
Financial assets held under resale agreements	-	112,269,846	-	-	-	-	-	112,269,846
Loans and advances to customers (i)	243,147,994	76,641,085	186,467,708	616,930,277	538,359,688	586,966,570	15,919,706	2,264,433,028
Financial assets held for trading	66,906,196	503,275	4,340,500	16,141,144	18,140,122	18,791,903	-	124,823,140
Debt investments	2,355,101	1,760,942	7,510,225	67,367,880	355,692,908	175,285,311	-	609,972,367
Other debt investments	5,036	2,092,805	9,852,617	69,190,759	201,266,600	104,933,814	-	387,341,631
Investments in other equity instruments	-	-	-	-	-	-	4,870,595	4,870,595
Others	2,384,930	9,014,639	146,885	156,697	163,786	288,804	276,166	12,431,907
Total non-derivative assets	408,041,069	207,516,313	218,735,130	817,595,176	1,113,623,104	886,266,402	169,939,217	3,821,716,411

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (1) Undiscounted contractual cash flows categorised by contractual maturities (continued)

The Group								
31 December 2023								
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Due to central banks	-	(3,388,889)	(17,248,082)	(59,391,920)	-	-	-	(80,028,891)
Due to banks and other financial institutions	(38,575,762)	(52,280,655)	(208,076,565)	(114,452,229)	-	-	-	(413,385,211)
Placements from banks and other financial institutions	-	(74,709,983)	(5,021,154)	(9,187,320)	-	-	-	(88,918,457)
Financial assets sold under repurchase agreements	-	(154,302,336)	(6,922,739)	(7,502,176)	-	-	-	(168,727,251)
Financial liabilities held for trading	(142,070)	-	-	-	(75,238)	-	-	(217,308)
Customer deposits	(941,687,514)	(194,077,825)	(169,521,771)	(403,273,939)	(569,322,684)	(4,060,516)	-	(2,281,944,249)
Bonds issued	-	(39,010,000)	(67,990,000)	(117,271,350)	(28,713,900)	(37,160,950)	-	(290,146,200)
Others	(642,158)	(1,298,297)	(291,427)	(1,350,416)	(3,170,847)	(558,728)	(745,128)	(8,057,001)
Total non-derivative liabilities	(981,047,504)	(519,067,985)	(475,071,738)	(712,429,350)	(601,282,669)	(41,780,194)	(745,128)	(3,331,424,568)
Net position	(573,006,435)	(311,551,672)	(256,336,608)	105,165,826	512,340,435	844,486,208	169,194,089	490,291,843
Derivative financial instruments settled on a total basis								
Cash inflows	13,349,839	128,349,531	68,330,581	154,033,846	6,566,448	-	-	370,630,245
Cash outflows	(13,416,065)	(136,487,773)	(76,129,937)	(161,226,757)	(6,519,927)	-	-	(393,780,459)
Derivative financial instruments settled on a net basis	-	(4,522)	(4,102)	(14,307)	(76,092)	1,102	-	(97,921)

- (i) For loans and advances to customers, the “indefinite” period represents the balance being impaired or not impaired and overdue for more than one month. The balance not impaired and overdue within one month is included in “overdue”. They are disclosed with net amount measured at cost less impairment.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (2) Maturity analysis

The table below summarises the maturity analysis of the carrying amount of assets and liabilities based on the remaining maturity from the balance sheet date to the contract maturities:

	The Group							
	31 December 2024							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Cash and due from central banks	29,982,710	-	-	-	-	-	123,801,719	153,784,429
Due from banks and other financial institutions	7,390,325	50,732	-	181,165	-	-	-	7,622,222
Placements with banks and other financial institutions	-	26,512,496	16,841,237	49,770,997	-	-	-	93,124,730
Financial assets held under resale agreements	-	204,960,427	-	-	-	-	-	204,960,427
Loans and advances to customers (i)	218,317,740	91,339,840	166,514,348	701,387,111	485,380,937	397,327,998	17,084,794	2,077,352,768
Derivative financial assets	2,469	2,165,859	1,152,370	2,988,128	8,316,485	1,871	-	14,627,182
Financial assets held for trading	90,493,041	990,176	260,720	13,366,551	13,927,917	17,064,250	-	136,102,655
Debt investments	1,560,718	6,045,609	13,930,508	91,855,586	216,880,760	134,759,888	-	465,033,069
Other debt investments	8,270	12,401,167	31,638,640	112,284,202	145,470,250	132,045,817	-	433,848,346
Investments in other equity instruments	-	-	-	-	-	-	5,416,980	5,416,980
Others	1,941,909	9,372,147	159,814	254,317	212,978	772,863	276,598	12,990,626
Total assets	349,697,182	353,838,453	230,497,637	972,088,057	870,189,327	681,972,687	146,580,091	3,604,863,434

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (2) Maturity analysis (continued)

	The Group							
	31 December 2024							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Due to central banks	-	(6,146,667)	(8,646,886)	(7,844,254)	-	-	-	(22,637,807)
Due to banks and other financial institutions	(59,516,574)	(137,145,373)	(132,691,044)	(47,245,322)	-	-	-	(376,598,313)
Placements from banks and other financial institutions	-	(50,664,645)	(10,716,298)	(2,710,458)	-	-	-	(64,091,401)
Financial assets sold under repurchase agreements	-	(109,981,366)	(30,034,192)	(8,315,506)	-	-	-	(148,331,064)
Financial liabilities held for trading	(197,874)	-	-	-	(755,034)	-	-	(952,908)
Derivative financial liabilities	(1,210)	(1,277,742)	(1,114,507)	(2,861,456)	(8,365,949)	(1,871)	-	(13,622,735)
Customer deposits	(716,426,545)	(139,388,117)	(220,998,785)	(503,028,451)	(650,798,372)	(26,609,205)	-	(2,257,249,475)
Bonds issued	-	(43,640,481)	(114,071,254)	(213,613,983)	-	(59,499,276)	-	(430,824,994)
Others	(251,743)	(3,885,415)	(270,599)	(959,912)	(2,518,730)	(1,255,354)	(925,317)	(10,067,070)
Total liabilities	(776,393,946)	(492,129,806)	(518,543,565)	(786,579,342)	(662,438,085)	(87,365,706)	(925,317)	(3,324,375,767)
Net liquidity	(426,696,764)	(138,291,353)	(288,045,928)	185,508,715	207,751,242	594,606,981	145,654,774	280,487,667

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (2) Maturity analysis (continued)

	The Group							
	31 December 2023							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Cash and due from central banks	83,124,258	–	–	–	–	–	148,872,750	231,997,008
Due from banks and other financial institutions	10,117,554	–	–	–	–	–	–	10,117,554
Placements with banks and other financial institutions	–	5,180,686	10,202,302	46,913,110	–	–	–	62,296,098
Financial assets held under resale agreements	–	112,252,131	–	–	–	–	–	112,252,131
Loans and advances to customers (i)	243,147,994	76,572,737	185,764,115	606,377,707	484,440,132	408,709,964	15,919,706	2,020,932,355
Derivative financial assets	3,629	739,448	915,324	2,237,391	3,692,006	–	–	7,587,798
Financial assets held for trading	66,906,195	499,663	4,287,394	15,448,622	16,036,292	16,463,040	–	119,641,206
Debt investments	2,355,101	1,453,410	6,653,100	58,797,452	315,541,435	151,600,592	–	536,401,090
Other debt investments	5,036	2,039,647	9,568,992	64,440,558	179,089,431	92,571,172	–	347,714,836
Investments in other equity instruments	–	–	–	–	–	–	4,870,595	4,870,595
Others	2,384,930	9,014,639	146,885	156,697	163,786	288,804	276,166	12,431,907
Total assets	408,044,697	207,752,361	217,538,112	794,371,537	998,963,082	669,633,572	169,939,217	3,466,242,578

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (2) Maturity analysis (continued)

	The Group							
	31 December 2023							
	Overdue/ On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Undated	Total
Due to central banks	-	(3,080,208)	(10,764,635)	(53,170,419)	-	-	-	(67,015,262)
Due to banks and other financial institutions	(38,575,762)	(52,212,315)	(207,238,812)	(113,141,433)	-	-	-	(411,168,322)
Placements from banks and other financial institutions	-	(74,683,359)	(4,985,425)	(9,111,033)	-	-	-	(88,779,817)
Financial assets sold under repurchase agreements	-	(154,210,525)	(6,515,821)	(6,996,567)	-	-	-	(167,722,913)
Financial liabilities held for trading	(142,070)	-	-	-	(75,238)	-	-	(217,308)
Derivative financial liabilities	(4,043)	(628,704)	(915,037)	(1,930,779)	(3,748,798)	(374)	-	(7,227,735)
Customer deposits	(941,687,514)	(187,281,624)	(156,631,743)	(349,924,233)	(542,383,094)	(3,617,264)	-	(2,181,525,472)
Bonds issued	-	(38,979,173)	(67,654,860)	(114,040,111)	(21,999,980)	(33,499,578)	-	(276,173,702)
Others	(642,158)	(1,290,026)	(278,249)	(1,283,627)	(2,989,003)	(493,801)	(745,128)	(7,721,992)
Total liabilities	(981,051,547)	(512,365,934)	(454,984,582)	(649,598,202)	(571,196,113)	(37,611,017)	(745,128)	(3,207,552,523)
Net liquidity	(573,006,850)	(304,613,573)	(237,446,470)	144,773,335	427,766,969	632,022,555	169,194,089	258,690,055

- (i) For loans and advances to customers, the “indefinite” period represents the balance being impaired or not impaired and overdue for more than one month. The balance not impaired and overdue within one month is included in “overdue”. They are disclosed with net amount measured at cost less impairment.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 3 Liquidity risk (continued)

#### (3) Off-balance sheet items

The off-balance sheet items of the Group and the Bank are mainly unused credit card limits, loan commitments, bank acceptance notes, issuance of guarantees and warranties and issuance of letters of credit. The following table sets out the amounts of off-balance sheet items by the maturity date of the contract, with financial guarantee contracts shown in nominal amounts by the earliest maturity date of the contract:

	31 December 2024			
	Within 1 year	1 to 5 years	Over 5 years	Total
Undrawn credit facilities	818,097,160	–	–	818,097,160
Loan commitments	15,843,716	17,972,009	8,742,860	42,558,585
Bank acceptance notes	349,715,941	–	–	349,715,941
Guarantee and letters of guarantee issued	41,533,333	15,977,984	3,263,469	60,774,786
Letters of credit issued	95,875,646	8,545	–	95,884,191
Total	1,321,065,796	33,958,538	12,006,329	1,367,030,663

	31 December 2023			
	Within 1 year	1 to 5 years	Over 5 years	Total
Undrawn credit facilities	853,128,231	–	–	853,128,231
Loan commitments	4,429,393	20,467,498	12,166,403	37,063,294
Bank acceptance notes	304,284,069	–	–	304,284,069
Guarantee and letters of guarantee issued	35,601,259	20,809,351	3,997,600	60,408,210
Letters of credit issued	70,459,300	67,175	–	70,526,475
Total	1,267,902,252	41,344,024	16,164,003	1,325,410,279

## XVI Financial instruments and risk management (continued)

### 4 Fair value estimates

#### *Determination of fair value of financial instruments*

The Group and the Bank's financial assets and liabilities mainly include cash and due from central banks, due from banks and other financial institutions, placements with banks and other financial institutions, financial assets and liabilities at fair value through profit or loss, derivative financial instruments, financial assets held under resale agreements, loans and advances to customers, financial assets at amortised cost, financial assets at fair value through other comprehensive income, due to central banks, due to banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits and bonds issued.

- (i) Financial assets including cash and due from central banks, due from banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, and financial liabilities including borrowings from central banks, due to banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements are mainly short-term financing or floating interest rate instruments. Accordingly, the carrying amounts are the approximation of the fair value.
- (ii) Financial assets and liabilities at fair value through profit or loss, derivative financial instruments and financial assets at fair value through other comprehensive income are stated at fair value unless the fair value is unable to be measured. For the financial instruments in active open market, the Group and the Bank adopt market price or market interest rate as the best estimate for their fair value. For the financial instruments without market price or market interest rate, the Bank determines the fair value of these financial assets and financial liabilities by discounted cash flows or other valuation methods.
- (iii) The fair value of financial assets at amortised cost and bonds issued are usually determined with reference to the available market price or quotation from brokers or agents. If the relevant market information cannot be obtained, the Bank will refer to the yield of the securities products with similar characteristics such as credit risk and maturity, to estimate the fair value based on pricing model or discounted cash flows.
- (iv) Loans and advances to customers are listed at the net amount after deducting the provision for impairment. Most loans and advances to customers are priced at floating rates similar to the LPR. Therefore, the carrying amounts of these loans and advances to customers are reasonable approximation of their fair values.
- (v) Customer deposits are mostly demand deposits or time deposits within one year, priced at floating rates or short-term rates approximating PBOC interest rate. Therefore, the carrying amounts of these customer deposits are reasonable approximation of their fair values.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 4 Fair value estimates (continued)

#### *Determination of fair value of financial instruments (continued)*

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### *(1) Assets and liabilities measured at fair value on a recurring basis*

As at 31 December 2024, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	The Group			
	Level 1	Level 2	Level 3	Total
Asset				
Precious metals	1,187,387	–	–	1,187,387
Financial assets held for trading	3,389,562	119,043,217	13,669,876	136,102,655
Derivative financial assets	–	14,627,182	–	14,627,182
Loans and advances to customers	–	209,072,448	–	209,072,448
Other debt investments	51,080,950	381,196,153	1,571,243	433,848,346
Investments in other equity instruments	1,089,478	–	4,327,502	5,416,980
Total assets measured at fair value on a recurring basis	56,747,377	723,939,000	19,568,621	800,254,998
Liabilities				
Financial liabilities held for trading	(269,079)	(683,829)	–	(952,908)
Derivative financial liabilities	–	(13,622,735)	–	(13,622,735)
Total liabilities measured at fair value on a recurring basis	(269,079)	(14,306,564)	–	(14,575,643)

## XVI Financial instruments and risk management (continued)

### 4 Fair value estimates (continued)

#### (1) Assets and liabilities measured at fair value on a recurring basis (continued)

As at 31 December 2023, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	The Group			Total
	Level 1	Level 2	Level 3	
Asset				
Precious metals	2,182,633	–	–	2,182,633
Financial assets held for trading	6,345,717	98,436,332	14,859,157	119,641,206
Derivative financial assets	–	7,587,798	–	7,587,798
Loans and advances to customers	–	206,728,240	–	206,728,240
Other debt investments	44,411,276	285,055,326	18,248,234	347,714,836
Investments in other equity instruments	1,073,945	–	3,796,650	4,870,595
Total assets measured at fair value on a recurring basis	54,013,571	597,807,696	36,904,041	688,725,308
Liabilities				
Financial liabilities held for trading	–	(217,308)	–	(217,308)
Derivative financial liabilities	–	(7,227,735)	–	(7,227,735)
Total liabilities measured at fair value on a recurring basis	–	(7,445,043)	–	(7,445,043)

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group and the Bank using valuation techniques. The valuation models used mainly comprise discounted cash flow model and market comparable company model. The inputs of the valuation technique mainly include forecast cash flows, risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, EBITDA multiplier and liquidity discount, etc.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 4 Fair value estimates (continued)

#### (1) Assets and liabilities measured at fair value on a recurring basis (continued)

As at 31 December 2024 and 31 December 2023, the changes in Level 3 assets and liabilities were analysed below:

	The Group		
	Financial assets held for trading	Other debt investments	Investments in other equity instruments
1 January 2024	14,859,157	18,248,234	3,796,650
Increase in the current period	16,740	700,000	75,319
Settled/disposed in the current period	(957,802)	(17,392,862)	(6,606)
Gains/losses recognised in profit and loss	(248,219)	15,871	–
Gains recognised in other comprehensive income	–	–	462,139
31 December 2024	13,669,876	1,571,243	4,327,502
1 January 2023	14,069,019	3,075,708	1,387,036
Increase in the current period	1,120,330	17,849,000	114,450
Settled/disposed in the current period	(603,303)	(3,075,708)	(93,693)
Gains/losses recognised in profit and loss	273,111	399,234	–
Losses recognised in other comprehensive income	–	–	2,388,857
31 December 2023	14,859,157	18,248,234	3,796,650

## XVI Financial instruments and risk management (continued)

### 4 Fair value estimates (continued)

#### (1) Assets and liabilities measured at fair value on a recurring basis (continued)

Financial instruments valued using unobservable market data and other valuation techniques mainly include unlisted equity, and the valuation methods used are primarily discounted cash flows and market comparable company approach, which involve unobservable assumptions including company cash flows, risk-adjusted discount rate, P/B ratio, P/E ratio and liquidity discount.

#### (2) Assets measured at fair value on a non-recurring basis

In 2024 and 2023, the Group and the Bank had no asset or liability items measured at fair value on a non-recurring basis.

#### (3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and financial liabilities at amortised cost of the Group and the Bank mainly comprise: due from central banks, due from banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers measured at amortised cost, debt investments, due to central banks, due to banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits and bonds issued.

Except for financial assets and liabilities listed below, the carrying amount of other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

	The Group			
	31 December 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Debt investments	465,033,069	484,138,205	536,401,090	543,444,958
Financial liabilities				
Bonds issued	430,824,994	432,710,546	276,173,702	277,602,546

The fair value of debt investments that are traded in an active market is determined at the quoted market price, and categorised within Level 1 of the fair value hierarchy. The fair value of debt investment and bonds issued without active market quotation is determined by the valuation results of the China Central Depository & Clearing Co., Ltd., and categorised within Level 2 of the fair value hierarchy.

# Notes to the Financial Statements

Year ended 31 December 2024 Expressed in thousands of Renminbi

## XVI Financial instruments and risk management (continued)

### 5 Capital management

The Group's objectives on capital management are:

- Maintaining reasonable capital adequacy ratio to continue to meet regulatory rules and policy requirements on capital, and keeping stable capital base to ensure the Group's business growth and the implementation of its business development and strategic plan and to achieve comprehensive, coordinated and sustainable development;
- Complying with laws and regulations regarding capital, gradually adopting the advanced capital measurement approach, improving the internal assessment procedures for capital adequacy, disclosing information on capital management, covering all types of risks, and ensuring the secure operation of the Group;
- Applying quantified results of various risks, establishing a bank value management system centring around economic capital, improving the policy, process and application management system, strengthening the capital constraint and incentive mechanism, enhancing the Bank's product pricing and decision-making capabilities, and improving the capital allocation efficiency; and
- Making reasonable use of various capital instruments, continuously enhancing capital strength, refining capital structure, improving capital quality, reducing capital cost, and generating maximum return to shareholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust its appropriation of profit policy, issue or redeem own shares, other tier-one capital instruments, qualifying tier-two capital instruments and convertible corporate bonds, etc.

The Group's management regularly monitors capital adequacy ratio with methods by the former CBIRC.

On 1 January 2024, the Group started computing the capital adequacy ratios in accordance with the *Regulation Governing Capital of Commercial Banks* and other relevant regulations.

In accordance with the *Regulation Governing Capital of Commercial Banks* that the minimum ratios of commercial banks 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 systemically important banks are required to meet the additional capital requirements from 1 January 2023 in accordance with the Additional Supervision Requirements for Systemically Important Banks (Trial). The Group is required to maintain 0.25% of additional capital, i.e., to maintain the core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio not below 7.75%, 8.75% and 10.75%, respectively. In addition, those individual banking subsidiaries or branches incorporated outside Mainland China are also directly regulated and supervised by their local banking regulators. There are certain differences in the capital adequacy ratio requirements of different countries.

## XVI Financial instruments and risk management (continued)

### 5 Capital management (continued)

Risk-weighted assets included credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets. Credit risk-weighted assets include on-balance sheet risk-weighted assets, off-balance sheet risk-weighted assets and counterparty credit risk-weighted assets. The on-balance sheet risk-weighted assets are measured using different risk weights, which are determined according to the credit risk, market risk and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with adjustments made to reflect the more contingent nature of any potential losses. The counterparty credit risk-weighted assets include counterparty credit risk assets arising from OTC derivatives financial instruments, securities financing transactions and transactions with central counterparties. Market risk-weighted assets are calculated using the standardised approach. Operational risk-weighted assets are calculated using standardized approach.

The capital adequacy ratios and related components of the Group are computed in accordance with the statutory financial statements of the Group prepared under CASs. As at 31 December 2024 and 31 December 2023, the capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio of the Group fully complied with relevant regulatory requirements.

The Group calculates the capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks and other relevant requirements as follows:

	2024	2023 <sup>(Note)</sup>
Total core tier-one capital	<b>249,011,579</b>	231,993,215
Adjustment of ore tier-one capital	<b>(4,552,750)</b>	(4,336,028)
– Other intangible assets (excluding land use rights) net of related deferred tax liability	<b>(4,552,750)</b>	(4,336,028)
Net core tier 1 capital	<b>244,458,829</b>	227,657,187
Other tier 1 capital	<b>49,999,585</b>	44,991,071
Net tier 1 capital	<b>294,458,414</b>	272,648,258
Tier 2 capital	<b>81,126,973</b>	53,361,218
Total net capital	<b>375,585,387</b>	326,009,476
Total risk-weighted assets	<b>2,528,184,666</b>	2,498,637,198
– Credit risk-weighted assets	<b>2,350,290,387</b>	2,337,278,217
– Market risk-weighted assets	<b>31,490,555</b>	26,453,233
– Operational risk-weighted assets	<b>146,403,724</b>	134,905,748
Core tier 1 capital adequacy ratio	<b>9.67%</b>	9.11%
Tier 1 capital adequacy ratio	<b>11.65%</b>	10.91%
Capital adequacy ratio	<b>14.86%</b>	13.05%

Note: Comparative figures are calculated in accordance with the capital measurement methods stipulated in the “Measures for Capital Management of Commercial Banks (for Trial Implementation)” and other relevant regulations.

# Notes to the Financial Statements

Year ended 31 December 2024   Expressed in thousands of Renminbi

## XVII   The accountancy handles after the balance sheet

As of the date of approval of the financial statements, there is no significant events to be disclosed after the balance sheet date.

## XVIII   Comparative figures

The Group has reclassified some comparative figures for disclosure purpose.

## XIX   Approval of the financial statements

The financial statements were approved by the Board of Directors on 28 April 2025.

# Directory of Organizations

## Head Office

- 📍 Address: CGB Building, No. 713, Dongfengdong Road, Yuexiu District, Guangzhou, Guangdong
- ☎ Telephone: 020-87311722
- 📠 Fax: 020-87310779
- ✉ Post code: 510080
- 🏢 Quantity of institution: 1

## Chongqing Branch

- 📍 Address: 1-2/F, Podium Building, Unit 1 & 30-43/F, CGB Building, Unit 2, No. 99 Wuyi Road, Yuzhong District, Chongqing
- ☎ Telephone: 023-63302266
- 📠 Fax: 023-63329888
- ✉ Post code: 400010
- 🏢 Quantity of institution: 11

## Beijing Branch

- 📍 Address: CGB Building, 2A Dongchang'an Avenue, Dongcheng District, Beijing
- ☎ Telephone: 010-65169365
- 📠 Fax: 010-65266728
- ✉ Post code: 100005
- 🏢 Quantity of institution: 55

## Dalian Branch

- 📍 Address: No. 3, Zhongshan Plaza, Zhongshan District, Dalian, Liaoning
- ☎ Telephone: 0411-82553811
- 📠 Fax: 0411-82553258
- ✉ Post code: 116001
- 🏢 Quantity of institution: 20

## Changchun Branch

- 📍 Address: No. 105 and 106 Store of 1/F, 2/F, and 16-19/F, Shangdong International Tower A, No. 3000, Dongsheng Avenue, Erdao District, Changchun, Jilin
- ☎ Telephone: 0431-81135096
- 📠 Fax: 0431-81135000
- ✉ Post code: 130000
- 🏢 Quantity of institution: 5

## Dongguan Branch

- 📍 Address: Stores 101-103, 109, 110 and Office No. 207, 401 – 801, 902, CGB Financial Building, No. 3 Shizhu Road, Nancheng Street, Dongguan, Guangdong
- ☎ Telephone: 0769-22508851
- 📠 Fax: 0769-22508851
- ✉ Post code: 523000
- 🏢 Quantity of institution: 47

## Changsha Branch

- 📍 Address: CGB Building, No. 195 Binjiang Road, Yuelu District, Changsha, Hunan
- ☎ Telephone: 0731-88335780
- 📠 Fax: 0731-88335788
- ✉ Post code: 410006
- 🏢 Quantity of institution: 26

## Foshan Branch

- 📍 Address: CGB Building, No. 29, Jihua 5th Road, Chancheng District, Foshan, Guangdong
- ☎ Telephone: 0757-83121027
- 📠 Fax: 0757-83359356
- ✉ Post code: 528000
- 🏢 Quantity of institution: 34

## Chengdu Branch

- 📍 Address: 1-2/F, 17/F, 19-21/F, North Tower, Sichuan Investment Building, No. 112 Tiantai Road, High-Tech Zone, Chengdu, Sichuan
- ☎ Telephone: 028-80587953
- 📠 Fax: 028-85355943
- ✉ Post code: 610041
- 🏢 Quantity of institution: 15

## Fuzhou Branch

- 📍 Address: 1/F & 4/F, Shenfa Mansion, No. 132 Shuguang Road, Taijiang District, Fuzhou, Fujian
- ☎ Telephone: 0591-28083903
- 📠 Fax: 0591-28083903
- ✉ Post code: 350009
- 🏢 Quantity of institution: 17

## Directory of Organizations

### Guangzhou Branch

📍 Address: 1/F & 24-28/F, Nanyazhonghe Plaza, No. 57, Linjiang Avenue, Pearl River New Town, Tianhe District, Guangzhou, Guangdong

☎ Telephone: 020-38988800

📠 Fax: 020-83503050

✉ Post code: 510623

🏢 Quantity of institution: 61

### Hefei Branch

📍 Address: 1, 42, 43, 46, 4/F (B402-B404), Block B, Anliang Dongyi Financial Plaza, No. 169 Funan Road, Luyang District, Hefei, Anhui

☎ Telephone: 0551-65955600

📠 Fax: 0551-65955600

✉ Post code: 230061

🏢 Quantity of institution: 11

### Guiyang Branch

📍 Address: "China Life Building", North Third Tower, Zhongtian Financial City Business District (North District), Changling North Road, Guanshanhu District, Guiyang, Guizhou

☎ Telephone: 0851-88800217

📠 Fax: 0851-88800217

✉ Post code: 550081

🏢 Quantity of institution: 2

### Heyuan Branch

📍 Address: 1-4/F, Block A, Youli Business Building, No. 19 Jianshe Avenue West, Heyuan

☎ Telephone: 0762-3168600 (switchboard)

📠 Fax: -

✉ Post code: 517000

🏢 Quantity of institution: 7

### Harbin Branch

📍 Address: No. 2688, Qunli Fifth Avenue, Daoli District, Harbin, Heilongjiang

☎ Telephone: 0451-85872981

📠 Fax: -

✉ Post code: 150010

🏢 Quantity of institution: 23

### Hohhot Branch

📍 Address: Building 1, Wanming Headquarters Base, No. 28, Ruyihe Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region

☎ Telephone: 0471-6116318

📠 Fax: 0471-6116316

✉ Post code: 010010

🏢 Quantity of institution: 1

### Haikou Branch

📍 Address: 1-3/F, Yilong Plaza, No. 15 Jinlong Road, Longhua District, Haikou, Hainan

☎ Telephone: 0898-31290055

📠 Fax: -

✉ Post code: 570125

🏢 Quantity of institution: 1

### Huizhou Branch

📍 Address: No. 19, Xiapu Avenue, Huizhou, Guangdong

☎ Telephone: 0752-2119885

📠 Fax: 0752-2119888

✉ Post code: 516001

🏢 Quantity of institution: 19

### Hangzhou Branch

📍 Address: No. 516 Yan'an Road, Hangzhou, Zhejiang

☎ Telephone: 0571-87019888 (switchboard)

📠 Fax: 0571-87917852

✉ Post code: 310006

🏢 Quantity of institution: 38

### Jiangmen Branch

📍 Address: No. 49-5 Jianshe Road, Jiangmen, Guangdong





☎ Telephone: 0750-3288388 (switchboard)

📠 Fax: 0750-3288644






✉ Post code: 529000

🏢 Quantity of institution: 20

**Jinan Branch**

-  Address: CGB Building, No. 15, Jingsi Road, Shizhong District, Jinan, Shandong
-  Telephone: 0531-66669201
-  Fax: 0531-66669900
-  Post code: 250001
-  Quantity of institution: 21






**Nanjing Branch**

-  Address: No. 238, Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu
-  Telephone: 025-88812888 (switchboard)
-  Fax: 025-88812007
-  Post code: 210019
-  Quantity of institution: 39

**Kunming Branch**

-  Address: No. 488 Guangfu Road, Xishan District, Kunming, Yunnan
-  Telephone: 0871-64177111
-  Fax: 0871-64177444
-  Post code: 650228
-  Quantity of institution: 26

**Nanning Branch**

-  Address: Stores LG-12 to LG-13 on LG Floor, Shops L1-009 to L1-016 on 1/F and the entire floor from 23 to 26/F on Block B, China-Asean International Trade and Logistics Center, No. 146 Minzu Avenue, Qingxiu District, Nanning, Guangxi Zhuang Autonomous Region
-  Telephone: 0771-5579656
-  Fax: 0771-2562608
-  Post code: 530000
-  Quantity of institution: 8

**Maoming Branch**

-  Address: No. 159, No. 161, No. 163, Yingbin 3rd Road, Maoming, Guangdong
-  Telephone: 0668-3337007
-  Fax: 0668-2286313
-  Post code: 525000
-  Quantity of institution: 14






**Ningbo Branch**

-  Address: No. Odd 11-27, Daqing South Road, Jiangbei District, Ningbo, Zhejiang
-  Telephone: 0574-87289888
-  Fax: -
-  Post code: 315000
-  Quantity of institution: 17

**Meizhou Branch**

-  Address: 1-3/F, Block MB11, Meiyuanxincun, South Section, Jiangnan Binfang Avenue, Meizhou, Guangdong
-  Telephone: 0753-2308202
-  Fax: 0753-2243595
-  Post code: 514021
-  Quantity of institution: 10

**Qingdao Branch**

-  Address: 29-31/F of Building No. 1, and 1-2/F of the Podium of Buildings No. 1&2, Guoxin Financial Center, No. 31, Xianxialing Road, Laoshan District, Qingdao, Shandong
-  Telephone: 0532-82632566
-  Fax: -
-  Post code: 266105
-  Quantity of institution: 1

**Nanchang Branch**

-  Address: No. 1669, Hongguzhong Avenue, Honggutan New District, Nanchang, Jiangxi
-  Telephone: 0791-88550576
-  Fax: 0791-83895508
-  Post code: 330000
-  Quantity of institution: 10

**Qingyuan Branch**

-  Address: 1-2/F and 21-23/F, Building 38, City Garden, No. 55 Lianjiang Road, Qingcheng District, Qingyuan, Guangdong
-  Telephone: 0763-3855018
-  Fax: 0763-3855010
-  Post code: 511500
-  Quantity of institution: 8

## Directory of Organizations

### Shanghai Branch

-  Address: No. 88 Yincheng Road, Pudong New District, Shanghai
-  Telephone: 021-63901033
-  Fax: 021-63901929
-  Post code: 200120
-  Quantity of institution: 34

### Shijiazhuang Branch

-  Address: 0-101, 0-302A, 20-23/F of Unit 01 of T1 & T2 Office Building, Zhongjiao Fortune Center, No. 118 Ziqiang Road, Qiaoxi District, Shijiazhuang, Hebei
-  Telephone: 0311-89881000
-  Fax: 0311-89881280
-  Post code: 050000
-  Quantity of institution: 11

### Shantou Branch

-  Address: 1-4/F, Chaoshanxinghe Building, Jinhuan Road, Shantou, Guangdong
-  Telephone: 0754-88262689
-  Fax: 0754-88262489
-  Post code: 515041
-  Quantity of institution: 27

### Suzhou Branch

-  Address: Block A, Building 24, China Life Financial Center, Huachi Street of Industrial Park, Suzhou, Jiangsu
-  Telephone: 0512-80987772
-  Fax: 0512-80987571
-  Post code: 215000
-  Quantity of institution: 9

### Shaoguan Branch

-  Address: 1-2/F of Commercial No. 1 and 8-9/F of West Tower Office, Shaoguan Urban Investment and Development Group Business Center, No. 69 Binjiang Road, Wujiang District, Shaoguan, Guangdong
-  Telephone: 0751-8177989
-  Fax: 0751-8177959
-  Post code: 512025
-  Quantity of institution: 3






### Taiyuan Branch

-  Address: 1-6/F, Junwei International Financial Center, No. 89, Jinyang Street, Xiaodian District, Taiyuan, Shanxi
-  Telephone: 0351-2302121
-  Fax: 0351-2302157
-  Post code: 030006
-  Quantity of institution: 8

### Shenyang Branch

-  Address: No. 197, Qingnian Avenue, Shenhe District, Shenyang, Liaoning
-  Telephone: 024-81378153
-  Fax: 024-81378171
-  Post code: 110000
-  Quantity of institution: 26






### Tianjin Branch

-  Address: 3-101-1, 3-201-1, 3-301, 3-401, 3-501 Haihui Mansion, northeast of the intersection of Jiefang South Road and Shaoxing Road, Hexi District, Tianjin
-  Telephone: 022-58566111
-  Fax: 022-58567625
-  Post code: 300202
-  Quantity of institution: 12

### Shenzhen Branch

-  Address: 1/F, 2/F (East District), 11-12/F and 14-19/F, Building A, Dongfang Xintiandi Plaza, No. 1003, Shennan Road, Futian District, Shenzhen, Guangdong
-  Telephone: 0755-88919999
-  Fax: 0755-88919021
-  Post code: 518000
-  Quantity of institution: 42






### Wuhan Branch

-  Address: CGB Building, No. 737 Jianshe Avenue, Jiangnan District, Wuhan, Hubei
-  Telephone: 027-85354783
-  Fax: 027-85354848
-  Post code: 430022
-  Quantity of institution: 25

**Urumqi Branch**

-  Address: No. 480 Renmin Road, Tianshan District, Urumqi, Xinjiang Uygur Autonomous Region
-  Telephone: 0991-2953323
-  Fax: 0991-8857170
-  Post code: 830000
-  Quantity of institution: 10



**Zhengzhou Branch**

-  Address: No. 10, CBD Commercial Outer Ring Road, Zhengdong New District, Zhengzhou, Henan
-  Telephone: 0371-68599907
-  Fax: 0371-68599908
-  Post code: 450018
-  Quantity of institution: 45

**Xi'an Branch**

-  Address: 1, 35, 38-41/F, Xi'an China Life Financial Center, No. 11 Tangyan Road, High-tech Zone, Xi'an, Shaanxi
-  Telephone: 029-89568536
-  Fax: 029-89568528
-  Post code: 710036
-  Quantity of institution: 11

**Zhongshan Branch**

-  Address: No. 55 Huabai Road, Shiqi District, Zhongshan, Guangdong
-  Telephone: 0760-88861998 (switchboard)
-  Fax: 0760-88861968
-  Post code: 528400
-  Quantity of institution: 15


**Yangjiang Branch**

-  Address: Jinghu Comprehensive Building, No. 38 Dongfeng 3rd Road, Yangjiang, Guangdong
-  Telephone: 0662-3367692
-  Fax: 0662-3367672
-  Post code: 529500
-  Quantity of institution: 6





**Zhuhai Branch**

-  Address: No. 68, Jida Jingshan Road, Xiangzhou District, Zhuhai, Guangdong
-  Telephone: 0756-3250778
-  Fax: 0756-3250778
-  Post code: 519015
-  Quantity of institution: 15

**Zhaoqing Branch**

-  Address: No. 75-1 Tianning North Road, Duanzhou District, Zhaoqing, Guangdong
-  Telephone: 0758-2313023
-  Fax: 0758-2313013
-  Post code: 526040
-  Quantity of institution: 17





**Macau Branch**

-  Address: 18/F, Guanghui (Group) Commercial Center, No. 181-187, Alameda Dr. Carlos D'assumpcao, New Port, Macau
-  Telephone: 00853-28750328 (switchboard)
-  Fax: 00853-28750728
-  Quantity of institution: 5

**Zhanjiang Branch**

-  Address: No. 22, Zhongshan 1st Road, Chikan District, Zhanjiang, Guangdong
-  Telephone: 0759-3366558
-  Fax: 0759-3313285
-  Post code: 524032
-  Quantity of institution: 13

**Hong Kong Branch**

-  Address: 12/F, Tower 1, Exchange Square, 8 Connaught Place, Central, Hong Kong
-  Telephone: 00852-38509800
-  Fax: 00852-25300123
-  Quantity of institution: 1

# Directory of Organizations

## Credit Card Center

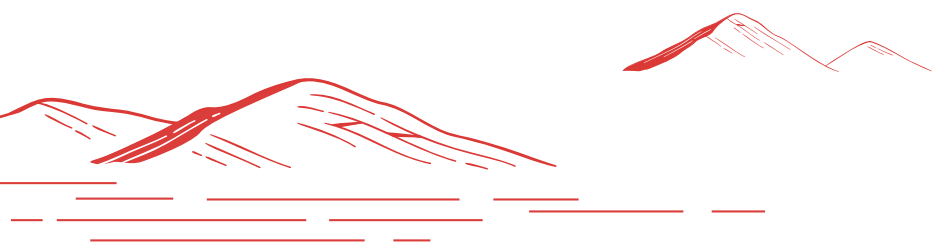
- Address: Room 801, 901, 1001, 1101, 1201, No. 10  
Zhujiang West Road, Tianhe District,  
Guangzhou, Guangdong
- Telephone: 020-38738888
- Fax: 020-38738992
- Post code: 510623
- Quantity of institution: 65

## Fund Operation Center

- Address: 35/F, China Life Financial Center, No. 88,  
Yincheng Road, Pudong New Area, Shanghai
- Telephone: 021-23297106
- Fax: 021-23157201
- Post code: 200120
- Quantity of institution: 1

## CGB Wealth Management Co. Ltd.

- Address: 31/F, No. 166, Lujiazui East Road, China  
(Shanghai) Pilot Free Trade Zone
- Telephone: 021-68298600
- Fax: 021-50338709
- Post code: 200120
- Quantity of institution: 1



📍 No. 713 Dongfengdong Road,  
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📠 510080

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