



2024

ANNUAL REPORT



Important Notes

- ▶ The Board of Directors, Board of Supervisors, Directors, Supervisors and senior management of the Bank guarantee that the information presented in the Report is true, accurate and complete, and do not contain false records, misrepresentations or major omissions and bear several and joint legal liabilities.
- ▶ The 2024 Annual Report was approved at the sixth meeting of the 9th Session of the Board of Directors of the Bank on 21 March 2025. Out of the 14 Directors expected to attend the meeting, 14 Directors were present at the meeting, and six Supervisors of the Bank were present at the meeting.
- ▶ KPMG Huazhen LLP issued an unqualified auditor's report for the Bank in accordance with the China Accounting Standards for Business Enterprises.
- ▶ The Report is prepared in Simplified Chinese, Traditional Chinese and English respectively. In the event of any discrepancy between the Chinese and English versions, the Simplified Chinese version shall prevail.
- ▶ Cheng Jinsong, Chairman of the Bank, Xie Yongwei, President of the Bank, Wu Jianwen, Accounting Principal, Sun Weiling, Chief Accountant, and Lin Weishan, Head of Finance Department, hereby warrant the truthfulness, accuracy and completeness of the financial reports in this Annual Report.
- ▶ Unless otherwise stated, the accounting and financial data mentioned in the Report are consolidated data and are denominated in Renminbi (RMB).
- ▶ At the sixth meeting of the 9th session of the Board of Directors of the Bank, the preliminary profit distribution plan for the reporting period was reviewed and approved: based on the total share capital of 2.3416 billion shares, a cash dividend of RMB2.50 (tax inclusive) for every 10 shares will be distributed to shareholders registered at the close of the registration of the general meeting of shareholders to consider the profit distribution plan and a total cash dividend of RMB585 million will be paid.
- ▶ The forward-looking descriptions such as future planning and development strategies involved in the Report shall not be regarded as the Bank's substantial commitments to its investors. Investors and relevant parties shall be sufficiently aware of the related risks and understand the differences between plans, forecasts and commitments. Investors are expected to read the full text of the Report carefully. The details on existing major risks and proposed countermeasures are set out in the Report by the Bank. Please refer to the "Operations Discussion and Analysis" for information relating to risk management.



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Definitions

In the Report, unless otherwise stated, the following terms shall have the meanings set out below.

1. “Bank of Dongguan”, the “Bank”, “our Bank” and the “Company” refer to Bank of Dongguan Co., Ltd.
2. “Reporting period” or the “Year” refers to the year 2024.
3. “Articles of Association” refers to the “Articles of Association of Bank of Dongguan Co., Ltd.”.



Chairman's Statement

In 2024, China's economy was in a critical period of structural adjustment, and the operating environment of the banking industry underwent profound changes. Amid complex economic conditions and industry pressure, we have consistently adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era, fully implemented the spirit of the 20th CPC National Congress and the Second and Third Plenary Session of the 20th Central Committee, while strictly following the requirements of the Central Economic Work Conference and the Central Financial Work Conference, we solidly promoted various initiatives including business transformation, structural adjustment, efficiency improvement, and risk prevention and control. With the strong supports of governments at all levels and the effective guidance and supervision of regulatory authorities, all operational indicators of the Bank remain stable.

Adhering to the guidance of Party leadership as fundamental and unswervingly deepening the all-round and strict governance of the Party and the Bank. We successfully completed the transitions of Party committees, board of directors, supervisors and senior management. We improved the mechanism for cadres selection and appointment. We fully cooperated with the inspection work, and activated the entrepreneurship spirit of the whole Bank through the transformation of work style.

Standing fast to the main responsibilities for core business, and further increasing the financial support for the real economy. Guided by the "Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance", we continuously improved the financial service system of "technology innovation + advanced manufacturing", actively cultivated the characteristic business model of inclusive micro-loans, accelerated the innovation of green financing products and services, increased financial support to the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages", adhered to the "customer-oriented" approach to accelerate the digital transformation of services, so that the achievements of financial development can better benefit people's livelihood.

Continued to prioritize risks prevention and resolution and building a solid security line for high-quality development. Balancing development and security, we maintained stable asset quality, effectively implemented prevention and management of compliance-related cases, and implemented and refined the work safety. We steadily and orderly promoted the implementation of the reform of rural banks and earnestly assumed the responsibility for preventing and resolving financial risks.

2025 is the final year of the 14th Five-Year Plan. We will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and uphold the principle of seeking progress while ensuring stability, and promoting stability through progress. We will stay true to our original aspiration and pursue innovation, establish new institutions before dissolving the old, and enhance the confidence in the transformation and development. Focusing on cost reduction and efficiency improvement, we will work hard, face difficulties bravely, continuously create more value for customers, investors and the society, and strive to write a new chapter in high-quality development!

Chairman: Cheng Jinsong

Chapter I Basic Corporate Information

I. CORPORATE INFORMATION

Legal Chinese name	东莞银行股份有限公司
Chinese abbreviation	东莞银行
Legal English name	BANK OF DONGGUAN CO., LTD.
English abbreviation	BOD
Legal representative	Cheng Jinsong
Date of initial registration	8 September 1999
Unified social credit code	914419007076883717
Financial license No.	B0201H244190001
Registered office address	No. 21, Tiyu Road, Guancheng District, Dongguan, Guangdong, China

II. CONTACTS

Secretary of the Board of Directors	Li Qicong
Contact address	Office of the Board of Directors, Bank of Dongguan, No. 21, Tiyu Road, Guancheng District, Dongguan, Guangdong, China
Tel	(86)-769 2286 5192
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E-mail	zhanlb@dongguanbank.cn
Postal code	523000

III. INFORMATION DISCLOSURE AND PLACE WHERE THE ANNUAL REPORT IS AVAILABLE

Newspapers for information disclosure	Financial News
Website for publishing annual report	Official website of the Bank: http://www.dongguanbank.cn
Place where the annual report is available	Office of the Board of Directors and branch offices of the Bank

IV. OTHER RELEVANT INFORMATION

Certified public accountant engaged	KPMG Huazhen LLP
Office address	8th Floor, KPMG Tower Oriental Plaza, 1 East Chang An Avenue, Beijing
Signatory certified public accountants	Wu Zhongming, and Ye Yunhui

Chapter II Summary of Accounting Data and Financial Indicators

I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB'000, %

Operating performance	2024	2023	Increase or decrease over the previous year	2022
Operating income	10,196,825	10,587,306	-3.69	10,279,068
Operating profits	3,825,375	4,241,527	-9.81	3,940,660
Total profits	3,831,684	4,232,741	-9.48	3,929,591
Net profits	3,732,824	4,066,192	-8.20	3,833,273
Net profits attributable to shareholders of the Company	3,737,679	4,066,915	-8.10	3,834,440
Net profits attributable to shareholders of the Company after deducting non-recurring profit or loss	3,666,829	3,929,207	-6.68	3,741,452
Net cash flow (used in) /generated from operating activities	-13,350,151	47,243,238	-128.26	21,391,893
Basic earnings per share (RMB/share)	1.53	1.73	-11.56	1.72
Diluted earnings per share (RMB/share)	1.53	1.73	-11.56	1.72
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	1.50	1.67	-10.18	1.67
Net cash flow (used in)/generated from operating activities per share (RMB/share)	-5.70	20.18	-128.26	9.81
Fully diluted return on equity (%)	9.07	10.76	-1.69	12.24
Weighted average return on equity (%)	9.47	12.07	-2.60	12.91
Fully diluted return on equity after deducting of non-recurring profit or loss (%)	8.89	10.38	-1.49	11.94
Weighted average return on equity after deducting of non-recurring profit or loss (%)	9.28	11.64	-2.36	12.59

Note 1: The indicators relating to the Bank's return on equity and earnings per share are calculated in accordance with the provisions of the "Notice on Promulgation of Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No.9 – Calculation and Disclosure of Return on Equity and Earnings per Share" (revised in 2010). The Bank issued RMB2.2 billion and RMB2.0 billion of write-down undated capital bonds (the "Perpetual Bonds") in 2020 and 2022 respectively, and paid the interest on the bonds in 2022, 2023 and 2024 respectively. When calculating the basic earnings per share and average return on equity disclosed herein, the Bank took into account the effect of the Perpetual Bonds.

Unit: RMB'000, %

Indicators of project scale	2024	2023	Increase or decrease over the end of the previous year	2022
Total assets	672,729,734	628,924,663	6.97	538,419,002
Total disbursement of loans and advances	365,552,760	327,726,924	11.54	290,430,530
Including: Corporate loans	228,794,969	211,970,616	7.94	170,138,898
Personal loans	109,856,523	107,870,387	1.84	101,553,545
Notes discounted	26,901,268	7,885,921	241.13	18,738,087
Provision for loan loss	7,878,441	7,706,425	2.23	6,908,889
Including: Provision for loan loss at fair value through other comprehensive income	163,076	214,353	-23.92	147,473
Total liabilities	629,088,518	588,347,585	6.92	503,564,781
Total principal of customer deposits	438,423,797	418,470,481	4.77	363,598,099
Including: Corporate deposits	246,937,725	239,873,404	2.95	216,197,287
Personal deposits	169,562,296	148,814,138	13.94	124,137,005
Shareholders' equity	43,641,216	40,577,078	7.55	34,854,221
Including: Equity attributable to shareholders of the Company	43,610,058	40,485,955	7.72	34,755,195
Share capital	2,341,600	2,341,600	-	2,180,000
Net assets per share attributable to ordinary shareholders of the Company (RMB/share)	16.83	15.50	8.58	14.02

Note 1: According to the "Notice by the Ministry of Finance of Revising and Issuing the Format of 2018 Consolidated Financial Statements" (Caikuai [2018] No. 36), the interest of financial instruments based on the effective interest method is included in the book balance of financial instruments. Interest on the matured financial instruments that is receivable or payable but has not been received or paid at the balance sheet date is presented under "Other assets" or "Other liabilities". Except for the "distribution of loans and advances" and "customer deposits" mentioned in the balance sheet, the "disbursement of loans and advances", "customer deposits" and their details referred to in the Report do not include any interest.

Note 2: The effects of the undated capital bonds (the "Perpetual Bonds") have been deducted from the net assets per share attributable to the ordinary shareholders of the Company.

II. MAJOR FINANCIAL INDICATORS BY QUARTER

Unit: RMB'000

Item	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Operating income	2,709,362	2,750,763	2,183,495	2,553,205
Net profits attributable to shareholders of the Company	1,414,953	982,976	821,559	518,191
Net profits attributable to shareholders of the Company after deducting non-recurring profit or loss	1,416,828	944,272	795,278	510,451
Net cash flow (used in)/generated from operating activities	-20,260,912	3,602,938	-10,110,442	13,408,265

III. ITEMS AND AMOUNT OF NON-RECURRING PROFIT OR LOSS

Unit: RMB'000, %

Non-recurring profit or loss item	2024	2023	Increase or decrease over the previous year	2022
Net profit or loss from disposal of non-current assets	286	-3,051	109.37	-1,228
Government grants recognized in current profit or loss	83,534	196,579	-57.51	137,565
Other items qualified as non-recurring profit or loss	6,309	-8,786	171.81	-11,069
Net non-recurring profit or loss	90,129	184,742	-51.21	125,268
Less: effect of income tax	19,353	46,950	58.78	31,992
Total	70,776	137,792	-48.64	93,276
Including: non-recurring profit or loss that affects net profit of shareholders of the Company	70,850	137,708	-48.55	92,988
Non-recurring profit or loss that affects minority interests	-74	84	-188.10	288

IV. SUPPLEMENTARY FINANCIAL AND REGULATORY INDICATORS

Unit: %

Item	Standard value	2024	2023	2022
Capital adequacy ratio	≥10.5	13.93	13.75	13.42
Tier-1 capital adequacy ratio	≥8.5	10.31	9.91	9.75
Core tier-1 capital adequacy ratio	≥7.5	9.31	8.87	8.56
Leverage ratio	≥4	5.87	5.79	5.72
Liquidity ratio	≥25	83.61	70.51	77.88
Liquidity coverage rate	≥100	220.02	203.30	187.81
Non-performing loan ratio	≤5	1.01	0.93	0.93
Provision coverage ratio	≥130	212.01	252.86	254.30
Provision-loan ratio	≥1.8	2.15	2.35	2.38
Loan concentration ratio of a single customer	≤10	2.46	2.76	2.78
Credit concentration ratio of a single group customer	≤15	6.11	6.55	6.03
Migration ratio of normal loans	-	2.09	0.92	0.84
Migration ratio of special-mentioned loans	-	30.42	45.49	34.10
Migration ratio of substandard loans	-	93.39	77.45	69.56
Migration ratio of doubtful loans	-	98.10	27.15	12.49
Return on total assets	≥0.6	0.57	0.70	0.75
Cost-income ratio	-	39.00	36.03	35.22
Net interest spread	-	1.35	1.63	1.72
Net interest margin	-	1.26	1.61	1.67

Note 1: Regulatory indicators are calculated and presented in regulatory terms.

Note 2: The capital adequacy ratio is measured using the methodology prescribed in the "Capital Management Measures for Commercial Banks" from 2024 onwards, and the capital adequacy ratio is measured using the methodology prescribed in the "Capital Management Measures for Commercial Banks (for Trial Implementation)" for 2023 and prior years; same below.

Note 3: Net interest spread=the average return on interest-earning assets – average cost rate of interest-bearing liabilities.

Note 4: Net interest margin = net interest income/average balance of interest-earning assets.

Note 5: In accordance with the provisions in the "Circular on Adjusting the Regulatory Requirements for Loan Loss Provision of Commercial Banks" (Yin Jian Fa [2018] No. 7), commercial banks are subject to the differential and dynamic regulatory policies for provision.

V. CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB'000

Item	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Minority equity	Total shareholders' equity
Opening balance	2,341,600	4,196,321	4,064,214	362,557	3,692,439	6,376,567	19,452,257	91,123	40,577,078
Increase in the current period	-	-	-	278,102	382,167	990,807	1,474,716	-	3,125,792
Decrease in the current period	-	-	1,689	-	-	-	-	59,965	61,654
Ending balance	2,341,600	4,196,321	4,062,525	640,659	4,074,606	7,367,374	20,926,973	31,158	43,641,216

VI. CAPITAL COMPOSITION AND ITS CHANGE

Unit: RMB'0,000

Item	2024	2023	2022
Total net capital	5,824,316	5,554,275	4,734,730
Net core tier-1 capital	3,893,044	3,580,365	3,020,833
Net tier-1 capital	4,312,827	4,000,251	3,440,740
Net tier-2 capital	1,511,489	1,554,024	1,293,990
Risk-weighted assets	41,818,125	40,382,884	35,292,292

Chapter III Business Overview

I. PRINCIPAL BUSINESSES IN THE REPORTING PERIOD

The scope of our principal businesses includes: accepting public deposits; offering short-term, mid-term and long-term loans; domestic settlement; discounting bills; issuing, cashing and underwriting government bonds as an agency; trading government bonds; interbank borrowings; issuing financial bonds; providing bank guarantees; collecting and settling payments; safe box service; entrusted deposits and loans service of local fiscal revolving fund; foreign currency deposits; foreign currency loans; foreign currency remittances; foreign currency exchange; international settlement; interbank borrowing of foreign currency; acceptance and discounting of foreign currency bills; foreign currency guarantees; settling and selling foreign currency; foreign currency exchange as an agency; settling foreign credit card payment as an agency; insurance service as an agency (operating by branches with permit); selling securities investment funds as an agency; proprietary foreign exchange trading; and other businesses approved by the banking regulatory authorities of China (items subject to approval according to laws shall not be operated before such approval is granted by the competent authorities).

II. MATERIAL CHANGES IN MAJOR ASSETS

During the reporting period, there were no material changes in the Bank's major assets.

III. CORE COMPETITIVENESS ANALYSIS

(I) Regional development opportunities provide ample room for growth. With a focus on Dongguan as our primary market and headquartered in the Greater Bay Area, the Bank has covered 7+1 cities in the 9+2 city cluster within the Greater Bay Area. The planning and implementation of various national strategies within the region have opened up new situation and new room for us to deepen localization, and promote high-quality development. During the reporting period, as the national strategy of the Greater Bay Area advanced further, financial connectivity gradually deepened; the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages" in Guangdong Province was accelerated, with key construction projects being implemented in order; Dongguan, focusing on "technical innovation + advanced manufacturing", accelerated the pace of innovation-driven development. New momentum for economic growth gradually emerged, with steady improvement in development quality. The favorable regional economic environment provides our Bank with broad room for market expansion and abundant customer resources.

(II) High-quality development driven by scientific and standardized corporate governance. Actively promoting the integration of the Party leadership and corporate governance, the Bank has established a comprehensive and modern organizational structure for corporate governance, and established a complete corporate governance system and a modern enterprise system with Chinese characteristics to define the authorities and responsibilities of the general meeting of shareholders, the Board of Directors, the Board of Supervisors, and senior management, forming a corporate governance operation mechanism characterized by "independent operation, effective checks and balances, mutual cooperation, and coordinated operation". During the reporting period, the Bank further improved the management system for equity and related party transactions, and strengthened and standardized information disclosure management, thereby ensuring sound corporate governance overall. This upholds the Bank's commitment to the bottom line of compliance management and ensures steady and sustainable development in the right strategic direction.

(III) The development landscape characterized by interaction between domestic market and overseas market enhances the capabilities of comprehensive financial services. During the reporting period, Guanyin International Limited obtained a banking license from the Hong Kong Monetary Authority, making the Bank the first city commercial bank in the country approved to newly register and establish a subsidiary in Hong Kong and to establish a branch in Hong Kong, thus preliminarily forming a group synergistic development landscape. On 30 December 2024, the Hong Kong subsidiary's company name was officially confirmed as Bank of Dongguan International Limited. With the establishment of its institutions in Hong Kong, the Bank is deeply involved in the construction of the Greater Bay Area as a financial hub and the high-level mutual opening-up of financial services. By leveraging on the comparative advantages of resource linkage in domestic and overseas markets, the Bank has stepped up product innovation efforts to meet the requirements of customers in the Greater Bay Area for diversified financial services, further enhancing our comprehensive financial service capabilities.

(IV) Digital transformation drives the upgrading of the development model. In line with the trend of digital development, the Bank further pushed forward digital transformation, and enhanced overall operational efficiency and service quality, driving the transformation and upgrading of the Bank's development model. During the reporting period, the Bank continuously advanced organizational system reform and management model innovation to further align with the needs of digital transformation; actively explored the application of digital technologies such as big data and artificial intelligence, continuously strengthening product digital innovation iteration and digital marketing management; accelerated the development of a digital risk control system to gradually enhance the quality of intelligent risk control; deepened the digital transformation of operational services to reduce costs and improve efficiency in operational management; continually improved the data governance system and the construction of a data platform, making data application scenarios more diverse and comprehensive; and continued to strengthen technological capability building to solidify the technological foundation for digital transformation.

(V) Stable operation ensures sustainable development. The Bank always adheres to the principle of stable operation, including stability as its core values in all aspects of its business and management operations, to promote "stable development" through "risk prevention". During the reporting period, the Bank continued to carry out risk monitoring and alert using a hierarchical classification of risk monitoring and alert, while also driving forward the development of customer rating systems, risk alert systems, and other risk control systems, and accelerating the improvement of various risk control and management systems and processes. The Bank enhanced risk identification in key areas, continued to conduct specialized recovery activities to "reduce delinquency rates", and increased efforts to dispose of problematic assets, further strengthening the foundation for high-quality development.

(VI) Refined management improves operational quality and efficiency. The Bank continuously promotes the development of basic management capabilities, actively building support capabilities in line with strategic planning. First, the Bank has intensified its investment and research capability building, continuously optimized a dynamic adjustment mechanism for resource allocation, and vigorously promoted business restructuring and transformation. Second, the Bank continuously solidified and refined the standardized, modular, and systematized behaviors for key positions, and constantly reviewed and optimized the internal process system, effectively enhancing internal management efficiency. Third, the Bank implemented the strategy of "making the Bank strong through talents" on a comprehensive scale, promoted a market-oriented mechanism for selecting and employing personnel, continuously strengthened efforts in talent development, and accelerated the formation of a professional and international financial talent team.

IV. DEVELOPMENT OF KEY BUSINESSES DURING THE REPORTING PERIOD

(I) Corporate banking

1. Operating results

The Bank continued to serve the local economy and maintained a firm foothold in the local market, deepened its 2G2B2C ecosystem with a customer-oriented approach, drove synergistic customer base operations and localized growth through product leadership, focusing on the “Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance” to support the development of new quality productivity, and insisted on seeking progress while keeping performance stable, promoting stability through progress to promote high-quality and sustainable growth in our corporate banking business. As of the end of the reporting period, the balance of corporate banking deposits came in at RMB246.938 billion, representing an increase of RMB7.064 billion or 2.95% over the beginning of the year. The balance of corporate banking loans (including discounted loans) was RMB255.696 billion, representing an increase of RMB35.840 billion or 16.30% over the beginning of the year.

2. Highlights of business development

(1) With targeted implementation of the “High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages” initiative, government finance has achieved new breakthroughs. First, the Bank advanced the high-quality development of the “High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages” initiative. Aligned with key policy directives, the Bank facilitated the targeted resource deployment for the “High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages” initiative, by developing an urban village redevelopment pipeline; participating in industrial park development and upgrades; providing comprehensive financial solutions tailored for rural revitalization; and allocating credit to key development projects in the Greater Bay Area. As part of its full support for the “High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages” initiative, the Bank prioritized credit allocation, streamlined loan processing through dedicated channels, and utilized preferential internal funds transfer pricing to maximize the effectiveness of its credit services. Second, the Bank deepened services for special local government bonds, and actively liaised with municipal governments and financial departments to provide guidance for special bond application projects. The Bank strengthened its online development, continuously promoted services for the engineering fund supervision system, and broadened the scope of its services for special bond projects. The Bank was rated as an excellent unit for assisting the High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages in the financial industry of Dongguan in 2024.

(2) The Bank focused on the development of “Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance” and made breakthroughs in industrial finance. First, the Bank prioritized Science and Technology Finance and the building of a modern industrial system powered by technological innovation. It was rapidly developing a comprehensive “Technology-Industry-Finance” service system to expedite the growth of new quality productivity and ensure the high-quality and sustainable development of its Science and Technology Finance operations. As of the end of the reporting period, we granted loans to a total of 2,992 technology enterprises, with a credit balance of RMB65.988 billion, representing an increase of 17.04% from the beginning of the year. Second, the Bank focused on green finance, continuously refining its green finance mechanisms, exploring financial transformation business and building a comprehensive green finance service system centered on green infrastructure, green manufacturing, and green energy. As of the end of the reporting period, the balance of green credit was RMB17.800 billion, representing an increase of 16.25% over the beginning of the year. Third, the Bank pursued a strategy of light-asset operation. During 2024, the Bank was granted the qualification of “General Lead Underwriter of Debt Financing Instruments for Non-Financial Enterprises”. The Bank successfully executed a number of bond issuances, achieved remarkable breakthroughs in business, and was rated as the Most Innovative Institution in the Market by Beijing Financial Assets Exchange in 2024.

(3) Technology empowers the “Efficiency First”, and “Customer Foundation” reaches new heights. First, the Bank continuously strengthened customer base by carrying out a customer-oriented approach, employing targeted marketing tactics focused on key industries and core enterprises, and further cementing its corporate customer base. Second, the Bank continuously improved its transaction and settlement services. By focusing on areas such as smart parks and smart payments, the Bank enhanced its “financial + quasi-financial” service offerings and vigorously expanded transaction and settlement business. As of the end of the reporting period, the number of transaction banking customers was increased by 69.27% compared to the beginning of the year. Third, the Bank improved its marketing management platform by developing a high-quality mobile marketing platform that provided effective visitor management tools designed to build a stronger customer base.

(II) Inclusive finance business

1. Operating results

In its efforts to thoroughly implement the strategic plans of the Party and the state on financial support for the development of small and micro businesses (SMEs), the Bank focused on “Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance” in the financial industry, adhered to policy guidance, enhanced its service matrix of inclusive finance and Science and Technology Finance, and prioritized the services for social well-being, the real economy, and national strategic objectives. The Bank was actively exploring new models for inclusive finance to ensure adequate volume, stable pricing, and an optimized structure of inclusive credit. As of the end of the reporting period, the balance of various types of micro-credit loans (including loans granted to SMEs, individual businesses, and SME owners) was RMB188.169 billion, an increase of RMB41.683 billion or 28.46% over the beginning of the year. The balance of inclusive finance loans (regulatory caliber) was RMB47.102 billion, an increase of RMB3.046 billion or 6.91% over the beginning of the year, and the number of inclusive finance loan customers reached 23,096, an increase of 486 over the beginning of the year. In the year, RMB29.739 billion inclusive loans were granted, with a weighted average lending rate of 3.82%.

2. Highlights of business development

(1) Enhancing internal management mechanisms to improve financial services for SMEs. First, the Bank established a dedicated working group to support the financing coordinating mechanism for SME financing led by the National Financial Regulatory Administration and the National Development and Reform Commission. This initiative, which includes the establishment of working groups at all levels within the Bank, aimed to strengthen financial support for the real economy and effectively address the financing challenges faced by SMEs, including financing difficulties, high costs, and lengthy processing. Second, the Bank strengthened its institutional framework to fully support inclusive finance initiatives through various measures, including internal transfer pricing adjustments, performance-based profit adjustments, preferential loan quotas, and optimized due diligence and exemption. Third, the Bank actively constructed a dedicated inclusive finance service structure, including the establishment of 10 new microloan teams in Dongguan, Guangzhou, and Foshan branches in 2024. To support this expansion, the Bank implemented talent development, mentoring, and incentive programs, adhering to the principle of small-scale and diversified lending. Fourth, the Bank improved its service network. As of the end of the reporting period, the Bank had 191 business outlets, including 3 community sub-branches and 4 micro-credit sub-branches, and the increased service market reach allowed us to benefit more SMEs with our services. To effectively improve access to inclusive finance, the Bank set up dedicated service counters for SME financing and first-time loan applications.

(2) Actively responding to national strategic deployments and promoting the issuance of inclusive loans in key areas. First, in close alignment with the national strategy for Science and Technology Finance, the Bank comprehensively utilized a combination of credit, guarantees, and intellectual property-backed financing to support the technology enterprises. As of the end of 2024, the Bank's number of technology-related inclusive loan accounts was 2,019, with a loan balance of over RMB9.051 billion, a net increase of nearly RMB1.967 billion since the beginning of the year. The Bank successfully launched Dongguan's first digital loan and the first batch guarantee scheme for intellectual property-backed financing, solidifying its market leadership in the city by number of intellectual property-based financing transactions. Second, the Bank actively advanced the national rural revitalization strategy by increasing inclusive lending to a wide range of agricultural borrowers and meeting their diverse financing needs. As of the end of 2024, the Bank's balance of inclusive agricultural loans was RMB6.555 billion, an increase of RMB 375 million compared to the beginning of the year. The growth rate of inclusive agricultural loans was 6.08%, exceeding the growth rate of all other loans by 1.94%.

(3) Strengthening product and service innovation to improve the quality and efficiency of inclusive financial services. First, the Bank promoted technology-enabled product upgrade. Deepening the application of fintech technology, the Bank continued to optimize and iterate online products including "technology e-loan, housing e-loan, government procurement e-loan, quality property mortgage e-loan, custody e-loan and guarantee e-loan". Investment in online products in 2024 exceeded RMB20 billion. Second, the Bank expanded its supply chain finance operations, granting over RMB20 billion of supply chain financing lines for core enterprises in 2024. Leveraging on its chain e-finance product, the Bank reached over 1,100 upstream SMEs customers from these core enterprises, with cumulative chain e-finance disbursements of RMB2.214 billion. The successful launch of re-factoring further supported the Bank's development of a light-asset operations for inclusive finance. Third, the Bank implemented a community-based operating model, promoting its "Dongguan Favorable Loan" microcredit product within specialized SME markets. This involved selecting target communities through research, building key engagement platforms, conducting targeted community marketing, providing comprehensive community-based services, and regularly evaluating operational effectiveness to ensure closed-loop management for community operation and mitigate information asymmetry for SMEs.

(4) Leveraging various policy incentives to boost win-win development among government, banks, and enterprises. First, by utilizing low-cost policy funds, the Bank granted a total of RMB17.721 billion of re-loans and sub-loans to SMEs in 2024, representing a growth of 13.20% over the same period of last year, including Dongguan Technology Finance of RMB6.655 billion, Dongguan Credit Finance of RMB1.746 billion and Dongguan Green Finance of RMB26.63 million, to support 4,636 SMEs. Second, we strengthened the transmission and application of the PBOC's policies, actively connecting with the PBOC's inclusive micro-credit loan support tools. In 2024, the Bank reported an increase of RMB6.865 billion of MPA inclusive loans and obtained over RMB68.60 million of incentive funds. Third, in response to local government's policy calling for efforts to subsidize loan interest, further alleviating the financing burden for SMEs, the Bank granted loans of RMB1.059 billion by the subsidized loan policy for SMEs in the manufacturing sector of Guangdong Province in 2024, with interest subsidization amounted to RMB4.39 million. The Bank held the top position among commercial banks in the province in terms of both the amount and volume of subsidized loan. The Bank supported entrepreneurship among new residents in Dongguan through fiscal subsidies, with entrepreneurial loan disbursements exceeding RMB200 million, the highest in the Dongguan city.

(III) International banking business

1. Operating results

The Bank fully leveraged on its presence in both domestic and international markets and capitalized on the resource synergies from both markets, and built a more convenient and efficient international clearing network system. By embedding our comprehensive portfolio of products which integrate local and international products denominated in domestic and foreign currencies within the Bank, we offered more diverse financing solutions tailored to the domestic and international financial needs of foreign-invested and foreign trade enterprises, strengthening our international service capabilities.

2. Highlights of business development

(1) Emphasizing two "linkages" and enhancing strategic leadership. Firstly, the Bank continued to strengthen its domestic and international linkages. By fully leveraging on the relative advantages brought by the linkages of two distinct markets and two different types of resources, and by working in close collaboration with its Hong Kong branch, the Bank effectively addressed the cross-border service needs of its clients and supported the robust growth of linked businesses across its domestic and international network. As of the end of the reporting period, the Bank achieved RMB4.601 billion for new "cross-border linkage loans". Secondly, the Bank strengthened the international linkage for corporate and inclusive finance by consistently implementing the Bank's strategy of focusing on "small-scaled and retail customers". To this end, we intensified our efforts to expand the customer base of our inclusive international business through targeted initiatives, such as the holding of business presentations, the development of the "International Banking Business Manager" platform, and the implementation of enhanced process management, which reinforced the customer base of our SME international business.

(2) Deepening market engagement and actively promoting trade financing products to boost import and export activities of enterprises. The Bank was dedicated to the ongoing research, development, and iterative update of its trade financing product portfolio, with a particular emphasis on transaction-based trade financing. Through the expansion of asset circulation channels and the continuous updating and iteration of online trade financing services based on the traditional trade financing, the Bank actively promoted "light capital, light asset" trade financing products to facilitate the growth of enterprises' import and export trade. As of the end of the reporting period, the Bank released trade financing of RMB55.591 billion.

(3) Pursuing product leadership, with a focus on driving momentum through the "FX Hedging" product. The Bank continued to enrich its portfolio of foreign exchange hedging products offered to clients. With a focus on the "FX Hedging" and by leveraging on the advantages of policies such as "Public Guarantee Fund Pool", "first-time account holder" awards, the Bank provided a full spectrum of exchange rate management strategies. As of the end of the reporting period, the business volume of "FX Hedging" amounted to USD12.306 billion.

(IV) Personal banking

1. Operating results

Following the national economic policies, and revolving around a strategy of "business transformation, structural adjustment, and efficiency enhancement", the Bank firmly advanced the transformation of our wealth management business, boosting the high-quality development of our personal banking. As of the end of the reporting period, the balance of saving deposits was RMB169.562 billion, representing an increase of RMB20.748 billion or 13.94% over the beginning of the year; and the balance of personal banking loans was RMB109.857 billion, representing an increase of RMB1.986 billion or 1.84% over the beginning of the year.

2. Highlights of business development

(1) Building a stable wealth product system and improving the level of professional services. First, carefully selecting the wealth product pool to enhance wealth management capabilities. We carefully selected cooperation channels for wealth products, enrich the supply of product offerings, strive to create blockbuster products, expand the customer base, adhere to a stable business strategy, and continuously improve the customer service experience. Second, establishing a pension finance system and implementing the "Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance". We set up a special area named "Pension Care in Dongguan", which integrated suitable and stable financial products for the elderly, further improved the supply of pension financial products to meet customers' pension planning needs. We also carried out the elderly-oriented business transformation, improved the financial service experience for the elderly, and promoted the development of pension finance. Third, improving the service system for high-net-worth clients to meet their diversified needs. We created the "Yulan Wealth" brand, strengthened the construction of the wealth advisor team, and enhanced the professional service ability and level of the team.

(2) Focusing on the customer management and achieving expansion and quality improvement through multiple channels. First, the Bank actively promoted the brand construction of "Happy Rural Areas", implemented the construction of the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages", and went deep into the operation in villages and communities. By tailoring comprehensive service solutions and targeted marketing strategies to their unique needs and characteristics, we improved the product penetration. Second, the Bank continuously enhanced the application and usage experience of social security cards, actively promoted the direct disbursement of benefits via social security cards, improved the quality and efficiency of both customer acquisition and activation related to social security card services. The Bank ranked first in social security card issuance within the Dongguan region in 2024. Third, the Bank continued to deepen digital marketing, expanded private domain traffic operations, and utilized big data analytics to accurately understand customers' proneness in financial investment and risk preferences, providing financial products and services that better meet their needs. Fourth, the Bank strengthened the infrastructure and the operational capabilities of its new media channel. Grounded in our positioning of "serving the government and serving the citizens", we innovatively launched the column of "people-benefit station", harnessed the convenience of new media platforms to provide the public with engaging and informative content on financial knowledge and policy interpretations, ultimately strengthening our brand influence.

(3) Strengthening risk and compliance management to ensure stable business development. First, the Bank persistently carried out anti-fraud work in electronic channels, and continuously updated and optimized its anti-fraud risk control models, enabling real-time alert controls, in order to protect customers' legitimate rights, ensure fund security, and build a robust risk control defense line at the forefront of its operations. Second, the Bank implemented regular business health assessments, standardized key operational procedures, optimized risk mitigation at the front-end processes, which ultimately ensured the sustainable development of its operations.

(V) Direct banking business

1. Operating results

In line with our strategic focus on "business transformation, structural adjustment, and efficiency enhancement", our direct banking business adhered to the principle of serving small and retail client segments. We employed multiple measures to promote the development of residential mortgage loans, personal consumption loan, credit card and so on. As of the end of the reporting period, the direct bank loans granted amounted to RMB22.923 billion, with the loan balance reaching RMB73.242 billion.

2. Highlights of business development

(1) Focusing on product leadership to drive the sustained development of direct banking. First, in terms of personal consumption loan, the Bank pursued the continuous expansion of its target customer base for key products. The direct bank optimized access criteria and decision-making strategies, which focused on comprehensively enhancing product competitiveness and fully upgrading processes as well as the client experience, for which realizing multi dimensional development in product and service delivery. During the year, consumption loan lending reached RMB18.993 billion, reflecting a daily average increase of RMB2.689 billion compared to the beginning of the year. The Bank's consumer credit portfolio registered growth of RMB3.020 billion since the beginning of the year, securing the No.1 place within the Dongguan region. Second, in terms of mortgage loans, the Bank pursued continuous advancements in product innovation and service optimization, leveraging on key products such as e-mortgage and "Transfer of Mortgaged House" as focal points, to achieve comprehensive enhancements in client experience and business efficiency. Notably, the Bank accelerated the process for e-mortgage online application, enabling "T+0" instant loan approvals and disbursements, with accumulated application amount reaching RMB2.767 billion. In the "transfer of mortgaged house" market, mortgage transfer services were available at 12 institutions, representing a business institution coverage rate of 92.31%. A total of 424 transactions, amounting to RMB538 million, were processed during the year, marking a substantial year-on-year growth of 153.77% and establishing this service as a key solution for second-hand property market.

(2) Deepening the acquisition of settlement customers to enhance business value. By launching customer acquisition platforms such as "Dongguan e-rent" and Medical-financial treatment services, in order to create a more open and proactive payment and settlement ecosystem to meet the basic settlement needs of consumers, the Bank combined the characteristics and needs of different customer groups, took multiple measures which leveraged platform resources and traffic generation capacities, iterated the product functions and service optimization under the settlement scenario, dynamically adjusted data and content interaction, devised differentiated marketing strategy matrices to strengthen cross marketing and reach of credit customer groups. As of the end of the reporting period, the number of "Dongguan e-rent" landlords increased by 19,200, and the settlement volume increased by RMB7.503 billion or 7.47% over the beginning of the year; in addition, 230,100 users, representing a year-on-year increase of 168.47%, contracted Medical-financial treatment services with accumulated settlement amount of RMB1.587 million.

(3) Digital risk management safeguarding asset quality. Adhering to the philosophy of "risk-driven business development, prudent risk appetite, steady risk strategy", the Bank utilized new technologies such as big data modeling, machine learning, and intelligent decision-making to empower online and offline collaborative risk management throughout the entire process of pre-loan, during-loan and post-loan, thus enabling high-quality business development.

(VI) Financial markets

1. Operating results

The Bank actively participated in currency trading and bond investment among the domestic banks and in the exchange markets. During the reporting period, the Bank seized market opportunities, rotated assets at the right time, and made good swing trades at the right tempo to improve the contribution of the financial market business to the Bank's operating income and profit; at the same time, the Bank made full use of the platform of its Hong Kong Branch to strengthen investment research and analysis of overseas markets and investment entities, promote effective linkage between domestic and overseas markets and local and foreign currencies, and improve the level of overseas investment and financing business. During the reporting period, the Bank obtained the qualification for spot bond market maker in the interbank bond market, and actively promoted the development of over-the-counter bond business by launching over-the-counter bond investment, pledged over-the-counter bond repurchase and pledged over-the-counter bond refinancing businesses. The Bank successfully completed the bookbuilding process for the issuance of RMB4 billion in Tier 2 capital bonds and the issuance of RMB12 billion in financial bonds, including a tranche of RMB4 billion "Science and Technology Innovation Theme" financial bonds, further consolidating the Bank's capital and effectively supplement medium – and long-term stable funds.

2. Highlights of business development

(1) Making innovation for profits through diversified investment and trading. With market orientation, the Bank reshaped its investment research and analysis framework in response to new changes, improving the accuracy and timeliness of trend judgement. The Bank dynamically adjusted investment strategies, and continuously optimized the assets-liabilities structure to enhance asset returns and capital gains. The Bank further diversified its business varieties, linked domestic and overseas markets and explored cross-market and cross-variety transactions, promoting the integration of domestic and foreign currency investments to achieve sound profits and international operations.

(2) Fine management to improve quality and efficiency. The Bank improved and perfected the working mechanism, improved and refined liability management on the premise of ensuring liquidity security, optimised the liability structure, strengthened the two-way linkage between assets and liabilities, strengthened dynamic management, and invested resources in more cost-effective assets, improving the interest spread on assets and liabilities.

(3) Making progress while maintaining stability and improving the level of risk control and digital empowerment. The Bank continued to improve risk management throughout the investment lifecycle (pre-investment, during investment, and post-investment) to enhance efficiency and to facilitate business innovation and development. The Bank expedited the iterative upgrading of trading systems, carried out intelligent investment researches and transaction researches, actively leveraged on its intelligent tools and platform to continuously improve the data governance effectiveness, diversify data application scenarios and enhance the digitization of transactions.

(VII) Asset management

1. Operating results

The Bank actively leveraged its wealth management operations to fulfill its functional role in enhancing client service and optimizing asset allocation. On the product side, adjustments to existing product structures were implemented in conjunction with an expansion of new product series offerings. On the asset side, investment research capabilities were strengthened and asset allocation categories were diversified, while risk management controls were improved throughout the business process, which contributed to the sound development of the wealth management business and support of client wealth management needs. As of the end of the reporting period, existing asset management products, all being net-worth products, amounted to RMB24.668 billion.

2. Highlights of business development

(1) Optimizing product structure and increasing product supply. In response to the downward trend in bond yields and the limited supply of high-quality non-standard assets observed in 2024, plus client demand for liquidity management solutions, the Bank proactively adjusted its existing product mix to tilt towards short-term liquidity products, notably daily, weekly, monthly, and 3-month Value-Added offerings, while concurrently reducing exposure to longer-term products such as the Nianfeng, Wenxiang, Yuexiang, and closed-value series. During 2024, the Bank launched new product offerings, including the Monthly Growth series, the Value-Added Growth series, and the Dongguan Profit Enhancement 360-Day product, covering the full spectrum of all major asset classes. These new products exhibited robust performance and effectively addressed client needs for wealth management and asset allocation.

(2) Enhancing investment research capabilities and diversifying asset allocation categories. First, the Bank implemented a multi-pronged approach to improve its wealth management investment and research. This included strengthening interbank exchanges, engaging experienced external investment advisors, and conducting regular portfolio reviews to enhance our analytical capabilities regarding market trends, investment strategies, and potential risks. Based on each product's specific risk appetite, target client segment, and market positioning, we refined investment strategies dynamically and rapidly to ensure stable product performance. Second, the Bank increased its asset reserve and deployment to support product issuance. Key measures included expanding the bond portfolio, diversifying fund categories, implementing advisory trading strategies for interest rate bonds, offering offshore RMB deposit services, and developing comprehensive multi-asset allocation strategies, in order to broaden asset allocation categories and address the diversified investment requirements of its product offerings.

(3) Strengthening risk prevention and control, and effectively regulated business development in compliance with regulations. The Bank upgraded risk control capabilities through an array of targeted measures, including further defining asset investment strategies and pre-investment access criteria, enhancing credit approval through on-site due diligence, controlling risks during investment process, and tightening post-investment risk monitoring, to ensure effective risk management throughout the asset management process. In 2024, the Bank recorded zero increase in high-risk assets. Also, the Bank conducted internal and external audits in accordance with regulatory requirements, and effectively regulated business development in compliance with regulations.

(VIII) Information technology

The Bank, empowering business with technologies and taking digital transformation as an opportunity, has coordinated development and security, adhered to deepening of reforms and key capacity building, and continuously strengthened the integration of science and technology and business. Taking digital finance as the focal point, we have made great efforts to strengthen the development of technology capabilities dually driven by “technology + data”, fully support the Bank to devote to “Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance”, create more distinctive and comprehensive leading financial products, and continuously enhance the ability to achieve high-quality development, so as to provide customers with better quality financial services. The Bank spent RMB568 million for the year (accounting for 5.57% of the Bank’s revenue) on information technology development and recruited 400 information technology employees (accounting for 6.76% of the total staff headcount).

1. Comprehensively empowering the development of key areas by persistently taking support to business development as the focus point

First, we promoted the construction of inclusive microfinance product system in order, and completed communication with the platform, so as to guarantee the timely business activities of products. Second, we steadily implemented the Hong Kong branch/subsidiary system construction project to safeguard our cross-border business operation support capability. Third, we refined the promotion of the implementation of the system integration project for village and township banks, and successfully completed the system switching of two village and township banks in Chang’an and Houjie, realizing a smooth transition of business. Fourth, we continued to deepen our efforts in the credit field and supported business development in the credit field through the optimization of system products for public credit, retail credit and micro-credit. Fifth, we further integrated and improved our system capabilities in the wealth area, consolidated our wealth management system capabilities, and enhanced our wealth management business level. Sixth, we optimized the process of consumer finance products, enhanced the service experience of existing customers, and enriched the means of developing new customers to improve the efficiency of acquiring new customers. Seventh, we continued to make efforts in settlement products, bank-enterprise cooperation and intelligent operation to improve product functions, enhance customer experience and improve the quality and efficiency of the Bank’s product operation and customer service by focusing on customers.

2. Improving the quality and efficiency of operation and management by upholding data empowerment as the driving force

First, in the field of digital marketing, we improved the construction of the labeling center, deepened customer profiling to accurately grasp customer needs, and created online marketing scenarios such as WeChat account authentication for enterprises, asset enhancement, and credit card consumption based on the marketing platform. We improved the enterprise WeChat private domain traffic operation platform and started the Guanyin Workbench project to realize the full integration of business processing and marketing tasks and empower front-line marketing teams. Second, in the field of digital risk control, we adopted machine learning and image recognition and other technologies to build an intelligent risk control system, improve the intelligent management of the whole process before, during and after loans, and promote the transformation of risk management from “manual risk prevention” to “technology-based risk prevention” and “intelligent control”. We built a panoramic view of risk based on knowledge graphs to enhance the foresight and predictability of risk management. Third, in terms of data capacity building, we built an agile data service system by deploying localized distributed analytical databases, constructing a real-time data collection platform, strengthening the support capacity of the data platform, and improving the regulatory reporting system, so as to continuously improve the data service capacity. Fourth, in terms of data governance, we strengthened the source data quality control mechanism, continued to carry out benchmarking for financial standards and data standards, improved the construction of the data security management system, expanded the scope of application of data assets, and promoted the enhancement of business independent analysis capability.

3. Deepening scientific and technological reform and capacity building by holding fast the goal of enhancing capacity maturity

First, we deepened our software evaluation capacity building and continued to calibrate the accuracy and objectivity of our software scale evaluation by practicing our function point estimation methodology and tuning parameters. Second, we strengthened the demand and delivery commitment mechanism, and drove the delivery with demand priorities based on the resource utilization rate, to effectively schedule the delivery plan in conjunction with the version release plan, in order to enhance the value delivery commitment. Third, we strengthened the construction of self-research and self-testing capabilities, set self-research and self-testing goals for systems in key areas, and consolidated the foundation of autonomy and controllability. Fourth, we deepened the development of business-technology cooperative integration, built a team of BA coaches to carry out bank-wide business demand analysis training, and cultivated a team of analysts with in-depth insight into business demands. Fifth, we strengthened the measurement mechanism of research and development efficiency, established regular indicator measurement and monitoring, and improved the visible and controllable management ability of research and development delivery.

4. Ensuring high-quality development by persistently strengthening the foundation and integrating development and security

First, we built a deep defense system for network security, strengthened the basic security architecture and protection strategy, promoted the construction of situational awareness and intelligent disposal capabilities, and organized special work on ransomware protection. Starting from the terminal, system, application, data and other areas, and integrating ransom drills and knowledge training, we optimized the protection system and carried out data backup and recovery drills, so as to build a firm security defense for business development. Second, we comprehensively deepened the security assessment mechanism, carried out systematic risk screening and security inspections, strengthened the APP compliance testing and system penetration testing, strengthened the Internet security monitoring, promptly disposed of phishing websites, counterfeit APPs and other types of security risks, and regularly issued security tips to enhance network security protection capabilities. Third, we upgraded the intelligent operation and maintenance system, optimized the layout of the data center server room, and improved the construction of the unified technology stack. With the indicator data provided by operation and maintenance monitoring tools, big data platforms, time series databases and other technologies, we have deeply explored the operation and maintenance data value, improved the ability to locate and dispose of operation and maintenance faults, and strengthened the level of operation and maintenance protection.

V. MAJOR SOCIAL HONORS



Honors	Evaluation Unit
No. 289 among World's Top 1000 Banks of the Year (2024)	The Banker, United Kingdom
No. 52 among China's Top 100 Banks of the Year (2023)	China Banking Association
No. 261 among China's Top 500 Enterprises in the Service Industry of the Year (2024)	China Enterprise Confederation China Enterprise Directors Association
No. 125 among Guangdong Top 500 Enterprises	Guangdong Provincial Federation of Enterprises Guangdong Enterprise Directors Association
Bronze Prize in 2023 Guangdong Poverty Alleviation Kapok Cup	Rural Work Leading Group of Guangdong Provincial Committee of the Communist Party of China (CPC)
Dongguan Benefit Contribution Award, Dongguan Top 20 Companies with Principle Business Income (2023)	Dongguan Committee of the CPC; People's Government of Dongguan City
Outstanding Contribution Award of Dongguan Banking Industry, Advanced Unit for Financial Services for New Citizens (2023)	Dongguan Banking Association
Silver Prize in "The Most Beautiful Finance and Consumer Insurance Player" Style Display Activity of Guangdong Banking and Insurance Industry in 2023 – The Most Beautiful Style Award	Guangdong Office of the National Financial Regulatory Administration
Financial Excellence Brand Enterprise Award	Dongguan Consumer Council Dongguan Daily Media Group
2023 Dongguan Intangible Cultural Heritage Protection Work Social Force Contribution Award	Dongguan Municipal Bureau of Culture, Radio, Television, Tourism and Sports
The 4th Asset Management and Wealth Management Industry Development Conference and "Golden Honor Awards" – Outstanding Bank Wealth Brand, Wealth Management Bank with Development Potential of the Year, Outstanding Innovative Bank Wealth Management Products	PYStandard
2024 Digital Finance Gold List Award – Mobile Banking Leap Growth Award	China Financial Certification Authority (CFCA)
Gamma Award for Gold Bank Financial Product of the Year (2024)	Securities Times
Fengyun Award for City Commercial Bank of the Year	Eastmoney.com
The 7th Retail Banking Awards (RBA 2023) – Top 10 Wealth Management Newcomer Award	Retail Banking

VI. COMPANY'S OUTLOOK FOR FUTURE DEVELOPMENT

(I) Industry competition landscape and development trend

The world today is undergoing profound changes which have not happened in a century. A new round of scientific and industrial revolution is well under way. A significant shift is taking place in the international balance of power. Meanwhile, due to acute global issues, frequent outbreaks of regional conflicts and disturbances, the adverse effects of the external environment have deepened. The banking industry is facing new opportunities and challenges in its development:

1. Opportunities

The current macro policy will start to make extraordinary counter-cyclical adjustment, with more active macro-policy. Focusing on stabilizing growth, expanding domestic demand, and eliminating risks, the state will successively introduce a package of targeted incremental policies, which will effectively promote investment in infrastructure, manufacturing and other fields, and stabilize the demand side of bank credit. Meanwhile, financial supports for local debt reduction initiatives will gradually come to fruition, helping to mitigate the risks of the real estate industry, local debt platforms, small and medium-sized banks and other fields, which will have a positive impact on improving the quality of bank assets. In addition, the sustained development of new quality productive forces and the deepening of "Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance" will also provide the banking industry with greater room for development.

2. Challenges

Export disturbances increased due to the global economic slowdown and a new round of tariff increases in the United States. In addition, the profits of domestic industrial enterprises continue to decline, manufacturing investment has fallen, and the overall demand for credit will remain weak. Meanwhile, the downward trend in deposit and lending rates will continue, and bank spreads remain under pressure. Therefore, commercial banks are in urgent need to promote the upgrading of their operation and management models, accelerate the optimization and adjustment of their business structures, speed up the pace of digital transformation, reduce their dependence on traditional interest rate spreads, and expand diversified sources of profits.

(II) Development strategy

The Bank's medium and long-term strategic development goals are to: maintain reasonable returns on equity (ROE), grow steadily in the total size of assets, and become a comprehensive financial group with regional competitive advantages.

Adhering to the principle of "maintaining stable development", the strategic positioning of "serving the local, serving the real economy and serving the public" and the philosophy of "customer-focused, market-oriented" operations, the Bank will further advance digital transformation and the creation of an asset-light bank. It will also step up the innovation of specialized and localized financial products and services, creating new advantages in coordinated development. These efforts aim to promote high-quality and sustainable growth based on the direction of comprehensive operation, international development, and characteristic competition.

(III) Business plan for the year 2025

In 2025, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank will fully implement the strategic decisions made at the 20th National Congress of the Communist Party of China and the Third Plenary Session of the 20th Central Committee of the CPC, follow the important speeches and instructions of General Secretary Xi Jinping during his visit to Guangdong Province, and adhere to the general principle of the Financial Working Conference of the CPC Central Committee and the Working Conference of the CPC Central Committee. With an aim to seek progress while keeping performance stable, promote stability through progress, preserve the uprightness and make innovation, and establish new institutions before dissolving the old, we will, be resolved to be confident in transformation development and focusing on cost reduction and efficiency improvement, actively promoting issue, preserving volume, preventing risks and strengthening the team, implement fine management, in order to find the key to make breakthrough, refine the implementation path, and write a new chapter of the Bank's high-quality development. These efforts will be focused on the following three areas:

1. Adhering to the leadership of the Party and making efforts to promote the in-depth integration of Party building and operation. **First**, we will strengthen party building to lay a solid foundation for the development of the Bank. We will strengthen the political theory armament, and earnestly study Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; enhance the role of the Party Committee as the front gatekeeper, and give full play to the role of the Party Committee as the core of leadership and political core that "sets the direction, manages the overall situation and promotes implementation"; vigorously select advanced models and carefully cultivate the second batch of model party organizations featuring "five strengths and five elements". **Second**, we will strengthen the construction of ideas and gather spiritual strength for the development of the Bank. We will strengthen the responsibility system for ideological work and guard the ideological security line of the Bank; strengthen public opinion and reputation risk management and guard the Bank's public opinion and reputation risk line of defense. **Third**, we will implement strict governance and provide strong support for the Bank's development. We will persistently carry out anti-corruption actions and activate the Bank's spirit of entrepreneurship with a renewed change in style; strengthen the supervision of internal audit and continue to promote the implementation of the accountability system for case prevention.

2. Focusing on cost reduction and making efforts to promote refined management. **First**, we will strengthen deposit cost control and precisely regulate the level of interest payment. **Second**, we will enhance the use of policy funds to reduce the cost of inclusive finance funding. **Third**, we will improve negotiation and bargaining power and strengthen the management of business cooperation. **Fourth**, we will strengthen the management of scientific and technological efficiency and optimize the allocation of scientific and technological resources. **Fifth**, we will promote risk prevention and resolution, and firmly guard the asset quality lifeline. **Sixth**, we will improve integrated management capabilities to drive down operating costs.

3. Focusing on increasing efficiency and making efforts to promote competitive differentiation. **First**, we will try to seek benefits from the market, and effectively enhance the ability to expand business. Focusing on key areas, we will enhance the competitiveness of the company's business, fully support the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages" and "Rural Revitalization Strategy", vigorously develop science and technology finance, and actively develop green finance. Focusing on the underwriting business of state-owned enterprises, we will make every effort to develop inclusive finance, promote cross-border finance in order, continue to promote the closing loop of the capital, and vigorously promote the "foundation strengthening project". Focusing on the key scenarios, we will enhance the competitiveness of our personal banking, deepen the transformation of our large wealth business, accelerate the development of pension finance, deepen the expansion of the wage distribution agency business, cultivate the settlement business scenarios in depth, refine the operation of key customer segments, and carry out the direct sales business in order. We will seize market opportunities to enhance the competitiveness of our financing and asset management business, optimize strategic management, explore innovative business development and promote the transformation of our wealth management business. **Second**, we will seek benefits from risks and comprehensively improve risk management and control capabilities. We will strengthen the synergy between risk and business to improve the efficiency of various processes; accelerate the construction of the risk-enabling intelligent platform to effectively enhance the accuracy and effectiveness of risk control; establish the awareness of "compliance creates value" and strengthen the safety of production and operation. **Third**, we will seek benefits from management and continue to optimize and strengthen our comprehensive capacity. We will strengthen our strategic leadership, continue to deepen reforms, improve the competitiveness of our outlets, promote the service quality and level, enhance the effectiveness of technological empowerment, continuously promote the digital transformation and development, improve the effectiveness of our human resources and forge a high-quality talent team.

Chapter IV Operations Discussion and Analysis

I. OVERVIEW

In 2024, adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank steadfastly upheld the goals, directions, and requirements, which were set by the Party Committee and the Board of Directors. Holding fast to the general tone of seeking progress while maintaining stability, the Bank continued to pursue reform and innovation-driven development, enhanced the ability to serve the real economy, and achieved steady development in the operation and management across the Bank.

First, business volume increased steadily. As of the end of the reporting period, the Bank's total assets amounted to RMB672.730 billion, representing an increase of RMB43.805 billion or 6.97% compared to the end of previous year; total liabilities amounted to RMB629.089 billion, representing an increase of RMB40.741 billion or 6.92 % compared to the end of previous year; the balance of deposits amounted to RMB438.424 billion, representing an increase of RMB19.953 billion or 4.77% compared to the end of previous year; and the balance of loans amounted to RMB365.553 billion, representing an increase of RMB37.826 billion or 11.54% compared to the end of previous year.

Second, operating performance remained solid. During the reporting period, affected by market changes, continued support for the real economy and other factors, the Bank reported an operating income of RMB10.197 billion, representing a year-on-year decrease of RMB390 million or 3.69%; reported a net profit of RMB3.733 billion, representing a year-on-year decrease of RMB333 million or 8.20%, including the net profit attributable to shareholders of the parent company of RMB3.738 billion, which represented a year-on-year decrease of RMB329 million or 8.10%. Basic earnings per share were RMB1.53, representing a year-on-year decrease of 11.56%.

Third, the asset quality remained stable. The Bank continued to strengthen the risk management of its credit business and actively promoted the collection and resolution of non-performing loans to continuously improve its credit risk management and risk resilience. As of the end of the reporting period, the Bank's non-performing loan ratio was 1.01%. The provision coverage ratio was 212.01%. Sufficient provision represented a certain extent of risk-resistance capacity.

As of the end of the reporting period, the Bank's major regulatory indicators are presented as follows:

		Unit: %
Type	Item	Ratio
Operation performance indicator	Return on average assets	0.57
Operation performance indicator	Return on fully diluted net assets	9.07
Operation performance indicator	Cost-income ratio	39.00
Asset quality indicator	Non-performing loan ratio	1.01
Prudent operation indicator	Capital adequacy ratio	13.93
Prudent operation indicator	Loan concentration ratio of a single customer	2.46
Prudent operation indicator	Provision coverage ratio	212.01

II. ANALYSIS ON MAJOR BUSINESS

(I) Income statement analysis

In 2024, in order to facilitate economic recovery and reduce social financing costs, the Bank proactively adjusted its business structure, and increased credit support for micro, small and medium-sized enterprises, putting pressure on short-term profitability. During the reporting period, the Bank reported an operating income of RMB10.197 billion, representing a year-on-year decrease of RMB390 million or 3.69%; reported a net profit of RMB3.738 billion attributable to shareholders of the parent company, representing a year-on-year decrease of RMB329 million or 8.10%.

During the reporting period, the changes in the major items of the Bank's profits are shown in the table below:

Unit: RMB'000, %

Item	2024	2023	Increase/ decrease	Growth rate
Operating income	10,196,825	10,587,306	-390,481	-3.69
Net interest income	7,118,657	8,332,697	-1,214,040	-14.57
Interest income	20,059,221	20,396,906	-337,685	-1.66
Interest expense	12,940,564	12,064,209	876,355	7.26
Non-interest income	3,078,168	2,254,609	823,559	36.53
Net handling fees and commission income	737,270	836,986	-99,716	-11.91
Other non-interest income	2,340,898	1,417,623	923,275	65.13
Operating expenses	6,371,450	6,345,779	25,671	0.40
Taxes and surcharges	127,061	131,821	-4,760	-3.61
Operating and administrative expenses	3,977,249	3,814,144	163,105	4.28
Credit impairment losses	2,263,129	2,399,447	-136,318	-5.68
Impairment losses on other assets	4,005	366	3,639	994.26
Other operating costs	6	1	5	500.00
Operating profits	3,825,375	4,241,527	-416,152	-9.81
Net non-operating income	6,309	-8,786	15,095	171.81
Total profits	3,831,684	4,232,741	-401,057	-9.48
Income tax expenses	98,860	166,549	-67,689	-40.64
Net profits	3,732,824	4,066,192	-333,368	-8.20
Including: Net profit attributable to shareholders of the Company	3,737,679	4,066,915	-329,236	-8.10
Profit or loss attributable to minority interests	-4,855	-723	-4,132	-571.51

1. Net interest income

During the reporting period, affected by the overall decline in market interest rates, the Bank reported a net interest income of RMB7.119 billion, representing a year-on-year decrease of RMB1.214 billion or 14.57%.

During the reporting period, the changes in the Bank's net interest income are summarized as follows:

Unit: RMB'000, %

Item	2024	2023	Increase/decrease	Growth rate
Interest income	20,059,221	20,396,906	-337,685	-1.66
Loans and advances to customers	13,934,592	14,221,911	-287,319	-2.02
Investments	5,181,524	5,267,707	-86,183	-1.64
Deposits in the central bank	444,187	462,661	-18,474	-3.99
Financial assets purchased under resale agreements	189,704	197,607	-7,903	-4.00
Loans to banks and other financial institutions	273,691	218,940	54,751	25.01
Deposits with banks and other financial institutions	35,523	28,080	7,443	26.51
Interest expense	12,940,564	12,064,209	876,355	7.26
Customer deposits	8,663,811	8,448,751	215,060	2.55
Bonds payable	2,680,525	2,222,271	458,254	20.62

Unit: RMB'000, %

Item	2024	2023	Increase/decrease	Growth rate
Deposits from banks and other financial institutions	172,303	166,625	5,678	3.41
Financial assets sold under repurchase agreements	371,258	458,433	-87,175	-19.02
Loans from banks and other financial institutions	492,598	420,753	71,845	17.08
Borrowings from the central bank	533,074	323,624	209,450	64.72
Interest expense on lease liabilities	26,995	23,752	3,243	13.65
Net interest income	7,118,657	8,332,697	-1,214,040	-14.57

The daily average balance, interest income (expense) and average return (cost rate) of the Bank's interest-earning assets and interest-bearing liabilities are presented as follows:

Unit: RMB'000, %

Item	2024			2023		
	Average balance	Interest income/expense	Average return/cost rate	Average balance	Interest income/expenses	Average return/cost rate
Loans and advances to customers	347,794,741	13,934,592	4.01	314,313,694	14,221,911	4.52
Investments	164,136,337	5,181,524	3.16	153,818,545	5,267,707	3.42
Deposits in the central bank	30,149,139	444,187	1.47	30,720,139	462,661	1.51
Financial assets purchased under resale agreements	10,195,615	189,704	1.86	10,295,740	197,607	1.92
Deposits with banks and other financial institutions	3,862,982	35,523	0.92	2,550,722	28,080	1.10
Loans to banks and other financial institutions	8,715,865	273,691	3.14	7,080,120	218,940	3.09
Total interest-earning assets	564,854,678	20,059,221	3.55	518,778,960	20,396,906	3.93
Customer deposits	415,778,740	8,663,811	2.08	389,547,845	8,448,751	2.17
Bonds payable	103,407,881	2,680,525	2.59	78,739,710	2,222,271	2.82
Deposits from banks and other financial institutions	8,770,384	172,303	1.96	7,780,058	166,625	2.14
Financial assets sold under repurchase agreements	19,587,769	371,258	1.90	20,144,073	458,433	2.28
Loans from banks and other financial institutions	13,477,580	492,598	3.65	12,981,458	420,753	3.24
Borrowings from the central bank	25,143,810	533,074	2.12	15,279,138	323,624	2.12
Lease liabilities	734,184	26,995	3.68	675,542	23,752	3.52
Total interest-bearing liabilities	586,900,348	12,940,564	2.20	525,147,825	12,064,209	2.30
Net interest income	—	7,118,657	—	—	8,332,697	—
Net interest spread	—	—	1.35	—	—	1.63
Net interest margin	—	—	1.26	—	—	1.61

Note 1: The daily average balance of interest-earning assets and interest-bearing liabilities are unaudited data provided by the Bank's management.

(1) Interest income

During the reporting period, the Bank achieved interest income of RMB20.059 billion, representing a year-on-year decline of 1.66%. The year-on-year decrease in interest income of the Bank was mainly due to the 38 base points year-on-year decrease in the average yield on interest-earning assets of the Bank.

① Interest income from loans and advances to customers

During the reporting period, the Bank achieved interest income from loans and advances to customers of RMB13.935 billion. This made up 69.47% of interest income, representing a year-on-year decline of 2.02%. The decline in interest income from loans and advances to customers was mainly due to the year-on-year decrease of 51 base points in average yield to 4.01%.

During the reporting period, the daily average balance, interest income and average return of all components in loans and advances to customers are summarized as follows:

Unit: RMB'000, %

Item	2024			2023		
	Daily average balance	Interest income	Average return	Daily average balance	Interest income	Average return
Corporate loans	217,572,496	9,007,420	4.14	195,760,459	9,044,576	4.62
Personal loans	109,203,939	4,635,218	4.24	105,598,238	4,945,673	4.68
Discounted bills	21,018,305	291,954	1.39	12,954,998	231,662	1.79
Total	347,794,741	13,934,592	4.01	314,313,694	14,221,911	4.52

② Interest income from investments

During the reporting period, the Bank recorded interest income from investments of RMB5.182 billion. This accounted for 25.83% of interest income, representing a year-on-year decrease of 1.64%, which was mainly due to the decrease in the return on investment business of 26 base points from the previous year as a result of the impact of lower market interest rates.

(2) Interest expense

During the reporting period, the Bank recorded interest expense of RMB12.941 billion, representing a year-on-year growth of 7.26%. This is mainly due to the continuous increase in the average daily volume of interest-bearing liabilities.

① Interest expense on customer deposits

Interest expense on customer deposits is the major component in the Bank's interest expense. During the reporting period, the Bank's interest expense on customer deposits was RMB8.664 billion, accounting for 66.95% of interest expense, with a year-on-year increase of 2.55%, mainly due to the Bank's average daily balance of customer deposits increased by RMB26.231 billion year-on-year.

During the reporting period, the daily average balance, interest expense and average cost rate of all components in customer deposits are summarized as follows:

Unit: RMB'000, %

Item	2024			2023		
	Daily average balance	Interest expense	Average cost rate	Daily average balance	Interest expense	Average cost rate
Corporate demand deposits	81,569,566	580,833	0.71	78,509,018	581,816	0.74
Corporate time deposits	175,329,535	5,013,610	2.86	171,355,887	5,118,786	2.99
Personal demand deposits	57,880,507	97,613	0.17	53,328,618	117,774	0.22
Personal time deposits	100,999,131	2,971,755	2.94	86,354,321	2,630,375	3.05
Total	415,778,740	8,663,811	2.08	389,547,845	8,448,751	2.17

② Interest expense on bonds payable

During the reporting period, the Bank's interest expense on bonds payable amounted to RMB2.681 billion, accounting for 20.71% of interest expense. During the reporting period, the interest expense on bonds payable increased by 20.62% year-on-year due to the increase in the size of Interbank certificate of deposit offerings and financial bonds.

2. Non-interest income

During the reporting period, the Bank achieved a non-interest income of RMB3.078 billion, representing a year-on-year increase of RMB824 million or 36.53%, including net handling fees and commission income of RMB737 million and other non-interest income of RMB2.341 billion.

The Bank's non-interest income is presented as follows:

Item	Unit: RMB'000, %			
	2024	2023	Increase/decrease	Growth rate
Handling fees and commission income	893,704	993,126	-99,422	-10.01
Agency service charges	213,008	301,028	-88,020	-29.24
Settlement service charges	148,988	122,457	26,531	21.67
Guarantee service charges	92,003	119,405	-27,402	-22.95
Bank card charges	58,525	70,618	-12,093	-17.12
Entrusted service charges	74,328	66,843	7,485	11.20
Consulting services charges	19,120	37,106	-17,986	-48.47
Security lending service charges	7,962	12,976	-5,014	-38.64
Custody services charges	1,787	2,076	-289	-13.92
Other charges	277,983	260,617	17,366	6.66
Handling fees and commission expenses	156,434	156,140	294	0.19
Net handling fees and commission income	737,270	836,986	-99,716	-11.91
Other non-interest income	2,340,898	1,417,623	923,275	65.13
Investment income	2,086,436	1,534,692	551,744	35.95
Net gains/(losses) from changes in fair value	232,666	-55,068	287,734	522.51
Foreign exchange gains and losses	-64,539	-259,359	194,820	75.12
Other operating income	2,515	3,830	-1,315	-34.33
Net gains/(losses) from disposal of assets	286	-3,051	3,337	109.37
Other income	83,534	196,579	-113,045	-57.51
Total	3,078,168	2,254,609	823,559	36.53

(1) Handling fees and commission income

During the reporting period, the Bank realized a handling fees and commission income of RMB894 million, representing a year-on-year decrease of 10.01%, which was mainly attributable to the impact of the year-on-year decline in income from agency service charges. The components of handling fees and commission income are summarized as follows:

The Bank achieved agency service charge income of RMB213 million, representing a year-on-year decline of 29.24%, mainly due to the year-on-year decline in income from insurance agency services charges.

The Bank achieved settlement service charge income of RMB149 million, representing a year-on-year growth of 21.67%, mainly due to the year-on-year increase in income from foreign exchange settlement charges.

The Bank achieved guarantee service fee income of RMB92 million, representing a year-on-year decrease of 22.95%, mainly due to a year-on-year decrease in incomes from acceptance service charges and guarantee charges.

The Bank achieved income from entrusted service charges of RMB74 million, representing a year-on-year growth of 11.20%, which was mainly attributable to a year-on-year increase in the Bank's self-operated wealth management services charges.

(2) Investment income

During the reporting period, the Bank achieved an investment income of RMB2.086 billion, representing a year-on-year increase of 35.95%, mainly due to better bond market conditions and growth in the size of our trading financial assets.

(3) Net gains/(losses) from changes in fair value

During the reporting period, the Bank's profit or loss from changes in fair value was RMB233 million, representing a year-on-year increase of 522.51%, mainly due to a year-on-year increase in the gain on revaluation of trading financial assets as a result of the market fluctuations.

(4) Foreign exchange gains and losses

During the reporting period, the Bank achieved foreign exchange gains and losses of RMB-65 million, representing a year-on-year increase of 75.12%, mainly due to exchange rate fluctuations and changes in the size of swap business and the size of foreign exchange settlements and sale.

3. Operating and administrative expenses

During the reporting period, the Bank's operating and administrative expenses were RMB3.977 billion, representing a year-on-year increase of 4.28%, mainly due to the increase in operating and administrative expenses for the subsidiary Bank of Dongguan International Limited during the Reporting Period. As of the end of the reporting period, the Bank's cost-to-income ratio was 39.00%, representing a year-on-year increase by 2.98 percentage point.

Unit: RMB'000, %				
Item	2024	2023	Increase/decrease	Growth rate
Employee benefits expenses	2,436,326	2,350,669	85,657	3.64
Depreciation and amortization	675,436	594,224	81,212	13.67
Rent and management fees	23,418	18,358	5,060	27.56
Other office and administrative expenses	842,069	850,893	-8,824	-1.04
Total	3,977,249	3,814,144	163,105	4.28

4. Credit impairment losses

During the reporting period, the Bank made a provision for credit impairment loss of RMB2.263 billion. Detailed composition is summarized as follows:

Unit: RMB'000, %				
Item	2024	2023	Increase/decrease	Growth rate
Loans and advances to customers	2,038,942	1,902,259	136,683	7.19
Debt investments	197,404	674,356	-476,952	-70.73
Other debt investments	21,316	22,295	-979	-4.39
Deposits with banks and other financial institutions	-905	929	-1,834	-197.42
Loans to banks and other financial institutions	-563	-21,511	20,948	97.38
Credit commitments	-16,650	-192,174	175,524	91.34
Other assets	23,585	13,293	10,292	77.42
Total	2,263,129	2,399,447	-136,318	-5.68

5. Income tax expenses

During the reporting period, the Bank accrued income tax expense of RMB99 million, representing a year-on-year decrease of RMB68 million or 40.64%. During the reporting period, the year-on-year decrease in the Bank's income tax expenses was mainly due to the year-on-year decrease in total profits.

(II) Balance sheet analysis

1. Assets

As of the end of the reporting period, the Bank's total assets amounted to RMB672.73 billion, representing a year-on-year increase of RMB43.805 billion or 6.97% compared to the end of the previous year. The significant increase in the Bank's total assets compared to the end of the previous year was mainly due to the substantial increase in loans and advances to customers as well as trading financial assets. The distribution of the Bank's asset structure is summarized as follows:

Item	Unit: RMB'000, %					
	31 December 2024		31 December 2023		Changes during the period	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Cash and deposits in the central bank	35,125,922	5.22	44,641,351	7.10	-9,515,429	-1.88
Deposits with banks and other financial institutions	3,254,022	0.48	1,972,365	0.31	1,281,657	0.17
Loans to banks and other financial institutions	10,821,464	1.61	8,691,270	1.38	2,130,194	0.23
Derivative financial assets	750,628	0.11	680,500	0.11	70,128	—
Financial assets purchased under resale agreements	9,187,658	1.37	10,308,836	1.64	-1,121,178	-0.27
Loans and advances to customers	358,608,050	53.31	320,895,576	51.02	37,712,474	2.29
Financial investments						
Trading financial assets	69,476,906	10.33	44,082,597	7.01	25,394,309	3.32
Debt investments	141,399,925	21.02	139,917,809	22.25	1,482,116	-1.23
Other debt investments	34,542,512	5.13	47,798,735	7.60	-13,256,223	-2.47
Other equity instrument investments	227,639	0.03	199,629	0.03	28,010	—
Long-term equity investments	883,852	0.13	1,003,856	0.16	-120,004	-0.03
Fixed assets	1,852,207	0.28	2,005,614	0.32	-153,407	-0.04
Construction in progress	90,319	0.01	59,089	0.01	31,230	—
Right-of-use assets	703,451	0.10	646,977	0.10	56,474	—
Intangible assets	724,903	0.11	704,388	0.11	20,515	—
Deferred income tax assets	1,964,857	0.29	2,110,546	0.34	-145,689	-0.05
Other assets	3,115,419	0.46	3,205,525	0.51	-90,106	-0.05
Total assets	672,729,734	100.00	628,924,663	100.00	43,805,071	—

(1) Loans and advances to customers

As of the end of the reporting period, the balance of the Bank's loans and advances to customers was RMB365.553 billion, representing an increase of RMB37.826 billion or 11.54% compared to the end of the previous year. In 2024, the Bank continued to perform well in respect of the "Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance", increased financial support for key areas such as the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages", scientific and technological innovation, inclusive finance and consumption promotion, strengthened project reserves and credit supply, and maintained steady growth in the scale of loans and advances to customers.

① As of the end of the reporting period, distribution of the loans and advances to customers by the Bank is summarized as follows:

Unit: RMB'000, %

Item	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Loans and advances to corporate customers	228,794,969	62.59	211,970,616	64.68
Loans and advances to retail customers	109,856,523	30.05	107,870,387	32.91
Discounted bills	26,901,268	7.36	7,885,921	2.41
Total	365,552,760	100.00	327,726,924	100.00

As of the end of the reporting period, the balance of corporate customer loans offered by the Bank amounted to RMB228.795 billion, which accounts for 62.59% of loans and advances to customers, while the balance of retail customer loans was RMB109.857 billion, which accounts for 30.05% of loans and advances to customers.

② Balance of top ten loan clients and their percentages

As of the end of the reporting period, the top ten loan clients of the Bank are summarized as follows:

Unit: RMB'000, %

No.	Client Name	Balance	Percentage of total loans and advances
1	**Company	1,430,986	0.39
2	**Company	1,300,000	0.36
3	**Company	1,279,540	0.35
4	**Company	1,082,502	0.30
5	**Company	1,055,885	0.29
6	**Company	1,040,241	0.28
7	**Company	1,002,077	0.27
8	**Company	999,980	0.27
9	**Company	980,000	0.27
10	**Company	974,679	0.27
Total		11,145,890	3.05

③ Top five industries that received the largest amounts of loans from the Bank and their corresponding percentages

As of the end of the reporting period, the top five industries that received the largest amounts of loans from the Bank and their corresponding percentage are summarized as follows:

Industry	Unit: RMB'000, %	
	Amount	Percentage of total loans and advances
Lease and commercial services	72,907,119	19.94
Manufacturing	54,664,929	14.95
Wholesale and retail business	31,794,567	8.70
Construction	14,967,336	4.09
Real estate	13,654,416	3.74

④ Breakdown of guarantee by type for the reporting period

As of the end of the reporting period, the guarantee types and their corresponding percentages of the Bank are summarized as follows:

Guarantee type	Unit: RMB'000, %	
	31 December 2024	
	Amount	Percentage
Credit loans	86,066,911	23.54
Guaranteed loans	84,321,232	23.07
Mortgage loans	174,137,577	47.64
Pledged loans	21,027,040	5.75
Total	365,552,760	100.00

(2) Loan asset quality analysis

① Five-tier classification of credit assets

As of the end of the reporting period, the Bank's five-tier classification of credit assets is summarized as follows:

Category	Unit: RMB'000	
	31 December 2024	31 December 2023
Normal	354,206,195	321,028,654
Special mention	7,639,369	3,651,786
Substandard	1,546,987	1,400,122
Doubtful	732,758	470,887
Loss	1,427,449	1,175,474
Total	365,552,760	327,726,924

② Collaterals

As of the end of the reporting period, the carrying balance of the Bank's collaterals amounted to RMB10.71 million.

(3) Investments

The investment business of the Bank is principally denominated in Renminbi. While maintaining sufficient liquidity, the Bank actively optimized its investment structure and broadened its income sources.

As of the end of the reporting period, investments of the Bank included: ① trading financial assets; ② debt investments; ③ other debt investments; ④ other equity instrument investments; ⑤ long-term equity investments.

As of the end of the reporting period, the Bank's investment composition is summarized as follows:

Item	Unit: RMB'000, %			
	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Trading financial assets	69,476,906	28.18	44,082,597	18.92
Debt investments	141,399,925	57.36	139,917,809	60.05
Other debt investments	34,542,512	14.01	47,798,735	20.51
Other equity instrument investments	227,639	0.09	199,629	0.09
Long-term equity investments	883,852	0.36	1,003,856	0.43
Total	246,530,834	100.00	233,002,626	100.00

① Trading financial assets

As of the end of the reporting period, the carrying balance of the Bank's trading financial assets amounted to RMB69.477 billion, accounting for 28.18% of total investments, mainly including funds, bonds and interbank certificates of deposit (CDs).

② Debt investments

As of the end of the reporting period, the carrying balance of the Bank's debt investments amounted to RMB141.40 billion, accounting for 57.36% of total investments, mainly including bonds, asset management plans and trust schemes.

③ Other debt investments

As of the end of the reporting period, the carrying balance of the Bank's other debt investments amounted to RMB34.543 billion, accounting for 14.01% of total investments, mainly including bonds and interbank CDs.

④ Other equity instrument investments

As of the end of the reporting period, the carrying balance of the Bank's other equity instrument investments amounted to RMB228 million, accounting for 0.09% of the total investments, which mostly consisted of the equity investments in China UnionPay Co., Ltd.

⑤ Long-term equity investments

As of the end of the reporting period, the carrying balance of the Bank's long-term equity investments amounted to RMB884 million, accounting for 0.36% of total investments.

(4) Interbank assets

As of the end of the reporting period, the interbank assets of the Bank amounted to RMB23.263 billion, accounting for 3.46% of total assets, representing an increase of RMB2.291 billion or 10.92% compared to the end of previous year.

As of the end of the reporting period, the composition of the Bank's interbank assets is summarized as follows:

Item	Unit: RMB'000, %			
	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Deposits with banks and other financial institutions	3,254,022	13.99	1,972,365	9.40
Loans to banks and other financial institutions	10,821,464	46.52	8,691,270	41.44
Financial assets purchased under resale agreements	9,187,658	39.49	10,308,836	49.15
Total	23,263,144	100.00	20,972,471	100.00

(5) Cash and deposits in the central bank

Cash and deposits in the central bank include cash, statutory reserves, surplus deposits reserves, foreign exchange risk reserves, fiscal deposits and interest accrued. As of the end of the reporting period, the Bank's cash and deposits in the central bank amounted to RMB35.126 billion, representing a decrease of RMB9.515 billion compared to the end of previous year.

As of the end of the reporting period, the composition of the Bank's cash and deposits in the central bank is summarized as follows:

Item	Unit: RMB'000, %			
	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Cash	1,227,267	3.49	694,929	1.56
Statutory reserves	25,981,464	73.97	27,858,552	62.41
Surplus deposits reserves	7,806,116	22.22	15,942,092	35.71
Foreign exchange risk reserves	10,482	0.03	78,443	0.18
Fiscal deposits	87,421	0.25	52,562	0.12
Interest accrued	13,172	0.04	14,773	0.03
Total	35,125,922	100.00	44,641,351	100.00

2. Liabilities

During the reporting period, the Bank held fast to the general principle of "seeking progress while ensuring stability, and promoting stability through progress" and adhered to the strategic choice of focusing on small and retail customers. In light of market changes and the interbank dynamics, we flexibly adjusted the strategies for liability business, and took the initiative to optimize the liability structure. Through measures such as strengthening internal and external pricing management, and continuously deepening cooperation with policy banks, we promoted the structural adjustment and cost optimization of deposits and active liabilities, and achieved certain results.

As of the end of the reporting period, the Bank's total liabilities amounted to RMB629.089 billion, representing an increase of RMB40.741 billion or 6.92% compared to the end of the previous year. This increase was largely the result of a greater increase in bonds payable and customer deposits compared to the end of the previous year. The distribution of the Bank's liability structure is shown as follows:

Unit: RMB'000, %

Item	31 December 2024		31 December 2023		Changes during the period	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Borrowings from the central bank	19,236,430	3.06	26,200,783	4.45	-6,964,353	-1.39
Deposits from banks and other financial institutions	2,839,757	0.45	7,613,311	1.29	-4,773,554	-0.84
Derivative financial liabilities	940,322	0.15	786,418	0.13	153,904	0.02
Loans from banks and other financial institutions	13,607,016	2.16	12,320,336	2.09	1,286,680	0.07
Financial assets sold under repurchase agreements	29,125,712	4.63	24,419,565	4.15	4,706,147	0.48
Customer deposits	447,426,525	71.12	427,005,978	72.58	20,420,547	-1.46
Employee remunerations payable	1,461,728	0.23	1,418,836	0.24	42,892	-0.01
Taxes payable	225,582	0.04	236,113	0.04	-10,531	—
Provisions for liabilities	88,246	0.01	104,997	0.02	-16,751	-0.01
Bonds payable	112,093,081	17.82	86,300,154	14.67	25,792,927	3.15
Lease liabilities	759,748	0.12	690,668	0.12	69,080	—
Other liabilities	1,284,371	0.20	1,250,426	0.21	33,945	-0.01
Total liabilities	629,088,518	100.00	588,347,585	100.00	40,740,933	—

(1) Customer deposits

Customer deposits are the Bank's main source of funds. During the reporting period, the Bank's customer deposits increased steadily, providing the most important source of funding for development. As of the end of the reporting period, the Bank's balance of customer deposits (excluding interest accrued) was RMB438.424 billion, representing an increase of RMB19.953 billion or 4.77% compared to the end of the previous year, including the corporate deposit balance of RMB246.938 billion, representing an increase of 2.95% compared to the end of the previous year, and the personal deposit balance of RMB169.562 billion, representing a year-on-year increase of 13.94% compared to the end of the previous year.

As of the end of the reporting period, the distribution of the Bank's deposits is summarized as follows:

Unit: RMB'000, %

Item	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Corporate deposits				
Including: Demand	85,803,446	19.18	86,181,892	20.18
Time	161,134,279	36.01	153,691,512	35.99
Subtotal of corporate deposits	246,937,725	55.19	239,873,404	56.18
Personal deposits				
Including: Demand	61,300,799	13.70	56,674,894	13.27
Time	108,261,497	24.20	92,139,244	21.58
Subtotal of personal deposits	169,562,296	37.90	148,814,138	34.85
Margin deposits	20,121,728	4.50	27,325,420	6.40
Other deposits	1,802,048	0.40	2,457,519	0.58
Interest accrued	9,002,728	2.01	8,535,497	2.00
Total customer deposits	447,426,525	100.00	427,005,978	100.00

(2) Interbank liabilities

As of the end of the reporting period, the Bank's balance of interbank liabilities was RMB45.572 billion, accounting for 7.24% of the total liabilities, representing an increase of RMB1.219 billion or 2.75% compared to the end of the previous year.

As of the end of the reporting period, the composition of the Bank's interbank transactions of liabilities is summarized as follows:

Item	Unit: RMB'000, %			
	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Deposits from banks and other financial institutions	2,839,757	6.23	7,613,311	17.17
Loans from banks and other financial institutions	13,607,016	29.86	12,320,336	27.78
Financial assets sold under repurchase agreements	29,125,712	63.91	24,419,565	55.06
Total	45,572,485	100.00	44,353,212	100.00

(3) Bonds payable

As of the end of the reporting period, the Bank's balance of bonds payable was RMB112.093 billion, accounting for 17.82% of the total liabilities, representing an increase of RMB25.793 billion or 29.89% compared to the end of the previous year. The increase in the balance of bonds payable compared to the end of previous year was mainly due to the appropriate increase in the issuance scale of the Bank's interbank certificates of deposit and financial bonds according to its business strategy and market conditions.

As of the end of the reporting period, the distribution of the Bank's bonds payable is summarized as follows:

Item	Unit: RMB'000, %			
	31 December 2024		31 December 2023	
	Amount	Percentage	Amount	Percentage
Tier-2 capital bonds payable	10,998,574	9.81	10,996,609	12.74
Financial bonds payable	22,998,687	20.52	16,997,423	19.70
Interbank CDs payable	77,588,281	69.22	57,880,465	67.07
Interest accrued	507,539	0.45	425,657	0.49
Total	112,093,081	100.00	86,300,154	100.00

(4) Borrowings from the central bank

As of the end of the reporting period, the balance of the Bank's borrowings from the central bank was RMB19.236 billion, accounting for 3.06% of the total liabilities, representing a decrease of RMB6.964 billion or 26.58% compared to the end of the previous year.

(III) Analysis on cash flow statement

1. Net cash flow (used in)/generated from operating activities

Unit: RMB'000		
Item	2024	2023
Subtotal of cash inflow from operating activities	44,783,100	100,706,622
Subtotal of cash outflow from operating activities	58,133,251	53,463,384
Net cash flow (used in)/generated from operating activities	-13,350,151	47,243,238

During the reporting period, the net cash flow generated from the Bank's operating activities was RMB-13.350 billion,. Among them, the cash inflow from operating activities amounted to RMB44.783 billion, representing a year-on-year decrease of RMB55.924 billion, mainly due to the decrease in the net increase of customer deposits and the interbank deposits and deposits from other financial institutions; and the cash outflow from operating activities amounted to RMB58.133 billion, representing a year-on-year increase of RMB4.670 billion, mainly due to the increase in the net decrease in borrowings from the central bank.

2. Net cash flow used in investing activities

Unit: RMB'000		
Item	2024	2023
Subtotal of cash inflow from investing activities	534,109,046	1,250,695,865
Subtotal of cash outflow from investing activities	540,263,443	1,286,643,178
Net cash flow used in investing activities	-6,154,397	-35,947,313

During the reporting period, the net cash flow used in investing activities amounted to RMB-6.154 billion. Among them, the cash inflow from investing activities amounted to RMB534.109 billion, representing a year-on-year decrease of RMB716.587 billion, mainly due to the decrease in cash received from the recouping the capital outlay; and the cash outflow from investment activities amounted to RMB540.263 billion, representing a year-on-year decrease of RMB746.380 billion, mainly due to the year-on-year decrease in cash outflow from investment payments.

3. Net cash flow generated from/(used in) financing activities

Unit: RMB'000		
Item	2024	2023
Subtotal of cash inflow from financing activities	186,105,770	104,488,576
Subtotal of cash outflow from financing activities	164,697,326	110,759,344
Net cash flow generated from/(used in) financing activities	21,408,444	-6,270,768

During the reporting period, the net cash flow generated from financing activities amounted to RMB21.408 billion. Among them, cash inflow from financing activities amounted to RMB186.106 billion, representing a year-on-year increase of RMB81.617 billion, mainly due to the increase in cash received from the issuance of bonds; and the cash outflow from financing activities amounted to RMB164.697 billion, a year-on-year increase of RMB53.938 billion, mainly due to the increase in cash paid to repay the principal of bonds.

(IV) Analysis on items with over 30% changes

Unit: RMB'000, %

Item	31 December 2024	31 December 2023	Change compared to beginning of the year	Main reason
Deposits with banks and other financial institutions	3,254,022	1,972,365	64.98	Mainly due to an increase in the deposit of liquidated funds with banks and other financial institutions according to the market situation and investment strategy.
Trading financial assets	69,476,906	44,082,597	57.61	Mainly due to an increase in trading financial assets according to the market situation and investment strategy.
Construction in progress	90,319	59,089	52.85	Mainly due to the increase in software system projects under construction.
Deposits from banks and other financial institutions	2,839,757	7,613,311	-62.70	Mainly due to a decrease in deposits from other domestic financial institutions.
Other comprehensive income	640,659	362,557	76.71	Mainly due to an increase in the fair value of other debt investments.

Item	2024	2023	Change compared to the same period of the previous year	Main reason
Investment income	2,086,436	1,534,692	35.95	Mainly due to a year-on-year increase in investment income on trading financial assets.
Net gains/(losses) from changes in fair value	232,666	-55,068	522.51	Mainly due to a year-on-year increase in the gains and losses from changes in fair value of trading financial assets as a result of the influence of the market.
Foreign exchange gains and losses	-64,539	-259,359	75.12	Mainly due to a year-on-year increase in exchange gain from foreign exchange swap business as a result of the impact of exchange rate fluctuations.
Other operating income	2,515	3,830	-34.33	Mainly due to a year-on-year decrease in rental income from rental properties.
Net gains/(losses) from disposal of assets	286	-3,051	109.37	Mainly due to a year-on-year increase in gains from the disposal of fixed assets.
Other income	83,534	196,579	-57.51	Mainly due to a year-on-year decrease in government grants received.
Impairment losses on other assets	4,005	366	994.26	Mainly due to the provision for impairment losses on long-term equity investments.
Non-operating income	22,649	1,973	1,047.95	Mainly the consolidated profit and loss arising from the acquisition and merger of rural banks.
Non-operating expenses	16,340	10,759	51.87	Mainly due to the year-on-year increase in donations and fines.
Income tax expenses	98,860	166,549	-40.64	Mainly due to a year-on-year decrease in total profit.

(V) Segment analysis

According to business lines, the Bank divides its business into four segments: corporate, retail, capital and other businesses. Segment assets and liabilities and segment revenue, expenses and operating results are measured in accordance with the Bank's accounting policies. Internal charges and transfer pricing are determined by reference to market prices and are reflected in the performance of each segment.

During the reporting period, the status of each business segment of the Bank is summarized as follows:

Unit: RMB'000

Item	2024		2023	
	Operating income	Total profits	Operating income	Total profits
Corporate business	4,476,896	1,187,842	4,685,521	780,458
Retail banking	2,881,455	730,791	3,346,200	2,099,181
Capital business	2,832,583	1,954,432	2,554,027	1,398,241
Other business	5,901	-41,381	1,558	-45,139
Total	10,196,825	3,831,684	10,587,306	4,232,741

In 2024, the Bank's operating income of corporate business amounted to RMB4.477 billion, accounting for 43.90% of total operating income; the operating income of retail banking amounted to RMB 2.881 billion, accounting for 28.26% of total operating income. The operating income of funding business amounted to RMB2.833 billion, accounting for 27.78% of total operating income.

(VI) Other balances of off-balance sheet items that have material impact on operating results

Please refer to the “Notes to the Financial Statements 58. Credit Commitments” in the “Financial Report”.

(VII) Assets and liabilities measured at fair value

Unit: RMB'000

Item	Balance at the beginning of the year	Losses/gains from changes of fair value during the year	Fair value changes recognized in equity during the year	Provision for impairment during the year	Balance at the end of the period
Trading financial assets	44,082,597	327,625	–	–	69,476,906
Derivative financial instruments	-105,918	94,959	–	–	-189,694
Including: Derivative financial assets	680,500	–	–	–	750,628
Derivative financial liabilities	786,418	–	–	–	940,322
Other debt investments	47,798,735	–	317,245	21,316	34,542,512
Other equity instrument investments	199,629	–	28,010	–	227,639
Loans and advances to customers measured at fair value through other comprehensive income	20,505,313	–	39,944	-51,277	48,185,797
Total	112,480,356	232,666	385,199	-29,961	152,243,160

III. INVESTMENT STATUS ANALYSIS**(I) Overview****1. Information about the subsidiaries during the reporting period**

Unit: RMB'000, %

Name of subsidiary	Investment cost (As at the end of 2024)	Shareholding ratio
Chongqing Kaizhou Taiye Village Bank Co., Ltd.	31,550	63.10
Dongyuan Taiye Village Bank Co., Ltd.	112,800	100.00
Zongyang Taiye Village Bank Co., Ltd.	93,000	84.55
Bank of Dongguan International Limited	1,000,000 (HKD'000)	100.00

2. Acquired subsidiary during the reporting period

The Bank proposed to invest and set up a Hong Kong subsidiary in Hong Kong pursuant to the Reply of Guangdong Office of the China Banking and Insurance Regulatory Commission on Bank of Dongguan's Investment and Establishment of the Hong Kong Subsidiary. On 19 August 2021, the Bank established Guanyin International Limited in Hong Kong. On 31 October 2024, Guanyin International Limited obtained a Hong Kong banking license issued by the Hong Kong Monetary Authority. On 30 December 2024, the Hong Kong subsidiary's company name was officially confirmed as Bank of Dongguan International Limited. As of the end of the reporting period, it is still in the process of preparing for opening.

3. Major joint stock companies during the reporting period

Unit: RMB'000, %

Name of invested company	Carrying amount (As at the end of 2024)	Shareholding ratio
Bank of Xingtai Co., Ltd.	866,509	9.79
Lingshan Taiye Village Bank Co., Ltd.	17,343	30.00

(II) Significant equity investments obtained during the reporting period

1. During the reporting period, based on the regulatory reply, the Bank has completed the acquisition of Dongguan Chang'an Village Bank Co., Ltd. and Dongguan Houjie Huaye Village Bank Co., Ltd. and converted them into sub-branches of the Bank. Dongguan Chang'an Village Bank Co., Ltd. and Dongguan Houjie Huaye Village Bank Co., Ltd. were officially dissolved on 8 November 2024, and the new sub-branches commenced operations on 11 November 2024. On 23 December 2024, the Bank received the Reply from the Guangdong Office of the National Financial Regulatory Administration Regarding the Establishment of a Sub-branch by Bank of Dongguan Co., Ltd. Acquiring Dongyuan Taiye Village Bank Co., Ltd. (Yue Jin Fu [2024] No. 343). The Bank had completed the acquisition of the remaining shares of Dongyuan Taiye Village Bank Co., Ltd., which became a wholly-owned subsidiary of the Bank (with the Bank holding 100% stake). The Bank will proceed with the handover of assets, liabilities, systems, personnel, outlets, and strictly comply with relevant laws and regulations for the establishment of the Heyuan Branch of Bank of Dongguan Co., Ltd.

2. During the reporting period, the Bank invested HKD1 billion to establish Bank of Dongguan International Limited, with a 100% shareholding ratio. As at the end of the reporting period, it was still in preparation for opening.

(III) Ongoing significant non-equity investment during the reporting period

During the reporting period, the Bank had no ongoing significant non-equity investment.

(IV) Sale of major asset and equity

During the reporting period, the Bank had no matters concerning sale of major asset and equity.

(V) Subsidiaries

1. Chongqing Kaizhou Taiye Village Bank Co., Ltd.

Set out below is the financial data as of the end of the Reporting Period:

Item	Unit: RMB'000	
	As at the end of 2024	As at the end of 2023
Total assets	432,210	429,659
Net assets	61,280	65,639
Operating income	7,155	8,903
Net profits	-4,359	-6,338

2. Dongyuan Taiye Village Bank Co., Ltd.

Set out below is the financial data as of the end of the Reporting Period:

Item	Unit: RMB'000	
	As at the end of 2024	As at the end of 2023
Total assets	440,082	420,736
Net assets	125,587	130,604
Operating income	6,778	13,500
Net profits	-5,017	1,357

3. Zongyang Taiye Village Bank Co., Ltd.

Set out below is the financial data as of the end of the Reporting Period:

Item	Unit: RMB'000	
	As at the end of 2024	As at the end of 2023
Total assets	652,949	735,821
Net assets	54,605	54,075
Operating income	9,853	8,528
Net profits	530	-420

(VI) Structured entities controlled by the Bank

For information on the structured entities controlled by the Bank, please refer to the "Note 64. Interests in Other Entities" to the Financial Statements in the "Financial Reports".

IV. RISK MANAGEMENT

(I) Overview of risk management

The Bank has consistently adhered to the steady operation, closely aligning with its strategic development plan and focusing on the key themes of "business transformation, structural adjustment, efficiency enhancement, and risk prevention and control". We have continuously deepened the full-chain risk management and advanced the structural adjustment of our credit business. We are committed to establishing and improving an effective risk management system, strictly implementing new policies regarding financial asset classification and capital regulations, and actively and prudently addressing risk resolution and asset quality control. We focus on enhancing our intelligent risk control capabilities, effectively preventing and managing various financial risks, and continuously improving our risk management standards.

(II) Credit risk management

Credit risk refers to the risk where a customer (or transaction counterparty) is unable or unwilling to perform its contractual obligations toward the Bank. Assets of the Bank that are exposed to credit risks include various types of loans, interbank loans at call, assets purchased under resale agreements, interbank deposits, bond investments, special-purpose vehicle investments, interest receivables, other receivables, and off-balance sheet assets. Credit risk management refers to the whole process of active identification, measurement, monitoring, control or mitigation, and reporting of credit risks.

During the reporting period, the Bank strengthened proactive risk management closely revolving around its business objectives to maintain stable asset quality. **Firstly**, we enhanced policy guidance and continuously advanced the optimization and adjustment of our business structure. We closely tracked changes in national policies, strengthened research and analysis of regional economies and industries, and regularly conducted reviews of our business strategies. This allowed us to continuously optimize our credit risk preferences and credit policies, and clarify the direction for business development. We strictly managed the concentration of large credit exposures and reduced the scale of large credit lines from the perspectives of resource allocation and performance assessment, fully practicing the credit strategy of "small and retail customers". **Secondly**, we further promoted the Bank to effectively carry out the "three inspections" work and strengthen the risk management of credit business. Taking "training and publicity", "visits and investigations", and "inspections and supervision" as the three major focal points, we continuously created an atmosphere for effectively implementing the "three inspections" work, driving the Bank to attach importance to and earnestly carry out the "three inspections" work of credit from the ideological and practical aspects, so as to strengthen the risk management of credit business and ensure the stability of asset quality. **Thirdly**, we intensified risk monitoring and inspections to strengthen risk identification and control. Focusing on the credit business process, we integrated internal and external data assets to create data models, optimizing and upgrading our monitoring and early warning management platform to enhance the effectiveness of risk monitoring and early warnings. We increased our inspection efforts in key industries, regions, products, and customers to improve our foresight and response capabilities regarding major risks, achieving proactive risk management and enhancing our credit risk management level. **Fourthly**, we continued to promote the construction of an intelligent risk control system to empower business development and risk management. We improved customer rating and evaluation standards by iterating the credit rating models and system functionalities for corporate clients, strengthening the re-examination of non-credit rating models, and optimizing the rating system process management. We fully leveraged internal and external data resources to further enhance the intelligence and automation of risk monitoring, used new technologies to empower risk management and support business development, achieving "better quality, higher efficiency, and lower costs in risk management".

The Bank adopts the weighting approach to measure credit risk-weighted assets in accordance with the requirements of the Measures for the Administration of Capital of Commercial Banks (《商业银行资本管理办法》). As of the end of the reporting period, credit risk weighted assets amounted to RMB393.929 billion, including: on-balance sheet credit risk weighted assets amounted to RMB364.056 billion, off-balance sheet credit risk weighted assets amounted to RMB29.351 billion, and counterparty credit risk weighted assets amounted to RMB522 million.

(III) Market risk management

Market risk refers to the risk where the Bank's on-balance sheet and off-balance sheet businesses suffer losses due to adverse changes in market prices (interest rates, exchange rates, stock prices, and commodity prices). The market risk faced by the Bank comes from banking book and trading book, and the main risks involved are interest rate risk and exchange rate risk. Market risk management refers to the entire process of actively identifying, measuring, monitoring and controlling market risks.

During the reporting period, the Bank actively tightened up market risk management to enhance the precision and effectiveness of related risk management practices. **Firstly**, we promptly revised and improved the market risk management policies and systems, regularly conducted assessments and inspections of market risk business operations, continuously optimized the market risk management strategies and improve the market risk management system. **Secondly**, we regularly conducted research and analysis on macroeconomic trends and the movements of interest and exchange rates, strengthened investment strategy research, continuously optimized the asset-liability structure, and controlled asset-liability mismatches within a reasonable range. **Thirdly**, we conducted regular market risk stress tests to effectively prevent risks in extreme market scenarios, enhanced the early identification of significant market risk warning indicators, improved market risk emergency plans and related emergency management operations, and organized regular market risk emergency drills for the Bank. **Fourthly**, we continuously improved the standard of information technology applications for market risk management purposes, stepped up the development of market risk management systems, and advanced the process of measurement model validation and applications in valuation, profit or loss attribution, limit monitoring, stress testing, and capital measurement, resulting in the enhanced precision of market risk management activities.

The Bank adopts the simplified standard method to measure market risk-weighted assets in accordance with the requirements of the "Measures for the Administration of Capital of Commercial Banks (《商业银行资本管理办法》)", and conducts business strictly within the regulatory limits. There are no business overruns and the market risk is generally controllable. As of the end of the reporting period, market risk-weighted assets amounted to RMB7.51 billion.

(IV) Operational risk management

Operational risk refers to the risk of loss caused by issues related to internal procedures, employees, and information technology systems, and external events, including legal risks, but excluding strategic and reputational risks.

During the reporting period, the Bank continued to improve its operational risk management system to enhance its operational risk management capabilities. **Firstly**, we strengthened the construction of the operational risk management mechanism by revising the operational risk management policies in accordance with regulatory requirements and establishing a dedicated operational risk management officer system to solidify the foundation of operational risk management. **Secondly**, we organized and conducted training and awareness campaigns on operational risk management, improved the assessment and evaluation of operational risk management, and actively promoted the establishment of a positive operational risk culture. **Thirdly**, we deepened the application of operational risk management tools such as operational risk self-assessment, monitoring of key risk indicators, and loss data collection to facilitate risk identification, assessment, monitoring, and reporting. **Fourthly**, we strengthened information technology risk control by conducting comprehensive IT risk assessments, business continuity management inspections and evaluations to thoroughly investigate potential risk hazards and promptly address vulnerabilities. We continued to optimize key risk indicators related to information technology and enhance risk monitoring. **Fifthly**, we continued to improve our emergency plan system by making and revising business continuity plans and overall emergency plans for operational disruptions, and effectively conducting emergency drills to ensure business continuity. **Sixthly**, we actively promoted the prevention of external fraud by enhancing the application of new technologies in the anti-fraud domain, optimizing fraud risk monitoring models and control strategies, and improving the efficiency of risk identification.

The Bank measures operational risk-weighted assets by using the Standardised Measurement Approach in accordance with the "Administrative Measures for the Capital of Commercial Banks (《商业银行资本管理办法》)". As of the end of the reporting period, the operational risk-weighted assets were approximately RMB16.574 billion.

(V) Liquidity risk management

Liquidity risk refers to the risk where a bank is unable to obtain sufficient funds in a timely manner at a reasonable cost to repay due debts, perform other payment obligations, and meet other capital needs for normal business development.

During the reporting period, the Bank continued to strengthen liquidity risk management through several key measures. **Firstly**, we improved the liquidity risk quota index system, adjusted the quota setting taking into account the impacts of the implementation of new capital regulations, and dynamically controlled the liquidity indicators of various business lines at home and abroad to effectively identify changes in liquidity risks. **Secondly**, we improved the normal monitoring mechanism of the cash flow gap to effectively measure and monitor the cash flow gap in different time periods in the future, paid particular attention to the cash flow gap prediction at key points such as the end of the month, and made advance arrangements for investment and financing, to smooth out the financing gap. **Thirdly**, we strengthened the liquidity risk management of the group, improved the construction of the liquidity information system of subsidiaries and the regular reporting mechanism, and enhanced the liquidity risk monitoring efficiency of the group. **Fourthly**, we seized market opportunities to optimize the structure of active liabilities, increased the acquisition of low-cost policy liabilities, implemented bond issuance to supplement medium and long-term stable funds, and reduced the cost of active liabilities. **Fifthly**, we strengthened the planning for high-quality liquid assets, optimized the maturity structure of high-quality liquid bonds, and maintained sufficient reserves of high-quality liquid assets. **Sixthly**, we carried out liquidity risk stress tests and emergency drills on a regular basis, assessed liquidity gaps and financing capacity, and adjusted risk strategies and investment and financing structures in a timely manner according to the assessment results to improve the liquidity risk resistance.

According to the "Measures for the Liquidity Risk Management of Commercial Banks (《商业银行流动性风险管理办法》)" and the "Measures for the Disclosure of Information on Liquidity Coverage Ratio by Commercial Banks (《商业银行流动性覆盖率信息披露办法》)", as of the end of the reporting period, the details of the Bank's liquidity coverage rate information are as follows:

Unit: RMB'000, %	
Item	31 December 2024
Qualified premium liquidity assets	61,830,693
Net cash outflow in the next 30 days	28,102,014
Liquidity coverage rate	220.02

Note: The above indicators are calculated and presented in accordance with the regulatory consolidation standards.

According to the "Measures for the Liquidity Risk Management of Commercial Banks (《商业银行流动性风险管理办法》)" and the "Measures for the Disclosure of Information on Net Stable Funding Ratio by Commercial Banks (《商业银行净稳定资金比例信息披露办法》)", as of the end of the reporting period, the Bank's net stable funding ratio details are as follows:

Unit: RMB'000, %	
Item	31 December 2024
Stable funds available	403,653,275
Stable funds required	373,189,493
Net stable funding ratio	108.16

Note: The above indicators are calculated and presented in accordance with the regulatory consolidation standards.

(VI) Compliance risk management

Compliance risk refers to the risk where a commercial bank may suffer legal sanctions, regulatory penalties, material financial losses, and reputation losses due to the failure to comply with laws, rules and guidelines.

During the reporting period, the Bank actively conducted compliance risk management to achieve the goal of ensuring legal and regulatory compliance in business and management operations. **The first** is to continuously strengthen the management of the rules and regulations. Paying due attention to external regulatory policies and internal operation management practices in a timely manner, the Bank internalizes external regulations, and conducts review of the rules and regulations, post-evaluation of the rules and regulations, and other compliance management operations to consistently improve relevant systems as well as the compliance and enforceability of the rules and regulations. **The second** is to formulate an annual compliance risk management work plan, clarify compliance risk management measures, improve the standard of compliant management, and facilitate the sustainable, healthy, and steady development of the Bank's business. **The third** is to enhance the compliance inspection, formulate annual compliance inspection plan, and monitor the quality of inspection and rectification in terms of the standardization of inspection procedures, effectiveness of inspection results, and the due implementation of follow-up rectifications. **The fourth** is to deepen the establishment of compliance culture, actively cultivate a sound compliance culture, promote awareness of the compliance culture through publicity campaigns, and improve employees' compliance awareness through compliance document study, onboard training, compliance culture promotion, compliance performance assessment, etc. While continuously conducting compliance management as the core of risk management, the Bank achieves effective identification and management of compliance risks by building an effective compliance risk management mechanism and cultivating an excellent compliance culture, complemented by corresponding supporting institutionalized measures, so as to comprehensively improve the appropriateness and effectiveness of compliance risk management and effectively ensure the secure and steady development of the Bank in compliance with the laws and regulations.

(VII) Reputational risk management

Reputational risk refers to the risk where the brand value of a bank is impaired by the negative comments of stakeholders, the public, and the media on the bank due to the behavior of the bank, the insurance institution, or their employees, or other external events, which can hinder the Bank's normal operations, and potentially affect market and social stability. Reputational risk may arise in any part of the Bank's operation and management, and usually exists together with other risks such as credit risk, market risk, operational risk, and liquidity risk, influencing each other. The reputational risk management of the Bank is to realize the identification, monitoring, control and resolution of reputational risks by establishing an active, reasonable and effective reputational risk management mechanism, so as to establish and maintain a sound image of the Bank and promote its stable development.

During the reporting period, the Bank continued to enhance the development of the reputational risk management system and mechanisms, implemented the management of consolidated reputational risk, and orderly promoted the in-depth and practical implementation of reputational risk management initiatives. Key measures implemented are as follows. **Firstly**, we continued to strengthen reputational risk prevention. We conducted regular public opinion monitoring, continued to implement reputational risk assessments and preventive measures to strengthen efforts to prevent reputational risk, so as to improve the foresight in reputational risk management. We organized training and emergency drills on reputational risk management in an orderly manner to improve employees' risk prevention awareness and emergency response capabilities. **Secondly**, we continued to enhance customer service. We are committed to providing high-quality financial services to our customers by optimizing business processes, improving operational efficiency, and continuously raising the level of customer service. We adopted multiple measures to carry out financial consumer education activities, utilizing both online and offline promotional channels to disseminate easily understandable financial knowledge, thereby continuously enhancing consumers' financial risk prevention capabilities. **Thirdly**, we continued to build up our reputational capital. We strengthened brand culture by actively collaborating with mainstream media to publish positive reports centered on themes such as supporting the real economy. We actively took on social responsibilities by sponsoring initiatives like Dongguan's "Safe Home" public welfare action and the "Dongguan Calligraphy Competition for Primary and Secondary Students", enhancing the brand's reputation.

(VIII) Country-specific risk management

Country-specific risk refers to the risk that debtors in a country or region may fail or refuse to repay debts owed to banking financial institutions due to economic or political or social changes and events in the country or region, or that banking financial institutions may incur business losses or other types of losses as a result of such events in the country or region.

During the reporting period, the Bank strictly adhered to regulatory requirements and continued to strengthen its country-specific risk management efforts. **Firstly**, we continued to improve the construction of the country-specific risk management mechanism by revising systems related to country-specific risk management in accordance with regulatory requirements, thereby solidifying the foundation of the country-specific risk management system. Moreover, we timely optimized and adjusted country-specific risk ratings based on the country-specific risk situations of different countries, set overall country-specific risk limits, and made timely adjustments in line with business planning and risk control needs, ensuring that relevant management policies and requirements meet the changing internal and external risks. **Secondly**, we continuously and effectively tracked and monitored the country-specific risk of assets, regularly monitored the country-specific risk exposure balance for each country to ensure it did not exceed the risk limits, and strictly controlled the concentration risk. **Thirdly**, we regularly conducted country-specific risk impairment provisions to further enhance the Bank's capacity to withstand country-specific risk, and we completed the submission of related reports on time in accordance with regulatory requirements. **Fourthly**, we continually conducted country-specific risk stress tests commensurate with the scale of country-specific risk exposure, testing the potential impact of different hypothetical scenarios on country-specific risk management to improve our risk response capability.

(IX) Money laundering and terrorist financing risk management

The Bank strictly abides by the laws and regulations on anti-money laundering and anti-terrorist financing (hereinafter referred to as "anti-money laundering"), actively complies with risk-based anti-money laundering regulatory requirements, duly performs anti-money laundering social responsibilities and legal obligations, and strives to improve the standard of risk management against money laundering and terrorist financing (hereinafter referred to as "money laundering").

Firstly, we adhere to a risk-based approach to anti-money laundering work, further improving the organizational structure for anti-money laundering initiatives and optimizing the internal control system for anti-money laundering. We are committed to solidly implementing foundational anti-money laundering tasks to enhance the overall effectiveness of our anti-money laundering efforts. **Secondly**, the Board of Directors, the Board of Supervisors, and the senior management diligently fulfill their responsibilities in managing money laundering risks, ensure that anti-money laundering practices begin at the highest levels of the organization. **Thirdly**, the Bank effectively fulfills its statutory obligations of anti-money laundering – focusing on the statutory obligations of anti-money laundering revolving around customer identification, customer identity information and transaction records storage and reporting large transactions and suspicious transactions, the Bank tightens up the control of high-risk customers and high-risk businesses. **Fourthly**, we hold a variety of anti-money laundering publicity and training activities, collaborating with the People's Bank of China and other departments and organizations to establish an "Anti-money Laundering Practical Education Base", conducting a series of promotional and competitive activities and establishing a long-term working mechanism for widespread anti-money laundering awareness, so as to foster a positive environment for community-wide participation in anti-money laundering efforts. **Fifthly**, we combat money laundering-related illegal activities by strengthening the analysis and assessment of suspicious leads, and actively cooperating with the People's Bank of China and other competent authorities in their anti-money laundering investigations and research, so as to provide robust support for effectively targeting money laundering crimes. **Sixthly**, we continue to optimize our anti-money laundering system, list monitoring system and relevant business systems, leveraging technology to enhance the effectiveness of our anti-money laundering efforts.

V. CAPITAL MANAGEMENT

(I) Overview of capital management

In 2024, the Bank continuously strengthened capital management with the capital adequacy ratio and core tier-1 capital adequacy ratio regarded as the key assessment indicators, while achieving synergies in external supervision, credit rating, risk compensation and shareholder return, etc. In addition, it maintained a balance between business development plans and risk appetite, to maintain balance between scale expansion and profitability, total capital and structural optimization, optimal capital scale and return on capital.

In accordance with the Measures for the Administration of Capital of Commercial Banks and relevant regulations, the Bank continuously implements the requirements of the new capital regulations, regularly monitors the status of capital regulatory indicators and the conditions of regulatory capital, and reports the relevant information to regulatory authorities at the end of the year and at the end of each quarter. During the reporting period, **firstly**, the Bank used methods such as scenario simulation and stress tests to predict, plan and manage the capital adequacy ratio based on factors such as strategic development planning, business expansion and changes in risk factors, ensuring that the capital adequacy ratio consistently conforms to regulatory, rating and risk compensation requirements and shareholders' expectations for returns on investment. **Secondly**, the Bank developed quarterly capital resource allocation plans and managed it in a real-time manner in light of implementation to maintain healthy and sustainable development of businesses to create steady streams of profits, building on its endogenous capital supplement capabilities; on top of that, the Bank actively sought exogenous capital supplementation. In 2024, the Bank successfully issued two tranches of the tier-2 capital bonds to raise RMB4 billion and exercised the call option to redeem the tier-2 capital bonds of RMB4 billion issued in 2019, which effectively reduced the user cost of capital and consolidated the capital base. **Thirdly**, the Bank established a set of practical capital management systems based on the overall development strategy. By continuously improving the internal management mechanism, formulating a series of policies and systems on issues such as capital adequacy ratio planning and management, economic capital appraisal management, capital adequacy measurement management, internal capital adequacy assessment process management, and third-pillar information disclosure management, standardizing various capital management operations, and tightening up risk portfolio limit management, it is ensured that the Bank's capital adequacy matches the major risks it faces and the standard of its risk management operations, and that the capital plan matches the operating conditions, changes in risk factors and long-term development strategies. **Fourthly**, we developed a capital management plan that clearly outlines our capital adequacy goals. Taking into account regulatory requirements, business development needs, and the impact of the implementation of the new capital regulations, we formulated a three-year capital management plan. This plan specifies our capital adequacy goals for the next three years and identifies concrete measures for capital replenishment and management, further enhancing our capital planning capabilities. **Fifthly**, based on the new capital regulations, we completed the commissioning and acceptance of a risk-weighted asset management system, achieved the measurement automation and automatic generation of regulatory reports, and continued to optimize and improve the system's measurement and management functions, effectively enhancing the efficiency and accuracy of capital measurement.

(II) Capital adequacy ratio

According to the requirements of the Measures for the Administration of Capital of Commercial Banks (《商业银行资本管理办法》), the capital adequacy ratio of the Bank on each balance sheet date is as follows:

Item	Unit: RMB'0,000, %	
	31 December 2024	31 December 2023
Net core tier-1 capital	3,893,044	3,580,365
Net tier-1 capital	4,312,827	4,000,251
Net tier-2 capital	1,511,489	1,554,024
Total net capital	5,824,316	5,554,275
Total risk-weighted assets	41,818,125	40,382,884
– Credit risk weighted assets	39,392,931	37,322,446
– Market risk weighted assets	750,984	1,167,273
– Operation risk weighted assets	1,657,427	1,893,165
– Risk-weighted assets converted between trading books and bank books	16,783	0
Core tier-1 capital adequacy ratio	9.31	8.87
Tier-1 capital adequacy ratio	10.31	9.91
Capital adequacy ratio	13.93	13.75

Note: For more information on the Bank's capital measurement, please refer to the "2024 Third-pillar Information Disclosure Report of Bank of Dongguan Co., Ltd." issued by the Bank.

(III) Leverage

Item	Unit: RMB'000, %	
	31 December 2024	31 December 2023
Net tier-1 capital	43,128,270	39,864,451
On and off-balance sheet assets after adjustments	734,748,913	688,339,921
Leverage rate	5.87	5.79

VI. OVERVIEW OF BRANCHES AND SUB-BRANCHES

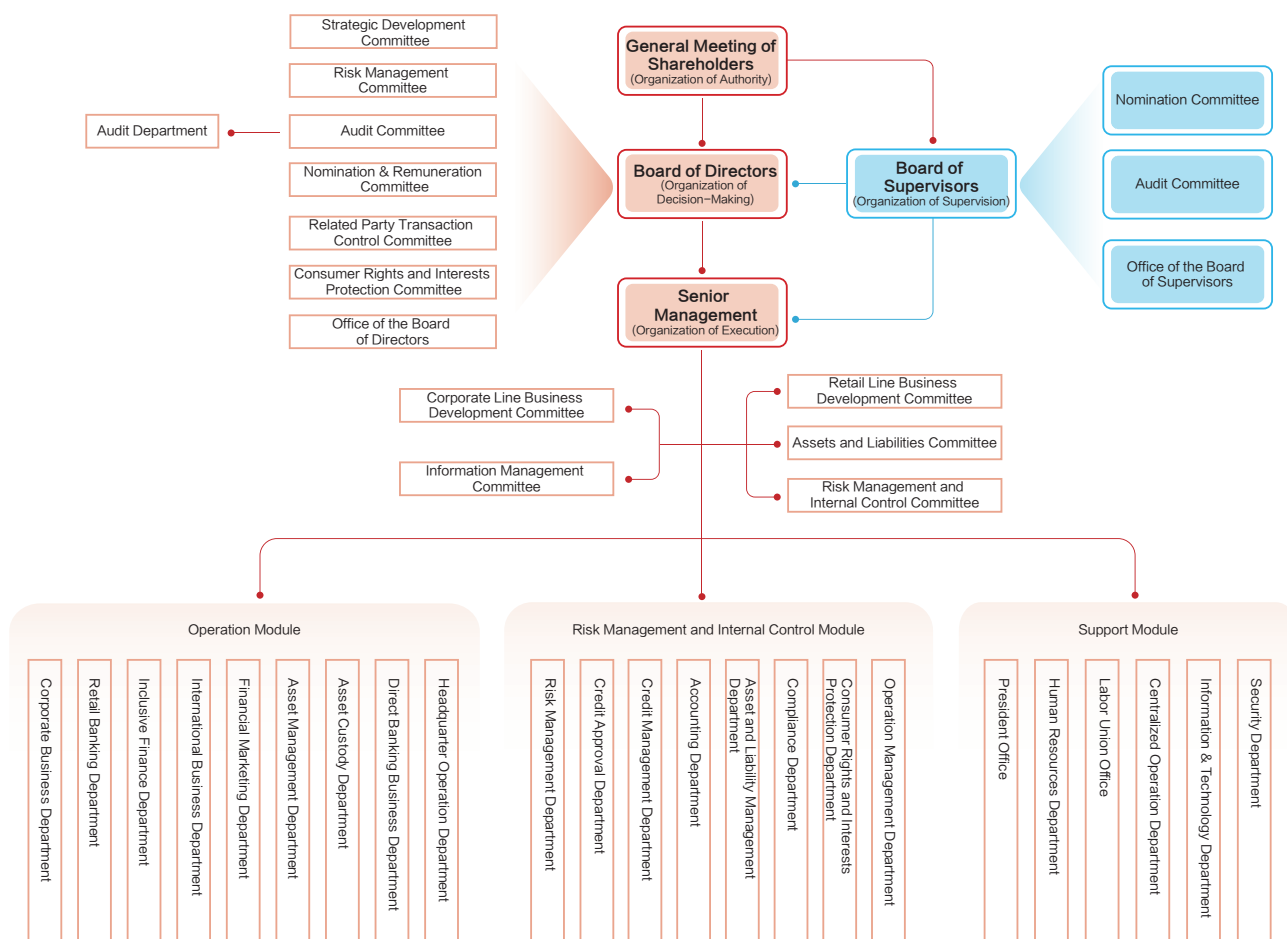
As of the end of the reporting period, the Bank had one head office business department and 13 branches (Dongguan Branch, Guangzhou Branch, Shenzhen Branch, Huizhou Branch, Changsha Branch, Foshan Branch, Hefei Branch, Qingyuan Branch, Zhuhai Branch, Shaoguan Branch, Zhongshan Branch, Nansha Branch of Guangdong Pilot Free Trade Zone, and Hong Kong Branch), 66 tier-1 sub-branches, 104 tier-2 sub-branches, 3 community sub-branches, and 4 SME sub-branches.

Institution name	Business address	Number of institutions	Number of employees (person)	Size of assets (RMB million)
Head office	No.21 Tiyu Road, Guancheng District, Dongguan	1	1,774	232,131
Dongguan Branch	Stores 101, 3801, 3901 and 4001, Building 1, International Trade Center, No. 1, Hongfu East Road, Dongcheng Street, Dongguan	149	2,873	292,798
Guangzhou Branch	Stores 101-103, 105-107, 201-204 and 301, No. 128, Whampoa Avenue West, Tianhe District, Guangzhou	7	158	16,108
Nansha Branch	Stores 106, 107, 605 and 606 (Self-numbered Building 1), No. 106, Fengze East Road, Yunshan Poetic Estate, Nansha, Nansha District, Guangzhou	3	66	4,298
Shenzhen Branch	Stores 102 and 202, Units 01-08 (Floor 27) and Units 01-07 (Floor 28), Shenzhen Metro Building in the southwest side of Shennan Xiangmi Interchange on Xiangmi Lake, Futian District, Shenzhen	5	146	22,668
Huizhou Branch	Stores 07, 08, 09 and 10, Floor 1, and Store 02, Floor 2, Dewei Building, No. 4, Yunshan West Road, Huizhou	3	84	7,385
Changsha Branch	Stores 104, Floor 1 of T1 (Block A) and Floors 26-28 of T3 (Block C), Binjiang Financial Center, No. 112, Chazishan East Road, Yuelu District, Changsha, Hunan Province	5	134	19,535
Foshan Branch	Stores 901-910, Building 1, No. 68 and No. 9-12, Floor 1, No. 66, Jihua Fourth Road, Chancheng District, Foshan	4	108	10,772
Hefei Branch	Wanghu Jiayuan Commercial Building, No. 117, Meihe Road, Baohe District, Hefei	5	160	12,146
Qingyuan Branch	Store 35, Block 7 and Floors 2 & 3, Blocks 5 and 7, Zone A, Wanji Golden Bay Mansion, No. 6, Jinxia Road, New Urban District, Qingyuan	2	90	6,753
Zhuhai Branch	No. 377, No. 381, Floor 2 and No. 381, Floor 3, Qinglv Middle Road, Xiangzhou District, Zhuhai	2	79	7,293
Shaoguan Branch	Stores 1-6 of Floor 1 and Floors 2-4, Building E1, Zhixing Garden, No. 1, Yihua Road, Wujiang District, Shaoguan	2	79	6,753
Zhongshan Branch	Store 6, Floor 2 of Building 1, Store 1 of Building 2, Store 1, Floor 2 of Building 2, Store 2, Floor 2 of Building 2, and Store 1, Floor 3 of Building 2, Torch Big Data Center, No. 88, Zhongshan Sixth Road, Torch Development Zone, Zhongshan	2	74	6,453
Hong Kong Branch	Suites 2504-2511, Two International Finance Center, No. 8 Finance Street, Central, Hong Kong	1	95	23,272

Chapter V Corporate Governance

I. BASIC SITUATION OF CORPORATE GOVERNANCE AND DEPARTMENT SETTING

The Bank strictly complies with the Company Law, the Commercial Bank Law, Corporate Governance Guidelines for Banking and Insurance Institutions, the Interim Administrative Measures of Equity of Commercial Banks and other laws, regulations, regulatory requirements, and the requirements of the Bank's Articles of Association, so as to continuously improve the standard of corporate governance. The Bank adheres to and strengthens the party leadership, continuously improves the modern enterprise system with Chinese characteristics, deepens the integration of Party building into the Articles of Association, improves the "Front Check of Party Committee" and "Three Important and One Large" decision-making mechanism, and optimizes the management of major economic decision-making and operation authorization. The Bank has further improved its corporate governance, has established an organizational structure for modern corporate governance including the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and senior management, and has improved the working mechanism of the "Three Meetings and One Management" to continuously promote the corporate governance with statutory and transparent powers and responsibilities, coordinated operation, and effective checks and balances. The Bank maintains a fine corporate governance on the whole.



The Bank continues to improve the governance system, organizes and improves such governance systems as the Articles of Association and the Rules of Procedures for the General Meeting of Shareholders of Bank of Dongguan Co., Ltd., strengthens the refined management of directors' performance of duties, achieves a smooth transition in the term replacement of the Board of Directors, standardizes the management of shareholders' behaviors, improves the data governance system for equity and related party transactions, and promotes the group-based and intelligent construction of related party transaction management.

During the reporting period, the Bank strengthened capital management and optimized the cost of capital utilization. We fully redeemed RMB4 billion of tier 2 capital bonds issued in 2019 (bond abbreviation: 2019 Bank of Dongguan tier 2 capital bonds). Through phased issuance, we issued RMB2 billion of tier 2 capital bonds in May and August 2024 respectively, raising a total of RMB4 billion to replenish tier 2 capital of the Bank.

During the reporting period, the Bank attached great importance to information disclosure, and disclosed the annual report, quarterly reports, the change of senior management personnel and other important matters in a timely, complete, accurate and faithful manner in strict accordance with the requirements of the regulatory authorities, the Articles of Association and the Administrative Measures for Information Disclosure of Bank of Dongguan Co., Ltd. The Bank mainly uses the following channels to disclose information in its annual report: 1. The summary of the 2023 annual report was disclosed in the Financial News; 2. The 2023 annual report was disclosed on the Bank's website (disclosure website: www.dongguanbank.cn); 3. The 2023 annual report was disclosed on Chinabond.com and Chinamoney.com (disclosure website: www.chinabond.com.cn/www.chinamoney.com.cn); 4. The printed annual reports were distributed to shareholders at the annual general meeting; 5. The printed annual reports were made available for inquiries in the office of the Board of Directors of the Bank and all the Bank's branches.

During the reporting period, the Bank focused on communication with investors and continuously improved the investor communication mechanism. Two-way communications with investors were strengthened through paper letters, telephone calls, dedicated e-mail addresses and the Bank's website. Meanwhile, the disclosure of the latest movements in the Bank's business management operations and important information were enhanced, so that investors can understand the Bank's business management in a timely manner, enhancing investors' understanding and identification with the Bank, and drumming up their support for the Bank.

II. RELEVANT INFORMATION ABOUT THE GENERAL MEETING OF SHAREHOLDERS

(I) Responsibilities of the General Meeting of Shareholders

The General Meeting of Shareholders is the supreme authority body of the Bank. The General Meeting of Shareholders exercised its duties and authorities, including amending the Articles of Association of the Bank, reviewing and approving the Bank's profit distribution plan, electing and replacing Directors and Supervisors, and deciding on the Bank's business policies and investment plans, reviewing and approving the reports of the Board of Directors and the Board of Supervisors, etc. in accordance with the Articles of Association and the Rules of Procedures for the General Meeting of Shareholders of Bank of Dongguan Co., Ltd..

(II) General Meetings of Shareholders

The Bank convenes annual or extraordinary general meetings in accordance with the Articles of Association and the Rules of Procedures for the General Meeting of Shareholders of Bank of Dongguan Co., Ltd. In 2024, the General Meeting of Shareholders of the Bank held 1 annual meeting and 2 extraordinary meetings. The notification, summoning and convening of the General Meetings of Shareholders, voting procedures and resolutions are carried out in compliance with the regulations, ensuring that all shareholders fully and equally enjoy the right to know and participate.

On 12 April 2024, the Bank held the 2023 Annual General Meeting of Shareholders. The meeting was held at the head office of the Bank. The meeting notice was published on Dongguan Daily and the official website of the Bank on 22 March 2024. 59.78% investors attended the meeting. The meeting deliberated on and approved 20 proposals (reports). The lawyer issued a legal opinion on the summoning and convening procedures of the meetings, the qualifications of attendees and conveners, and the voting procedures and voting results.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the 2023 Annual Report of Bank of Dongguan Co., Ltd.
2	Proposal on the 2023 Annual Audit Report of Bank of Dongguan Co., Ltd.
3	Proposal on the 2023 Annual Financial Statements and 2024 Annual Financial Budget Plan of Bank of Dongguan Co., Ltd.
4	Proposal on the 2023 Annual Profit Distribution Plan of Bank of Dongguan Co., Ltd.
5	Proposal on the 2023 Annual Corporate Social Responsibility Report (Environmental, Social and Governance Report) of Bank of Dongguan Co., Ltd.
6	Proposal on Recruitment of an Accounting Firm to Audit the 2024 Operating Results of Bank of Dongguan Co., Ltd.
7	Proposal on the Confirmation of the Initial Public Offering of RMB Ordinary Shares (A Shares) and Relevant Financial Information and the Approval of its Publicity in the Reporting Years (2021, 2022 and 2023)
8	Proposal on the Analysis of Diluting the Immediate Returns of the Initial Public Offering of Shares and the Remedial Measures
9	Proposal on the Issuance of Financial Bonds by Bank of Dongguan Co., Ltd.
10	Proposal on Revising the Articles of Association of Bank of Dongguan Co., Ltd.
11	Proposal on Revising the Rules of Procedure for the General Meeting of Shareholders of Bank of Dongguan Co., Ltd.
12	Proposal on Revising the Rules of Procedures for the Board of Supervisors of Bank of Dongguan Co., Ltd.
13	Proposal on Confirming the Related Party Transactions of Bank of Dongguan Co., Ltd. for 2021-2023

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
14	Specialized Report on Related Party Transactions of Bank of Dongguan Co., Ltd. in 2023
15	Report on Work of the Board of Directors of Bank of Dongguan Co., Ltd. in 2023
16	Report on Work of the Board of Supervisors of Bank of Dongguan Co., Ltd. in 2023
17	Report on Duty Performance Evaluation of the Board of Supervisors on the Directors of Bank of Dongguan Co., Ltd. in 2023
18	Report on Performance Report of Independent Directors of Bank of Dongguan Co., Ltd. in 2023
19	Report on Duty Performance Evaluation of the Supervisors of Bank of Dongguan Co., Ltd. in 2023
20	Report on Duty Performance Evaluation of the Board of Supervisors on Senior Management of Bank of Dongguan Co., Ltd. in 2023

On 25 June 2024, the Bank held the first extraordinary general meeting of shareholders in 2024. The meeting was held at the head office of the Bank. The notice was published on Dongguan Daily and the official website of the Bank on 8 June 2024. 60.33% of investors attended the meeting. The meeting deliberated on and approved 6 proposals. The lawyer issued a legal opinion on the summoning and convening procedures of the meetings, the qualifications of attendees and conveners, and the voting procedures and voting results.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal of Bank of Dongguan Co., Ltd. on the Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branches
2	Proposal of Bank of Dongguan Co., Ltd. on the Supplementary Explanations for Matters Related to Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branches
3	Proposal of Bank of Dongguan Co., Ltd. on the Authorization for Work Related to Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branches
4	Proposal on the Formulation of the Mid – to Long-term Incentive Plan of Bank of Dongguan Co., Ltd.
5	Proposal on Election of Directors to the 9th Session of the Board of Directors of Bank of Dongguan Co., Ltd.
6	Proposal on Election of Supervisors to the 9th Session of the Board of Supervisors of Bank of Dongguan Co., Ltd.

On 6 September 2024, the Bank held the second extraordinary general meeting of shareholders in 2024. The meeting was held at the head office of the Bank. The notice was published on Dongguan Daily and the official website of the Bank on 21 August 2024. 57.15% of investors attended the meeting. The meeting deliberated on and approved 7 proposals. The lawyer issued a legal opinion on the summoning and convening procedures of the meetings, the qualifications of attendees and conveners, and the voting procedures and voting results.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Applying for the Extension of the Validity Period in the Proposal on Application for Initial Public Offering and Listing of RMB Ordinary Shares (A Shares)
2	Proposal on Applying for the Extension of the Authorization Period in the Proposal on the Bank's Application for the Public Issuance of A Shares and the Authorization in the Process of Listing
3	Proposal on the Confirmation of the Initial Public Offering of RMB Ordinary Shares (A Shares) and Relevant Financial Information and the Approval of its Publicity in the Reporting Years (2021, 2022, 2023 and the First Half of 2024)
4	Proposal on Confirming Related Party Transactions of Bank of Dongguan Co., Ltd. for 2021 – the First Half of 2024
5	Proposal on Issuance of Bonds by Bank of Dongguan Co., Ltd. in 2025
6	Proposal on Amending the Remuneration Package for Organizationally Appointed Management Personnel of Bank of Dongguan Co., Ltd.
7	Proposal on Amending the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd.

III. INFORMATION RELATED TO THE BOARD OF DIRECTORS

(I) Responsibilities of the Board of Directors

The Board of Directors is the Bank's decision-making body and is responsible for the General Meeting of Shareholders. The Board of Directors exercises the duties and authorities of reporting to the General Meeting of Shareholders, implementing the resolutions of the General Meeting of Shareholders, deciding on the business plan and investment plan of the Bank, and inspecting and supervising the work of the senior management in accordance with the regulations of the Articles of Association and the Rules of Procedure for the Board of Directors of Bank of Dongguan Co., Ltd. The Board of Directors consists of a strategic development committee, a risk management committee, an audit committee, a nomination and remuneration committee, a related party transaction control committee, and a consumer rights and interests protection committee.

(II) Basic Information of Members of the Board of Directors

No.	Name	Gender	Date of birth	Work entity	Position at the Bank	Position at the work entity	Number of shares held	Changes in shareholding during the reporting period
1	Cheng Jinsong	Male	May 1968	Bank of Dongguan	Secretary of the Party Committee, Chairman and Executive Director	Secretary of the Party Committee, Chairman and Executive Director	Nil	Nil
2	Xie Yongwei	Male	September 1972	Bank of Dongguan	Deputy Secretary of the Party Committee, Executive Director and President of the Bank	Deputy Secretary of the Party Committee, Executive Director and President of the Bank	303,065 shares	Nil
3	Wu Jianwen	Male	May 1973	Bank of Dongguan	Member of the Party Committee, Executive Director, Vice President of the Bank	Member of the Party Committee, Executive Director, Vice President of the Bank	Nil	Nil
4	Li Qicong	Male	September 1972	Bank of Dongguan; Bank of Dongguan International Limited	Member of the Party Committee, Executive Director, Vice President of the Bank and Secretary of the Board of Directors	Member of the Party Committee, Executive Director, Vice President of the Bank, Secretary of the Board of Directors; Chairman	Nil	Nil
5	Liu Yu	Female	October 1975	Dongguan Financial Holdings Group Co., Ltd.	Non-Executive Director	Secretary of the Party Committee, Deputy General Manager	Nil	Nil
6	Wang Yiren	Male	November 1993	Da Zhong Investment Group Co., Ltd.	Non-Executive Director	Chairman, Executive Director	Nil	Nil
7	Chen Chaohui	Male	October 1969	Guangdong Humen Fumin Group Co., Ltd.	Non-Executive Director	Chairman of the Board of Supervisors	Nil	Nil
8	Liu Mingchao	Male	October 1980	Dongguan Power Grid Company of Guangdong Jurunda Group Co., Ltd.	Non-Executive Director	General Manager	Nil	Nil
9	Zhang Bijun	Female	November 1979	Dongguan Lung Chuen International Hotel	Non-Executive Director	Deputy General Manager	Nil	Nil
10	Wang Yanming	Male	June 1957	Lingnan College of Sun Yat-sen University	Independent Director	Professor, Doctoral Supervisor	Nil	Nil
11	Sun Hui	Female	November 1961	Guangzhou Shengshi Huixi Investment Management Co., Ltd.	Independent Director	Executive Director and General Manager	Nil	Nil
12	Hua Xiuping	Female	August 1978	Nottingham University Business School (China)	Independent Director	Professor, Doctoral Supervisor	Nil	Nil
13	Qian Wei	Male	September 1963	Shanghai Fudan Science and Technology Park Venture Capital Co., Ltd.	Independent Director	Director and General Manager	Nil	Nil
14	Chen Tao	Male	June 1978	Guangdong Pan-China Certified Public Accountant	Independent Director	Department Manager	Nil	Nil

(III) Main Working Experience of Directors

Cheng Jinsong, Secretary of the Party Committee, Chairman and Executive Director, male, born in May 1968, a holder of master degree; Senior Economist. He formerly served as the Secretary of the Party Committee and the President of China Construction Bank Shaoguan Branch, as well as the Deputy Secretary of the Party Committee, the Vice Chairman and the President of the Bank. He currently serves as the Secretary of the Party Committee, Chairman and Executive Director.

Xie Yongwei, the Deputy Secretary of the Party Committee, Executive Director, President of the Bank, male, born in September 1972, a holder of bachelor academic qualification and a master degree; Senior Certified Financial Planner, Intermediate Economist and Assistant Accountant. He formerly served as the Deputy Department Manager of Shenzhen Peng Cheng Accounting Firm, and various positions at the Bank including Manager Assistant at the Auditing Department, General Manager of the Office of the Board of Supervisors, General Manager of the Labor Union Office, General Manager of the President's Office, Director of the Party Committee Office, General Manager of Office of the Board of Directors, the Secretary of the Board of Directors and Vice President of the Bank. He currently serves as the Deputy Secretary of the Party Committee, Executive Director, and President of the Bank.

Wu Jianwen, Member of the Party Committee, Executive Director, Vice President of the Bank, male, born in May 1973, a holder of bachelor academic qualification and a master degree; Intermediate Economist and Intermediate Accountant. He formerly served as the Manager of the Financial Management Department of Dongguan Trust Co., Ltd., Member of the Party Committee and Vice President of Dongguan Securities Co., Ltd., and Chairman of the Labor Union (concurrently). He currently serves as the Member of the Party Committee, Executive Director, Vice President of the Bank.

Li Qicong, Member of the Party Committee, Executive Director, Vice President of the Bank, Secretary of the Board of Directors, Chairman of Bank of Dongguan International Limited, male, born in September 1972, a holder of master degree; Certified Public Accountant and Intermediate Accountant. He formerly served as the Deputy Manager and Manager of the Accounting Department under the Dongguan Branch International Business Department of China Construction Bank, the Manager of the Marketing Department, Vice section-level Customers Manager of Corporate Business Department, the Manager of the Marketing Development Department of the Hantang Securities Dongguan Sales Office, Deputy Manager of Corporate Business Department of Dongguan Branch of the Bank of Communications, Manager of the Corporate Business Department I, Deputy General Manager of the International Service Business Department at the Bank, Deputy President (in charge of overall work) and President of Songshan Lake Keji Sub-Branch, Head and President of Foshan Branch and General Manager of Corporate Business Department. He currently serves as the Member of the Party Committee, Executive Director, Vice President of the Bank, Secretary of the Board of Directors, and Chairman of Bank of Dongguan International Limited.

Liu Yu, Non-Executive Director, female, born in October 1975, a holder of bachelor academic qualification, Intermediate Accountant. She previously served in various positions at the Dongguan Branch of the Bank of China, including Accountant, Deputy Section Chief of Financial and Accounting System Management, Deputy Manager of the Customer Service Department (at Section Chief level), Lobby Manager of the Business Department, Group Leader of the Customer Service Team in the Business Department, Deputy Manager of the Business Department, Deputy Director of Branch and Department Operations of the Business Department, Deputy Director responsible for intermediary business in the Accounting Department. She also served as Vice President of Humen Sub-Branch, and held roles at Dongguan Trust Co., Ltd., including Deputy General Manager of the Wealth Management Department, Deputy General Manager of the Trust Management Department, and General Manager of the Trust Management Department. Other positions include serving as Financial Controller at Dongguan Caixin Development Co., Ltd., Director, Office Director, and Chairwoman of the Labor Union Committee at Dongguan Financial Holdings Group Co., Ltd. She currently serves as the Member of the Party Committee and Deputy General Manager at Dongguan Financial Holdings Group Co., Ltd., and Director at Dongguan Securities Co., Ltd.

Wang Yiren, Non-Executive Director, male, born in November 1993, a holder of bachelor academic qualification. He formerly served as the Investment Manager of Investment Banking Department of Guangzhou Branch of China Merchants Bank Co., Ltd. He currently serves as the Chairman and Executive Director of Dazhong Investment Group Co., Ltd., the Executive Director and Manager of Kangdi Industrial Co., Ltd.

Chen Chaohui, Non-Executive Director, male, born in October 1969, a holder of college diploma. He formerly served as an accountant of the Dongguan Humen Industrial and Trading Corporation, the Manager of the Finance Department of Dongguan Zhujiang Corporation Group, the Audit Manager of the Financial Audit Department of the Dongguan Humen Assets Management Co., Ltd. and the Manager of the Finance and Statistics Department of Guangdong Humen Fumin Group Co., Ltd. He currently serves as the Chairman of the Board of Supervisors of the Guangdong Humen Fumin Group Co., Ltd.

Liu Mingchao, Non-Executive Director, male, born in October 1980, a holder of bachelor academic qualification and a master degree. He formerly served as the Director and Deputy General Manager of the General Department of the Headquarters of the Dongguan Power Industrial Corporation, the deputy General Manager and General Manager of Dongguan Power Grid Development Company, and the General Manager of Dongguan Branch of Guangdong Electric Power Industry Development Corporation. He currently serves as the General Manager of Dongguan Guandian Branch of Guangdong Jurunda Group Co., Ltd.

Zhang Bijun, Non-Executive Director, female, born in November 1979, a holder of master degree, employed since October 2004. She currently serves as Deputy General Manager at Dongguan Lung Chuen International Hotel.

Wang Yanming, Independent Director, male, born in June 1957, a holder of doctor degree; professor and doctoral supervisor. He formerly served as the teacher of Bailuzhou Middle School in Ji'an city of the Jiangxi Province, the teacher of the Department of Mathematics of Guangxi University, the post-doctoral researcher and lecturer of the Peking University, the associate professor of the Sun Yat-sen University. He currently serves as the professor and doctoral supervisor of the Lingnan College of the Sun Yat-sen.

Sun Hui, Independent Director, female, born in November 1961, a holder of master degree and the qualification of general accountant and tax accountant. She worked for the Personnel Office of the Shanghai Justice Bureau, Shanghai Huaxia Law Office, No. 1 Washington Group, and the Saide Global Pacific. She currently serves as the Executive Director and General Manager of the Guangzhou Shengshi Huixi Investment Management Co., Ltd., Independent Director of Times China Holdings Co., Ltd. and External Supervisor of Guangdong Qingyuan Rural Commercial Bank Co., Ltd.

Hua Xiuping, Independent Director, female, born in August 1978, a holder of doctor degree; professor and doctoral supervisor. She formerly served as the Assistant Professor and Doctoral Supervisor of Finance of Nottingham University Business School (China). She currently serves as the Professor and Doctoral Supervisor of Finance of Ningbo Nottingham University Business School (China), the Independent Director of Ningbo Baosi Energy Equipment Co., Ltd. and the Independent Director of Ningbo Fubang Jingye Group Co., Ltd.

Qian Wei, Independent Director, male, born in September 1963, a holder of master degree. He worked for Shenyang Branch of the Bank of China, Bank of China Shenyang Trust Consulting Company, Shenyang Tiexi District Sub-Branch of Bank of China, China Orient Trust and Consulting Company, Investment Management Department of Bank of China, BOC International Holdings Limited and BOC International (China) Co., Ltd. He currently serves as the Chairman of the Lvsilu Equity Investment Management Limited, the director and General Manager of Shanghai Fudan Science and Technology Park Venture Capital Co., Ltd. and the Independent Director of COFCO Capital Holdings Co., Ltd.

Chen Tao, Independent Director, male, born in June 1978, a holder of college diploma; Certified Public Accountant, Intermediate Accountant and Asset Appraiser. He worked for China Kanglianda Industrial Group. He currently serves as a Department Manager of the Guangdong Pan-China Certified Public Accountants.

(IV) Important Personnel Changes in Directors

On 25 June 2024, the Bank held its first extraordinary general meeting of shareholders for 2024, during which the members of the 9th Session of the Board of Directors were elected. Zhang Qingwen, Lu Yuyan, and Zhang Foen no longer serve as Non-Executive Directors of the Bank. Li Qicong was newly appointed as an Executive Director, and Liu Yu, Wan Yanfei, and Zhang Bijun were newly appointed as Non-Executive Directors. Wang Xiong, Shi Kang, Ma Chenzhi, Zhao Xianglei, and Zhang Yonghong were newly appointed as Independent Directors. In accordance with relevant laws and regulations, and to ensure the effective operation of the Board of Directors of the Bank, the previous independent directors of the 8th Session of the Board of Directors, Wang Yanming, Sun Hui, Hua Xiuping, Qian Wei, and Chen Tao, will continue to perform their duties as Independent Directors until the newly appointed Independent Directors have obtained regulatory approval for their appointments. On 26 February 2025, Ma Chenzhi (not yet approved by the regulatory authority) resigned as an independent director of the Bank for personal reasons; As at the date of this report, the qualifications for directorship of Li Qicong, Liu Yu, Wan Yanfei and Zhang Bijun have been approved by the regulatory authorities; the qualifications for independent directorship of Wang Xiong, Zhao Xianglei and Zhang Yonghong have been approved by the regulatory authorities, and Sun Hui, Hua Xiuping and Qian Wei will no longer continue to perform their duties as independent directors.

On 6 March 2025, Chen Chaohui resigned as a director of the Bank for person reasons. On 21 March 2025, Liu Mingchao resigned as a director of the Bank for person reasons. On the same day, the Resolution on election of Mr. Wang Hewen as a Director of the 9th Session of the Board of Directors and the Resolution on election of Mr. Zheng Zhanwen as a Director of the 9th Session of the Board of Directors were reviewed and approved to agree on the election of Wang Hewen and Zheng Zhanwen as the directors of the Bank, and the said resolutions were proposed at the general meeting of shareholders for consideration.

(V) Meetings of the Board of Directors

In 2024, the Board of Directors convened 9 meetings and deliberated on and approved 142 proposals and reports, covering major issues such as the Company's business objectives, profit distribution, related party transactions, and risk management. The Board of Directors of the Bank strictly complied with laws and regulations, the Bank's Articles of Association and the Rules of Procedures of the Board of Directors of Bank of Dongguan Co., Ltd. for convening and voting procedures at the meeting. All Directors actively and diligently performed their duties, attended meetings as required, duly reviewed major issues of the Bank, and actively issued professional opinions, playing an active role in improving the level of corporate governance and promoting sound operations.

On 7 February 2024, the Bank held the 18th meeting of the 8th Session of the Board of Directors. Out of the 14 directors supposed to attend, 14 participated in the meeting with 14 votes cast. The meeting approved 5 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Exemption from the Time Limit for Notices of Meetings of Board of Directors
2	Proposal on the Election of Mr. Xie Yongwei as the Vice Chairman of Bank of Dongguan Co., Ltd.
3	Proposal on the Appointment of the President of Bank of Dongguan Co., Ltd.
4	Proposal on the Authorization of Senior Management by the Board of Directors of Bank of Dongguan Co., Ltd.
5	Proposal on Amending the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd.

On 12 March 2024, the Bank held the 19th meeting of the 8th Session of the Board of Directors. Out of the 14 directors supposed to attend, 13 participated in the meeting with 14 votes cast (including 1 vote by proxy). The meeting approved 44 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the 2023 Annual Report of Bank of Dongguan Co., Ltd.
2	Proposal on the 2023 Annual Audit Report of Bank of Dongguan Co., Ltd.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
3	Proposal on the 2023 Annual Financial Statements and 2024 Annual Financial Budget Plan of Bank of Dongguan Co., Ltd.
4	Proposal on the 2023 Annual Profit Distribution Plan of Bank of Dongguan Co., Ltd.
5	Proposal on the 2023 Annual Corporate Social Responsibility Report (Environmental, Social and Governance Report) of Bank of Dongguan Co., Ltd.
6	Proposal on Recruitment of an Accounting Firm to Audit the 2024 Operating Results of Bank of Dongguan Co., Ltd.
7	Proposal on the Confirmation of the Initial Public Offering of RMB Ordinary Shares (A Shares) and Relevant Financial Information and the Approval of its Publicity in the Reporting Years (2021, 2022 and 2023)
8	Proposal on the Analysis of Diluting the Immediate Returns of the Initial Public Offering of Shares and the Remedial Measures
9	Proposal on Confirming the Related Party Transactions of Bank of Dongguan Co., Ltd. for 2021-2023
10	Proposal on the Estimated Cap of Related Party Transactions of Bank of Dongguan Co., Ltd. in 2024
11	Proposal on the Issuance of Financial Bonds by Bank of Dongguan Co., Ltd.
12	Proposal on the Formulation of the Recovery Plan for the Hong Kong Branch of Bank of Dongguan Co., Ltd.
13	Proposal on the Development Strategy and Operation Strategy of Bank of Dongguan Co., Ltd. for Village and Township Branches in 2024
14	Proposal on the Reform of Three Village Banks in the Province by Bank of Dongguan Co., Ltd.
15	Proposal on the Work Plan for Internal Audit of Bank of Dongguan Co., Ltd. in 2024
16	Proposal on the Consumer Rights Protection Work Plan (2024-2026) of Bank of Dongguan Co., Ltd.
17	Proposal on the 2024 Financial Consumer Rights Protection Work Plan of Bank of Dongguan Co., Ltd.
18	Proposal on Revising the Capital Management Measures of Bank of Dongguan Co., Ltd.
19	Proposal on Revising the Criminal Case Risk Prevention and Control Management Measures of Bank of Dongguan Co., Ltd.
20	Proposal on Dismissing the General Manager of the Head Office's Audit Department
21	Proposal on Convening the 2023 Annual General Meeting of Shareholders of Bank of Dongguan Co., Ltd.
22	Report on Work of the Board of Directors of Bank of Dongguan Co., Ltd. in 2023
23	Report on Duty Performance Evaluation of the Directors of Bank of Dongguan Co., Ltd. in 2023
24	Report on Performance Report of Independent Directors of Bank of Dongguan Co., Ltd. in 2023
25	Report on Duty Performance Evaluation of Senior Management of Bank of Dongguan Co., Ltd. in 2023
26	Report on Duty Performance Evaluation of the Person in Charge of Internal Audit of Bank of Dongguan Co., Ltd. in 2023
27	Report on Implementation of 2023 Strategic Plan of Bank of Dongguan Co., Ltd.
28	Specialized Report on Related Party Transactions of Bank of Dongguan Co., Ltd. in 2023
29	Report on Internal Control Evaluation of Bank of Dongguan Co., Ltd. in 2023
30	Report on Internal Audit Work of Bank of Dongguan Co., Ltd. in 2023
31	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. in 2023
32	Report on the Management of Large Risk Exposures of Bank of Dongguan Co., Ltd. in 2023
33	2023 Annual Compliance Risk Report of Bank of Dongguan Co., Ltd.
34	Report of Bank of Dongguan Co., Ltd. on Problems Found in Regulatory Inspections and Internal Audits and Their Rectifications in 2023
35	Report on Case Prevention and Control Work & Specialized Work of Preventing Financial Crimes by Employees of Bank of Dongguan Co., Ltd. in 2023
36	Report on the 2023 Consolidated Management and Operation and Management of Subsidiary Organizations of Bank of Dongguan Co., Ltd.
37	Report on the Implementation of the 2023 Branch Development Plan and the 2024 Branch Development Plan of Bank of Dongguan Co., Ltd.
38	Report on Liability Quality Management Assessment of Bank of Dongguan Co., Ltd. in 2023
39	Report on the Management of Liquidity Risks of Bank of Dongguan Co., Ltd. in 2023
40	Report on Self-evaluation of Green Finance of Bank of Dongguan Co., Ltd. in 2023
41	Report on Environmental Information Disclosure of Bank of Dongguan Co., Ltd. in 2023
42	Report on Employee Behavior Assessment of Bank of Dongguan Co., Ltd. in 2023
43	Report on the Implementation of the Consumer Rights Protection Work Plan (2021-2023) of Bank of Dongguan Co., Ltd.
44	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. in 2023

On 12 April 2024, the Bank held the 20th meeting of the 8th Session of the Board of Directors. Out of the 14 directors supposed to attend, 14 participated in the meeting with 14 votes cast. The meeting approved 23 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Appointment of Mr. Zhong Zhandong as the Assistant to the President of Bank of Dongguan Co., Ltd.
2	Proposal on the Appointment of Ms. Sun Weiling as the Assistant to the President of Bank of Dongguan Co., Ltd.
3	Proposal on the Appointment of Ms. Hu Ni as the Assistant to the President of Bank of Dongguan Co., Ltd.
4	Proposal on the Formulation of the Mid – to Long-term Incentive Plan of Bank of Dongguan Co., Ltd.
5	Proposal on the Formulation of the 2024 Salary Budget Plan of Bank of Dongguan Co., Ltd.
6	Proposal on Setting the Total Facility of Out-of-Province and the Single-Customer Facility Limit of Bank of Dongguan Co., Ltd. for 2024
7	Proposal on Revising the Country Risk Management Measures of Bank of Dongguan Co., Ltd.
8	Proposal on Revising the Operational Risk Management Measures of Bank of Dongguan Co., Ltd.
9	Proposal on Revising the Risk Management Measures of Money Laundering and Terrorist Financing of Bank of Dongguan Co., Ltd.
10	Report on the Operations of Bank of Dongguan Co., Ltd. in 2023
11	Report on the Investment Analysis of Bank of Xingtai and Rural Banks in 2023
12	Report on the Implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors of Bank of Dongguan Co., Ltd. for 2023
13	Report of Bank of Dongguan Co., Ltd. on Capital Management in 2023 and Capital Adequacy Ratio Planning in 2024
14	Assessment Report on Internal Capital Adequacy of Bank of Dongguan Co., Ltd. in 2023
15	Report on the Implementation of the New Capital Regulations at Bank of Dongguan Co., Ltd.
16	Report on the Implementation of the Expected Credit Loss Method of Bank of Dongguan Co., Ltd. in 2023
17	Self-Assessment Report on Anti-Fraud Measures at Bank of Dongguan Co., Ltd. in 2023
18	Report on the Risk Management of Money Laundering and Terrorist Financing of Bank of Dongguan Co., Ltd. in 2023
19	Report on the Authorized Management and Implementation of Senior Management of Bank of Dongguan Co., Ltd. in 2023
20	Report on Data Governance Work of Bank of Dongguan Co., Ltd. in 2023
21	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
22	Report on Special Audit of Implementation of the Expected Credit Loss Method of Bank of Dongguan Co., Ltd.
23	Report on Special Audit of Business Continuity of Bank of Dongguan Co., Ltd.

On 7 May 2024, the Bank held the 21st meeting of the 8th Session of the Board of Directors. Out of the 14 directors supposed to attend, 14 participated in the meeting with 14 votes cast. The meeting approved 9 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Acquisition of a Portion of Equity in Dongguan Chang'an Village Bank by Bank of Dongguan Co., Ltd.
2	Report on the Implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
3	Report on Operations of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
4	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
5	Report on Internal Audit of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
6	Report on Special Audit of Wealth Management and Agency Product Business of Bank of Dongguan Co., Ltd.
7	Report on Special Audit of Anti-Money Laundering and Anti-Terrorist Financing of Bank of Dongguan Co., Ltd.
8	Report on Special Audit of Financial Assets Risk Classification of Bank of Dongguan Co., Ltd.
9	Report of Bank of Dongguan Co., Ltd. on the Annual Special Audit of Rural Banks

On 7 June 2024, the Bank held the 22nd meeting of the 8th Session of the Board of Directors. Out of the 14 directors supposed to attend, 14 participated in the meeting with 14 votes cast. The meeting approved 8 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Annual Suggestions on Audit Management of Bank of Dongguan Co., Ltd. in 2023
2	Proposal of Bank of Dongguan Co., Ltd. on the Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branched
3	Proposal of Bank of Dongguan Co., Ltd. on the Supplementary Explanations for Matters Related to Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branched
4	Proposal of Bank of Dongguan Co., Ltd. on the Authorization for Work Related to Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branched
5	Proposal on the Revision of the Comprehensive Risk Appetite Indicators Table for 2024
6	Proposal on the Development of the Capital Management Measures for Commercial Banks and the Plan for Meeting Loss Provision Gaps
7	Proposal on Election of Directors to the 9th Session of the Board of Directors of Bank of Dongguan Co., Ltd.
8	Proposal on Convening the First Extraordinary General Meeting of Shareholders of Bank of Dongguan Co., Ltd. in 2024

On 25 June 2024, the Bank held the first meeting of the 9th Session of the Board of Directors. Out of the 11 directors supposed to attend, 11 participated in the meeting with 11 votes cast. The meeting approved 7 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Election of the Chairman of the Board of Directors of Bank of Dongguan Co., Ltd.
2	Proposal on the Election of Members of the Internal Committees of the Board of Directors of Bank of Dongguan Co., Ltd.
3	Proposal on the Election of the Chairperson of the Internal Committees of the 9th Board of Directors of Bank of Dongguan Co., Ltd.
4	Proposal on the Appointment of the President of Bank of Dongguan Co., Ltd.
5	Proposal on the Appointment of Senior Management of Bank of Dongguan Co., Ltd.
6	Proposal on the Appointment of the Secretary of the Board of Directors of Bank of Dongguan Co., Ltd.
7	Proposal on the Appointment of the Head of the Accounting Department and the Head of Internal Audit of Bank of Dongguan Co., Ltd.

On 20 August 2024, the Bank held the second meeting of the 9th Session of the Board of Directors. Out of the 11 directors supposed to attend, 11 participated in the meeting with 11 votes cast. The meeting approved 24 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Applying for the Extension of the Validity Period in the Proposal on Application for Initial Public Offering and Listing of RMB Ordinary Shares (A Shares)
2	Proposal on Applying for the Extension of the Authorization Period in the Proposal on the Bank's Application for the Public Issuance of A Shares and the Authorization in the Process of Listing
3	Proposal on the Confirmation of the Initial Public Offering of RMB Ordinary Shares (A Shares) and Relevant Financial Information and the Approval of its Publicity in the Reporting Years (2021, 2022, 2023 and the First Half of 2024)
4	Proposal on Confirming Related Party Transactions of Bank of Dongguan Co., Ltd. for 2021 – the First Half of 2024
5	Proposal on Issuance of Bonds by Bank of Dongguan Co., Ltd. in 2025
6	Proposal on the Acquisition of a Portion of Equity in Lingshan Taiye Rural Bank by Bank of Dongguan Co., Ltd.
7	Proposal on Updating the Recovery Plan Report (2024) of Bank of Dongguan Co., Ltd.
8	Proposal on Adjusting the Estimated Cap of Related Party Transactions of Bank of Dongguan Co., Ltd. in 2024
9	Proposal on Amending the Remuneration Package for Organizationally Appointed Management Personnel of Bank of Dongguan Co., Ltd.
10	Proposal on Amending the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd.
11	Proposal on Convening the Second Extraordinary General Meeting of Shareholders of Bank of Dongguan Co., Ltd. in 2024
12	Report on Work of the Board of Directors of Bank of Dongguan Co., Ltd. for the First Half of 2024
13	Report on the Implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors of Bank of Dongguan Co., Ltd. for the First Half of 2024
14	Report on the Operations of Bank of Dongguan Co., Ltd. for the First Half of 2024

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
15	Report on Third Pillar Information Disclosure of Bank of Dongguan Co., Ltd. for the First Half of 2024
16	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Half of 2024
17	Report on the Risk Management of Money Laundering and Terrorist Financing of Bank of Dongguan Co., Ltd. for the First Half of 2024
18	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the First Half of 2024
19	Report on Internal Control Evaluation of Bank of Dongguan Co., Ltd. for the First Half of 2024
20	Report on Internal Audit Work of Bank of Dongguan Co., Ltd. for the First Half of 2024
21	Public Welfare Business Classification Accounting Report of Bank of Dongguan Co., Ltd. for 2023
22	Derivatives Trading Management Audit Report of Bank of Dongguan Co., Ltd.
23	Report on Special Audit of Compensation Management of Bank of Dongguan Co., Ltd.
24	Report on Special Audit of Capital Management of Bank of Dongguan Co., Ltd.

On 15 November 2024, the Bank held the third meeting of the 9th Session of the Board of Directors. Out of the 11 directors supposed to attend, 11 participated in the meeting with 11 votes cast. The meeting approved 11 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Formulation of the Capital Management Plan of Bank of Dongguan Co., Ltd. (2025-2027)
2	Proposal on Updating the Letter of Comfort by Bank of Dongguan Co., Ltd.
3	Proposal on the Formulation of Performance Assessment Indicators for Senior Management of Bank of Dongguan Co., Ltd. for 2024
4	Report on Operations of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
5	Report on the Implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
6	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
7	Report on Internal Audit of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
8	Report on Third Pillar Information Disclosure of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
9	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
10	Report on the Special Stress Test for Market Risks of Bank of Dongguan Co., Ltd. for 2024
11	Report on Special Audit of Related Party Transactions of Bank of Dongguan Co., Ltd.

On 31 December 2024, the Bank held the fourth meeting of the 9th Session of the Board of Directors. Out of the 14 directors supposed to attend, 14 participated in the meeting with 14 votes cast. The meeting approved 11 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Formulating the Statement on Comprehensive Risk Appetite of Bank of Dongguan Co., Ltd. for 2025
2	Proposal on Formulating the Plan of Overall Market Risk Limit of Bank of Dongguan Co., Ltd. for 2025
3	Proposal on Shareholders' Proposed Transfer of Shares
4	Proposal on the Authorization of Senior Management by the Board of Directors of Bank of Dongguan Co., Ltd.
5	Proposal on the Formulation of Operational Performance Evaluation Indicators for Senior Management of Bank of Dongguan Co., Ltd. for 2024-2026
6	Proposal on the 2023 Performance and Annual Salary Settlement Results for the Senior Management of Bank of Dongguan Co., Ltd.
7	Report on the Evaluation of Legal Performance of Major Shareholders of Bank of Dongguan Co., Ltd. for 2024
8	Report on the Management of Large Risk Exposures of Bank of Dongguan Co., Ltd. in 2024
9	Report on Strengthening the Implementation of Investment Business Management of Bank of Dongguan Co., Ltd.
10	Report on Special Audit of Market Risk Management of Bank of Dongguan Co., Ltd.
11	Report on Special Audit of Reputation Risk Management of Bank of Dongguan Co., Ltd.

(VI) Meetings of Special Committees of the Board of Directors

The structure and composition of the special committees of the Board of Directors of the Bank conform to the relevant regulations of the supervisory authorities and the Articles of Association, and the special committees actively carry out their work within the scope of their respective duties. In 2024, the special committees under the Board of Directors convened 41 meetings. Specifically, the Strategic Development Committee convened 8 meetings; the Risk Management Committee convened 7 meetings; the Nomination and Remuneration Committee convened 8 meetings; the Audit Committee convened 7 meetings; the Related Party Transaction Control Committee held 7 meetings; and the Consumer Rights and Interests Protection Committee held 4 meetings.

1. Strategic Development Committee

During the reporting period, the Strategic Development Committee of the Board of Directors of the Bank convened 8 meetings:

On 7 February 2024, the Strategic Development Committee convened the first meeting of 2024. At the meeting, the Proposal on the Authorization of Senior Management by the Board of Directors of Bank of Dongguan Co., Ltd. was deliberated on and approved.

On 12 March 2024, the Strategic Development Committee convened the second meeting of 2024. At the meeting, the Proposal on the 2023 Annual Report of Bank of Dongguan Co., Ltd., the Proposal on the 2023 Annual Financial Statements and 2024 Annual Financial Budget Plan of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 12 April 2024, the Strategic Development Committee convened the third meeting of 2024. At the meeting, the Report on the Operations of Bank of Dongguan Co., Ltd. in 2023, the Report on the Investment Analysis of Bank of Xingtai and Rural Banks in 2023 and other proposals were deliberated on and approved.

On 6 May 2024, the Strategic Development Committee convened the fourth meeting of 2024. At the meeting, the Proposal on the Acquisition of a Portion of Equity in Dongguan Chang'an Village Bank by Bank of Dongguan Co., Ltd., the Report on the Implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors of Bank of Dongguan Co., Ltd. for the First Quarter of 2024 and other proposals were deliberated on and approved.

On 7 June 2024, the Strategic Development Committee convened the fifth meeting of 2024. At the meeting, the Proposal of Bank of Dongguan Co., Ltd. on the Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branches, the Proposal of Bank of Dongguan Co., Ltd. on the Supplementary Explanations for Matters Related to Acquisition and Conversion of Three Village Banks Established in the Province into Branches and Sub-Branches and other proposals were deliberated on and approved.

On 20 August 2024, the Strategic Development Committee convened the sixth meeting of 2024. At the meeting, the Proposal on Updating the Recovery Plan Report (2024) of Bank of Dongguan Co., Ltd., the Proposal on Convening the Second Extraordinary General Meeting of Shareholders of Bank of Dongguan Co., Ltd. in 2024 and other proposals were deliberated on and approved.

On 14 November 2024, the Strategic Development Committee convened the seventh meeting of 2024. At the meeting, the Proposal on the Formulation of the Capital Management Plan of Bank of Dongguan Co., Ltd. (2025-2027), the Proposal on Updating the Letter of Comfort by Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 31 December 2024, the Strategic Development Committee convened the eighth meeting of 2024. At the meeting, the Proposal on Shareholders' Proposed Transfer of Shares, the Proposal on the Authorization of Senior Management by the Board of Directors of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

2. Risk Management Committee

During the reporting period, the Risk Management Committee of the Board of Directors of the Bank convened 7 meetings:

On 11 March 2024, the Risk Management Committee convened the first meeting of 2024. At the meeting, the Proposal on Revising the Criminal Case Risk Prevention and Control Management Measures of Bank of Dongguan Co., Ltd., the Report on Internal Audit Work of Bank of Dongguan Co., Ltd. in 2023 and other proposals were deliberated on and approved.

On 11 April 2024, the Risk Management Committee convened the second meeting of 2024. At the meeting, the Proposal on Revising the Country Risk Management Measures of Bank of Dongguan Co., Ltd., the Proposal on Revising the Operational Risk Management Measures of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 6 May 2024, the Risk Management Committee convened the third meeting of 2024. At the meeting, the Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Quarter of 2024 and the Report on Internal Audit of Bank of Dongguan Co., Ltd. for the First Quarter of 2024 were deliberated on and approved.

On 6 June 2024, the Risk Management Committee convened the fourth meeting of 2024. At the meeting, the Proposal on the Revision of the Comprehensive Risk Appetite Indicators Table for 2024, the Proposal on the Development of the Capital Management Measures for Commercial Banks and the Plan for Meeting Loss Provision Gaps and other proposals were deliberated on and approved.

On 19 August 2024, the Risk Management Committee convened the fifth meeting of 2024. At the meeting, the Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Half of 2024, the Report on the Risk Management of Money Laundering and Terrorist Financing of Bank of Dongguan Co., Ltd. for the First Half of 2024 and other proposals were deliberated on and approved.

On 14 November 2024, the Risk Management Committee convened the sixth meeting of 2024. At the meeting, the Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024, the Report on Internal Audit of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024 and other proposals were deliberated on and approved.

On 30 December 2024, the Risk Management Committee convened the seventh meeting of 2024. At the meeting, the Proposal on Formulating the Statement on Comprehensive Risk Appetite of Bank of Dongguan Co., Ltd. for 2025, the Proposal on Formulating the Plan of Overall Market Risk Limit of Bank of Dongguan Co., Ltd. for 2025 and other proposals were deliberated on and approved.

3. Nomination and Remuneration Committee

During the reporting period, the Nomination and Remuneration Committee of the Board of Directors of the Bank convened 8 meetings:

On 7 February 2024, the Nomination and Remuneration Committee convened the first meeting of 2024. At the meeting, the Proposal on the Election of Mr. Xie Yongwei as the Vice Chairman of Bank of Dongguan Co., Ltd., the Proposal on the Appointment of the President of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 12 March 2024, the Nomination and Remuneration Committee convened the second meeting of 2024. At the meeting, the Proposal on Dismissing the General Manager of the Head Office's Audit Department, the Proposal on Report on Duty Performance Evaluation of the Directors of Bank of Dongguan Co., Ltd. in 2023 and other proposals were deliberated on and approved.

On 12 April 2024, the Nomination and Remuneration Committee convened the third meeting of 2024. At the meeting, the Proposal on the Appointment of Mr. Zhong Zhandong as the Assistant to the President of Bank of Dongguan Co., Ltd., the Proposal on the Appointment of Ms. Sun Weiling as the Assistant to the President of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 7 June 2024, the Nomination and Remuneration Committee convened the fourth meeting of 2024. At the meeting, the Proposal on Election of Directors to the 9th Session of the Board of Directors of Bank of Dongguan Co., Ltd. was deliberated on and approved.

On 25 June 2024, the Nomination and Remuneration Committee convened the fifth meeting of 2024. At the meeting, the Proposal on the Preliminary Qualification Review of Senior Management Candidates for Bank of Dongguan Co., Ltd. and the Proposal on the Preliminary Qualification Review of the Candidates for the Head of the Accounting Department and the Head of Internal Audit at Bank of Dongguan Co., Ltd. were deliberated on and approved.

On 20 August 2024, the Nomination and Remuneration Committee convened the sixth meeting of 2024. At the meeting, the Proposal on Amending the Remuneration Package for Organizationally Appointed Management Personnel of Bank of Dongguan Co., Ltd., the Proposal on Amending the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 14 November 2024, the Nomination and Remuneration Committee convened the seventh meeting of 2024. At the meeting, the Proposal on the Formulation of Performance Assessment Indicators for Senior Management of Bank of Dongguan Co., Ltd. for 2024 and the Proposal on Adjusting the Salary Distribution Coefficient Rules for Senior Management of Bank of Dongguan Co., Ltd. were deliberated on and approved.

On 30 December 2024, the Nomination and Remuneration Committee convened the eighth meeting of 2024. At the meeting, the Proposal on the 2023 Performance and Annual Salary Settlement Results for the Senior Management of Bank of Dongguan Co., Ltd. and the Proposal on the Formulation of Operational Performance Evaluation Indicators for Senior Management of Bank of Dongguan Co., Ltd. for 2024-2026 were deliberated on and approved.

4. Audit Committee

During the reporting period, the Audit Committee of the Board of Directors of the Bank convened 7 meetings:

On 12 March 2024, the Audit Committee convened the first meeting of 2024. At the meeting, the Proposal on the 2023 Annual Audit Report of Bank of Dongguan Co., Ltd., the Proposal on Hiring an Accounting Firm to Audit the 2024 Operating Results of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 12 April 2024, the Audit Committee convened the second meeting of 2024. At the meeting, the Report on Special Audit of Implementation of the Expected Credit Loss Method of Bank of Dongguan Co., Ltd., the Report on Special Audit of Business Continuity of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 7 May 2024, the Audit Committee convened the third meeting of 2024. At the meeting, the Report on Internal Audit of Bank of Dongguan Co., Ltd. for the First Quarter of 2024, the Report on Special Audit of Anti-Money Laundering and Anti-Terrorist Financing of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 6 June 2024, the Audit Committee convened the fourth meeting of 2024. At the meeting, the Proposal on the Annual Suggestions on Audit Management of Bank of Dongguan Co., Ltd. in 2023 was deliberated on and approved.

On 19 August 2024, the Audit Committee convened the fifth meeting of 2024. At the meeting, the Proposal on the Confirmation of the Initial Public Offering of RMB Ordinary Shares (A Shares) and Relevant Financial Information and the Approval of its Publicity in the Reporting Years (2021, 2022, 2023 and the First Half of 2024), the Report on Internal Audit Work of Bank of Dongguan Co., Ltd. for the First Half of 2024 and other proposals were deliberated on and approved.

On 14 November 2024, the Audit Committee convened the sixth meeting of 2024. At the meeting, the Report on Internal Audit of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024, the Report on Special Audit of Related Party Transactions of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 30 December 2024, the Audit Committee convened the seventh meeting of 2024. At the meeting, the Report on Special Audit of Market Risk Management of Bank of Dongguan Co., Ltd., the Report on Special Audit of Reputation Risk Management of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

5. Related Party Transaction Control Committee

During the reporting period, the Related Party Transaction Control Committee of the Board of Directors of the Bank convened 7 meetings:

On 11 January 2024, the first meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Status of Related Party Transactions of Bank of Dongguan Co., Ltd. in the Fourth Quarter of 2023 and the Filing Report on Confirming the List of Related Parties of Bank of Dongguan Co., Ltd. were deliberated on and approved.

On 11 March 2024, the second meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Proposal on Confirming the Related Party Transactions of Bank of Dongguan Co., Ltd. for 2021-2023, the Proposal on the Estimated Cap for the Related Party Transactions of Bank of Dongguan Co., Ltd. for 2024 and other proposals were deliberated on and approved.

On 11 April 2024, the third meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Status of Related Party Transactions of Bank of Dongguan Co., Ltd. in the First Quarter of 2024 and the Filing Report on Confirming the List of Related Parties of Bank of Dongguan Co., Ltd. were deliberated on and approved.

On 8 July 2024, the fourth meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Status of Related Party Transactions of Bank of Dongguan Co., Ltd. in the Second Quarter of 2024 and the Filing Report on Confirming the List of Related Parties of Bank of Dongguan Co., Ltd. were deliberated on and approved.

On 19 August 2024, the fifth meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Proposal on Confirming Related Party Transactions of Bank of Dongguan Co., Ltd. for 2021 – the First Half of 2024, the Proposal on Adjusting the Estimated Cap of Related Party Transactions of Bank of Dongguan Co., Ltd. in 2024 and other proposals were deliberated on and approved.

On 15 October 2024, the sixth meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Status of Related Party Transactions of Bank of Dongguan Co., Ltd. in the Third Quarter of 2024, the Filing Report on Confirming the List of Related Parties of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 11 November 2024, the seventh meeting of the Related Party Transaction Control Committee in 2024 was held. At the meeting, the Report on Significant Related Party Transactions between Bank of Dongguan Co., Ltd. and Guanyin International Limited was deliberated on and approved.

6. Consumer Rights and Interests Protection Committee

During the reporting period, the Consumer Rights and Interests Protection Committee of the Board of Directors of the Bank convened 4 meetings:

On 12 March 2024, the first meeting of the Consumer Rights and Interests Protection Committee in 2024 was held. At the meeting, the Proposal on the Consumer Rights Protection Work Plan (2024-2026) of Bank of Dongguan Co., Ltd., the Proposal on the 2024 Financial Consumer Rights Protection Work Plan of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 12 April 2024, the second meeting of the Consumer Rights and Interests Protection Committee in 2024 was held. At the meeting, the Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the First Quarter of 2024 was deliberated on and approved.

On 19 August 2024, the third meeting of the Consumer Rights and Interests Protection Committee in 2024 was held. At the meeting, the Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the First Half of 2024 and the Report on the Implementation of the Resolutions of the Consumer Rights and Interests Protection Committee of the Board of Directors of Bank of Dongguan Co., Ltd. for the First Half of 2024 were deliberated on and approved.

On 14 November 2024, the fourth meeting of the Consumer Rights and Interests Protection Committee in 2024 was held. At the meeting, the Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024 was deliberated on and approved.

(VII) Attendance of Independent Directors at Board Meetings

Name	Whether Independent Directors or not	Supposed attendance during the reporting period	Attendance in person	Attendance by proxy	Absence	Whether lack of attendance in person twice consecutively without attendance by proxy
Wang Yanming	Yes	9	9	0	0	No
Sun Hui	Yes	9	9	0	0	No
Hua Xiuping	Yes	9	9	0	0	No
Qian Wei	Yes	9	9	0	0	No
Chen Tao	Yes	9	9	0	0	No

(VIII) Independent Directors' Objections to the Company's Related Matters

During the reporting period, the Independent Directors of the Bank did not raise any objections.

(IX) Establishment and Improvement of the Relevant Work System for Independent Directors, the Main Content and the Performance of Independent Directors

The Board of Directors currently has five Independent Directors. Independent Directors have strong professional capabilities, covering a broad range of specialties such as economics, accounting, finance, and laws. The Independent Directors serve as the chairman of the Risk Management Committee, Nomination and Remuneration Committee, Audit Committee, and Related Party Transaction Control Committee of the Board of Directors. During the reporting period, the Bank improved the Independent Director System of Bank of Dongguan Co., Ltd. in accordance with the Code of Corporate Governance of Banking and Insurance Institutions and other latest supervisory rules. The Independent Directors duly attended meetings of the Board of Directors and its special committees, issued opinions independently, and diligently performed their duties in accordance with relevant laws and regulations, the Articles of Association, the Independent Director System of Bank of Dongguan Co., Ltd., and the working rules of the special committees, safeguarded the overall interests of the Bank and the legitimate rights and interests of small and medium shareholders, and played a positive role in objective and systematic decision-making of the Board of Directors.

IV. INFORMATION RELATED TO THE BOARD OF SUPERVISORS

(I) Duties of the Board of Supervisors

The Board of Supervisors is the supervisory body of the Bank and is responsible to the General Meeting of Shareholders. The Board of Supervisors exercises the functions and powers of inspecting and supervising the financial activities, operational decision making, risk management and internal control of the Bank, supervising the performance of duties by the Directors and the senior management in accordance with the Articles of Association and the Rules of Procedures for the Board of Supervisors of Bank of Dongguan Co., Ltd. The Nomination Committee and Audit Committee are set up under the Board of Supervisors. In 2024, the Board of Supervisors focused on major business decisions and the execution thereof. Its operations mainly include supervision of the performance of official duties, financial activities, risk management and internal control, which effectively protected the legitimate rights and interests of the Bank, all stakeholders and the related parties, providing effective safeguards for the sustained and steady development of the Bank.

(II) Basic Information of Members of the Board of Supervisors

No.	Name	Gender	Date of birth	Work entity	Position at the Bank	Position at the work entity	Number of shares held	Changes in shareholding during the reporting period
1	Wang Yaoqiu	Male	April 1968	Bank of Dongguan	Chairman of the Board of Supervisors, Employee Supervisor	Chairman of the Board of Supervisors, Employee Supervisor	100,000 shares	Nil
2	Cai Jieling	Female	October 1973	Human Resources Department at the Headquarter of Bank of Dongguan	Head of CPC Organization Department of the Bank, Employee Supervisor, General Manager	Head of CPC Organization Department of the Bank, Employee Supervisor, General Manager	200,000 shares	Nil
3	Liang Wanhui	Female	November 1978	Office of the Board of Supervisors, Head Office, Bank of Dongguan	Secretary of the Discipline Inspection Committee, Employee Supervisor, General Manager of the Bank	Secretary of the Discipline Inspection Committee, Employee Supervisor, General Manager of the Bank	20,000 shares	Nil
4	Zhang Yanying	Female	July 1985	Dongguan Huisheng Industrial Investment Co., Ltd., Dongguan Huichang Industrial Investment Co., Ltd., Dongguan Chengfeng Wool Textile Co., Ltd.	Shareholder Supervisor	Chairman Assistant of the President Office, Financial Manager	Nil	Nil
5	Mai Jingsen	Male	November 1971	Guangdong Chang'an Group Company	Shareholder Supervisor	Director of Finance Department	Nil	Nil
6	Chen Ying	Female	August 1980	Dongguan Branch of Zhongzhixin (Guangdong) Engineering Consulting Co., Ltd., Guangdong Zhongzhixin Certified Public Accountants Firm (Special General Partnership), Dongguan Branch of Guangdong Zhongzhixin Certified Public Accountants Firm (Special General Partnership)	External Supervisor	Person in Charge, Partner, Branch Director	Nil	Nil
7	Chen Xikang	Male	November 1969	Guangdong Chen, Liang & Co.	External Supervisor	Partner, Lawyer	Nil	Nil
8	Cai Yun	Female	October 1977	Weiheng Peixiong (Qianhai) Associate Law Firm, Guangdong Shunde Rural Commercial Bank	External Supervisor	Partner, Lawyer, Independent Director	Nil	Nil

(III) Main Working Experience of Supervisors

Wang Yaoqiu, chairman of the Board of Supervisors (employee supervisor), male, born in April 1968, a holder of a Bachelor degree and a Master Degree; intermediate economist. He started his work in July 1989, and served as head, deputy director, director and deputy director and director of Labor Union Office at Houjie Office, Dongguan Branch of Bank of China, deputy chief of Deposit Division, Manager of Customer Service Department and Manager of Retail Business Department at Dongguan Branch, president of Humen Sub-branch of Dongguan Branch, deputy president of Dongguan Branch; leader of the preparatory group, president and secretary of the Party Committee of Dongguan Branch of China Merchants Bank, business director of the Head Office and secretary of the Party committee and president of Guangzhou Branch; secretary of the Party committee and chairman of Dongguan Rural Commercial Bank Co., Ltd. He currently serves as the chairman of the Board of Supervisors and employee supervisor of the Bank.

Cai Jieliang, Employee Supervisor, female, born in October 1973, has a bachelor degree; Assistant Accountant. She started her work in July 1992 and she formerly served as an office staff of Guangdong Dongguan Wujiaohua Corporation; a clerk of the HR Department of the Dongguan Finance and Trade Office; and various positions at Head Office of the Bank including employee of Sales Department, the employee, Director and Deputy General Manager of Labor Union Office, the Deputy General Manager of the Office of the Board of Supervisors. She currently serves as Head of CPC Organization Department, General Manager of the Human Resources Department and Employee Supervisor of the Bank.

Liang Wanhui, Employee Supervisor, female, born in November 1978, a holder of bachelor academic qualification, Senior Certified Financial Planner, and Assistant Accountant. Liang began her career in May 2000 and has held various positions, including Employee, General Manager Assistant, Manager of the Training Center in the Human Resources Department of the Bank, Vice President of Guancheng Sub-branch, Vice President of Huizhou Branch, General Manager (Concurrent) of the Business Department of Huizhou Branch, Deputy General Manager of the Human Resources Department, and Deputy General Manager of the Office of the Board of Supervisors. She currently serves as the General Manager of the Office of the Board of Supervisors, Secretary of the Discipline Inspection Committee and Employee Supervisor of the Bank.

Zhang Yanying, Shareholder Supervisor, female, born in July 1985, a holder of bachelor academic qualification. Zhang began her career in September 2009. She currently serves as the Assistant to the Chairman of the President Office and Financial Manager at Dongguan Huisheng Industrial Investment Co., Ltd., Assistant to the Chairman of the President Office and Financial Manager at Dongguan Huichang Industrial Investment Co., Ltd., and Assistant to the Chairman of the President Office and Deputy General Manager at Dongguan Chengfeng Wool Textile Co., Ltd.

Mai Jingsen, Shareholder Supervisor, male, born in November 1971, a holder of bachelor academic qualification, Assistant Economist. Mai began his career in April 1995. He has held various positions, including Head of the Business Network at Dongguan Chang'an Rural Credit Cooperative, Financial Controller of the Finance Department at Dongguan Changan LIAN HUA Hillside, Supervisor of the Trading Station at Guangdong Chang'an Group Company, Senior Accountant in the Finance Department of Guangdong Chang'an Group Company, Deputy Director and Senior Accountant in the Finance Department of Guangdong Chang'an Group Company, and Director and Senior Accountant in the Finance Department of Guangdong Chang'an Group Company. He currently serves as the Director of the Finance Department at Guangdong Chang'an Group Company.

Chen Ying, External Supervisor, female, born in August 1980, has a bachelor degree; Certified Public Accountant and senior accountant in China. She started to work in July 2001 and formerly served as the manager of Taxation Department of Dongguan Wabisen Enterprise Management & Consulting Co., Ltd., General Manager of Dongguan Jucheng Enterprise Management Consulting Co., Ltd., and the Director of Dongguan Jucheng Certified Public Accountants (Special General Partnership), Deputy General Manager of Zhongzhixin (Guangdong) Engineering Consulting Co., Ltd. She currently serves as the Head of Dongguan branch of Zhongzhixin (Guangdong) Engineering Consulting Co., Ltd., the partner of Guangdong Zhongzhixin Accounting Firm (Special General Partnership), and the Director of Dongguan branch of Guangdong Zhongzhixin Accounting Firm (Special General Partnership).

Chen Xikang, External Supervisor, male, born in November 1969, has a bachelor degree; third-grade lawyer. He started his work in July 1992 and he formerly served as a lawyer of Dongguan Law Firm, Deputy Director and lawyer of Dongguan Zhongjian Law Firm. He currently serves as the partner and lawyer of Guangdong Chen, Liang & Co.

Cai Yun, External Supervisor, female, born in October 1977, holds a Bachelor degree and a Master degree, intermediate economist. She began her career in July 2000, and has previously worked as a Staff Member in the Legal and Regulatory Supervision Department of the Dongguan Central Branch of the People's Bank of China, a Staff Member in the Industry Planning Department of the Foshan Economic and Trade Bureau, Deputy Director of the Office at the Foshan Health and Family Planning Bureau, a Lawyer at Beijing Yingke Law Firm Foshan Office, and a Partner and Lawyer at P.C. WOO & ZHONGLUN W.D. LLP. He currently serves as a Partner and Lawyer at Weiheng Peixiong (Qianhai) Associate Law Firm and as an Independent Director at Guangdong Shunde Rural Commercial Bank.

(IV) Important Personnel Changes in Supervisors

On 12 June 2024, at the seventh meeting of the fifth Employee Representative (and Member Representative) Congress, Wang Yaoqiu, Cai Jieliang, and Liang Wanhui were elected as Employee Supervisors of the 9th Session of the Board of Supervisors of the Bank.

On 25 June 2024, at the first Extraordinary General Meeting of Shareholders of 2024, the 9th Session of the Board of Supervisors was elected. Wang Ganchao, Zhang Yanying, and Mai Jingsen were elected as Shareholder Supervisors, while Chen Ying, Chen Xikang, and Cai Yun were elected as External Supervisors of the 9th Session of the Board of Supervisors of the Bank.

On 30 December 2024, Wang Ganchao submitted his resignation letter to the Board of Supervisors due to personal reasons, resigning from his position as Supervisor and as a member of the Nomination Committee of the Board of Supervisors.

On 12 February 2025, Mai Jingsen submitted a letter of resignation to the Board of Supervisors due to work reasons and resigned from his position as a Supervisor and a member of the Audit Committee of the Board of Supervisors of the Bank.

(V) Meetings of the Board of Supervisors

During the reporting period, the Board of Supervisors held 11 meetings and deliberated on and approved 60 proposals. In addition, in accordance with the Articles of Association and the work responsibilities of the Board of Supervisors, the Bank's Supervisors monitored the Bank's operating conditions, financial activities, internal control and risk management operations, and the legal and regulatory compliance of Directors and senior management in performing their duties by attending the General Meeting of Shareholders and meetings of the Board of Directors and the senior management, investigations, audits, and reviewing reports.

On 12 January 2024, the Bank held the 24th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 7 participated in the meeting with 8 votes cast (including 1 vote by proxy). The meeting deliberated on and approved 2 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Audit Report on the Resignation of Mr. Cheng Jinsong, Vice Chairman and President of Bank of Dongguan Co., Ltd.
2	Proposal on the Report on the Research Findings of the Hong Kong Branch

On 7 February 2024, the Bank held the 25th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 7 participated in the meeting with 8 votes cast (including 1 vote by proxy). The meeting deliberated on and approved 3 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Exemption from the Time Limit for Notices of Meetings of Board of Supervisors.
2	Proposal on the Appointment of An Accounting Firm to Audit Mr. Xie Yongwei's Performance During His Tenure as Vice President of the Bank
3	Proposal on Amending the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd.

On 26 February 2024, the Bank held the 26th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 8 participated in the meeting with 8 votes cast. The meeting deliberated on and approved 2 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Audit Report on Mr. Xie Yongwei's Performance During His Tenure as Vice President of Bank of Dongguan Co., Ltd.
2	Report on the Rectification of Audit Recommendations on Resignation of Mr. Lu Guofeng During His Tenure as the Chairman of Bank of Dongguan Co., Ltd.

On 12 March 2024, the Bank held the 27th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 8 participated in the meeting with 8 votes cast. The meeting deliberated on and approved 14 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Report on Work of the Board of Supervisors of Bank of Dongguan Co., Ltd. in 2023
2	Report on Duty Performance Evaluation of the Supervisors of Bank of Dongguan Co., Ltd. in 2023
3	Report on Duty Performance Evaluation of the Board of Supervisors on the Directors of Bank of Dongguan Co., Ltd. in 2023
4	Report on Duty Performance Evaluation of the Board of Supervisors on Senior Management of Bank of Dongguan Co., Ltd. in 2023
5	Evaluation Report on the Implementation of Strategic Planning of Bank of Dongguan Co., Ltd. in 2023
6	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. in 2023
7	Report on Internal Control Evaluation of Bank of Dongguan Co., Ltd. in 2023
8	Report of Bank of Dongguan Co., Ltd. on Problems Found in Regulatory Inspections and Internal Audits and Their Rectifications in 2023
9	Report on Internal Audit Work of Bank of Dongguan Co., Ltd. in 2023
10	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. in 2023

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
11	Proposal on the 2023 Annual Financial Statements and 2024 Annual Financial Budget Plan of Bank of Dongguan Co., Ltd.
12	Proposal on the 2023 Annual Profit Distribution Plan of Bank of Dongguan Co., Ltd.
13	Proposal on the 2023 Annual Report of Bank of Dongguan Co., Ltd.
14	Proposal on the 2023 Annual Audit Report of Bank of Dongguan Co., Ltd.

On 12 April 2024, the Bank held the 28th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 8 participated in the meeting with 8 votes cast. The meeting deliberated on and approved 6 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Report on the Operations of Bank of Dongguan Co., Ltd. in 2023
2	Report on the Implementation of the Expected Credit Loss Method of Bank of Dongguan Co., Ltd. in 2023
3	Report on the Risk Management of Money Laundering and Terrorist Financing of Bank of Dongguan Co., Ltd. in 2023
4	Report on Data Governance Work of Bank of Dongguan Co., Ltd. in 2023
5	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
6	Proposal on the Audit Plan for Certain Senior Management Personnel

On 7 May 2024, the Bank held the 29th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 8 participated in the meeting with 8 votes cast. The meeting deliberated on and approved 3 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Report on Operations of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
2	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Quarter of 2024
3	Report on Internal Audit of Bank of Dongguan Co., Ltd. for the First Quarter of 2024

On 7 June 2024, the Bank held the 30th meeting of the 8th Session of the Board of Supervisors. Out of the 8 supervisors supposed to attend, 8 participated in the meeting with 8 votes cast. The meeting deliberated on and approved 6 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Election of Supervisors to the 9th Session of the Board of Supervisors of Bank of Dongguan Co., Ltd.
2	Proposal on the Audit Report on the Performance of Mr. Zhong Zhandong, Chief Information Officer of Bank of Dongguan
3	Proposal on the Audit Report on the Performance of Ms. Sun Weiling, Chief Accountant of Bank of Dongguan
4	Proposal on the Audit Report on the Performance of Ms. Hu Ni, Chief Risk Officer of Bank of Dongguan
5	Report on the Rectification of Audit Recommendations on Resignation of Mr. Cheng Jinsong During His Tenure as the Vice Chairman and President of Bank of Dongguan Co., Ltd.
6	Report on the Rectification of Audit Recommendations on Resignation of Mr. Xie Yongwei During His Tenure as the Vice President of Bank of Dongguan Co., Ltd.

On 25 June 2024, the Bank held the first meeting of the 9th Session of the Board of Supervisors. Out of the 9 supervisors supposed to attend, 9 participated in the meeting with 9 votes cast. The meeting deliberated on and approved 3 proposals.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on Election of Chairman of the Board of Supervisors of Bank of Dongguan Co., Ltd.
2	Proposal on the Election of Members of the Committees of the Board of Supervisors of Bank of Dongguan Co., Ltd.
3	Proposal on the Election of Chairman of the Committees of the Board of Supervisors of Bank of Dongguan Co., Ltd.

On 15 July 2024, the Bank held the second meeting of the 9th Session of the Board of Supervisors. Out of the 9 supervisors supposed to attend, 9 participated in the meeting with 9 votes cast. The meeting deliberated on and approved 1 proposal.

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Appointment of An Accounting Firm to Audit Mr. Li Qicong's Performance During His Tenure as Vice President and Secretary of the Board of Directors

On 20 August 2024, the Bank held the third meeting of the 9th Session of the Board of Supervisors. Out of the 9 supervisors supposed to attend, 9 participated in the meeting with 9 votes cast. The meeting deliberated on and approved 9 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Audit Report on Mr. Li Qicong's Performance During His Tenure as Vice President and Secretary of the Board of Directors of Bank of Dongguan Co., Ltd.
2	Report on the Operations of Bank of Dongguan Co., Ltd. for the First Half of 2024
3	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Half of 2024
4	Report on the Risk Management of Money Laundering and Terrorist Financing of Bank of Dongguan Co., Ltd. for the First Half of 2024
5	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the First Half of 2024
6	Report on Internal Control Evaluation of Bank of Dongguan Co., Ltd. for the First Half of 2024
7	Report on Internal Audit Work of Bank of Dongguan Co., Ltd. for the First Half of 2024
8	Proposal on Amending the Remuneration Package for Organizationally Appointed Management Personnel of Bank of Dongguan Co., Ltd.
9	Proposal on Amending the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd.

On 15 November 2024, the Bank held the fourth meeting of the 9th Session of the Board of Supervisors. Out of the 9 supervisors supposed to attend, 8 participated in the meeting with 9 votes cast (including 1 vote by proxy). The meeting deliberated on and approved 11 proposals (reports).

Proposal No.	Issue/Content Deliberated (Heard) at the Meeting
1	Proposal on the Revision of the Implementation Measures for the Board of Supervisors' Interviews and Discussions of Bank of Dongguan Co., Ltd.
2	Proposal on the Special Research Report on the Consumer Rights Protection Work of Bank of Dongguan Co., Ltd.
3	Report on Operations of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
4	Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
5	Report on Internal Audit of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
6	Report on the Protection of Financial Consumers' Rights and Interests of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024
7	Report on Special Audit of Related Party Transactions of Bank of Dongguan Co., Ltd.
8	Report on the Rectification of Problems Found in the Audit of the Performance of Li Qicong, Vice President and Secretary of the Board of Directors of Bank of Dongguan
9	Report on the Rectification of Problems Found in the Audit of the Performance of Zhong Zhandong, Chief Information Officer of Bank of Dongguan
10	Report on the Rectification of Problems Found in the Audit of the Performance of Sun Weiling, Chief Accountant of Bank of Dongguan
11	Report on the Rectification of Problems Found in the Audit of the Performance of Hu Ni, Chief Risk Officer of Bank of Dongguan

(VI) Meetings of Special Committees of the Board of Supervisors

The structure and composition of the special committees of the Board of Supervisors of the Bank conform to the relevant regulations of the regulatory authorities and the Articles of Association of the Bank. The special committees duly carried out their work within the scope of their duties and held 16 meetings throughout the year. Among them, the Nomination Committee held 5 meetings. The Audit Committee convened 11 meetings.

1. Nomination Committee

During the reporting period, the Nomination Committee of the Board of Supervisors convened 5 meetings:

On 7 February 2024, the Nomination Committee convened the first meeting of 2024. At the meeting, the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd. was deliberated on and approved.

On 12 March 2024, the Nomination Committee convened the second meeting of 2024. At the meeting, the Report on Duty Performance Evaluation of the Supervisors of Bank of Dongguan Co., Ltd. in 2023, the Report on Duty Performance Evaluation of the Board of Supervisors on the Directors of Bank of Dongguan Co., Ltd. in 2023 and other proposals were deliberated on and approved.

On 7 June 2024, the Nomination Committee convened the third meeting of 2024. At the meeting, the Proposal on Election of Supervisors to the 9th Session of the Board of Supervisors of Bank of Dongguan Co., Ltd. was deliberated on and approved.

On 25 June 2024, the Nomination Committee convened the fourth meeting of 2024. At the meeting, the Election of the Chairman of the Nomination Committee by its Members was deliberated on and approved.

On 20 August 2024, the Nomination Committee convened the fifth meeting of 2024. At the meeting, the Remuneration Package for Organizationally Appointed Management Personnel of Bank of Dongguan Co., Ltd., the Remuneration Package for Market-Based Recruitment of Management Personnel of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

2. Audit Committee

During the reporting period, the Nomination Committee of the Board of Supervisors convened 11 meetings:

On 12 January 2024, the Audit Committee convened the first meeting of 2024. At the meeting, the Proposal on the Audit Report on the Resignation of Mr. Cheng Jinsong, Vice Chairman and President of Bank of Dongguan Co., Ltd., the Proposal on the Report on the Research Findings of the Hong Kong Branch and other proposals were deliberated on and approved.

On 7 February 2024, the Audit Committee convened the second meeting of 2024. At the meeting, the Proposal on the Appointment of An Accounting Firm to Audit Mr. Xie Yongwei's Performance During His Tenure as Vice President of the Bank was deliberated on and approved.

On 26 February 2024, the Audit Committee convened the third meeting of 2024. At the meeting, the Proposal on the Audit Report on Mr. Xie Yongwei's Performance During His Tenure as Vice President of Bank of Dongguan Co., Ltd., the Report on the Rectification of Audit Recommendations on Resignation of Mr. Lu Guofeng During His Tenure as the Chairman of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 12 March 2024, the Audit Committee convened the fourth meeting of 2024. At the meeting, the Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. in 2023, the Report on Internal Control Evaluation of Bank of Dongguan Co., Ltd. in 2023 and other proposals were deliberated on and approved.

On 12 April 2024, the Audit Committee convened the fifth meeting of 2024. At the meeting, the Report on the Operations of Bank of Dongguan Co., Ltd. in 2023, the Report on the Implementation of the Expected Credit Loss Method of Bank of Dongguan Co., Ltd. in 2023 and other proposals were deliberated on and approved.

On 7 May 2024, the Audit Committee convened the sixth meeting of 2024. At the meeting, the Report on Operations of Bank of Dongguan Co., Ltd. for the First Quarter of 2024, the Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Quarter of 2024 and other proposals were deliberated on and approved.

On 7 June 2024, the Audit Committee convened the seventh meeting of 2024. At the meeting, the Report on the Rectification of Audit Recommendations on Resignation of Mr. Cheng Jinsong During His Tenure as the Vice Chairman and President of Bank of Dongguan Co., Ltd., the Report on the Rectification of Audit Recommendations on Resignation of Mr. Xie Yongwei During His Tenure as the Vice President of Bank of Dongguan Co., Ltd. and other proposals were deliberated on and approved.

On 25 June 2024, the Audit Committee convened the eighth meeting of 2024. At the meeting, the Election of the Chairman of the Audit Committee by Its Members was deliberated on and approved.

On 15 July 2024, the Audit Committee convened the ninth meeting of 2024. At the meeting, the Proposal on the Appointment of An Accounting Firm to Audit Mr. Li Qicong's Performance During His Tenure as Vice President and Secretary of the Board of Directors was deliberated on and approved.

On 20 August 2024, the Audit Committee convened the tenth meeting of 2024. At the meeting, the Report on the Operations of Bank of Dongguan Co., Ltd. for the First Half of 2024, the Report on Comprehensive Risk Management Analysis of Bank of Dongguan Co., Ltd. for the First Half of 2024 and other proposals were deliberated on and approved.

On 15 November 2024, the Audit Committee convened the eleventh meeting of 2024. At the meeting, the Proposal on the Special Research Report on the Consumer Rights Protection Work of Bank of Dongguan Co., Ltd., the Report on Operations of Bank of Dongguan Co., Ltd. for the Third Quarter of 2024 and other proposals were deliberated on and approved.

(VII) Work of External Supervisors

The three External Supervisors fulfilled their duties of loyalty and diligence in accordance with laws, regulations and the Bank's Articles of Association, attended meetings of the Board of Supervisors and special committees, duly reviewed various proposals, and independently and objectively issued professional opinions; and the Supervisors' working hours for the Bank conform to relevant regulations. They diligently and independently performed supervisory duties, playing an active role in improving the Bank's corporate governance and enhancing the standard of its management operations.

(VIII) Opinions of the Board of Supervisors on Relevant Matters

1. The Bank's operation and management according to law

During the reporting period, the Bank conducted business activities in compliance with laws, regulations and the Bank's Articles of Association; Directors and senior management worked diligently, and no Directors or senior management were found in violation of any laws, regulations, or harmed the interests of the Bank or its shareholders when performing their duties.

2. Audit report

KPMG Huazhen LLP issued an unqualified audit report on the financial status and operating results of the Bank in 2024. The Board of Supervisors has no objection to the report and believes that the contents of the report are the true, accurate and complete reflection of the status and operating results of the Bank.

3. Related party transactions

During the reporting period, the Bank implemented related party transaction decision-making procedures in compliance with laws, regulations and the Bank's Articles of Association, and followed the principles of openness, fairness and impartiality. No related party transactions that harm the interests of the Company and shareholders were found.

4. Information disclosure

During the reporting period, the Bank actively accepted social supervision and found no false records, misleading statements or major omissions in information disclosure.

5. Implementation of resolutions of the General Meeting of Shareholders

The Board of Supervisors had no objection to the reports and proposals submitted by the Board of Directors to the General Meeting of Shareholders for deliberation during the reporting period. It supervised the implementation of the resolutions of the General Meeting of Shareholders, and believed that the Board of Directors had duly implemented the relevant resolutions of the General Meeting of Shareholders.

6. Internal control

The Bank continued to strengthen and improve internal control, and the Board of Supervisors had no objection to the 2024 Report on Internal Control Evaluation of Bank of Dongguan Co., Ltd. During the reporting period, no major defects were found with regards to the integrity, rationality and effectiveness of the Bank's internal control mechanisms and systems.

V. INFORMATION ABOUT SENIOR MANAGEMENT

(I) Senior management responsibilities

The senior management is an executing agency of the Bank, which is accountable to the Board of Directors. The senior management has power to organize and carry out business management activities of the Bank in accordance with the laws, administrative regulations, rules, the Articles of Association and as authorized by the Board of Directors, and to exercise the following powers: directing the business operation and management of the Bank, organizing the implementations of resolutions of shareholders' meetings and the Board of Directors, reporting work to the Board of Directors, submitting business plans and investment programs to the Board of Directors, organizing the implementations of such plans and programs upon approval, formulating the plans for setup of the internal management organization of the Bank, formulating the basic management system, etc. of the Bank, and other powers granted by the Articles of Association and the Board of Directors.

(II) Basic information of senior management members

No.	Name	Gender	Date of birth	Years of Experience (Financial)	Position	Number of shares held	Change in shareholding during the reporting period
1	Xie Yongwei	Male	Sep. 1972	25	Deputy Secretary of the Party Committee, Executive Director and President of the Bank	303,065 shares	Nil
2	Wu Jianwen	Male	May 1973	28	Member of the Party Committee, Executive Director and Vice President of the Bank	Nil	Nil
3	Li Qicong	Male	Sep. 1972	30	Member of the Party Committee, Executive Director, Vice President of the Bank and Secretary of the Board of Directors	Nil	Nil
4	Zhong Zhandong	Male	Mar. 1971	31	Chief Information Officer and Assistant to President (pending the regulator's approval of the qualification)	Nil	Nil
5	Sun Weiling	Female	Jan. 1972	28	Chief Accountant (Financial Director) and Assistant to President (pending the regulator's approval of the qualification)	112,609 shares	Nil
6	Hu Ni	Female	Sep. 1983	16	Risk Director and Assistant to President (pending the regulator's approval of the qualification)	Nil	Nil

(III) Main working experience of senior management

Xie Yongwei, the Deputy Secretary of the Party Committee, Executive Director and President of the Bank (see "Directors" for further details).

Wu Jianwen, Member of the Party Committee, Executive Director and Vice President of the Bank (see "Directors" for further details).

Li Qicong, Member of the Party Committee, Executive Director, Vice President of the Bank, Secretary of the Board of Directors (see "Directors" for further details).

Zhong Zhandong, Chief Information Officer, Assistant to President (*Qualifications subject to regulatory approval*), male, born in March 1971, a holder of bachelor degree; senior Electronic Technical Engineer. He formerly served as the Deputy Manager and Manager of the Science and Technology Department, Manager and Deputy General Manager of the Information Technology Department and General Manager of the Data Center of the Guangdong Development Bank. He currently serves as the Chief Information Officer and Assistant to President of the Bank (pending approval of the qualification, and will no longer serve as the Chief Information Officer upon approval).

Sun Weiling, Chief Accountant (Chief Financial Officer), Assistant to President (*Qualifications subject to regulatory approval*), female, born in January 1972, a holder of bachelor degree; Senior Accountant and International Certified Public Accountant (ICPA). She formerly served as the Accounting Director of New City Center Development Department of the Dongguan Fucheng District Real Estate Development Company, and various positions at the Bank including Deputy General Manager and General Manager of the Accounting Department, General Manager of the Human Resources Department and General Manager of the Labor Union Office, and Vice Chairman of Trade Union. She currently serves as the Chief Accountant (Financial Director) and Assistant to President of the Bank (pending approval of the qualification, and will no longer serve as the Chief Accountant (Financial Director) upon approval), and Secretary of the Party Committee.

Hu Ni, Risk Director, Assistant to President (*Qualifications subject to regulatory approval*), female, born in September 1983, a holder of master degree; Intermediate Economist. She held various positions at the Bank including the Director and Deputy General Manager of Risk Planning of the Risk Management Department, the Deputy General Manager of the Corporate Business Department, the Vice President of the Songshan Lake Keji Sub-Branch, Deputy General Manager of the Office of the Board of Directors, and General Manager and Deputy General Manager of Risk Management Department (in charge of overall work). She currently serves as the Risk Director, Assistant to President (pending approval of the qualification) and Chairperson of Trade Union of the Bank.

(IV) Important personnel changes in senior management

On February 7, 2024, a proposal was deliberated and approved at the 18th meeting of the 8th session of the Board of Directors of the Bank, at which it was agreed that Xie Yongwei would be appointed as President of the Bank, and Chairman Cheng Jinsong would perform the duties of President of the Bank as an agent before the regulatory approval of Xie Yongwei's qualification. On April 12, 2024, Xie Yongwei's qualification for president was approved by the Guangdong Regulatory Office of National Financial Regulatory Administration, and Xie Yongwei officially performed his duty.

On April 12, 2024, a proposal was deliberated and approved at the 20th meeting of the 8th session of the Board of Directors of the Bank, at which it was agreed that Zhong Zhandong, Sun Weiling and Hu Ni would be appointed as Assistants to President of the Bank, all of whom would officially perform duties upon regulatory approval of their qualifications. Zhong Zhandong will no longer serve as the Chief Information Officer after he officially serves as the Assistant to President, and Sun Weiling will no longer serve as the Chief Accountant (Chief Financial Officer) after she officially serves as the Assistant to President.

VI. EVALUATION AND INCENTIVIZATION OF SENIOR MANAGEMENT

The Nomination and Remuneration Committee of the Board of Directors is responsible for the evaluation and incentivization of senior management. According to the Evaluation Measures of the Performance of Directors and Senior Management by the Board of Directors of Bank of Dongguan Co., Ltd., the Committee assesses the performance of senior management during their term of office and reports the evaluation results to the Board of Directors and the General Meeting of Shareholders for deliberation. The Board of Supervisors conducts overall evaluation of the performance of senior management for the year, and formulates the final assessment results, which serve as an effective basis for the Board of Directors to carry out appointments and remuneration review for senior executives.

The remuneration of senior management is determined and paid in accordance with the relevant regulations of the Bank's administrative measures concerning senior management remuneration, and the remuneration has been publicly disclosed in accordance with relevant regulations. During the reporting period, the Bank evaluated the annual performance of senior management in accordance with the performance appraisal measures for senior management and the requirements of relevant regulatory authorities.

VII. AMOUNT OF REMUNERATION RECEIVED BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In 2024, the total amount of remuneration received by the Directors, Supervisors and senior management of the Bank was RMB25.1513 million (calculated based on the actual cost of the labor cost which includes salaries, subsidies, bonus payment in-arrears, social insurance contributions, contributions to housing provident fund, corporate pension and personal income tax withheld or remitted by individuals and contributions to social insurance, the housing provident fund and annuity withheld or remitted by the Bank).

VIII. EMPLOYEES

As of the end of the reporting period, the Bank had 5,920 employees. Among them, by academic level, 599 employees possess master degrees or higher educational credentials, 4,569 possess bachelor degrees, 543 possess college diplomas, and 209 possess technical secondary education or below background. There were 928 managers, 3,655 business specialists, 1,161 professionals and 176 other staff members by profession categories.

IX. EMPLOYEE TRAINING

The Bank implements and promotes the strategy of "making the Bank strong through talents" and the construction of a learning organization, keeps perfecting the talent development system, builds and improves the team training mechanism, to give strong support to the promotion of the high-quality sustainable development of the Bank with talents. During the reporting period, the Bank continuously carried out the "Pilot Program" manager training, the professional training, the internal trainer training and the new employee training to empower talents on a multidimensional basis and to lay a solid foundation for human resources, so as to build fast growth channels for highly potential talents and to deepen the talent team construction; comprehensively promoted the templated, standardized and systematic positions for the Bank, built a regular management mechanism for position manual, established the knowledge system for key positions, teased out and iterated the contents that should be known and understood by holders of positions for continuous learning and deepening of the organization capacity building.

X. REMUNERATION ASSESSMENT, INCENTIVE AND RESTRAINT SYSTEM

The Bank has established a remuneration management organization framework based on the actual needs of management decision-making. The supreme decision-making body is the General Meeting of Shareholders of the Bank, which is in charge of remuneration management of the Directors and Supervisors. The Board of Directors and its subordinate Nomination and Remuneration Committee are in charge of the remuneration and assessment mechanism of the senior management. In 2024, the Nomination and Remuneration Committee held 8 meetings in total. The senior management is responsible for the development of remuneration management and performance appraisal system for employees below the senior management level. The Human Resources Department is responsible for the implementation of the remuneration system, with the Accounting Department tasked with operations related to work performance appraisal.

The Bank has established a remuneration system based on the importance of specific positions, personal competence and qualifications, performance contribution and job responsibilities. The remuneration structure consists of position-based salary, performance-based bonus, additional salary, benefits and special rewards (discretionary), among which performance-based bonus is a variable incentive offered to the employees when the Bank achieves business targets. This bonus mainly reflects the Bank employees' performance and the contribution to the Bank, and is based on the performance assessment for a specific assessment period. With a view to raising the senior management's awareness of the importance of effective management of staff holding positions with substantial influences on risk exposure, the Bank adopts the payment in-arrears system for the performance-based bonus and the deduction by recourse, and defer payment of more than 40% of performance-based bonus for a period of not less than 3 years. In case of illegal, undisciplined or irregular behavior or excessive exposure to risks within the scope of responsibilities, the Bank shall, according to the seriousness of the situation and accountability, deduct, stop payment and recover the performance-based bonus for the corresponding period.

The amount of staff remuneration at the Bank is mainly determined based on the profits and operating income of the Bank. The amount of remuneration paid to employees is linked to the fulfillment of key performance indicators of the respective units and the positions concerned. In order to magnify the restraint effect of the remuneration mechanism, fulfillment of the risk cost control indicators affects the bank-wide performance compensation adjustment.

The Bank has established policies over remuneration allocation and assessment for employees at all levels, which are enforced with the management's approval. In particular, the appraisal of employees holding positions related to risk and compliance management mainly focus on internal management and internal control indicators. The senior management achieved targets across key performance indicators regarding business operations, risk control and social responsibility in 2024.

XI. THE COMPANY'S INDEPENDENT OPERATION

The Bank has no controlling shareholders or de facto controllers. In accordance with the Company Law and Commercial Bank Law, the Bank has always maintained complete independence, from shareholders holding 5% or more of the shares, in terms of business operations, staffing, assets, organization and finance. As an independent legal person operating independently and responsible for its own profits and losses, the Bank has independent and complete business and independent operating capabilities. The Board of Directors, Board of Supervisors, senior management and units are capable of operate independently.

XII. HORIZONTAL COMPETITION

The Bank has no controlling shareholders, and there is no peer competition with any controlling shareholders, de facto controllers and other enterprises under its control.

XIII. CONSTRUCTION OF INTERNAL CONTROL

(I) Significant deficiencies in internal control

During the reporting period, no significant deficiencies in the internal control of the Bank were found.

(II) Internal control work

During the reporting period, the Bank continued to perfect and improve the internal control system in accordance with the basic principles for internal control: 100% coverage, checks and balances, prudence, and alignment: **Firstly**, to effectively implement the leadership mechanism of Party management of finance, focus on the center and overall situation of the Bank's work, strengthen the advance decision-making and overall guidance of the Party committee, strictly implement the list of "Three Important and One Large", and give full play to the leading role of "controlling the direction, managing the overall situation and ensuring implementation". **Secondly**, to improve the mechanism of the corporate governance system, properly complete the change of the term of office of the Board of Directors, the Board of Supervisors and the senior management, enhance the management of fulfillment of duties of directors, supervisors and the senior management, strengthen the informatization of equity and related party transactions, continuously improve the information disclosure system, and continuously optimize the corporate governance mechanism construction. **Thirdly**, to improve the risk management system and process by developing scientific and effective credit extension policies, risk appetite and risk limit, strengthen monitoring and assessment of various risks, intensify the EAST data-based approach to governance and promote the construction of "One-Table" data submission project and other measures to keep enhancing the risk management level of the Bank. **Fourthly**, to continuously improve the legal compliance risk management system, perfect the legal compliance working mechanism, strengthen the legal compliance risk control, foster an excellent compliance culture and keep boosting the quality and effectiveness of the legal compliance management by strengthening legal compliance reviews, reinforcing the employee compliance and case prevention training, carrying out the compliance performance assessment and promoting measures such as effective correction of problems identified in regulation. **Fifthly**, to keep intensifying the construction of the internal review organization system, strengthen the application of the audit system, carry out in-depth audit projects and special investigations and audits, reveal prominent problems and forewarn bad signs in depth in a timely manner, put forward targeted and feasible audit recommendations, promote the systematic remediation of problems identified in audits, and urge the improvement of the internal control management level of the Bank. **Sixthly**, to keep perfecting the employee behavior management system, often carry out violation case learning for warning and education, educate and guide employees for their standardization of behaviors and maintenance of good professional conduct, in order to effectively enhance the employee behavior management level.

(III) Internal control audit report or assurance report

KPMG Huazhen LLP engaged by the Bank, has audited the effectiveness of the Bank's internal control over financial reporting and has issued a standard unqualified audit report. The report concluded that the Bank maintained, in all material respects, effective internal control over financial reporting as of 31 December 2024, in accordance with the "Basic Standard for Enterprise Internal Control" and related regulations.

Chapter VI Environmental and Social Responsibilities

I. MAJOR ENVIRONMENTAL ISSUES

The Bank and its subsidiaries are not key pollutant discharging units announced by the environmental protection department. During the reporting period, the Bank and its subsidiaries were not penalized for violating laws and regulations on environmental protection. The main business of the Bank in the currency and financial services industry does not produce pollutants specified in the "Measures for the Administration of Lists of Major Entities under Environmental Regulation". Therefore, no other environmental information is required to be disclosed. In future production and operation activities, the Bank and its subsidiaries will strictly adhere to environmental protection laws and regulations such as the "Environmental Protection Law of the People's Republic of China".

II. SOCIAL RESPONSIBILITY

Always adhering to the principle of "originating from the society and contributing to the society", the Bank adheres to the path of sustainable development, comprehensively integrates the sustainable development philosophy into every aspect of the corporate business development, communicates adequately with stakeholders, continuously improves its social responsibility management capability, and demonstrates its fulfillment of corporate responsibility through actions in environmental, social, and governance (ESG) practices. The **first** is to focus on the "Science and Technology Finance, Green Finance, Inclusive Finance, Pension Finance and Digital Finance", fully serving the real economy. The **second** is to practice green development and dedicate efforts to improve people's livelihood. The **third** is to deepen product innovation and intelligent services, continuously enhancing customer satisfaction. The **fourth** is to attach importance to the protection of consumers' rights and interests, employee development, information security, and privacy protection, actively participate in public welfare and charitable undertakings, and practice social responsibilities.

For details, please refer to the Sustainability Report of the Bank of Dongguan Co., Ltd. for 2024 disclosed on the official website of the Bank.

III. ASSISTANCE TO RURAL REVITALIZATION

(I) Overview of annual work

By resolutely implementing the decisions and arrangements made by the Party Central Committee and the State Council on consolidating and expanding the achievements of poverty alleviation and effectively connecting the results with rural revitalization, closely sticking to the main tasks of "Three-Stage Objectives and Tasks" and "Five Promotions", the Bank cooperates with the group organization unit stationed in towns for assistance to towns and villages, promotes the implementation of the rural revitalization strategy, vigorously promotes the consolidation of poverty alleviation achievements, and implements the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages".

1. During the reporting period, the Bank helped the rural revitalization project in Siqian Town, Shixing County, Shaoguan City, offering a total assistance fund of RMB1.76 million. **Firstly**, to strengthen the monitoring and support efforts to help the government of Siqian Town and "nine villages and one resident's committee" with an amount of RMB160,000, together with the township office of rural revitalization and administrative villages under the jurisdiction, to early identify those in need through household visits, increase support for monitoring subjects, and vigorously broaden the channels of poverty-free households to increase their incomes. **Secondly**, to the work team assisted in post-disaster reconstruction by conducting in-depth post-disaster surveys, producing special research reports, providing timely feedback to the relevant functional departments, and assisting residents who had already been safely relocated in post-disaster reconstruction. Moreover, the Bank provided assistance in repairing 12 road collapse points with a total of RMB400,000, and helped Siqian Town restore normal production and living order. **Thirdly**, to promote the building of livable, workable and harmonious countryside in Siqian Town through using the minority to bring along the majority, the majority to promote the minority and integrating both, with a total investment of RMB1.20 million, of which it assisted in the construction of flood control slopes and drainage facilities in Wenxia Village, Siqian Town with an amount of RMB300,000, which helps ensure the orderly discharge of rainwater and avoids losses caused by flooding; assisted in the construction of a cultural activity room project in Liuwu Village with an amount of RMB500,000, which serves as an emergency evacuation site for residents living along the river in Liuwu Village, as well as a dining hall for the elderly and a cultural activity venue for Party members and villagers; assisted in the construction of a tractor-ploughing bridge project in Jiangcao Village with an amount of RMB300,000, which greatly facilitates local villagers' agricultural activities; assisted in the upgrade and renovation of the basketball court in Wenxia Village with an amount of RMB100,000, which enriches the daily cultural life of the residents.

2. The Bank constantly increases consumer support by giving priority to the purchase of Siqian Town for the procurement of holiday souvenirs of labor union, with annual consumer support of more than RMB500,000, effectively enhancing the income of local towns, villages and residents.

(II) Subsequent rural revitalization plan

In 2025, the Bank will remain on the main tasks of "Three-Stage Objectives and Tasks" and "Five Promotions", and actively cooperate with the assistance work group to promote and implement the work plan; strengthen communication with various departments in Siqian Town, and focus on local development in the future; work with local town-level committees and the government to formulate the rural revitalization work plan, combined with the improvement of the human settlement environment and the "High-Quality Development Project for Hundreds of Counties, Thousands of Towns, and Tens of Thousands of Villages", and assistance to Siqian Town for coordinating a number of infrastructure construction projects, thus contributing to promoting rural revitalization and developing the regional economy.

IV. PROTECTION OF CONSUMERS' RIGHTS AND INTERESTS

The Bank practices the “finance for the people” philosophy and actively responds to the new trends and requirements in the protection of financial consumers' rights and interests. During the reporting period, the Bank continued to improve its consumers' rights and interests protection systems and mechanisms, strengthened work for complaint management, and innovated financial publicity and education modes. It promoted the improvement of a management framework of “Two Involvements and Three Protections” for consumers' rights and interests protection, effectively enhancing the level of financial consumers' rights and interests protection and earnestly fulfilling its primary responsibility for protecting consumers' rights and interests.

(I) Refinement and improvement of the consumers' rights and interests protection systems and mechanisms and consolidation of the foundation of consumers' rights and interests protection.

During the reporting period, the Bank refined and improved its systems and mechanisms for complaint handling management, consumers' rights and interests protection review, financial marketing and promotion, internal assessment, publicity training, and retroactive governance, further consolidating the foundation of consumers' rights and interests protection management. In addition, the Bank undertook measures such as post-evaluation of consumers' rights and interests protection systems to regularly review the effectiveness of system implementation and carry out “enact, revise, abolish” initiatives, promoting the implementation of various consumers' rights and interests protection policies and systems.

(II) Strengthening of complaint management and control, and improvement of the quality of complaint handling

1. Strengthening the standardized complaint management. **Firstly**, to continue to promote comprehensive complaint management, ensure smooth complaint channels, and conduct a review of the information regarding the complaint channels for existing standard form of contracts for customers as well as internal complaint channel testing. **Secondly**, to continue to improve the complaint handling support mechanisms, establish a duty responsibility system for holidays, revise the consumers' rights and interests protection proposal and the daily cross-departmental coordination mechanism for consumers' rights and interests protection, clarifying matters related to the standardized complaint management. **Thirdly**, to advance the optimization and establishment of the consumers' rights and interests protection system, and standardize the requirements for filling out complaint forms in the system. **Fourthly**, to continue to carry out the “review” mechanism for complaint handling and urge rectifications.

2. Carrying out incentive activities for resolving complaints. By rewarding departments (institutions) or individuals who excel in reducing and resolving complaints, the Bank aimed to make efforts to promote complaint reduction.

3. Strengthening efforts to address the source of complaints. **Firstly**, to carry out retroactive governance of consumer complaints and disputes by formulating a special work plan, conducting a “review” of complaint for retroactivity and rectification, and implementing rectification, thereby further improving the long-term mechanism for retroactive governance for consumers' rights and interests protection. **Secondly**, to conduct statistical analysis of complaints. Through regular complaint analysis reports, consumers' rights and interests protection proposal, and cross-departmental coordination meetings, to focus on complaint hotspots and common issues to enhance governance at the source of similar cases.

4. Strengthening the risk prevention and control capabilities for complaints through a dual approach. **Firstly**, to enhance emergency management for major complaints by increasing the intensity of risk control during periods such as the Spring Festival, “3•15”, and the National Day holiday, and conducting identification of major complaint risks and emergency drills in case of major complaints. **Secondly**, to improve employees' complaint handling capabilities through various methods, including compiling and publishing a series of “Complaint Response Manual” (which consists of a compilation of complaint mediation cases and a library of complaint handling tactics) and a series of courses titled “Quick Look at Consumers' Rights and Interests Protection – Resolving Complaints Effectively”, developing training on complaint handling skills, and conducting targeted complaint handling training for specific groups such as operational staff and consumer rights and interests protection management personnel to continuously enhance the professional quality of complaint handling personnel.

During the reporting period, the Bank received a total of 776 customer complaints. In terms of the type of business complaint, it mainly included 402 complaints from bank card, accounting for 51.80%, 245 from loan business, accounting for 31.57%, and 12 involving personal financial information protection, accounting for 1.55%. In terms of geographical distribution, most complaints occurred in Dongguan, i.e. 736 complaints, accounting for 94.85%; 6 complaints in Hefei, Foshan and Guangzhou respectively, accounting for 0.77%; 5 complaints in Changsha and Shenzhen respectively, accounting for 0.64%. Complaints were basically handled in a timely and proper manner, with 100% complaints closed. No major incident of complaint risk occurred during the year.

(III) Diversified financial education and publicity conducted to enhance the financial literacy of the public

The Bank firmly conducted financial education and publicity for consumers, actively promoted a combination of concentrated and regular publicity, online digital promotion and offline grassroots publicity, creating a multi-dimensional financial knowledge publicity matrix. During the reporting period, the Bank innovatively launched a series of financial education and publicity activities such as “Into Rural Areas, Village Communities, Schools, Enterprises, and Business Districts” at concentrated publicity nodes such as “3•15” Financial Consumer Rights and Interests Protection Education and Publicity”, “Financial Knowledge Journey”, and the September Financial Education and Publicity Month. A total of 676 concentrated education and publicity activities were held, with approximately 3.23 million participants in both online and offline activities. Also, the Bank emphasized daily financial education, focusing on financial service scenarios relevant to the daily lives of the public. Targeting key groups such as the “elderly, adolescents, and new comers” and persons with disabilities, the Bank conducted targeted education and publicity activities, totaling 462 regular educational and publicity activities during the reporting period. The Bank released financial education information 47 times through its official website, WeChat Official Account, WeChat Channel, and other online self-owned channels. The Bank's original video on financial services for the aged, titled “Our Answer,” won the Silver Award for “Most Beautiful Style” in the “Most Beautiful Financial Consumer Rights and Interests Protector” Showcase Activities in the Guangdong Banking and Insurance Industry.

Chapter VII Significant Events

I. PROFIT DISTRIBUTION OF ORDINARY SHARES

(I) Formulation, implementation or adjustment of profit distribution policies for ordinary shareholders during the reporting period

Pursuant to the Company Law and the Bank's Articles of Association and relevant regulations, the profit distribution plan was formulated by the Board of Directors and reviewed and approved by the general meeting. The Board of Directors formulates the profit distribution plan, which must be reviewed by Independent Directors to issue confirmed independent opinions, and must be approved by at least two-thirds of the Bank's Directors; the general meeting reviews the profit distribution plan, it must be approved with more than half of the voting rights held by shareholders attending the meeting. In case the general meeting of the Bank decides on the profit distribution plan, the Board of Directors of the Bank shall promptly complete the distribution of dividends (or shares) after the decision is made by the general meeting.

The Bank conducts profit distribution by allocating dividends by cash or shares, however, the shares held by the Bank are excluded from profit distribution. The priority of net profit after tax of the Bank is: making up deficits in previous years, appropriating statutory provident fund, discretion surplus reserve, withdrawal of general reserve and payments of dividends to shareholders.

(II) Profit distribution plans of the Bank in the past three years (including the reporting period)

1. 2024 Annual profit distribution plan: On 21 March 2025, the Bank held the 6th Meeting of the 9th Session of the Board of Directors. The meeting reviewed and approved the "2024 Annual Profit Distribution Plan of Bank of Dongguan Co., Ltd." and agreed on: appropriating 10% of net profit (i.e. RMB382 million) as statutory surplus reserve; appropriating general risk reserve of RMB500 million; distributing cash dividends to registered shareholders as at the close of the registration of the general meeting of shareholders to consider the profit distribution plan when the distribution plan is implemented on the basis of RMB2.50 (before tax) for every 10 shares, totaling RMB585 million.

2. 2023 Annual profit distribution plan: On 12 March 2024 and 12 April 2024, the Bank held the 19th Meeting of the 8th Session of the Board of Directors and its 2023 Annual General Meeting. The meeting reviewed and approved the "2023 Annual Profit Distribution Plan of Bank of Dongguan Co., Ltd." and agreed on: appropriating 10% of net profit (i.e. RMB408 million) as statutory surplus reserve; appropriating general risk reserve of RMB900 million; distributing cash dividends to all the shareholders on the basis of RMB3.10 (before tax) for every 10 shares, totaling RMB726 million.

3. 2022 Annual profit distribution plan: On 24 February 2023 and 28 April 2023, the Bank held the 10th Meeting of the 8th Session of the Board of Directors and its 2022 Annual General Meeting. The meetings reviewed and approved the "2022 Annual Profit Distribution Plan of Bank of Dongguan Co., Ltd." and agreed on: appropriating 10% of net profit (i.e. RMB384 million) as statutory surplus reserve; appropriating general risk reserve of RMB700 million; distributing cash dividends to all shareholders of the Bank on the basis of RMB3.00 (before tax) for every 10 shares, totaling RMB654 million.

(III) Cash dividend for ordinary shares of the Company in the past three years (including the reporting period)

Year	Dividend per share (RMB)	Total share capital (100 million shares)	Total cash dividend (RMB100 million)	Net profit attributable to the parent company's ordinary shareholders in the annual consolidated dividend statement (RMB100 million)	Percentage of net profit attributable to the parent company's ordinary shareholders in the consolidated statement (%)
2024	0.25	23.416	5.85	35.74	16.37
2023	0.31	23.416	7.26	39.03	18.60
2022	0.30	21.8	6.54	37.41	17.48

II. FULFILLMENT OF COMMITMENTS

The Bank had no commitments other than its normal business scope during the reporting period.

III. APPROPRIATION OF NON-OPERATING FUNDS BY CONTROLLING SHAREHOLDERS AND THEIR RELATED PARTIES

During the reporting period, the Bank did not experience appropriation of non-operating funds by controlling shareholders and their related parties.

IV. AUDIT OPINIONS ISSUED BY THE ACCOUNTING FIRM

The 2024 Annual Financial Report has been audited by KPMG Huazhen LLP and an unqualified audit report had been issued.

V. EXPLANATION OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ACCOUNTING METHODS COMPARED TO PREVIOUS YEAR'S FINANCIAL REPORT

For details about changes in accounting policies and accounting estimates, please refer to "Notes to the Financial Statements 4. Changes in Significant Accounting Policies" in "Financial Report".

VI. EXPLANATION OF THE SITUATION WHERE THE CORRECTION OF SIGNIFICANT ACCOUNTING ERRORS REQUIRES RETROSPECTIVE RESTATEMENT DURING THE REPORTING PERIOD

During the reporting period, as the Bank did not correct major accounting errors, there was no need to restate retrospectively.

VII. EXPLANATION ON CHANGES IN THE SCOPE OF CONSOLIDATED STATEMENTS COMPARED WITH FINANCIAL REPORTS OF PREVIOUS YEAR

In 2024, the Bank included its subsidiary Bank of Dongguan International Limited into the scope of consolidation.

VIII. APPOINTMENT AND DISMISSAL OF CERTIFIED PUBLIC ACCOUNTANT

(I) Appointment and dismissal of certified public accountant

Certified public accountant engaged	KPMG Huazhen LLP
Consecutive years of providing audit service by certified public accountant	8 years
Signatory Certified Public Accountants and consecutive years for which audit services have been provided to the Bank	Wu Zhongming (3 years), Ye Yunhui (4 years)

(II) Appointment of certified public accountant, financial advisor or sponsor for internal control

Pursuant to the resolution of the Bank's 2023 Annual General Meeting, the Bank engaged KPMG Huazhen LLP to audit and issue an audit report on the 2024 financial statements of the Bank prepared in accordance with the PRC accounting standards as well as issue an audit opinion on the effectiveness of the Bank's internal control over financial reporting.

As required for the application for IPO and listing, the Bank appointed China Merchants Securities Co., Ltd. as the sponsor of the Bank's IPO and Dongguan Securities Co., Ltd. as the financial advisor of the Bank's IPO.

IX. MATTERS IN CONNECTION WITH BANKRUPTCY OR REORGANIZATION

During the reporting period, there was no matter in connection with bankruptcy or reorganization.

X. SIGNIFICANT LITIGATION AND ARBITRATION

During the reporting period, the Bank had new matters relating to litigations and arbitration, mainly concerning the loans. Principals of newly added significant bad loan litigations (the principal amount involved in a single litigation case is over RMB10 million) amounted to RMB1.7719311 billion.

XI. PUNISHMENT IMPOSED ON THE COMPANY AND ITS DIRECTORS AND SENIOR MANAGEMENT BY RELATED REGULATORY AND JUDICIAL BODIES

During the reporting period, the Bank's Directors and senior management were not punished by the relevant regulatory authorities or judicial authorities, but the Bank as well as its branches were punished by the regulatory authority for 4 times, with a penalty of RMB4.10 million. The Bank had completed the rectification in accordance with regulatory requirements and improved its risk control system. The relevant penalties did not have any material impact on the continuing operation of the Bank.

XII. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the reporting period, the Bank did not have any failure to perform the obligations determined by the court's effective legal instruments, or owe a relatively large amount of debts due and unpaid.

XIII. IMPLEMENTATION OF EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLANS AND OTHER EMPLOYEE INCENTIVE PLANS

During the reporting period, there was no equity incentive scheme, employee stock ownership plans or other employee incentive plans in place.

XIV. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Bank strictly adhered to the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, the Administrative Measures for Related Party Transactions of Bank of Dongguan Co., Ltd., and the Implementation Rules for the Management of Related Party Transactions of Bank of Dongguan Co., Ltd. and the related requirements issued by the National Financial Regulatory Administration. Transactions with related parties were generated in normal business activities, and the transaction conditions and pricing conformed to relevant provisions of regulatory authorities and the Bank, and were determined following the principles of marketization, which were objective, fair, and reasonable and had no material effect on the Bank's operating results or financial status. As of the end of the reporting period, the Bank's credit balance in the related party transactions under the banking supervision and administration criteria was RMB8,728.7482 million, representing 15.25% of the Bank's net capital, among which, the credit balance in related party transactions of major shareholders and their associated companies amounted to RMB7,972.9153 million. During the reporting period, the Bank and its related parties engaged in asset transfer related party transactions of RMB189.5467 million; deposits related party transactions of RMB4,232.8547 million; and other related party transactions of RMB1,247.5990 million. All related party transaction indicators met regulatory requirements.

In 2024, the Bank had the following significant related party transactions:

On 8 April 2024, a credit of RMB1,203.60 million was granted to Dongguan Financial Holdings Group Co., Ltd., a related party, which accounted for 2.18% of the net capital of the Bank at the end of the fourth quarter of 2023.

On 8 April 2024, a credit of RMB1,146.34 million was granted to Dongguan Guancheng Construction Engineering Co., Ltd. (now renamed), a related party, which accounted for 2.07% of the net capital of the Bank at the end of the fourth quarter of 2023.

On 15 April 2024, a credit of RMB2,345.00 million was granted to Dongguan Securities Co., Ltd., a related party, which accounted for 4.16% of the net capital of the Bank at the end of the first quarter of 2024.

On 23 May 2024, a deposits related party transaction of RMB1,300.00 million was conducted with Dongguan Rail Transit Co., Ltd., a related party, which accounted for 2.31% of the net capital of the Bank at the end of the first quarter of 2024.

On 20 September 2024, a credit of RMB600.00 million was granted to Guangdong Humen Fumin Group Co., Ltd., a related party, which accounted for 1.02% of the net capital of the Bank at the end of the second quarter of 2024.

On 31 October 2024, the Bank's subsidiary in Hong Kong obtained a banking license from the Hong Kong Monetary Authority, with paid-up registered capital of HKD1 billion which converts into RMB accounting for 1.53% of the net capital of the Bank at the end of the third quarter of 2024.

On 29 November 2024, a credit of RMB1,341.00 million was granted to Dongguan Rail Transit Co., Ltd., a related party, which accounted for 2.25% of the net capital of the Bank at the end of the third quarter of 2024.

XV. SIGNIFICANT CONTRACTS AND THEIR PERFORMANCES

(I) Significant custody, contracts and leases

During the reporting period, the Bank had no significant custody, contract, lease or other major matters.

(II) Significant guarantees

During the reporting period, apart from financial guarantee businesses as approved by the People's Bank of China (PBOC) and the National Financial Regulatory Administration, the Bank did not have any significant guarantees that need to be disclosed.

(III) Entrusted cash asset management

1. Entrusted wealth management

During the reporting period, the Bank did not issue entrusted wealth management beyond its normal business scope.

2. Entrusted loan

During the reporting period, the Bank did not issue entrusted loans beyond its normal business scope.

(IV) Other significant contracts

During the reporting period, the Bank did not sign any significant contracts beyond its normal business scope.

The Bank has entered into the Headquarters Building Customization Agreement for Bank of Dongguan, and the Supplementary Agreement (I) to the Headquarters Building Customization Agreement for Bank of Dongguan with China Resources Land (Dongguan) Co., Ltd, and the contract is in the process of fulfillment.

Chapter VIII Changes in Shares and Shareholders

I. SHARE CAPITAL

The total number of shares of the Bank is 2.3416 billion, and there were no changes during the reporting period.

II. SHAREHOLDERS

(I) Number of shareholders and shareholding

Item	31 December 2024		31 December 2023	
	Number of shares held (shares)	Shareholding ratio (%)	Number of shares held (shares)	Shareholding ratio (%)
State-owned	878,684,645	37.52	878,669,954	37.52
Social legal person owned	922,140,704	39.38	922,155,395	39.38
Natural person owned	540,774,651	23.09	540,774,651	23.09
Total shares	2,341,600,000	100.00	2,341,600,000	100.00

Note: 1. State shares and state-owned legal person shares are collectively referred to as state-owned shares. Discrepancies between the sum of figures and the totals are due to rounding.

2. On 20 January 2025, Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd. acquired 104,848,708 shares of the Bank held by Dongguan Hongzhong Investment Co., Ltd. As at the date of this report, the state-owned shareholding ratio of the Bank is 42.00%, and the social legal person-owned shareholding ratio is 34.90%.

As of the end of the reporting period, the total number of shareholders of the Bank was 5,190, including 79 institutional shareholders and 5,111 natural person shareholders. The number of shareholders, whose shares were entrusted by the Bank to Guangdong Equity Exchange Co., Ltd. for custody, was 5,190, with 2,341,600,000 shares under custody. Among them, 5,082 shareholders, owning 2,335,674,490 shares in the Bank in total, personally or entrust others to go through the share confirmation procedures. No third parties raised doubts against the shares held by them. There were 102 natural person shareholders and 6 institutional shareholders that did not personally or entrust others to go through the share confirmation procedures, and shares held by them accounted for 0.25% of the Bank's total share capital, which had no adverse impact on the Bank's ownership structure stability.

(II) Controlling shareholders and de facto controllers

The Bank did not have any controlling shareholders or de facto controllers.

(III) Shareholding of the Bank's top ten shareholders (as at the date of this report)

No.	Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
1	Finance Bureau of Dongguan	495,504,000	21.16
2	Dongguan Humen Town Investment Service Center	116,417,322	4.97
3	Dongguan Dazhong Industrial Co., Ltd.	108,564,000	4.64
4	Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd.	104,863,399	4.48
5	Dongguan Power Grid Development Co., Ltd.	78,737,258	3.36
6	Dongguan Zhaoye Trading Co., Ltd.	76,422,386	3.26
7	Dongguan Financial Holdings Group Co., Ltd.	62,623,266	2.67
8	Dongguan Lung Chuen International Hotel	61,800,284	2.64
9	Dongguan Zhongpeng Trading Co., Ltd.	57,535,726	2.46
10	Dongguan Ligao Trading Co., Ltd.	56,833,334	2.43

On 20 January 2025, Dongguan Hongzhong Investment Co., Ltd. transferred its 104,848,708 shares in the Bank to Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd., a shareholder of the Bank. As at the date of this report, Dongguan Hongzhong Investment Co., Ltd. no longer holds any shares, while Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd. holds 104,863,399 shares, making it the fourth largest shareholder. Apart from the aforementioned changes in shareholding, there were no changes in the shareholdings of the Bank's top ten shareholders during the reporting period.

As at the date of this report, there was no pledging of shares in the Bank by its top ten shareholders nor any shares freezing.

(IV) Information of Major Shareholders

(III) Basic Information of Major Shareholders (as at the date of this report)

No.	Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)	Controlling Shareholders	De facto Controllers	Concerted parties	Ultimate Beneficial Owners	Seconded and Other Information
1	Finance Bureau of Dongguan	495,504,000	21.16	Nil	Finance Bureau of Dongguan	Nil	Finance Bureau of Dongguan	Holding more than 5% shares of the Bank and having no Seconded assigned
2	Dongguan Financial Holdings Group Co., Ltd.	62,623,266	2.67	State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government	State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government	Nil	Dongguan Financial Holdings Group Co., Ltd.	
3	Dongguan Zhaoye Trading Co., Ltd.	76,422,386	3.26	Dongguan Guanyi Investment Co., Ltd.	State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government	Nil	Dongguan Zhaoye Trading Co., Ltd.	
4	Dongguan Zhongpeng Trading Co., Ltd.	57,535,726	2.46	Dongguan Guanyi Investment Co., Ltd.	State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government	Nil	Dongguan Zhongpeng Trading Co., Ltd.	Owning more than 5% shares of the Bank in total and having directors assigned
5	Dongguan Yinda Trading Co., Ltd.	42,230,796	1.80	Dongguan Guanyi Investment Co., Ltd.	State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government	Nil	Dongguan Yinda Trading Co., Ltd.	
6	Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd.	104,863,399	4.48	Dongguan Rail Transit Co., Ltd.	State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government	Nil	Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd.	
7	Dongguan Humen Town Investment Service Center	116,417,322	4.97	Economic Cooperative Union of Humen Town, Dongguan City	Nil	Nil	Dongguan Humen Town Investment Service Center	Having assigned directors
8	Dongguan Dazhong Industrial Co., Ltd.	108,564,000	4.64	Wang Wencheng	Wang Wencheng	Nil	Dongguan Dazhong Industrial Co., Ltd.	Together with its related parties holding 4.81% of the Bank's shares and having dispatched directors
9	Dongguan Power Grid Development Co., Ltd.	78,737,258	3.36	Guangdong Grid Co., Ltd.	State-owned Assets Supervision and Administration Commission of the State Council	Nil	Dongguan Power Grid Development Co., Ltd.	Having dispatched directors
10	Dongguan Lung Chuen International Hotel	61,800,284	2.64	Zhang Foen	Zhang Foen	Nil	Dongguan Lung Chuen International Hotel	Having assigned directors
11	Guangdong Changan Group Co., Ltd.	47,244,075	2.02	Economic Cooperative Union of Changan Town, Dongguan City	Nil	Nil	Guangdong Changan Group Co., Ltd.	Having dispatched supervisors
12	Dongguan Chengfeng Textile Co., Ltd.	34,928,000	1.49	Huang Yongpeng, Huang Yufang	Huang Yongpeng, Huang Yufang	Nil	Dongguan Chengfeng Textile Co., Ltd.	Having assigned supervisors

During the reporting period, changes in the Bank's major shareholders are as follows: (1) Guangdong Changan Group Co., Ltd. became a major shareholder of the Bank by dispatching a shareholder supervisor; (2) Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd. became a major shareholder of the Bank due to changes in its shareholders; (3) Dongguan Ligao Trading Co., Ltd. is no longer included in major shareholders of the Bank as its dispatched shareholder supervisor resigned.

During the reporting period, there were no changes in the shareholding of the Bank's major shareholders. On 20 January 2025, Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd. acquired 104,848,708 shares of the Bank held by Dongguan Hongzhong Investment Co., Ltd.. As at the date of this report, Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd. holds 104,863,399 shares.

As at the date of this report, there was no pledging of shares in the Bank by its major shareholders nor any shares freezing.

2. Shareholders holding 5% or more of the Bank's shares (as at the date of this report)

The only shareholder directly holding 5% or more of the Bank's shares is the Finance Bureau of Dongguan, which is a government agency. It is the largest shareholder of the Company, holding 21.16% of total shares in the Bank.

Dongguan Financial Holdings Group Co., Ltd. and four companies controlled by it hold a total of 14.68% shares in the Bank. The details are as follows:

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
Dongguan Financial Holdings Group Co., Ltd.	62,623,266	2.67
Dongguan Zhaoye Trading Co., Ltd.	76,422,386	3.26
Dongguan Zhongpeng Trading Co., Ltd.	57,535,726	2.46
Dongguan Yinda Trading Co., Ltd.	42,230,796	1.80
Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd.	104,863,399	4.48
Total	343,675,573	14.68

Dongguan Guanyi Investment Co., Ltd. holds 100.00% of the shares in Dongguan Zhaoye Trading Co., Ltd., Dongguan Zhongpeng Trading Co., Ltd. and Dongguan Yinda Trading Co., Ltd., respectively. Dongguan Financial Holdings Group Co., Ltd. holds 100.00% of the shares in Dongguan Guanyi Investment Co., Ltd.; Dongguan Rail Transit Co., Ltd. holds 100.00% of the shares in Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd., and Dongguan Financial Holdings Group Co., Ltd. holds 100.00% of the shares in Dongguan Rail Transit Co., Ltd.. The State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government holds 100.00% of the shares in Dongguan Financial Holdings Group Co., Ltd. Therefore, the de facto controller of Dongguan Financial Holdings Group Co., Ltd., Dongguan Zhaoye Trading Co., Ltd., Dongguan Zhongpeng Trading Co., Ltd., Dongguan Yinda Trading Co., Ltd., Dongguan Guancheng Fuhao Enterprise Investment Co., Ltd. is the State-owned Assets Supervision and Administration Commission of Dongguan Municipal Government.

Chapter IX Financial Report

- I. Auditor's Report (Attached below)
- II. Financial Statements (Attached below)
- III. Notes to the Financial Statements (Attached below)

Chapter X List of Documents Available for Inspection

- I. Financial statements signed and affixed with seal of the legal representative, the Chairman, the accounting principal, the chief accountant and the head of the finance department of the Bank.
- II. Original audit report affixed with seal of the accounting firm as well as seal and signatures of certified public accountants.
- III. Original annual report deliberated on and approved by the Board of Directors of the Company.
- IV. Articles of Association of the Bank of Dongguan Co., Ltd.

Comments on the 2024 Annual Report by the Directors and Senior Executives of Bank of Dongguan Co., Ltd.

In accordance with relevant regulations and requirement noted in the Administrative Measures on Information Disclosure of Commercial Banks, as directors and senior executives of Bank of Dongguan Co., Ltd., we offer the following opinions upon a thorough understanding and examination of the 2024 Annual Report and its abstracts:

1. The Company operated in strict compliance with the Accounting Standards for Business Enterprises and relevant regulations, and the 2024 Annual Report and its abstracts fairly reflect the financial standing and operation results of the Company this year.
2. The 2024 Annual Financial Report had been audited by KPMG Huazhen LLP and an unqualified audit report had been issued.
3. We held the view that the 2024 Annual Report and its abstracts contained no false record, misleading statement or material omission, and assumed individual and joint responsibility to the authenticity, accuracy and completeness of the information in this report.

SIGNATURES OF DIRECTORS AND SENIOR OFFICERS

Name	Position	Name	Position
Cheng Jinsong	Chairman Executive Director	Wang Yanming	Independent Director
Xie Yongwei	Executive Director President	Wang Xiong	Independent Director
Wu Jianwen	Executive Director Vice President	Zhao Xianglei	Independent Director
Li Qicong	Executive Director Vice President, Secretary of the Board of Directors	Zhang Yonghong	Independent Director
Liu Yu	Non-Executive Director	Chen Tao	Independent Director
Wan Yanfei	Non-Executive Director	Zhong Zhandong	Chief Information Officer
Wang Yiren	Non-Executive Director	Sun Weiling	Chief Accountant
Liu Mingchao	Non-Executive Director	Hu Ni	Risk Director
Zhang Bijun	Non-Executive Director		

Auditor's Report and Financial Statements

Bank of Dongguan Co., Ltd.

Financial statements for the year from 1 January 2024 to 31 December 2024

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Auditor's Report

KPMG Huazhen Shen Zi No. 2502979

To the Board of Directors of Bank of Dongguan Co., Ltd.:

I. OPINION

We have audited the accompanying financial statements of Bank of Dongguan Co., Ltd., ("Bank of Dongguan") on pages 80 to 224, which comprise the consolidated balance sheet and the parent company's balance sheet as at 31 December 2024, the consolidated income statement and the parent company's income statement, the consolidated cash flow statement and the parent company's cash flow statement, the consolidated statement of changes in shareholders' equity and the parent company's statement of changes in shareholders' equity for the year then ended, and the relevant notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises ("Accounting Standards for Business Enterprises") issued by the Ministry of Finance of the People's Republic of China and present fairly, in all material respects, the consolidated financial position of Bank of Dongguan and the parent company's financial position as at 31 December 2024, as well as the Bank's consolidated financial performance and cash flow and the parent company's financial performance and cash flow for the year then ended.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section in the Auditor's Report. We are independent of Bank of Dongguan in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. OTHER INFORMATION

The management of Bank of Dongguan is responsible for the other information. The other information comprises the information included in Bank of Dongguan's 2024 Annual Report, 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 we conclude that there is a material misstatement of such other information based on the work we have performed, we are required to report that fact. We have nothing to report in this regard.

IV. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to ensure that the financial statements are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the management is responsible for assessing Bank of Dongguan's ability to continue as a going concern, disclosing, where applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate Bank of Dongguan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process at Bank of Dongguan.

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 not a guarantee that an audit conducted in accordance with CSAs will always detect any 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 conducted in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. At the same time, we perform the following tasks:

- (1) Identify and assess the risk of material misstatements contained in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to such risk, 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 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 Bank of Dongguan's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (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 Bank of Dongguan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the readers' attention in our auditor's report to the related disclosures in the financial statements; and if such disclosures are inadequate, we are required to express a non-unqualified 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 Bank of Dongguan to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, 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 Bank of Dongguan to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's 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.

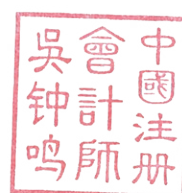
KPMG Huazhen LLP



Beijing, China

Chinese Certified Public Accountants

Wu Zhongming



Ye Yunhui



Date: 2025年 3月 21日



Consolidated Balance Sheet

31 December 2024
(Expressed in Renminbi unless otherwise indicated)

	Notes	2024	2023
Assets			
Cash and deposits in the central bank	7	35,125,921,851.01	44,641,351,241.22
Deposits with banks and other financial institutions	8	3,254,022,279.22	1,972,364,716.52
Loans to banks and other financial institutions	9	10,821,464,260.93	8,691,270,120.25
Derivative financial assets	10	750,628,265.31	680,499,866.53
Financial assets purchased under resale agreements	11	9,187,658,218.22	10,308,835,756.84
Loans and advances to customers	12	358,608,050,180.36	320,895,575,609.70
Financial investment			
Trading financial assets	13	69,476,906,257.25	44,082,597,116.10
Debt investments	14	141,399,925,082.43	139,917,808,604.07
Other debt investments	15	34,542,511,524.22	47,798,734,769.79
Other equity instruments investments	16	227,638,671.82	199,628,982.74
Long term equity investments	17	883,851,867.58	1,003,856,241.43
Fixed assets	18	1,852,206,892.38	2,005,614,449.72
Construction-in-progress	19	90,318,864.35	59,089,268.58
Right-of-use assets	20	703,450,729.47	646,976,712.74
Intangible assets	21	724,903,090.99	704,388,229.78
Deferred income tax assets	22	1,964,857,090.22	2,110,545,692.83
Other assets	23	3,115,418,730.48	3,205,524,999.66
Total assets		672,729,733,856.24	628,924,662,378.50
Liabilities and shareholders' equity			
Liabilities			
Borrowings from central bank	25	19,236,429,987.14	26,200,782,820.18
Deposits from banks and other financial institutions	26	2,839,756,657.64	7,613,310,829.89
Derivative financial liabilities	10	940,321,782.08	786,417,874.75
Loans from banks and other financial institutions	27	13,607,016,393.27	12,320,336,403.30
Financial assets sold under repurchase agreements	28	29,125,711,694.85	24,419,565,064.25
Customer deposits	29	447,426,525,208.29	427,005,977,636.98

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



	Notes	2024	2023
Employee benefits payable	30	1,461,727,981.02	1,418,836,146.07
Taxes and surcharges payable	5(3)	225,582,426.87	236,112,793.23
Provisions for liabilities	31	88,245,831.60	104,996,527.29
Bonds payable	32	112,093,081,006.60	86,300,153,846.29
Lease liabilities	33	759,747,735.51	690,668,414.98
Other liabilities	34	1,284,371,210.76	1,250,425,709.82
Total liabilities		629,088,517,915.63	588,347,584,067.03
Shareholders' equity			
Share capital	35	2,341,600,000.00	2,341,600,000.00
Capital reserve	36	4,062,524,602.85	4,064,213,951.89
Other equity instruments	37	4,196,320,754.72	4,196,320,754.72
Other comprehensive income	38	640,659,478.45	362,557,301.73
Surplus reserve	39	4,074,606,700.64	3,692,439,554.79
General risk reserve	40	7,367,373,793.11	6,376,566,799.69
Undistributed profit	41	20,926,971,532.46	19,452,255,963.84
Total equity attributable to shareholders of the parent company		43,610,056,862.23	40,485,954,326.66
Minority interests		31,159,078.38	91,123,984.81
Total shareholders' equity		43,641,215,940.61	40,577,078,311.47
Total liabilities and shareholders' equity		672,729,733,856.24	628,924,662,378.50

The financial statements were approved by the Board of Directors of the Bank on 21 March 2025.

Cheng Jinsong
Legal Representative




Xie Yongwei
President




Wu Jianwen
Accounting Principal




Sun Weiling
Chief Accountant




Lin Weishan
Head of the Finance Department





The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Parent Company's Balance Sheet

31 December 2024
(Expressed in Renminbi unless otherwise indicated)

	Notes	2024	2023
Assets			
Cash and deposits in the central bank	7	34,975,182,032.86	44,523,324,740.97
Deposits with banks and other financial institutions	8	2,992,756,448.21	1,693,325,985.73
Loans to banks and other financial institutions	9	10,821,464,260.93	8,691,270,120.25
Derivative financial assets	10	750,628,265.31	680,141,629.71
Financial assets purchased under resale agreements	11	8,817,020,736.95	10,267,858,266.84
Loans and advances to customers	12	357,777,343,410.43	320,052,433,569.75
Financial investment			
Trading financial assets	13	74,551,921,740.67	49,686,083,391.90
Debt investments	14	132,648,946,363.33	130,632,072,326.58
Other debt investments	15	34,542,511,524.22	47,798,734,769.79
Other equity instruments investments	16	227,638,671.82	199,628,982.74
Long term equity investments	17	1,956,666,420.51	1,172,426,423.68
Fixed assets	18	1,829,903,467.67	1,987,705,665.34
Construction-in-progress	19	61,900,836.87	58,527,109.00
Right-of-use assets	20	673,240,182.62	644,977,187.86
Intangible assets	21	704,366,653.08	704,388,229.78
Deferred income tax assets	22	1,950,327,541.47	2,095,906,446.42
Other assets	23	3,082,944,534.47	3,189,239,420.13
Total assets		668,364,763,091.42	624,078,044,266.47
Liabilities and shareholders' equity			
Liabilities			
Borrowings from central bank	25	19,230,726,939.22	26,195,682,820.18
Deposits from banks and other financial institutions	26	3,903,388,540.74	7,974,191,985.28
Derivative financial liabilities	10	930,133,716.70	777,286,608.52
Loans from banks and other financial institutions	27	13,607,016,393.27	12,320,336,403.30
Financial assets sold under repurchase agreements	28	24,988,939,579.01	20,644,106,053.78
Customer deposits	29	446,159,218,109.94	425,687,621,695.87

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



	Notes	2024	2023
Employee benefits payable	30	1,444,293,675.94	1,408,731,458.43
Taxes and surcharges payable	5(3)	223,936,201.87	235,545,416.90
Provisions for liabilities	31	88,245,831.60	104,996,527.29
Bonds payable	32	112,093,081,006.60	86,300,153,846.29
Lease liabilities	33	727,403,221.87	689,313,522.50
Other liabilities	34	1,266,449,747.53	1,240,030,243.61
Total liabilities		624,662,832,964.29	583,577,996,581.95
Shareholders' equity			
Share capital	35	2,341,600,000.00	2,341,600,000.00
Capital reserve	36	4,061,921,229.52	4,061,921,229.52
Other equity instruments	37	4,196,320,754.72	4,196,320,754.72
Other comprehensive income	38	627,904,142.75	362,557,301.73
Surplus reserve	39	4,074,606,700.64	3,692,439,554.79
General risk reserve	40	7,348,992,075.61	6,363,268,266.88
Undistributed profit	41	21,050,585,223.89	19,481,940,576.88
Total shareholders' equity		43,701,930,127.13	40,500,047,684.52
Total liabilities and shareholders' equity		668,364,763,091.42	624,078,044,266.47

The financial statements were approved by the Board of Directors of the Bank on 21 March 2025.

Cheng Jinsong
Legal Representative




Xie Yongwei
President




Wu Jianwen
Accounting Principal




Sun Weiling
Chief Accountant




Lin Weishan
Head of the Finance Department





The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Consolidated Income Statement

Year 2024

(Expressed in Renminbi unless otherwise indicated)

	Notes	2024	2023
Operating income			
Interest income		20,059,220,768.74	20,396,905,859.32
Interest expense		(12,940,564,060.84)	(12,064,208,690.87)
Net interest income	42	7,118,656,707.90	8,332,697,168.45
Handling fees and commission income		893,703,989.50	993,126,456.03
Handling fees and commission expenses		(156,434,357.39)	(156,139,548.10)
Net handling fees and commission income	43	737,269,632.11	836,986,907.93
Investment income	44	2,086,435,737.86	1,534,691,521.04
(Including: Income from investment in associates		34,902,491.33	53,650,852.79
Income arising from derecognition of financial assets measured at amortized cost)		184,925,999.92	138,297.27
Net gains/(losses) from changes in fair value	45	232,666,201.33	(55,067,988.67)
Foreign exchange gains and losses		(64,538,653.97)	(259,358,561.28)
Income from other business		2,514,664.24	3,829,803.95
Net gains/(losses) from disposal of assets	46	285,724.94	(3,050,662.68)
Other income	47	83,534,208.48	196,579,460.96
Operating income		10,196,824,222.89	10,587,307,649.70
Operating expenses			
Taxes and surcharges	48	(127,061,064.56)	(131,821,415.88)
Operating and administrative expenses	49	(3,977,249,329.40)	(3,814,143,747.59)
Credit impairment losses	50	(2,263,127,763.07)	(2,399,446,965.65)
Impairment loss of other assets		(4,005,453.55)	(365,900.00)
Other operating cost		(5,834.27)	(1,178.81)
Total operating expenses		(6,371,449,444.85)	(6,345,779,207.93)
Operating profit		3,825,374,778.04	4,241,528,441.77
Non-operating income	51(1)	22,649,108.27	1,973,326.21
Non-operating expenses	51(2)	(16,339,828.96)	(10,759,326.49)
Total profit		3,831,684,057.35	4,232,742,441.49
Income tax expenses	52	(98,860,128.22)	(166,549,358.75)

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



	Notes	2024	2023
Net profit		3,732,823,929.13	4,066,193,082.74
(I) Net profit classified by continuity of operations			
1. Net profit from continuing operations		3,732,823,929.13	4,066,193,082.74
2. Net profit from discontinued operations		—	—
(II) Net profit classified by ownership			
1. Net profit attributable to shareholders of the parent company		3,737,678,584.60	4,066,915,775.82
2. Minority interests profit or loss		(4,854,655.47)	(722,693.08)
Other comprehensive income, net of tax	38		
(I) Other comprehensive income, net of tax, to shareholders of the parent company			
1. Items that will not be reclassified into profit or loss			
(1) Changes in fair value of other equity instruments investments		28,009,689.08	201,672,007.13
2. Items that may be reclassified into profit or loss			
(1) Changes in fair value of debt instruments measured at FVOCI		267,892,394.57	154,416,858.81
(2) Impairment of debt instruments measured at FVOCI		(37,544,380.99)	13,315,090.25
(3) Other comprehensive income that can be reclassified into profit or loss under equity method		9,060,267.03	(402,017.31)
(4) Conversion of foreign currency financial statements		10,684,207.03	(1,464,886.42)
(II) Other comprehensive income attributable to minority shareholders, net of tax		—	—
Total comprehensive income		4,010,926,105.85	4,433,730,135.20
Total comprehensive income attributable to shareholders of the parent company		4,015,780,761.32	4,434,452,828.28
Total comprehensive income attributable to minority interests		(4,854,655.47)	(722,693.08)
Basic and diluted earnings per share (RMB)		1.53	1.73

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Parent Company's Income Statement

Year 2024

(Expressed in Renminbi unless otherwise indicated)

	Notes	2024	2023
Operating income			
Interest income		19,710,345,399.36	20,082,137,231.79
Interest expense		(12,827,491,863.59)	(11,955,823,989.54)
Net interest income	42	6,882,853,535.77	8,126,313,242.25
Handling fees and commission income		899,048,894.18	995,177,286.99
Handling fees and commission expenses		(156,295,935.31)	(156,093,898.68)
Net handling fees and commission income	43	742,752,958.87	839,083,388.31
Investment income	44	2,040,338,183.40	1,522,049,178.23
(Including: Income from investment in associates		34,902,491.33	53,650,852.79
Income arising from derecognition of financial assets measured at amortized cost)		143,183,215.64	838,477.27
Net gains from changes in fair value	45	458,449,966.22	128,291,027.30
Foreign exchange gains and losses		(66,857,298.75)	(262,449,193.08)
Income from other business		2,086,491.74	3,682,140.78
Net losses from disposal of assets	46	(1,280,768.20)	(3,042,828.31)
Other income	47	83,380,028.82	196,246,079.63
Operating income		10,141,723,097.87	10,550,173,035.11
Operating expenses			
Taxes and surcharges	48	(125,966,361.74)	(131,305,373.25)
Operating and administrative expenses	49	(3,764,250,443.07)	(3,771,312,078.15)
Credit impairment losses	50	(2,250,488,509.74)	(2,397,837,201.68)
Impairment loss of other assets		(67,370,682.87)	(365,900.00)
Other operating cost		(5,834.27)	(1,178.81)
Total operating expenses		(6,208,081,831.69)	(6,300,821,731.89)
Operating profit		3,933,641,266.18	4,249,351,303.22
Non-operating income	51(1)	3,746,187.59	1,893,257.47
Non-operating expenses	51(2)	(16,020,597.50)	(10,702,525.17)
Total profit		3,921,366,856.27	4,240,542,035.52
Income tax expenses	52	(99,695,397.77)	(163,567,848.91)
Net profit		3,821,671,458.50	4,076,974,186.61

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



	Notes	2024	2023
Net profit		3,821,671,458.50	4,076,974,186.61
Net profit from continuing operations		3,821,671,458.50	4,076,974,186.61
Other comprehensive income, net of tax	38		
(I) Items that will not be reclassified into profit or loss			
1. Changes in fair value of other equity instruments investments		28,009,689.08	201,672,007.13
(II) Items that may be reclassified into profit or loss			
1. Changes in fair value of debt instruments measured at FVOCI		267,892,394.57	154,416,858.81
2. Impairment of debt instruments measured at FVOCI		(37,544,380.99)	13,315,090.25
3. Other comprehensive income that can be reclassified into profit or loss under equity method		9,060,267.03	(402,017.31)
4. Conversion of foreign currency financial statements		(2,071,128.67)	(1,464,886.42)
Total comprehensive income		4,087,018,299.52	4,444,511,239.07

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Consolidated Cash Flow Statement

Year 2024

(Expressed in Renminbi unless otherwise indicated)

	Notes	2024	2023
Cash flow from operating activities			
Net increase in customer deposits and placement from banks and other financial institutions		10,431,228,739.36	55,911,134,783.59
Net decrease in deposits with central bank and with banks and other financial institutions		1,998,189,127.45	—
Net increase in borrowings from central bank		—	13,611,830,991.80
Net increase in loans from banks and other financial institutions and financial assets sold under repurchase agreements		5,843,820,990.92	14,049,657,090.01
Net decrease in loans to banks and other financial institutions		7,110,000,000.00	—
Cash inflow arising from control merger		2,775,527,418.02	—
Proceeds from interests, handling fees and commission income		16,479,617,920.88	16,926,871,124.60
Proceeds from other operating activities		144,713,654.02	207,123,745.11
Sub-total of cash inflow of operating activities		44,783,097,850.65	100,706,617,735.11
Net decrease in borrowings from central bank		(6,933,393,725.00)	—
Net increase in loans and advances to customers		(36,840,823,529.63)	(38,334,279,384.75)
Net increase in deposits with central bank and with banks and other financial institutions		—	(1,731,629,725.64)
Net increase in loans to banks and other financial institutions		—	(1,310,000,000.00)
Payment for interests, handling fees and commissions		(9,947,309,709.94)	(7,324,590,377.64)
Payments to and for employees		(2,410,413,427.12)	(2,245,459,702.13)
Payment of various taxes		(1,128,528,438.98)	(1,062,537,914.45)
Payment for other operating activities		(872,776,469.52)	(1,454,882,483.88)
Sub-total of cash outflow of operating activities		(58,133,245,300.19)	(53,463,379,588.49)
Net cash flow (used in)/generated from operating activities	53(1)	(13,350,147,449.54)	47,243,238,146.62
Cash flow from investing activities			
Proceeds from disposal of investments		527,296,976,093.05	1,244,318,973,503.86
Investment returns received		6,806,605,944.56	6,376,165,950.29
Proceeds from disposal of fixed assets, intangible assets and other assets		5,462,706.84	724,820.95
Sub-total of cash inflow of investing activities		534,109,044,744.45	1,250,695,864,275.10
Payment for investments		(539,931,351,811.74)	(1,285,910,015,635.98)
Payment for acquisition of equity from minority interests		—	(5,000,000.00)
Payment for acquisition of fixed assets, intangible assets and other assets		(332,095,331.91)	(728,161,616.32)
Sub-total of cash outflow of investing activities		(540,263,447,143.65)	(1,286,643,177,252.30)
Net cash flow used in investing activities		(6,154,402,399.20)	(35,947,312,977.20)

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



	Notes	2024	2023
Cash flow generated from financing activities			
Proceeds from investors		–	2,134,736,000.00
Proceeds from issuance of bonds		186,105,770,341.96	102,353,839,730.94
Proceeds from issuance of other equity instruments		–	–
Sub-total of cash inflow of financing activities		186,105,770,341.96	104,488,575,730.94
Payment for distribution of dividends and profits		(724,818,316.37)	(653,740,104.54)
Including: profits paid to minority interests of subsidiaries		–	(637,000.00)
Cash paid for allocating interests on perpetual bonds		(164,092,876.71)	(163,900,000.00)
Cash paid to repay bond principal		(162,010,000,000.00)	(108,870,000,000.00)
Cash paid to repay bond interest		(983,368,034.27)	(871,500,000.00)
Payment for acquisition of equity from minority interests		(596,865,245.20)	–
Cash paid to repay lease liability		(218,182,127.00)	(200,202,662.67)
Sub-total of cash outflow of financing activities		(164,697,326,599.55)	(110,759,342,767.21)
Net cash flow generated from/(used in) financing activities		21,408,443,742.41	(6,270,767,036.27)
Effect of changes in foreign exchange rate on cash and cash equivalents		(26,661,611.45)	(2,205,077.40)
Net increase in cash and cash equivalents	53(2)	1,877,232,282.22	5,022,953,055.75
Add: Cash and cash equivalents at the beginning of the year		30,283,686,369.65	25,260,733,313.90
Cash and cash equivalents at the end of the year	53(3)	32,160,918,651.87	30,283,686,369.65

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Parent Company's Cash Flow Statement

Year 2024

(Expressed in Renminbi unless otherwise indicated)

	Notes	2024	2023
Cash flow from operating activities			
Net increase in customer deposits and placement from banks and other financial institutions		11,129,370,052.21	55,809,724,632.21
Net increase in borrowings from central bank		–	13,651,148,991.80
Net decrease in deposits with central bank and with banks and other financial institutions		1,907,668,053.49	–
Net increase in loans from banks and other financial institutions and financial assets sold under repurchase agreements		5,480,416,087.67	14,049,657,090.01
Net decrease in loans to banks and other financial institutions		7,110,000,000.00	–
Cash inflow arising from merger by absorption		2,935,692,671.36	–
Proceeds from interests, handling fees and commission income		16,412,212,997.27	16,889,329,005.38
Proceeds from other operating activities		106,034,772.50	184,732,525.65
Sub-total of cash inflow of operating activities		45,081,394,634.50	100,584,592,245.05
Net decrease in borrowings from central bank		(6,933,993,725.00)	–
Net increase in loans and advances to customers		(36,953,930,180.40)	(38,391,390,817.59)
Net increase in deposits with central bank and with banks and other financial institutions		–	(1,616,599,364.86)
Net increase in loans to banks and other financial institutions		–	(1,310,000,000.00)
Payment for interests, handling fees and commissions		(9,826,446,806.69)	(7,222,726,999.56)
Payments to and for employees		(2,308,556,323.00)	(2,223,374,016.47)
Payment of various taxes		(1,124,851,299.65)	(1,061,337,653.32)
Payment for other operating activities		(845,449,547.97)	(1,436,727,261.83)
Sub-total of cash outflow of operating activities		(57,993,227,882.71)	(53,262,156,113.63)
Net cash flow (used in)/generated from operating activities	53(1)	(12,911,833,248.21)	47,322,436,131.42
Cash flow from investing activities			
Proceeds from disposal of investments		524,867,835,201.94	1,244,404,978,047.44
Investment returns received		6,570,440,279.19	6,107,966,849.07
Dividend from subsidiaries		–	663,000.00
Proceeds from disposal of fixed assets, intangible assets and other assets		4,922,938.54	1,617,095.81
Sub-total of cash inflow of investing activities		531,443,198,419.67	1,250,515,224,992.32
Payment for investments		(537,352,292,791.25)	(1,285,909,914,387.33)
Payment for capital contributions to subsidiaries		(910,810,000.00)	–
Payment for acquisition of equity from minority interests		(596,865,245.20)	(5,000,000.00)
Payment for acquisition of fixed assets, intangible assets and other assets		(249,758,214.18)	(727,268,809.24)
Sub-total of cash outflow of investing activities		(539,109,726,250.63)	(1,286,642,183,196.57)
Net cash flow used in investing activities		(7,666,527,830.96)	(36,126,958,204.25)

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



	Notes	2024	2023
Net cash flow used in financing activities			
Proceeds from issuance of bonds		186,105,770,341.96	102,353,839,730.94
Proceeds from investors		—	2,134,736,000.00
Sub-total of cash inflow of financing activities		186,105,770,341.96	104,488,575,730.94
Payment for distribution of dividends and profits		(724,818,316.37)	(653,103,104.54)
Cash paid for allocating interests on perpetual bonds		(164,092,876.71)	(163,900,000.00)
Cash paid to repay bond principal		(162,010,000,000.00)	(108,870,000,000.00)
Cash paid to repay bond interest		(983,368,034.27)	(871,500,000.00)
Cash paid to repay lease liability		(176,855,522.84)	(199,582,774.63)
Sub-total of cash outflow of financing activities		(164,059,134,750.19)	(110,758,085,879.17)
Net cash flow generated from/(used in) financing activities		22,046,635,591.77	(6,269,510,148.23)
Effect of changes in foreign exchange rate on cash and cash equivalents		(26,661,611.45)	(2,343,289.89)
Net increase in cash and cash equivalents	53(2)	1,441,612,901.15	4,923,624,489.05
Add: Cash and cash equivalents at the beginning of the year		30,050,646,355.21	25,127,021,866.16
Cash and cash equivalents at the end of the year	53(3)	31,492,259,256.36	30,050,646,355.21

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Consolidated Statement of Changes in Shareholders' Equity

Year 2024
(Expressed in Renminbi unless otherwise indicated)

Notes	Equity attributable to shareholders of the Bank									
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Sub-total	Minority interests	Total shareholders' equity
Balance as of 1 January 2024	2,341,600,000.00	4,196,320,754.72	4,064,213,951.89	362,557,301.73	3,692,439,554.79	6,376,566,799.69	19,452,255,993.84	40,485,954,326.66	91,123,994.81	40,577,078,311.47
Changes in equity during the year:										
1. Total comprehensive income	-	-	-	278,102,176.72	-	-	3,737,678,594.60	4,015,780,761.32	(4,854,655.47)	4,010,926,105.85
2. Capital contributed and decreased by shareholders	-	-	-	-	-	-	-	-	-	-
– Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-
– Payment for acquisition of equity from minority interests	-	-	(1,689,349.04)	-	-	-	-	(1,689,349.04)	(55,110,250.96)	(56,799,600.00)
3. Profit distribution	41	-	-	-	-	-	(382,167,145.85)	-	-	-
– Appropriation of surplus reserves	-	-	-	-	382,167,145.85	-	-	-	-	-
– Appropriation of general risk reserve	-	-	-	-	-	990,806,993.42	(990,806,993.42)	-	-	-
– Dividend distribution	-	-	-	-	-	-	(725,896,000.00)	(725,896,000.00)	-	(725,896,000.00)
– Appropriation of perpetual bond interest	-	-	-	-	-	-	(164,092,876.71)	(164,092,876.71)	-	(164,092,876.71)
4. Transfer from disposal of other equity instrument investments	-	-	-	-	-	-	-	-	-	-
Sub-total of 1 to 3	-	-	(1,689,349.04)	278,102,176.72	382,167,145.85	990,806,993.42	1,474,715,568.62	3,124,102,535.57	(59,964,906.43)	3,064,137,629.14
Balance as of 31 December 2024	2,341,600,000.00	4,196,320,754.72	4,062,524,602.85	640,659,478.45	4,074,606,700.64	7,367,373,793.11	20,926,971,532.46	43,610,056,862.23	31,159,078.38	43,641,215,940.61

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Notes	Equity attributable to shareholders of the Bank								Total shareholders' equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Sub-total	
Balance as of 1 January 2023	2,180,000,000.00	4,196,320,754.72	2,089,535,131.41	(4,979,750.73)	3,284,742,136.13	5,675,989,165.07	17,333,586,636.72	34,755,194,073.32	34,854,220,571.99
Changes in equity during the year:									
1. Total comprehensive income	-	-	-	367,537,052.46	-	-	4,066,915,775.82	4,434,452,828.28	(722,665.08)
2. Capital contributed and decreased by shareholders	161,600,000.00	-	1,973,136,000.00	-	-	-	-	2,134,736,000.00	-
- Ordinary shares contributed by shareholders	161,600,000.00	-	1,973,136,000.00	-	-	-	-	2,134,736,000.00	-
- Payment for acquisition of equity from minority interests	-	-	1,542,820.48	-	-	-	-	1,542,820.48	(6,542,820.78)
3. Profit distribution	41	-	-	-	-	-	-	-	(5,000,000.30)
- Appropriation of surplus reserves	-	-	-	-	407,697,418.66	-	(407,697,418.66)	-	-
- Appropriation of general risk reserve	-	-	-	-	-	700,577,634.62	(700,577,634.62)	-	-
- Dividend distribution	-	-	-	-	-	-	(654,000,000.00)	(654,000,000.00)	(654,637,000.00)
- Appropriation of perpetual bond interest	-	-	-	-	-	-	(163,900,000.00)	(163,900,000.00)	-
4. Transfer from disposal of other equity instrument investments	-	-	-	-	-	-	(22,071,395.42)	(22,071,395.42)	-
Sub-total of 1 to 3	161,600,000.00	-	1,974,678,820.48	367,537,052.46	407,697,418.66	700,577,634.62	2,118,669,327.12	5,730,760,253.34	(7,902,513.86)
Balance as of 31 December 2023	2,341,600,000.00	4,196,320,754.72	4,064,213,951.89	362,557,301.73	3,692,439,554.79	6,376,566,799.69	19,452,255,963.84	40,485,954,326.66	40,577,078,311.47

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Parent Company's Statement of Changes in Shareholders' Equity

Year 2024

(Expressed in Renminbi unless otherwise indicated)

	Notes	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Total
Balance as of 1 January 2024		2,341,600,000.00	4,196,320,754.72	4,061,921,229.52	382,557,301.73	3,692,439,554.79	6,383,288,266.88	19,481,940,576.88	40,500,047,684.52
Changes in equity during the year:									
1. Total comprehensive income		-	-	-	265,346,841.02	-	-	3,821,671,458.50	4,087,018,299.52
2. Capital contributed by shareholders		-	-	-	-	-	-	-	-
3. Profit distribution	41								
- Appropriation of surplus reserves		-	-	-	-	382,167,145.85	-	(382,167,145.85)	-
- Appropriation of general risk reserve		-	-	-	-	-	985,723,808.73	(985,723,808.73)	-
- Dividend distribution		-	-	-	-	-	-	(725,896,000.00)	(725,896,000.00)
- Appropriation of perpetual bond interest		-	-	-	-	-	-	(164,092,876.71)	(164,092,876.71)
4. Transfer from disposal of other equity instrument investments		-	-	-	-	-	-	-	-
5. Other		-	-	-	-	-	-	4,853,019.80	4,853,019.80
Sub-total of 1 to 3		-	-	-	265,346,841.02	382,167,145.85	985,723,808.73	1,588,644,647.01	3,201,882,442.61
Balance as of 31 December 2024		2,341,600,000.00	4,196,320,754.72	4,061,921,229.52	627,904,142.75	4,074,606,700.64	7,348,992,075.61	21,050,585,223.89	43,701,930,127.13

The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.



Notes	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Total
Balance as of 1 January 2023	2,180,000,000.00	4,196,320,754.72	2,088,785,229.52	(4,979,750.73)	3,284,742,136.13	5,663,268,266.88	17,352,635,204.35	34,760,771,840.87
Changes in equity during the year:								
1. Total comprehensive income	-	-	-	367,537,052.46	-	-	4,076,974,186.61	4,444,511,239.07
2. Capital contributed by shareholders	161,600,000.00	-	1,973,136,000.00	-	-	-	-	2,134,736,000.00
3. Profit distribution								
- Appropriation of surplus reserves	-	-	-	-	407,697,418.66	-	(407,697,418.66)	-
- Appropriation of general risk reserve	-	-	-	-	-	700,000,000.00	(700,000,000.00)	-
- Dividend distribution	-	-	-	-	-	-	(654,000,000.00)	(654,000,000.00)
- Appropriation of perpetual bond interest	-	-	-	-	-	-	(163,900,000.00)	(163,900,000.00)
4. Transfer from disposal of other equity instrument investments	-	-	-	-	-	-	(22,071,395.42)	(22,071,395.42)
Sub-total of 1 to 3	161,600,000.00	-	1,973,136,000.00	367,537,052.46	407,697,418.66	700,000,000.00	2,129,305,372.53	5,739,275,843.65
Balance as of 31 December 2023	2,341,600,000.00	4,196,320,754.72	4,061,921,229.52	362,557,301.73	3,692,439,554.79	6,363,268,266.88	19,481,940,576.88	40,500,047,684.52



The notes to the financial statements from pages 96 to 224 form an integral part of these financial statements.

Notes to the Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1 BASIC INFORMATION

The Bank of Dongguan Co., Ltd. (hereinafter referred to as the "Bank"), formerly known as Dongguan Commercial Bank Co., Ltd., is a joint-stock commercial bank incorporated and established on 8 September 1999 in accordance with the Notice on Incorporation of Urban Cooperative Bank (GF [1995] No. 25), the Reply on Preparation of Commercial Banks in Dongguan (DRYF [1999] No.51) issued by Dongguan Central Branch of the People's Bank of China, the Reply on Preparation of Commercial Banks in Dongguan (GZYF (1999) No. 156) issued by Guangzhou Branch of the People's Bank of China and the Reply on Opening of Dongguan Commercial Bank Co., Ltd. (GZYF (1999) No.383) issued by Guangzhou Branch of the People's Bank of China based on assets and capital verification as well as restructuring of 14 former urban credit cooperatives and 19 independent accounting business departments. On 14 February 2008, upon approval under Reply of the China Banking Regulatory Commission on Rename of Dongguan Commercial Bank (YJF (2008) No.74) issued by the former China Banking Regulatory Commission (hereinafter referred to as the "former CBRC"), the Bank was renamed Bank of Dongguan Co., Ltd. As at 31 December 2024, the Bank's registered capital is RMB2,341,600,000. On 25 June 2023, the Bank obtained the Reply of Guangdong Office of the China Banking and Insurance Regulatory Commission on Bank of Dongguan's Change to the Registered Capital (YYBJF [2023] No. 188) issued by Guangdong Office of the China Banking and Insurance Regulatory Commission (hereinafter referred to as the "former CBIRC").

As at 31 December 2024, the unified social credit code/registration number of the Bank is 914419007076883717, and the number of the Financial Institution Permit is B0201H244190001. The Legal Representative is Cheng Jinsong, and the registered address is at No. 21, Tiyu Road, Guancheng District, Dongguan.

As at 31 December 2024, the Bank had one head office and 13 branches (Dongguan Branch, Guangzhou Branch, Shenzhen Branch, Huizhou Branch, Changsha Branch, Foshan Branch, Hefei Branch, Qingyuan Branch, Zhuhai Branch, Shaoguan Branch, Zhongshan Branch and Nansha Branch of Guangdong Pilot Free Trade Zone, Hong Kong Branch).

The scope of business of the Bank and its subsidiaries (the "Group") includes: attracting deposits from enterprises and individuals; lending loans; payment and settlement; treasury business and other commercial bank business approved by the former CBRC. See Note 17 for the relevant information on the Bank's subsidiaries.

2 BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis.

(1) Statement of compliance with the Accounting Standards for Business Enterprises

These financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance ("MOF") of the People's Republic of China and present true and complete consolidated financial standing and financial position of the Bank as at 31 December 2024, and the consolidated financial performance and financial performance of the Bank and the consolidated cash flow and cash flow of the Bank for the year then ended.

(2) Accounting year

The accounting year of the Group is from 1 January to 31 December.

(3) Functional currency and presentation currency

The functional currencies of the Bank and its subsidiaries are Renminbi (RMB) and these financial statements are presented in Renminbi. The functional currency is determined by the Bank and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.



3 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Business combinations and consolidated financial statements

(a) Business combinations involving entities under common control

A business combination that involves entities under common control is a business combination in which the combining entities are ultimately controlled by the same party or parties before and after the business combination, and such control is not temporary. The assets and liabilities obtained by the acquirer in a business combination are measured at their carrying amounts in the consolidated financial statements of the ultimate controlling party on the combination date. The difference between the proportion of the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the total par value of the shares issued) is adjusted against the share capital premium in the capital reserve. If the share capital premium in the capital reserve is insufficient to cover the difference, the surplus reserve and undistributed profit are offset in sequence. Directly attributable costs incurred for the business combination are recognized in the current period's profit or loss at the time of occurrence. The combination date is the date on which the acquirer effectively obtains control of the acquiree.

(b) Business combinations not involving entities under common control

A business combination that does not involve any entities under common control is a business combination in which all of the combining entities or businesses are not ultimately controlled by the same party or parties before and after the business combination. Where the aggregate of the acquisition-date fair value of assets transferred (including the equity interest previously held by the Group (the acquirer) in the acquiree), liabilities incurred or borne, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference, if positive, is recognized as goodwill. If it's negative, the difference is recognized in profit or loss for the current period. Other direct expenses incurred by the Group during the business combination are charged in profit or loss for the current period. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognized by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

In case of a business combination that does not involve entities under common control made through multiple transactions, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognizes any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognized in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified into profit or loss are transferred to investment income at the date of acquisition; any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognized prior to the date of acquisition is transferred to retained earnings at the date of acquisition.

(c) Consolidated financial statements

(i) General principles

The scope of the consolidated financial statements is determined on the basis of control, and the consolidated financial statements cover the Bank and its controlled subsidiaries. "Control" exists when the Group has power over the invested entities, and is entitled to receive variable returns through participation in activities related to the invested entities, and has the ability to use its powers over the invested entities and affect the amount of returns on investment. When determining whether the Group has powers over an invested entity, the Group shall only consider the substantive rights associated with the entity, including its own substantive rights and the substantive rights of other parties. The financial standing, operating results and cash flow of its subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

A structured entity is the entity that has not been designed with voting rights or similar rights as a determining factor when determining its controlling party. The basis for dominating the relevant activities of the entity is usually a contractual arrangement or other types of arrangements.

Equity, profit and loss and total comprehensive income attributable to the minority interests of a subsidiary are presented separately under shareholders' equity in the consolidated balance sheet and under net profit and total comprehensive income in the consolidated profit and loss statement.

When the amount of loss for the current period attributable to minority shareholders of a subsidiary exceeds the minority shareholders' share of the opening owners' equity of the subsidiary, the excess is still offset against the minority interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Bank, the Bank makes necessary adjustments to the financial statements of the subsidiary based on the Bank's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. If there is evidence that the loss is the impairment loss of relevant assets, unrealized losses resulting from intra-group transactions will be recognized in full amount of that loss.



(ii) Merger and acquisition of subsidiaries

Where a subsidiary was acquired during the Reporting Period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the Reporting Period, through a business combination not involving entities under common control, the identifiable assets and liabilities of the acquired subsidiary are included in the scope of consolidation from the date that the acquisition commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

(iii) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses will be recognized as investment income for the current period. For the remaining equity investment, the Group will re-measure it according to its fair value on the date of loss of control, and any gains or losses arising therefrom also will be recognized as investment income for the period in which control is lost.

(iv) Changes in minority interests

Where the Bank acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed of and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

(2) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand with central bank, short-term deposits with banks and other financial institutions and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(3) Foreign currency business and conversion of foreign currency statements

When the Group receives the capital in foreign currencies from investors, the capital is converted to Renminbi at the spot exchange rate at the date of receipt. Other foreign currency transactions are, on initial recognition, converted to Renminbi at the spot exchange rates.

Monetary items denominated in foreign currencies are converted to Renminbi at the spot exchange rate at the balance sheet date. For monetary item denominated in foreign currencies, classified as financial assets at fair value through other comprehensive income, the resulting exchange differences are decomposed into exchange differences arising from changes in amortized costs and changes in other carrying amounts of such items. The exchange differences arising from changes in amortized costs are recognized in current profit or loss, and exchange differences arising from changes in other carrying amounts are recognized in other comprehensive income. The exchange differences of other monetary items denominated in foreign currencies are recognized in current profit or loss.

Non-monetary items that are measured at historical cost in foreign currencies are converted to Renminbi using the spot exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are converted using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss, except for the differences arising from the re-conversion of equity investments at fair value through other comprehensive income, which are recognized in other comprehensive income. Other differences are recognized in current profit or loss.

When converting the financial statements of overseas operations, the assets and liabilities items in the balance sheet are converted at the spot exchange rate on the balance sheet date. The shareholders' equity items are converted at the spot exchange rate at the time of occurrence, except for items of exchange differences recorded in foreign currency financial statements in undistributed profits and other comprehensive income. The income and expense items in the income statement are converted at the spot exchange rate on the transaction date. The exchange differences recorded in foreign currency financial statements arising from the above conversion are presented in other comprehensive income. When disposing of overseas operations, the relevant exchange differences recorded in foreign currency financial statements are transferred from other comprehensive income to the current profit or loss of disposal.



(4) Financial instruments

Financial instruments refer to contracts that form financial assets for a given party and financial liabilities or equity instruments for other parties.

(a) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

Both financial asset and financial liability are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related transaction costs are included in their initial costs.

(b) Classification and subsequent measurement of financial assets

(i) Classification of financial assets

The Group typically classifies financial assets into different categories at initial recognition based on the business model for managing the financial assets and the contractual cash flow characteristics of financial assets: Financial assets measured at amortized cost, financial assets at fair value through other comprehensive income (FVOCI), and financial assets at fair value through profit or loss (FVTPL).

Financial assets shall not be reclassified subsequent to their initial recognition, unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the changes in its business model.

As for financial assets that meet both of the following conditions and are not designated at fair value through profit or loss, the Group classifies them as financial assets measured at amortized cost:

- The Group's objective of business model for managing the financial assets is to collect contractual cash flow;
- The contractual terms for the financial assets provide that, the cash flow generated on a specified date are solely the payments for the principal as well as the interests based on its outstanding principal amount.

As for financial assets that meet both of the following conditions and are not designated at fair value through profit or loss, the Group classifies them as financial assets measured at fair value through other comprehensive income:

- The Group's objective of business model for managing the financial assets is to both collect contractual cash flow and sell such financial assets;
- The contractual terms for the financial assets provide that, the cash flow generated on a specified date are solely the payments for the principal as well as the interests based on its outstanding principal amount.

As for non-trading equity instrument investments, the Group can irrevocably designate them as financial assets at fair value through other comprehensive income at initial recognition. The designation is made on an individual investment basis, and the relevant investment meets the definition of an equity instrument from the issuer's perspective.

Except for the above-mentioned financial assets measured at amortized cost and at fair value through other comprehensive income, the Group classifies all other financial assets as those measured at fair value through profit or loss. At initial recognition, if accounting mismatches can be eliminated or significantly reduced, the Group can irrevocably designate the financial investments that should be measured at amortized cost or at fair value through other comprehensive income as financial assets that are measured at fair value through current profit or loss.



The business model for managing financial assets defines how the Group manages financial assets for the purpose of generating cash flow. The business model determines as to whether the source of cash flow from financial assets managed by the Group is contractual cash flow collected or the sale of financial assets, or both. The Group determines the business model for managing financial assets on the basis of objective facts and the specific business objectives of managing financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flow is solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flow such that it would not meet this condition.

(ii) Subsequent measurement of financial assets

Financial assets at FVTPL

After initial recognition, such financial assets are subsequently measured at fair value. The resulting gains and losses (including any interest or dividend income) are recognized in current profit or loss unless the financial assets are part of a hedging relationship.

Financial assets at amortized cost

After initial recognition, such assets are subsequently measured at amortized cost using the effective interest method. The gain or loss on financial assets that are measured at amortized cost and are not part of a hedging relationship shall be recognized in current profit or loss when the financial assets are derecognized, reclassified, amortized in accordance with the effective interest method or recognized as impairment.

Debt investments at FVOCI

After initial recognition, such assets are subsequently measured at fair value. Interest, impairment losses or gains and foreign exchange gains and losses calculated using the effective interest method are recognized in profit or loss, and other gains/losses are recognized in other comprehensive income. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and recognized in current profit or loss.

Investments in equity instruments designated as FVOCI

After initial recognition, such assets are subsequently measured at fair value. The dividend income is recognized in profit or loss, and other gains/losses are recognized in other comprehensive income. Upon derecognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred out of other comprehensive income and included in retained earnings.

(c) Classification and subsequent measurement of financial liabilities

Financial liabilities at FVTPL

Such financial liabilities include financial liabilities held for trading (including derivatives that belong to financial liabilities) and financial liabilities designated at FVTPL.

After initial recognition, financial liabilities at FVTPL are subsequently measured at fair value, and the resulting gains or losses, including any interest expense, are recognized in current profit or loss, unless:

- The financial liability is part of a hedging relationship;
- The financial liability is designated as a financial liability at fair value through profit or loss, and the changes in fair value caused by changes in the Group's own credit risk are recognized in other comprehensive income.



Other financial liabilities

Other financial liabilities are measured at amortized cost using the effective interest method, except for financial liabilities and loan commitments (See Note 3(4)(d)) arising from the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets.

(d) Financial guarantee contracts and loan commitments

Financial guarantee contracts

A financial guarantee contract refers to a contract that requires the Group to pay a specific amount to the contract holder who sustains losses when a specific debtor fails to repay the debt in accordance with the original or revised terms of the debt instrument.

Financial guarantee contracts are initially recognized at fair value on the date of guarantee provision. After the initial recognition, the relevant income of the financial guarantee contract is amortized and recognized in current profit or loss according to the provisions of the accounting policies stated in Note 3(14). The financial guarantee liabilities are subsequently measured at the loss provision amount determined in accordance with the impairment principle (See Note 3(4)(g)) of financial instruments or the balance after deducting the accumulated amortization of the income related to the financial guarantee contract from the initial recognized amount, whichever is higher.

Loan commitments

A loan commitment is a definite commitment to provide credit in accordance with pre-specified terms and conditions.

Loan commitments provided by the Group are assessed for impairment based on expected credit losses (ECLs). The Group has undertaken neither to grant loans at any price below market interest rates, nor to pay cash or issue other financial instruments as a net settlement of loan commitments.

The Group presents the provisions for loss for loan commitments and financial guarantee contracts in estimated liabilities. However, where an instrument contains both loans and unused commitments, and the Group cannot distinguish the ECLs arising from the loan and the unused commitment, the provision for loss of both is presented in provisions for loan loss, but the provision for loss is presented in estimated liabilities when the total provision for loss of the two exceeds the book balance of the loan.

(e) Offsetting

Financial assets and financial liabilities are presented separately in the balance sheet without offsetting each other. However, the net amount after offsetting each other is presented in the balance sheet when both of the following conditions are satisfied:

- The Group currently has a legally enforceable right to set off the recognized amounts;
- The Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.



(f) Derecognition of financial assets and financial liabilities

Financial asset is derecognized when one of the following conditions is met:

- Termination of the Group's contractual rights to receive the cash flow from the financial assets;
- The financial asset has been transferred and the Group transfers substantially all of the risks and rewards attached to the ownership of the financial asset to the transferee;
- The financial asset has been transferred. Although the Group neither transfers nor retains substantially all of the risks and rewards attached to the ownership of the financial asset, the Group does not retain control over the transferred asset.

Where the financial asset has been transferred, and the Group neither transfers nor retains substantially all of the risks and rewards attached to the ownership of the financial asset, but the Group retains control over the transferred asset, the relevant financial assets and corresponding liabilities are recognized according to the degree of continued involvement in the transferred financial assets.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- The carrying amount of the financial asset transferred at the date of derecognition;
- The sum of the consideration received for the transfer of the financial asset, and the amount corresponding to the derecognized portion of the cumulative amount of changes in fair value which is originally recognized in other comprehensive income (the financial assets involved in the transfer are debt investments measured at fair value through other comprehensive income).

The Group derecognizes a financial liability (or part of it) when the current obligation (or part of it) of a financial liability has been discharged.

(g) Impairment of financial assets

The Group performs impairment accounting disposal and recognizes loss allowances based on expected credit loss (ECL):

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI;
- Credit commitments not measured at FVTPL.

The ECL model does not apply to other financial assets at fair value held by the Group, including debt investments or equity instrument investments at FVTPL, which are designated as equity instrument investments at FVOCI and derivative financial assets.

(i) Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flow that the Group expects to receive, discounted at the original effective interest rate).

The Group's method of measuring ECLs of financial instruments reflects the following elements: (i) An unbiased probability-weighted average amount determined by evaluating a range of possible outcomes; (ii) Time value of money; (iii) Reasonable and supportable information which related to past events, current conditions and forecasts of future economic conditions that is available at the balance sheet date without undue cost or effort.



The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

The Group divides each business into three risk stages and accrues provisions for ECLs based on whether the credit risk associated with financial instruments has increased significantly since the initial recognition.

The main definitions of the three risk stages of financial instruments are as follows:

- | | |
|-------------------|--|
| The first stage: | For financial instruments whose credit risk has not increased significantly since the initial recognition, the provision for loss is measured according to the 12-month ECLs. |
| The second stage: | For financial instruments whose credit risk has increased significantly since the initial recognition but has not yet suffered credit impairment, the provision for loss is measured according to the lifetime ECLs. |
| The third stage: | For financial instruments with credit impairment after initial recognition, the provision for loss is measured according to the lifetime ECLs. |

Financial instruments that have low credit risk

The credit risk associated with a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Significant increases in credit risk

The Group determines the relative change in the risk of default associated with a financial instrument during the expected duration of its existence and whether the credit risk of a financial instrument has increased significantly since initial recognition, by comparing the risk of default associated with the financial instrument on the balance sheet date with the risk of default on the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available without undue cost or effort, including forward-looking information. The information considered by the Group includes:

- The debtor fails to pay the principal and interest on the due date of the contract;
- Serious deterioration in the external or internal credit rating (if any) of the financial instrument that has occurred or is expected;
- Serious deterioration in the debtor's operating results that has occurred or is expected;
- Existing or expected changes in the technological, market, economic or legal environment that have a material adverse effect on the debtor's ability to repay the Group.

Depending on the nature of the financial instruments, the Group assesses whether there is a significant increase in credit risk based on individual financial instruments or a combination of financial instruments. When the assessment is performed based on a combination of financial instruments, the financial instruments are grouped based on common credit risk characteristics, such as overdue status and credit risk ratings.



The Group determines that the credit risk associated with a financial asset has increased significantly if the overdue period is more than 30 days.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay in full what it owes the Group, the assessment does not take into account the Group's recourse actions such as realization of collateral (if held); or
- The financial asset is more than 90 days past due.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets measured at amortized cost, loans and advances to customers and debt investments at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flow of the financial asset has/have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor or issuer;
- A breach of contract of the debtor, such as a default or overdue payment of interest or principal;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Group has granted to the debtor a concession that would not have made under any other circumstances;
- It is highly likely that the debtor will go into bankruptcy or another form of financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties.

(ii) Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk exposure since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. For financial investments that are measured at amortized cost, the loss allowance is used to offset the carrying amount of the financial assets listed in the balance sheet; for debt investments that are measured at FVOCI, the Group recognizes its loss allowance in other comprehensive income and does not offset the carrying amount of the financial asset. For credit commitments that are not measured at fair value through profit or loss, the Group recognized provisions for loss in estimated liabilities (see Note 31).

(iii) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flow to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.



(h) Modification of financial asset contracts

Under certain circumstances, such as restructuring loans, the Group will modify or renegotiate financial asset contracts. The Group will assess whether there is a substantial change in the revised or renegotiated contract terms.

Where there is a substantial change in the terms of the revised contract, the Group will derecognize the original financial asset and at the same time recognize a new financial asset in accordance with the revised terms.

Where there is no substantial change in the revised contract terms, but the contractual cash flow changes, the Group recalculates the book balance of the financial asset and recognizes the relevant gain or loss in current profit or loss. The recalculated book balance of the financial asset shall be determined in accordance with the present value of the revised or renegotiated contractual cash flow discounted at the original effective interest rate of the financial assets (or at the credit-adjusted effective interest rate of purchased or originated credit-impaired financial assets). For all costs or expenses incurred in modifying or renegotiating contracts, the Group adjusts the carrying amount of the modified financial assets and amortizes them over the remaining term of the modified financial assets. When assessing whether the credit risk associated with relevant financial instruments has increased significantly, the Group compares the risk of default at the balance sheet date based on the changed contract terms with the risk of default on initial recognition based on the original contract terms.

(i) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognized in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

(j) Perpetual bonds

Based on the contractual terms of Perpetual Bonds issued and the economic substance they reflect, the Group classifies these financial instruments or their components as financial liabilities or equity instruments at the time of initial recognition, taking into account the definitions of financial liabilities and equity instruments.

The Perpetual Bonds issued by the Group that should be classified as equity instruments are included in equity based on the amount actually received. If dividends or interests are distributed during the existence period, it shall be treated as a profit distribution. When the Group redeems Perpetual Bonds, the equity is written off at the redemption price.

(k) Asset-backed securitization

During asset-backed securitization, credit assets are sold to special-purpose entities which then issue asset-backed securities to investors. Interests in securitized financial assets are presented in the form of interests in prime asset-backed securities or subprime asset-backed securities or in other residual interests ("retained interests"). Retained interests are recognized at fair value in the Group's balance sheet. Gain or loss from securitization depends on the carrying amount of the financial asset transferred, and is allocated at fair value at the date of transfer between the derecognized financial asset and retained interests.

When applying asset-based securitization policies, the Group considers the degree at which the risk and rewards associated with the asset are transferred to another entity, as well as the extent to which the Group exercises control over the entity.



(l) Financial assets purchased under resale agreements and financial assets sold under repurchase agreements

Financial assets purchased under resale agreements represent the funds raised by the Group according to the resale agreement to buy and then resell financial assets at fixed prices. Financial assets sold under repurchase agreements represent the funds raised by the Group according to the repurchase agreement to sell and then repurchase financial assets at fixed prices.

The cash advanced or received is recognized as amounts purchased under resale or sold under repurchase agreements in the balance sheet. Underlying assets purchased under resale agreements are reported not as purchase of the assets but recorded off-balance sheet. Underlying assets sold under repurchase agreement are retained in the balance sheet.

Interest earned on resale agreements and interest incurred on repurchase agreements are recognized as interest income and interest expenses respectively, over the life of each agreement using the effective interest method.

(5) Derivative financial instruments

Derivative financial instruments are initially recognized at the fair value of the day when the derivative transaction contract is signed, and measured at their fair value thereafter. Derivative financial instruments with a positive fair value are recognized as an asset, and those with a negative fair value are recognized as liabilities.

Where the main contract contained in a hybrid contract is an asset within the scope of financial instrument standards, the embedded derivative is no longer separated from the main contract of the financial asset, but the hybrid financial instrument, as a whole, is subject to the relevant provisions on the classification of financial assets. Where the main contract contained in the hybrid contract is not an asset within the scope of financial instrument standards, and some embedded derivative financial instruments are not closely related to the economic characteristics and risks of the main contract, a separate instrument with the same terms and conditions as the embedded derivative matches the definition of derivative financial instruments, if the hybrid instrument is not measured at fair value and its changes are recognized in current profit or loss, the embedded derivative financial instrument shall be separated from the hybrid contract and treated as an independent derivative financial instrument. These embedded derivative financial instruments are measured at fair value and changes in fair value are recognized in current profit or loss.

Profits and losses derived from changes in the fair value of derivative financial instruments should be directly included in profit or loss if they do not meet the requirements of hedge accounting.

The fair value of derivative financial instruments is typically calculated based on valuation models commonly used in the market. The data of the valuation model uses observable market information as much as possible, including the forward foreign exchange rate and market yield curve.

(6) Long-term equity investments**(a) Investments in subsidiaries**

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles set out in Note 3(1)(b).

In the Bank's separate financial statements, costs of long-term equity investments in subsidiaries are initially measured as follows:

- The initial cost of a long-term equity investment acquired through a business combination not involving entities under common control comprises the aggregate of the fair value of assets transferred, liabilities incurred or borne, and equity securities issued by the Bank, in exchange for control of the acquirees.
- A long-term equity investment in a subsidiary acquired through means other than a business combination is initially recognized in accordance with the principles set out in Note 3(6)(b). A long-term equity investment in an associate is initially recognized at the amount of cash paid if the Group acquires the investment by cash.



In the Bank's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Bank recognizes its share of the cash dividends or profit distributions declared by the subsidiary as investment income in the current period. The investments in subsidiaries are stated in the balance sheet at cost less allowance for impairment losses (see Note 3(11)). For the impairment test and provisioning of investments in subsidiaries, refer to Note 3(11).

(b) Investment in associates

An associate is an entity over which the Group has significant influence.

A long-term equity investment in an associate is initially recognized at the amount of cash paid if the Group acquires the investment by cash.

A long-term equity investment in an associate is accounted for using the equity method, unless the investment is classified as held for sale.

The accounting treatments under the equity method adopted by the Group are as follows:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.
- After the acquisition of the investment in associates, the Group recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the long-term equity investment is reduced by the amount attributable to the Bank. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), are recognized directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognizes investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealized profits and losses resulting from transactions between the Group and its associates are eliminated upon accounting under the equity method to the extent of the Group's interest in the associates. Unrealized losses resulting from transactions between the Group and its associates are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.
- The Group discontinues recognizing its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the associate achieves net profit thereafter, the Group resumes recognizing the revenue share after using its revenue share to make up the share of the unrecognized loss.

The Bank accrues impairment allowance of long-term equity investments in associates in accordance with the principles set out in Note 3(11).



(c) Criteria for determining joint control and significant influence over the investee

Joint control refers to the common control over an arrangement in accordance with relevant agreements, and the relevant activities of the arrangement (namely, activities that have a significant influence on the return on investment concerning the arrangement) must be decided with the unanimous consent of the participants sharing the control right.

When determining whether there is joint control over the investee, the Group usually considers the following matters:

- Whether any of the participants cannot independently control the relevant activities of the investee;
- Whether the decisions involving the relevant activities of the investee require the unanimous consent of the parties sharing control right.

Significant influence means that the Group has the power to participate in the decision-making of the financial and operating policies of the investee, but cannot control or jointly control the formulation of these policies with other parties.

(7) Precious metals

Precious metals include gold, silver, and so on. Non-trading precious metals of the Group are initially measured at the cost at the time of acquisition and subsequently measured at the lower of the cost and net realizable value. The precious metals held for trading purposes acquired by the Group are initially recognized at the fair value at the time of acquisition and subsequently measured at the fair value at each balance sheet date, with related changes recognized in current profit or loss.

(8) Fixed assets and construction in progress

Fixed assets represent tangible assets held by the Group for administrative purposes with useful lives over one accounting year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and allowance for impairment losses (see Note 3(11)). Construction in progress is stated in the balance sheet at cost less allowance for impairment losses (see Note 3(11)).

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use.

Construction in progress is transferred to fixed assets, etc. when it is ready for its intended use. No depreciation is provided against construction in progress.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in different patterns, thus necessitating the use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognized as assets when it is highly likely that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognized. The costs of day-to-day maintenance of fixed assets are recognized in profit or loss as incurred.

The carrying amount of a fixed asset is derecognized:

- When the fixed asset is held for disposal;
- When no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.



The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale. The useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Category of assets	Useful life	Residual value rate	Annual depreciation rate
Buildings and constructions			
Including: property	20 years	4%	4.80%
Including: improvement of fixed assets	5 years	0%	20.00%
Electronic equipment and machinery	5 years	4%	19.20%
Motor vehicles and others	5 years	4%	19.20%

The useful lives, residual values and depreciation methods are reviewed at least once at the end of every year.

(9) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortization (where the useful life is finite) and impairment allowance (see Note 3(11)). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortized using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale. The respective amortization periods for such intangible assets are as follows:

	Amortization period
Software	5 years
Land use right	20 – 50 years

The Group reviews the useful life and amortization method of intangible assets with limited useful lives at least once at the end of each year.

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. As of the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

(10) Debt-expiated assets

Debt-expiated assets refer to physical assets and property rights provided to the Bank by debtors, guarantors or third parties in compensation for the Bank's creditor's rights or security interests exercised.

For financial debt-expiated assets that are transferred to the Group, the Group conducts initial measurement at their fair value, and conducts classification and subsequent measurement according to the accounting policies set out in Note 3(11).

For the non-financial debt-expiated assets that are transferred to the Group, the Group conducts initial measurement based on the fair value of the relinquished creditor's rights and other costs such as taxes directly attributable to the asset, and performs subsequent measurement based on the carrying amount of the debt-expiated assets or the recoverable amount, whichever is lower. For the impairment test and provision for impairment allowance of the debt-expiated assets of the Group, please refer to Note 3(11).



(11) Long-term deferred expenses

Long-term deferred expense refers to all expenses which have been paid with a benefit period of over one year. Long-term deferred expenses are stated in the balance sheet at cost less accumulated amortization and provision for impairment. Expenditures of improvement of fixed assets rented through operating lease shall be evenly amortized over the remaining lease period or the useful years of rented assets, whichever is the shorter. And other long-term deferred expenses are equally amortized over the benefit period.

Long-term deferred expenses are equally amortized over the benefit period. The respective amortization periods for long-term deferred expenses are as follows:

Item	Amortization period
Expenditures of improvement of fixed assets rented	3 – 5 years
Others	3 – 5 years

(12) Provision for impairment of non-financial assets

The following non-financial assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

- Fixed assets
- Construction in progress
- Right-of-use assets
- Intangible assets
- Long-term equity investments
- Long-term deferred expenses
- Non-financial debt-expiated assets, etc.

The Group conducts impairment test on assets with impairment indication and estimates the recoverable amount of the asset. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least once at the end of every year, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset (or asset group or set of asset groups) shall be its fair value (see Note 3(12)) less costs to sell or its present value of expected future cash flow, whichever is higher.

An asset group is composed of assets directly related to cash generation and is the smallest identifiable group of assets that generates cash inflow that are largely independent of the cash inflow from other assets or asset groups.

The present value of expected future cash flow of an asset is determined by discounting the future cash flow, estimated to be derived from the continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.



An impairment loss is recognized in profit or loss if the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount thus reduced shall not be less than the fair value of the asset less costs to sell (if measurable), its present value of expected future cash flow (if determinable) or zero, whichever is higher.

Once an impairment loss of the Group's non-financial assets is recognized, it cannot be reversed in a subsequent period.

(13) Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach, and the cost approach.

(14) Liability provisions and contingent liabilities

Contingent liabilities refer to potential obligations arising from past transactions or events, the existence of which must be confirmed by the occurrence or non-occurrence of uncertain future events; or current obligations arising from past transactions or events, and the performance of such obligations is not likely to result in an outflow of economic benefits from the Group or the amount of such obligations cannot be reliably measured, the Group will disclose the potential or current obligations as contingent liabilities.

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is highly likely that settling the obligations will entail an outflow of economic benefits.

A provision shall be initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flow. All the factors pertaining to a contingency such as the risks, uncertainties and time value of money shall be taken into account in reaching the best estimate. Where there is a continuous range of the expenditure required, and all the possible outcomes are equally likely, the best estimate shall be the mid-point of that range. In other cases, the best estimate is determined as follows:

- Where the contingency involves a single item, the best estimate shall be the most likely outcome.
- Where the contingency involves multiple items, the best estimate shall be determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.



(15) Revenue

(a) Interest income

For all financial assets measured at amortized cost and financial assets measured at FVOCI, interest income is measured at the effective interest rate. The effective interest rate refers to the interest rate that discounts the expected future cash inflow or outflow of the financial instrument to the book balance of the financial asset or the amortized cost of the financial liability during the expected duration of the financial instrument. The calculation of the effective interest rate takes into account contractual terms of the financial instrument (for example, prepayment options) and includes all fees attributable to the effective interest rate component and all transaction costs, but not expected credit losses.

The Group determines interest income and presents it as interest income based on the book balance of financial assets multiplied by the effective interest rate, except for:

- For purchased or originated credit-impaired financial assets, whose interest income is calculated, since initial recognition, by applying the credit adjusted effective interest rate to their amortized cost;
- Financial assets that are not purchased or originated credit-impaired but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortized cost (i.e. the net amount of the book balance after deducting the expected credit loss provision). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to the book balance of financial assets.

(b) Handling fees and commission income

The Group collects handling fees and commissions on the various services provided for customers. The handling fees and commissions recognized by the Group reflect the amount of consideration that it is expected to be entitled to receive for providing services to customers, and the revenue is recognized when the performance obligations in the contract are fulfilled.

When one of the following conditions is met, the Group recognizes revenue according to the performance progress within the period:

- A customer obtains and consumes the economic benefits brought by the Group's performance of the contract during the performance period;
- The customer is able to control the services performed by the Group during the performance of the contract;
- The services provided by the Group during the performance of the contract have irreplaceable purposes, and the Group has the right to collect payment for the cumulative performance part that has been completed so far during the entire contract period.

(16) Expenses

(a) Interest expense

The interest expense of financial liabilities is calculated by the effective interest rate method and based on the amortized cost of financial liabilities and the time when funds are tied up, and is recognized in the corresponding period.

(b) Other expenses

Other expenses are recognized on an accrual basis.



(17) Employee benefits

(a) Short-term benefits

The Group recognizes employee wages or salaries, bonuses, social security contributions (such as medical insurance, work injury insurance, maternity insurance) and housing provident fund contributions that are actually accrued, during the period when employees provide services or according to the prescribed benchmarks and proportions as liabilities, and recognizes them in current profit or loss or related asset costs.

(b) Post-employment benefits – defined contribution plans

The defined contribution plans that the Group participates in include:

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participates in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognized as a liability during the period when employees provide services, and are presented in profit or loss or cost of assets where appropriate.

In addition to the participation in the social basic endowment insurance, the Group's employees participate in the annuity plan established by the Group in accordance with the relevant policies of the national enterprise annuity system. The Group pays a certain proportion of the total salary of the employees as contributions to the annuity plan, and the corresponding expenditures are included in current profits and losses.

(c) Post-employment benefits – defined benefit plan

The Group, in accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumption to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, recognize a defined benefit plan liability by the present value of the defined benefit plan.

The Group attributes obligations under a defined benefit plan to periods of service provided by employees, with a corresponding charge to profit or loss for the current period or the cost of a relevant asset which includes the service cost and interest expense under a defined benefit plan, changes as a result of re-measurements of the defined benefit plan liability are recognized in other comprehensive income.

(d) Other long-term employee benefits

Deferred benefits payable to senior management and employees holding positions with substantial influences on risk exposure are recognized as a liability during the period when employees provide services, and are presented in profit or loss or cost of assets where appropriate.

(18) Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group.

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to the grant.

If a government grant is in the form of a transfer of monetary asset, it is measured at the amount received or receivable. If a government grant is offered in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are the grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognized as deferred income and amortized over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognized as deferred income, and included in other income or non-operating income or offset against related expenses in the periods in which the expenses or losses are recognized; or included in other income or non-operating income or offset against related expenses directly.



(19) Income tax

Current income tax and deferred income tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in shareholders' equity (including other comprehensive income).

Current income tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities arise from deductible and taxable temporary differences respectively being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible tax losses and tax credits carried forward to subsequent periods. Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a single transaction if a transaction is not a business combination and affects neither the accounting profit nor taxable income (or deductible losses) at the time of the transaction, and such transaction is a single transaction in which the initial recognition of assets and liabilities do not result in an equal amount of taxable temporary differences and deductible temporary differences.

At the balance sheet date, deferred income tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred income tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilized. Such reduction is reversed to the extent that it is highly likely that sufficient taxable profits will be available.

At the balance sheet date, deferred income tax assets and liabilities are offset if all of the following conditions are met:

- The taxable entity has a legally enforceable right to offset current tax liabilities and assets;
- They relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

(20) Leases

A lease is a contract whereby the lessor transfers the right to use the asset to the lessee for consideration within a certain period of time.

On the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. Where a party to a contract transfers its right to control the use of one or more identified assets for a certain period in exchange for consideration, the contract is or contains a lease.



To determine whether a contract transfers the right to control the use of an identified asset for a certain period, the Group conducts the following assessments:

- Whether the contract involves the use of an identified asset. An identified asset may be specified explicitly in the contract or implicitly when the asset is made available to the customer and the asset is physically distinguishable, or when some part of the capacity or other part of the asset is physically indistinguishable but substantially represents the full capacity of the asset, so that the customer obtains almost all the economic benefits arising from the use of the asset. An asset is not an identified asset when the supplier of the asset has a substantial right to substitute the asset throughout the period of use;
- Whether the lessee is entitled to substantially all of the economic benefits arising from the use of the identified asset during the period of use;
- Whether the lessee has the right to control the use of the identified asset during the period of use.

Where the contract simultaneously contains multiple separate leases, the lessee and the lessor shall separate the contract and conduct accounting treatment for each separate lease. Where the contract contains both lease and non-lease parts, the lessee and the lessor shall separate the lease and non-lease parts. When the lease and non-lease parts included in the contract are separated, the lessee shall allocate the contract consideration according to the relative proportion of the sum of the stand-alone prices of the lease parts and the stand-alone prices of the non-lease parts.

(a) The Group as the lessee

On the commencement date of the lease term, the Group recognizes a right-of-use asset and a lease liability for the lease. The right-of-use asset is initially measured at cost, including the initial measurement amount of the lease liability, initial direct costs arising from lease payments (after deducting the amount(s) related to the lease incentives to which the Group is entitled) made on or before the commencement date of the lease term, and the estimated costs to dismantle and remove the leased asset, restore the site on which the leased asset is located, or restore the leased asset to the condition agreed upon in the terms of the lease.

The Group uses the straight-line method to depreciate right-of-use assets. If the acquisition of the ownership of a right-of-use asset can be reasonably determined upon the expiration of the lease term, the Group accrues depreciation over the remaining lifetime of the leased asset. Otherwise, the leased asset is depreciated over the shorter of the lease term and the remaining lifetime of the leased asset. Right-of-use assets are provided for impairment in accordance with the accounting policies set out in Note 3(11).

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date of the lease term and discounted at the interest rate implicit in the lease. When the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the Group is used as the discount rate.

The Group calculates the interest expense of the lease liability in each period of the lease term at a fixed periodic interest rate, and recognizes it in current profit or loss or the cost of related assets. Variable lease payments that are not included in the measurement of lease liabilities are recognized in current profit or loss or the cost of related assets when they are actually incurred.

After the commencement date of the lease term, the Group re-measures the lease liability at the present value of the changed lease payments in the event of any:

- Changes in the estimated payable amount based on the residual value of the guarantee;
- Changes in the index or rate used to determine lease payments;
- Changes in the Group's assessment results of the purchase option, lease renewal option or lease termination option, or discrepancy between the actual exercise and original assessment result of lease renewal option or lease termination option.

When the lease liability is remeasured, the Group adjusts the carrying amount of the right-of-use asset accordingly. Where the carrying amount of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group will recognize the excessive amount in current profit or loss.



The Group has chosen not to recognize right-of-use assets and lease liabilities for short-term leases (leases with a lease term not exceeding 12 months) and low-value asset leases, and has recognized the relevant lease payments in current profit or loss or the cost of relevant assets on a straight-line basis over each period of the lease term.

(b) The Group as the lessor

On the lease commencement date, the Group classifies leases into finance leases and operating leases. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

Lease receipts from operating leases are recognized as rental income on a straight-line basis over the lease term. The Group capitalizes the initial direct costs incurred in relation to operating leases, amortizes them on the same basis as rental income recognition during the lease term, and recognizes them in current profit or loss in installments. Variable lease payments not included in lease receipts are recognized in profit or loss for the period when they are actually incurred.

(21) Fiduciary activities

The Group acts as manager, trustee or agent of the client in the course of fiduciary activities. The Group's balance sheet does not include any assets held by the Group for fiduciary business and the commitment to return these assets to customers, as the risks and profits of such assets are borne by the customers.

The entrusted loans services refer to services where the Group signs entrusted loans agreements with clients, and the clients provide funds ("entrusted loan funds") to the Group, and the Group grants loans ("entrusted loans") to the third parties according to the instructions of clients. As the Group does not undertake the risks or rewards of entrusted loans and related entrusted funds, the Group's entrusted loans and funds are recognized as off-balance sheet items based on their principal, and no provision for impairment is made for these entrusted loans.

(22) Profit distributions

Distributions of profit proposed in the profit distribution plan to be approved after the balance sheet date are not recognized as a liability at the balance sheet date but are disclosed in the notes separately.

(23) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Bank is under common control only from the State and that have no other related party relationships are not regarded as related parties.

At the same time, the Bank determines the related parties of the Group or the Bank in accordance with the Administrative Measures on Information Disclosure by Listed Companies by the CSRC.

(24) Reporting by segment

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 after taking materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are same or similar in respect of the nature of products and services, the nature of production processes, 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. The Group determines its reportable segments based on operating segments after considering the materiality principle.

The Group measures each segment item for the purpose of allocating resources to the segment and evaluating segment performance. The accounting policies used in the preparation of reports by segment are consistent with the accounting policies used in the preparation of the Group's financial statements.



(25) Significant accounting estimates and judgments

The preparation of financial statements requires the management to make estimates and assumptions, which may differ from the actual results, and affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Except for accounting estimates relating to depreciation and amortization of assets such as fixed assets and intangible assets (see Notes 3(7) and 3(8)) and provision for impairment of various types of assets (see Notes 8, 9, 11, 12, 14, 15 and 23). Other significant accounting estimates are as follows:

- (i) Note 22 – Recognition of deferred income tax assets; and
- (ii) Note 55 – Fair value.

The Group made the following important judgments in the application of accounting policies:

- (i) Note 65 – Disclosure of material judgments and assumptions that exercise control over other subjects and have a common control or significant impact.

4 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

In 2024, the Group implemented the following relevant provisions or guidelines of accounting standards for business enterprises issued by the MOF in recent years:

- Provisions regarding “guarantee-type quality assurances that do not constitute an individual performance obligation” in Interpretation No. 18 of Accounting Standards for Business Enterprises (Caikuai [2024] No. 24) (“Interpretation No. 18”).
- Provisions regarding “the definition of current liabilities and non-current liabilities” in Interpretation No. 17 of Accounting Standards for Business Enterprises (Caikuai [2023] No. 21) (“Interpretation No. 17”).

(1) Interpretation No. 18

Accounting treatment for guarantee-type quality assurances that do not constitute an individual performance obligation

In accordance with Article 33 of Accounting Standards for Business Enterprises No. 14 – Revenue (Caikuai [2017] No. 22) and other relevant provisions, the Group shall perform accounting treatment for the guarantee-type quality assurances that do not constitute an individual performance obligation as specified in the Accounting Standards for Business Enterprises No. 13 – Contingencies (Caikuai [2006] No. 3). During accounting for a provision arising from the aforementioned guarantee-type quality assurance, the Group, in accordance with relevant provisions of the Accounting Standards for Business Enterprises No. 13 – Contingencies, shall debit accounts such as “Cost of primary business” and “Other operating costs” and credits the “Provisions” account based on the determined amount of provision, and present them accordingly in items such as “Operating costs” in the income statement and “Other current liabilities”, “Non current liabilities due within a year”, and “Provisions” in the balance sheet.

The adoption of this interpretation has had no significant impact on the Group’s financial standing and operating results.



(2) Interpretation No. 17**Provisions on the definition of current liabilities and non-current liabilities**

According to Interpretation No. 17, when classifying liabilities by liquidity, the Group only considers whether it has a substantive right to defer settlement of the liability beyond one year after the balance sheet date (hereinafter referred to as the “right to defer settlement”), irrespective of the Group’s subjective likelihood of exercising such right.

For liabilities arising from the Group’s loan arrangements, if the Group’s right to defer settlement is contingent on compliance with specified conditions in the loan arrangement (hereinafter referred to as “covenant conditions”), when classifying relevant liabilities by liquidity, the Group only considers the covenant conditions that shall be complied with on or before the balance sheet date, without regard to the impact of the covenant conditions that the Group is required to meet after the balance sheet date.

For liabilities that the Group may settle by delivering its own equity instruments at the option of the counterparty, if the Group classifies such option as an equity instrument in accordance with Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments and recognizes it separately as an equity component of a compound financial instrument, this classification will not affect the classification of the liabilities by liquidity; conversely, if the above option cannot be classified as an equity instrument, it will impact the classification of the liability liquidity.

The adoption of this interpretation has had no significant impact on the Group’s financial standing and operating results.

5 TAXATION**(1) Taxes applicable to the Group and related to the provision of services include value added tax (VAT) and surcharges.**

Type of Tax	Tax basis and applicable rate
VAT	<p>Output VAT for financial services is 6% of its income, while output VAT for others is 13% of product sales and taxable services. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable. Other taxable income shall be calculated at the applicable VAT rate to pay value-added tax.</p> <p>According to Provisions on Issues Concerning Value-Added Tax on Asset Management Products (CS [2017] No. 56) issued by MOF and the State Taxation Administration, managers of asset management products shall calculate and pay value-added tax for taxable income at a levying rate of 3% from 1 January 2018.</p> <p>According to the Notice on Further Clarifying Policies Concerning the Financial Industry during the Comprehensive Promotion of the Pilot Program of Replacing Business Tax with Value-Added Tax (CS [2016] No. 46) issued by MOF and the State Taxation Administration, the subsidiaries of the Bank, namely Chongqing Kaizhou Taiye Village Bank Co., Ltd., Dongyuan Taiye Village Bank Co., Ltd. and Zongyang Taiye Village Bank Co., Ltd. calculated and paid value-added tax at 3% for the income from the financial services provided.</p>
City maintenance and construction tax	Subject to 7% or 5% of the VAT actually paid.
Educational surcharges	Subject to 5% of the VAT actually paid.



(2) Income Tax

The statutory income tax rate of the Bank and its subsidiaries Dongyuan Taiye Village Bank Co., Ltd. and Zongyang Taiye Village Bank Co., Ltd. is 25%. The applicable income tax rate for the year is the statutory rate (2023: 25%). The statutory income tax rate of the Bank's subsidiary – Bank of Dongguan International Limited (formerly known as “Guanyin International Limited”) is 16.5%.

According to the Circular of the Ministry of Finance, General Administration of Customs and State Taxation Administration on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies (CS [2011] No. 58) and the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Corporate Income Tax Policies for the Large-Scale Development of Western China (Announcement No. 23 [2020] of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission), the corporate income tax is levied on qualified enterprises operating in Western China at a rate of 15% from 1 January 2011 to 31 December 2030. The corporate income tax is levied on the Bank's subsidiary Chongqing Kaizhou Taiye Village Bank Co., Ltd. at a rate of 15%. The tax incentives were effective in both 2023 and 2024.

(3) Taxes payable

	The Group		The Bank	
	2024	2023	2024	2023
VAT payable	185,360,772.55	196,762,692.78	184,222,837.24	196,376,913.21
Income tax payable	336,903.86	110,828.37	–	–
City maintenance and construction tax payable	12,723,324.84	13,724,497.17	12,647,981.90	13,700,241.89
Educational surcharges payable	9,113,940.43	9,822,913.76	9,057,014.14	9,803,627.67
Others	18,047,485.19	15,691,861.15	18,008,368.59	15,664,634.13
Total	225,582,426.87	236,112,793.23	223,936,201.87	235,545,416.90

6 BUSINESS COMBINATIONS AND THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024, the consolidated financial statements included the following subsidiaries:

Name of subsidiaries	Principal place of business	Registration place	Business nature	Registered capital	Direct and indirect shareholding percentage of the Bank (or percentage of similar equity)	Direct and indirect voting rights of the Bank
Chongqing Kaizhou Taiye Village Bank Co., Ltd.	Kaizhou, Chongqing	Kaizhou, Chongqing	Banking industry	RMB50 million	63.10%	63.10%
Dongyuan Taiye Village Bank Co., Ltd.	Dongyuan, Guangdong	Heyuan, Guangdong	Banking industry	RMB100 million	100.00%	100.00%
Zongyang Taiye Village Bank Co., Ltd.	Zongyang, Anhui	Tongling, Anhui	Banking industry	RMB110 million	84.55%	84.55%
Bank of Dongguan International Limited	Hong Kong, China	Hong Kong, China	Banking industry	HKD1 billion	100.00%	100.00%

Note 1: In 2021, the Bank established a subsidiary, i.e. Guanyin International Limited in Hong Kong according to the Reply of Guangdong Office of the China Banking and Insurance Regulatory Commission on Bank of Dongguan's Investment and Establishment of the Hong Kong Subsidiary (YYBJF [2020] No. 659) and Banking Ordinance of Hong Kong, and obtained the Business Registration Certificate. The Bank paid up its capital contribution of HKD1 billion on 5 September 2024. Guanyin International Limited was granted a banking license issued by the Hong Kong Monetary Authority on 31 October 2024. Guanyin International Limited was officially renamed Bank of Dongguan International Limited on 30 December 2024. As of 31 December 2024, Bank of Dongguan International Limited was still in the preparation phase for starting business operations.



7 CASH AND DEPOSITS IN THE CENTRAL BANK

	Notes	The Group		The Bank	
		2024	2023	2024	2023
Cash		1,227,266,352.50	694,929,883.52	1,219,204,432.39	687,785,392.26
Deposits in the central bank					
– Statutory reserves	(i)	25,981,464,241.16	27,858,551,946.95	25,918,933,239.77	27,793,499,871.60
– Excess reserves	(ii)	7,806,116,258.22	15,942,092,104.20	7,725,994,565.12	15,896,287,933.94
– Foreign-exchange risk reserves	(iii)	10,482,235.44	78,442,657.10	10,482,235.44	78,442,657.10
– Fiscal deposits	(iv)	87,421,000.00	52,562,000.00	87,421,000.00	52,562,000.00
Sub-total		3,885,483,734.82	43,931,648,708.25	33,742,831,040.33	43,820,792,462.64
Accrued interest		13,171,763.69	14,772,649.45	13,146,560.14	14,746,886.07
Total		35,125,921,851.01	44,641,351,241.22	34,975,182,032.86	44,523,324,740.97

- (i) The Group places deposit reserve for general deposits with the People's Bank of China (or "PBOC"), including RMB deposit reserve and foreign currency deposit reserve, in accordance with related regulations. Without approval from the PBOC, these statutory deposit reserve must not be used in the regular operation of the Group. The PBOC pays no interest for the placed foreign currency deposit reserve.

As at each balance sheet date, the Bank was subject to the following statutory deposit reserve ratios:

	2024	2023
RMB deposit reserve ratio	6.00%	7.00%
Foreign currency deposit reserve ratio	4.00%	4.00%

The three subsidiaries of the Bank were subject to a statutory RMB reserve ratio set by the PBOC.

- (ii) Excess reserves with the central bank are mainly used in fund settlement and transfers, etc.
- (iii) Foreign-exchange risk reserves with the central bank are reserves deposited with the PBOC in a prescribed proportion for the Group engaging in forward exchange business on behalf of clients.
- (iv) Fiscal deposits in the central bank are fiscal deposits the Group collects under agency services for the central national treasury or the local national treasury, which are placed with the PBOC at a percentage of 100%. No interest is paid on the fiscal deposits, and they cannot be withdrawn without permission. The Bank does not recognize them as cash equivalents.



8 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analyzed by type and location of institutions

	The Group		The Bank	
	2024	2023	2024	2023
Deposits with domestic				
– Interbanks	1,084,377,198.98	836,282,605.64	907,724,633.59	594,547,579.64
– Other financial institutions	962,200,626.00	244,870,912.69	878,852,256.20	216,595,389.60
Deposits with overseas				
– Interbanks	1,204,631,020.99	890,179,176.30	1,203,656,174.17	882,028,530.16
– Other financial institutions	5,331,501.77	3,087,529.61	5,331,501.77	3,087,529.61
Accrued interest	488,114.20	1,026,061.96	185,384.29	126,019.28
Sub-total	3,257,028,461.94	1,975,446,286.20	2,995,749,950.02	1,696,385,048.29
Less: Provision for impairment	(3,006,182.72)	(3,081,569.68)	(2,993,501.81)	(3,059,062.56)
Total	3,254,022,279.22	1,972,364,716.52	2,992,756,448.21	1,693,325,985.73

9 LOANS TO BANKS AND OTHER FINANCIAL INSTITUTIONS

Analyzed by type and location of institutions

	The Group and the Bank	
	2024	2023
Banks operating in Mainland China	790,956,693.12	1,204,059,000.00
Other financial institutions operating in Mainland China	9,944,056,000.00	7,410,000,000.00
Accrued interest	91,899,393.01	83,215,293.78
Sub-total	10,826,912,086.13	8,697,274,293.78
Less: Provision for impairment	(5,447,825.20)	(6,004,173.53)
Total	10,821,464,260.93	8,691,270,120.25



10 DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Foreign currency derivatives instruments			
– Forward contracts	8,198,499,423.57	85,094,120.83	(66,366,701.09)
– Swap contracts	22,159,021,256.30	75,780,113.19	(246,247,379.96)
– Option contracts	35,196,850,100.00	91,304,059.11	(91,304,059.11)
Interest rate derivatives instruments			
– Interest rate swap	36,987,188,400.00	498,449,972.18	(530,473,841.92)
Credit derivatives instruments			
– Credit risk mitigation warrant	670,000,000.00	–	(5,929,800.00)
Total	103,211,559,179.87	750,628,265.31	(940,321,782.08)

The Bank

	2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Foreign currency derivatives instruments			
– Forward contracts	7,812,725,917.47	85,094,120.83	(61,275,431.07)
– Swap contracts	22,159,021,256.30	75,780,113.19	(241,150,584.60)
– Option contracts	35,196,850,100.00	91,304,059.11	(91,304,059.11)
Interest rate derivatives instruments			
– Interest rate swap	36,987,188,400.00	498,449,972.18	(530,473,841.92)
Credit derivatives instruments			
– Credit risk mitigation warrant	670,000,000.00	–	(5,929,800.00)
Total	102,825,785,673.77	750,628,265.31	(930,133,716.70)



The Group

	Nominal amount	2023	
		Assets	Liabilities
Foreign currency derivatives instruments			
– Forward contracts	3,718,502,905.25	15,661,729.26	(33,677,524.10)
– Swap contracts	20,467,888,649.95	193,544,101.05	(207,999,553.49)
– Option contracts	28,677,586,206.00	92,545,635.46	(92,545,635.46)
Interest rate derivatives instruments			
– Interest rate swap	38,487,061,699.90	378,748,400.76	(451,744,801.70)
Credit derivatives instruments			
– Credit risk mitigation warrant	1,010,000,000.00	–	(450,360.00)
Total	92,361,039,461.10	680,499,866.53	(786,417,874.75)

The Bank

	Nominal amount	2023	
		Assets	Liabilities
Foreign currency derivatives instruments			
– Forward contracts	3,341,078,808.81	15,303,492.44	(24,546,257.87)
– Swap contracts	20,467,888,649.95	193,544,101.05	(207,999,553.49)
– Option contracts	28,677,586,206.00	92,545,635.46	(92,545,635.46)
Interest rate derivatives instruments			
– Interest rate swap	38,487,061,699.90	378,748,400.76	(451,744,801.70)
Credit derivatives instruments			
– Credit risk mitigation warrant	1,010,000,000.00	–	(450,360.00)
Total	91,983,615,364.66	680,141,629.71	(777,286,608.52)



11 FINANCIAL ASSETS PURCHASED UNDER RESALE AGREEMENTS

(1) Analyzed by type and location of counterparties

	The Group	
	2024	2023
Banks operating in Mainland China	3,202,950,000.00	2,074,700,000.00
Other financial institutions operating in Mainland China	5,984,033,000.00	8,232,485,157.40
Accrued interest	675,218.22	1,650,599.44
Sub-total	9,187,658,218.22	10,308,835,756.84
Less: Provision for impairment	—	—
Total	9,187,658,218.22	10,308,835,756.84

	The Bank	
	2024	2023
Banks operating in Mainland China	3,202,950,000.00	2,074,700,000.00
Other financial institutions operating in Mainland China	5,613,533,000.00	8,191,555,000.00
Accrued interest	537,736.95	1,603,266.84
Sub-total	8,817,020,736.95	10,267,858,266.84
Less: Provision for impairment	—	—
Total	8,817,020,736.95	10,267,858,266.84

(2) Analyzed by classification of collateral

	The Group	
	2024	2023
Bonds	9,186,983,000.00	10,307,185,157.40
Interbank negotiable certificate of deposit	—	—
Accrued interest	675,218.22	1,650,599.44
Sub-total	9,187,658,218.22	10,308,835,756.84
Less: Provision for impairment	—	—
Total	9,187,658,218.22	10,308,835,756.84

	The Bank	
	2024	2023
Bonds	8,816,483,000.00	10,266,255,000.00
Interbank negotiable certificate of deposit	—	—
Accrued interest	537,736.95	1,603,266.84
Sub-total	8,817,020,736.95	10,267,858,266.84
Less: Provision for impairment	—	—
Total	8,817,020,736.95	10,267,858,266.84



12 LOANS AND ADVANCES TO CUSTOMERS

(1) Analyzed by nature

	The Group		The Bank	
	2024	2023	2024	2023
Loans and advances to customers at amortized costs:				
Loans and advances to corporate customers	207,510,439,979.86	199,351,224,398.82	207,389,136,658.88	199,216,446,425.24
Residential mortgage loans	39,773,243,560.89	42,782,803,543.60	39,501,246,923.31	42,607,771,091.65
Loans to private business	37,769,258,846.15	34,352,368,441.13	37,395,739,776.76	34,020,617,953.51
Personal consumption loans	28,429,992,841.29	26,312,674,053.96	28,331,481,762.59	26,080,308,634.51
Credit card loan	3,883,757,213.86	4,422,089,107.18	3,883,757,213.86	4,422,089,107.18
Other personal loans	270,343.35	451,014.69	270,343.35	451,014.69
Loans and advances to retail customers	109,856,522,805.54	107,870,386,160.56	109,112,496,019.87	107,131,237,801.54
Principal of loans and advances at amortized cost:	317,366,962,785.40	307,221,610,559.38	316,501,632,678.75	306,347,684,226.78
Accrued interest	770,655,055.79	660,724,319.49	768,724,615.21	658,777,137.56
Total loans and advances at amortized cost:	318,137,617,841.19	307,882,334,878.87	317,270,357,293.96	307,006,461,364.34
Less: Impairment provision for losses on loans and advances at amortized cost				
– 12-month expected credit loss	(3,280,645,986.71)	(3,847,489,524.78)	(3,274,293,187.13)	(3,839,388,784.81)
– Lifetime expected credit loss				
– Not credit-impaired loans and advances	(1,718,126,126.25)	(1,031,406,690.05)	(1,709,377,494.79)	(1,026,091,974.30)
– Credit-impaired loans and advances	(2,716,592,598.16)	(2,613,175,459.40)	(2,695,140,251.90)	(2,593,859,440.54)
Impairment provision for losses on loans and advances at amortized cost	(7,715,364,711.12)	(7,492,071,674.23)	(7,678,810,933.82)	(7,459,340,199.65)
Net loans and advances issued at amortized cost	310,422,253,130.07	300,390,263,204.64	309,591,546,360.14	299,547,121,164.69
Loans and advances at fair value through other comprehensive income:				
Discounted bills	26,901,267,801.50	7,885,920,605.50	26,901,267,801.50	7,885,920,605.50
Loans and advances to corporate customers – Forfeiting	21,284,529,248.79	12,619,391,799.56	21,284,529,248.79	12,619,391,799.56
Principal of loans and advances at fair value through other comprehensive income	48,185,797,050.29	20,505,312,405.06	48,185,797,050.29	20,505,312,405.06
Net loans and advances issued	358,608,050,180.36	320,895,575,609.70	357,777,343,410.43	320,052,433,569.75

(2) Analyzed by collateral

	The Group		The Bank	
	2024	2023	2024	2023
Loans secured by mortgages	174,137,576,848.23	179,049,390,157.31	173,511,383,360.72	178,378,750,931.92
Guaranteed loans	84,321,232,109.64	54,406,621,640.03	84,146,550,744.04	54,260,665,046.55
Pledged loans	21,027,039,987.44	23,103,924,500.29	21,010,947,678.74	23,083,250,500.29
Credit loans	86,066,910,890.38	71,166,986,666.81	86,018,547,945.54	71,130,330,153.08
Carrying amount of loans and advances issued	365,552,759,835.69	327,726,922,964.44	364,687,429,729.04	326,852,996,631.84



(3) Analyzed by industry distribution

The Group

	2024		2023	
	Total loans	Percentage	Total loans	Percentage
		%		%
Loans and advances to corporate customers				
– Leasing and commercial services	72,907,119,373.63	19.94	65,252,015,616.53	19.89
– Manufacturing	54,664,928,666.27	14.95	50,228,847,378.95	15.33
– Wholesale and retail	31,794,566,795.34	8.70	27,213,265,285.76	8.30
– Construction	14,967,336,203.30	4.09	14,373,084,222.28	4.39
– Real estate	13,654,415,675.27	3.74	16,895,143,324.08	5.16
– Production and supply of power, heat, gas and water	5,403,134,797.29	1.48	4,685,153,493.73	1.43
– Education	4,953,299,023.00	1.36	4,710,750,033.35	1.44
– Transportation, logistics and postal services	4,777,038,374.59	1.31	5,594,459,480.63	1.71
– Water, environment and public utilities management	4,648,821,914.73	1.27	4,222,023,615.86	1.29
– Others	21,024,308,405.23	5.75	18,795,873,747.21	5.74
Total loans and advances to corporate customers	228,794,969,228.65	62.59	211,970,616,198.38	64.68
Total loans and advances to retail customers	109,856,522,805.54	30.05	107,870,386,160.56	32.91
Discounted bills	26,901,267,801.50	7.36	7,885,920,605.50	2.41
Carrying amount of loans and advances issued	365,552,759,835.69	100.00	327,726,922,964.44	100.00

The Bank

	2024		2023	
	Total loans	Percentage	Total loans	Percentage
		%		%
Loans and advances to corporate customers				
– Leasing and commercial services	72,891,408,163.33	19.99	65,240,215,186.53	19.95
– Manufacturing	54,645,758,666.27	14.98	50,212,657,378.95	15.36
– Wholesale and retail	31,765,765,875.77	8.71	27,180,189,606.16	8.32
– Construction	14,964,036,203.30	4.10	14,369,404,222.28	4.40
– Real estate	13,654,415,675.27	3.74	16,895,143,324.08	5.17
– Production and supply of power, heat, gas and water	5,387,334,797.29	1.48	4,683,153,493.73	1.43
– Education	4,952,499,023.00	1.36	4,710,100,033.35	1.44
– Transportation, logistics and postal services	4,768,044,671.61	1.31	5,585,119,430.43	1.71
– Water, environment and public utilities management	4,638,421,914.73	1.27	4,211,023,615.86	1.29
– Others	21,005,980,917.10	5.76	18,748,831,933.43	5.74
Total loans and advances to corporate customers	228,673,665,907.67	62.70	211,835,838,224.80	64.81
Total loans and advances to retail customers	109,112,496,019.87	29.92	107,131,237,801.54	32.78
Discounted bills	26,901,267,801.50	7.38	7,885,920,605.50	2.41
Carrying amount of loans and advances issued	364,687,429,729.04	100.00	326,852,996,631.84	100.00



(4) Analyzed by geographic distribution

The Group

	2024		2023	
	Total loans	Percentage	Total loans	Percentage
		%		%
Dongguan	189,845,694,580.70	51.93	182,922,642,108.01	55.82
Guangdong province (excluding Dongguan)	97,852,255,612.60	26.77	80,533,158,720.26	24.57
Outside Guangdong province	39,728,171,963.70	10.87	33,414,366,280.30	10.20
Head Office	38,126,637,678.69	10.43	30,856,755,855.87	9.42
Carrying amount of loans and advances issued	365,552,759,835.69	100.00	327,726,922,964.44	100.00

The Bank

	2024		2023	
	Total loans	Percentage	Total loans	Percentage
		%		%
Dongguan	189,845,694,580.70	52.06	182,922,642,108.01	55.96
Guangdong province (excluding Dongguan)	97,656,076,351.07	26.78	80,326,735,338.09	24.58
Outside Guangdong province	39,059,021,118.58	10.71	32,746,863,329.87	10.02
Head Office	38,126,637,678.69	10.45	30,856,755,855.87	9.44
Carrying amount of loans and advances issued	364,687,429,729.04	100.00	326,852,996,631.84	100.00



(5) Analysis of overdue loans by collateral and overdue term

The Group

	2024				
	Overdue Within 3 months (inclusive)	Overdue for 3 months To 1 year (inclusive)	Overdue for 1 year To 3 years (inclusive)	Overdue for more than 3 years	Total
Pledged loans	396,402,942.58	460,736,570.82	–	1,084,295.79	858,223,809.19
Loans secured by mortgages	747,202,951.35	980,532,038.48	777,175,067.81	27,611,362.46	2,532,521,420.10
Guaranteed loans	142,526,071.62	257,934,949.41	62,971,434.13	3,265,511.10	466,697,966.26
Credit loans	495,153,779.06	543,539,126.40	357,165,474.28	35,987,204.43	1,431,845,584.17
Total	1,781,285,744.61	2,242,742,685.11	1,197,311,976.22	67,948,373.78	5,289,288,779.72
Percentage of carrying amount of loans and advances issued	0.49%	0.61%	0.33%	0.02%	1.45%

	2023				
	Overdue Within 3 months (inclusive)	Overdue for 3 months to 1 years (inclusive)	Overdue for 1 year to 3 years (inclusive)	Overdue for more than 3 years	Total
Pledged loans	344,840,131.25	138,316,190.36	33,306,021.32	5,775,485.97	522,237,828.90
Loans secured by mortgages	794,742,218.82	967,610,440.52	375,789,451.84	65,994,717.36	2,204,136,828.54
Guaranteed loans	101,449,926.76	260,385,676.37	117,765,166.97	24,931,823.69	504,532,593.79
Credit loans	395,543,007.60	341,087,071.06	327,614,404.46	95,069,400.75	1,159,313,883.87
Total	1,636,575,284.43	1,707,399,378.31	854,475,044.59	191,771,427.77	4,390,221,135.10
Percentage of carrying amount of loans and advances issued	0.50%	0.52%	0.26%	0.06%	1.34%



The Bank

	2024				
	Overdue Within 3 months (inclusive)	Overdue for 3 months to 1 years (inclusive)	Overdue for 1 year to 3 years (inclusive)	Overdue for more than 3 years	Total
Pledged loans	396,402,942.58	460,736,570.82	–	1,084,295.79	858,223,809.19
Loans secured by mortgages	734,412,970.22	968,267,174.16	774,045,609.74	26,071,056.51	2,502,796,810.63
Guaranteed loans	141,390,363.82	255,533,878.88	62,046,995.75	3,111,263.48	462,082,501.93
Credit loans	495,121,377.53	542,939,076.45	357,078,640.97	35,921,716.36	1,431,060,811.31
Total	1,767,327,654.15	2,227,476,700.31	1,193,171,246.46	66,188,332.14	5,254,163,933.06
Percentage of carrying amount of loans and advances issued	0.48%	0.61%	0.33%	0.02%	1.44%

	2023				
	Overdue Within 3 months (inclusive)	Overdue for 3 months to 1 years (inclusive)	Overdue for 1 year to 3 years (inclusive)	Overdue for more than 3 years	Total
Pledged loans	344,840,131.25	138,316,190.36	33,306,021.32	5,775,485.97	522,237,828.90
Loans secured by mortgages	789,858,262.64	962,484,885.76	375,072,380.65	61,739,244.28	2,189,154,773.33
Guaranteed loans	100,526,962.34	258,276,431.01	117,262,029.40	24,888,876.22	500,954,298.97
Credit loans	395,495,694.20	340,905,106.62	327,310,703.88	94,945,883.50	1,158,657,388.20
Total	1,630,721,050.43	1,699,982,613.75	852,951,135.25	187,349,489.97	4,371,004,289.40
Percentage of carrying amount of loans and advances issued	0.50%	0.52%	0.26%	0.06%	1.34%

Overdue loans refer to all loans granted by the Group to customers whose principals or interests are completely or partially overdue for one day or above.

(6) Analysis of loans and advances to customers and provision for impairment on loans**(a) Loans and advances to customers and provision for impairment on loans at amortized cost:**

The Group

	2024			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Total loans and advances issued at amortized cost	306,697,719,150.21	7,335,446,082.77	4,104,452,608.21	318,137,617,841.19
Less: Provision for impairment on loans	(3,280,645,986.71)	(1,718,126,126.25)	(2,716,592,598.16)	(7,715,364,711.12)
Net loans and advances issued at amortized cost	303,417,073,163.50	5,617,319,956.52	1,387,860,010.05	310,422,253,130.07

	2023			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Total loans and advances issued at amortized cost	301,181,861,866.06	3,649,943,894.39	3,050,529,118.42	307,882,334,878.87
Less: Provision for impairment on loans	(3,847,489,524.78)	(1,031,406,690.05)	(2,613,175,459.40)	(7,492,071,674.23)
Net loans and advances issued at amortized cost	297,334,372,341.28	2,618,537,204.34	437,353,659.02	300,390,263,204.64



The Bank

	2024			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Total loans and advances issued at amortized cost	305,898,063,604.43	7,290,712,219.58	4,081,581,469.95	317,270,357,293.96
Less: Provision for impairment on loans	(3,274,293,187.13)	(1,709,377,494.79)	(2,695,140,251.90)	(7,678,810,933.82)
Net loans and advances issued at amortized cost	302,623,770,417.30	5,581,334,724.79	1,386,441,218.05	309,591,546,360.14

	2023			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Total loans and advances issued at amortized cost	300,349,851,376.24	3,625,837,665.36	3,030,772,322.74	307,006,461,364.34
Less: Provision for impairment on loans	(3,839,388,784.81)	(1,026,091,974.30)	(2,593,859,440.54)	(7,459,340,199.65)
Net loans and advances issued at amortized cost	296,510,462,591.43	2,599,745,691.06	436,912,882.20	299,547,121,164.69

(b) Loans and advances to customers and provision for impairment on loans at fair value through other comprehensive income:

The Group and the Bank

	2024			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Carrying amount of loans and advances to customers at fair value through other comprehensive income	48,185,797,050.29	–	–	48,185,797,050.29
Provision for impairment included in other comprehensive income	(163,075,538.55)	–	–	(163,075,538.55)

	2023			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Carrying amount of loans and advances to customers at fair value through other comprehensive income	20,505,228,735.38	83,669.68	–	20,505,312,405.06
Provision for impairment included in other comprehensive income	(214,351,801.38)	(15.49)	–	(214,351,816.87)

Provision for loans and advances that are measured at FVOCI is recognized in other comprehensive income and the impairment gain or loss is recognized in profit or loss without making corresponding adjustment to financial asset's carrying amount presented in the balance sheet.



(7) Changes in provision for impairment on loans

(a) Changes in provision for impairment on loans and advances to customers at amortized cost

The Group

	2024			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Balance at the beginning of the year	3,847,489,524.78	1,031,406,690.05	2,613,175,459.40	7,492,071,674.23
Transfer to:				
– 12-month ECL	62,876,350.86	(45,525,660.04)	(17,350,690.82)	–
– Lifetime ECL				
– Not credit-impaired loans and advances	(40,028,768.02)	61,738,847.92	(21,710,079.90)	–
– Credit-impaired loans and advances	(22,149,761.57)	(341,282,494.73)	363,432,256.30	–
Transfer-in for the year	60,304,622.92	8,015,796.92	4,729,923.76	73,050,343.60
Reversal/(Provision) for the year	(625,216,928.09)	1,003,772,946.13	1,711,663,269.02	2,090,219,287.06
Written off during the year	–	–	(1,961,222,412.72)	(1,961,222,412.72)
Recovered after written off	–	–	46,294,018.05	46,294,018.05
Other changes	(2,629,054.17)	–	(22,419,144.93)	(25,048,199.10)
Balance at the end of the year	3,280,645,986.71	1,718,126,126.25	2,716,592,598.16	7,715,364,711.12

	2023			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Balance at the beginning of the year	4,267,423,880.27	642,729,366.93	1,851,262,711.05	6,761,415,958.25
Transfer to:				
– 12-month ECL	58,696,591.47	(52,044,067.24)	(6,652,524.23)	–
– Lifetime ECL				
– Not credit-impaired loans and advances	(24,497,929.01)	32,454,468.10	(7,956,539.09)	–
– Credit-impaired loans and advances	(19,026,645.36)	(267,698,021.22)	286,724,666.58	–
Reversal/(Provision) for the year	(435,861,485.30)	675,964,943.48	1,595,275,439.00	1,835,378,897.18
Written off during the year	–	–	(1,101,117,488.91)	(1,101,117,488.91)
Recovered after written off	–	–	40,622,409.71	40,622,409.71
Other changes	755,112.71	–	(44,983,214.71)	(44,228,102.00)
Balance at the end of the year	3,847,489,524.78	1,031,406,690.05	2,613,175,459.40	7,492,071,674.23



The Bank

	2024			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Balance at the beginning of the year	3,839,388,784.81	1,026,091,974.30	2,593,859,440.54	7,459,340,199.65
Transfer to:				
– 12-month ECL	62,384,715.75	(45,034,024.93)	(17,350,690.82)	–
– Lifetime ECL				
– Not credit-impaired loans and advances	(39,879,217.26)	55,223,832.41	(15,344,615.15)	–
– Credit-impaired loans and advances	(21,980,383.13)	(341,061,508.00)	363,041,891.13	–
Transfer-in for the year	40,824,879.82	7,271,481.54	42,872,771.71	90,969,133.07
Reversal/(Provision) for the year	(603,816,538.69)	1,006,885,739.47	1,667,948,730.35	2,071,017,931.13
Written off during the year	–	–	(1,955,567,615.65)	(1,955,567,615.65)
Recovered after written off	–	–	38,099,484.72	38,099,484.72
Other changes	(2,629,054.17)	–	(22,419,144.93)	(25,048,199.10)
Balance at the end of the year	3,274,293,187.13	1,709,377,494.79	2,695,140,251.90	7,678,810,933.82

	2023			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Balance at the beginning of the year	4,253,599,661.10	638,350,596.87	1,825,581,364.50	6,717,531,622.47
Transfer to:				
– 12-month ECL	57,991,126.84	(51,647,943.87)	(6,343,182.97)	–
– Lifetime ECL				
– Not credit-impaired loans and advances	(24,439,878.31)	31,729,546.02	(7,289,667.71)	–
– Credit-impaired loans and advances	(18,823,760.83)	(266,718,983.99)	285,542,744.82	–
Reversal/(Provision) for the year	(429,693,476.70)	674,378,759.27	1,596,496,719.54	1,841,182,002.11
Written off during the year	–	–	(1,090,634,594.03)	(1,090,634,594.03)
Recovered after written off	–	–	35,489,271.10	35,489,271.10
Other changes	755,112.71	–	(44,983,214.71)	(44,228,102.00)
Balance at the end of the year	3,839,388,784.81	1,026,091,974.30	2,593,859,440.54	7,459,340,199.65



(b) Changes in provision for impairment on loans and advances at fair value through other comprehensive income

The Group and the Bank

	2024			
	12-month ECL loans and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Balance at the beginning of the year	214,351,801.38	15.49	–	214,351,816.87
Provision in the year	(51,276,262.83)	(15.49)	–	(51,276,278.32)
Balance at the end of the year	163,075,538.55	–	–	163,075,538.55

	2023			
	12-month ECL and advances	Lifetime ECL – not credit-impaired loans and advances	Lifetime ECL – credit impaired loans and advances	Total
Balance at the beginning of the year	147,471,919.89	5.17	–	147,471,925.06
Provision in the year	66,879,881.49	10.32	–	66,879,891.81
Balance at the end of the year	214,351,801.38	15.49	–	214,351,816.87

13 FINANCIAL INVESTMENT – TRADING FINANCIAL ASSETS

	The Group	
	2024	2023
Bond investment		
– Bonds issued by the Chinese government	102,844,666.66	–
– Bonds issued by local government	164,964,968.33	71,863,889.31
– Policy bank bonds	5,900,073,684.28	1,927,002,464.44
– Corporate bonds	744,156,485.85	2,453,894,270.97
– Bonds issued by commercial banks and other financial institutions	3,995,328,764.90	5,027,037,694.57
– Bonds issued by foreign government	14,201,210.46	–
Subtotal	10,921,569,780.48	9,479,798,319.29
Wealth management product	707,784,149.04	52,134,558.91
Trust schemes	317,932,633.58	285,021,359.02
Interbank certificates of deposit	11,323,535,969.01	3,743,067,584.31
Asset management plans	806,388,862.64	716,194,494.11
Funds	45,061,211,167.93	29,435,328,173.90
Equity investments	338,483,694.57	371,052,626.56
Total	69,476,906,257.25	44,082,597,116.10



	The Bank	
	2024	2023
Bond investment		
– Bonds issued by the Chinese government	79,497,900.27	–
– Bonds issued by local government	–	71,863,889.31
– Policy bank bonds	5,877,567,037.70	1,916,703,669.92
– Corporate bonds	359,462,238.69	1,931,835,439.36
– Bonds issued by commercial banks and other financial institutions	867,641,800.73	3,723,555,511.13
– Bonds issued by foreign government	14,201,210.46	–
Subtotal	7,198,370,187.85	7,643,958,509.72
Wealth management product	707,784,149.04	52,134,558.91
Trust schemes	317,932,633.58	285,021,359.02
Interbank certificates of deposit	10,809,172,483.99	3,226,015,000.19
Asset management plans	10,457,451,118.28	9,043,625,790.16
Funds	45,061,211,167.93	29,435,328,173.90
Total	74,551,921,740.67	49,686,083,391.90

14 FINANCIAL INVESTMENTS – DEBT INVESTMENTS

	Note	The Group	
		2024	2023
Bond investment			
– Bonds issued by the Chinese government		26,791,855,543.22	25,677,850,812.75
– Bonds issued by local government		39,707,755,552.77	38,215,003,973.67
– Policy bank bonds		46,004,323,824.82	45,326,893,434.82
– Government-backed agency bonds		1,312,539,427.88	1,553,989,565.47
– Bonds issued by commercial banks and other financial institutions		16,700,623,788.05	14,865,274,347.59
– Corporate bonds		5,947,101,708.46	6,886,716,273.84
– Bonds issued by foreign government		536,490,607.46	382,892,962.50
Sub-total of bond investment		137,000,690,452.66	132,908,621,370.64
Interbank certificates of deposit		123,344,935.82	–
Income certificate		–	2,065,202,191.79
Trust schemes		455,060,000.00	455,060,000.00
Asset management plans		3,657,939,306.70	4,802,614,306.70
Accrued interest		2,101,634,913.68	2,103,612,321.09
Less: Impairment provision	(1)	(1,938,744,526.43)	(2,417,301,586.15)
Total		141,399,925,082.43	139,917,808,604.07



	Note	The Bank	
		2024	2023
Bond investment			
– Bonds issued by the Chinese government		26,791,855,543.22	25,677,850,812.75
– Bonds issued by local government		38,492,083,428.46	36,996,528,380.15
– Policy bank bonds		40,160,988,199.69	38,949,086,140.32
– Government-backed agency bonds		1,312,539,427.88	1,553,989,565.47
– Bonds issued by commercial banks and other financial institutions		16,047,017,827.68	14,089,188,883.38
– Corporate bonds		5,439,556,873.11	6,498,517,834.68
– Bonds issued by foreign government		143,810,307.84	–
Sub-total of bond investment		128,387,851,607.88	123,765,161,616.75
Interbank certificates of deposit		123,344,935.82	–
Income certificate		–	2,065,202,191.79
Trust schemes		455,060,000.00	455,060,000.00
Asset management plans		3,657,939,306.70	4,802,614,306.70
Accrued interest		1,961,463,984.02	1,953,560,725.64
Less: Impairment provision	(1)	(1,936,713,471.09)	(2,409,526,514.30)
Total		132,648,946,363.33	130,632,072,326.58

(1) Movements of provisions for impairment on debt investment are as follows:

The Group

	2024			
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	71,669,436.22	–	2,345,632,149.93	2,417,301,586.15
Transfer to:				
– Lifetime ECL				
– Credit impaired	–	–	–	–
(Reversal)/provision for the year	(3,880,203.88)	–	201,284,700.07	197,404,496.19
Written off during the year	–	–	(600,000,000.00)	(600,000,000.00)
Recovered after written off	–	–	28,704,318.86	28,704,318.86
Other changes	25,604.35	–	(104,691,479.12)	(104,665,874.77)
Balance at the end of the year	67,814,836.69	–	1,870,929,689.74	1,938,744,526.43



The Bank

	2024			
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	63,894,364.37	–	2,345,632,149.93	2,409,526,514.30
Transfer to:				
– Lifetime ECL				
– Credit impaired	–	–	–	–
(Reversal)/provision for the year	1,867,764.13	–	201,284,700.07	203,152,464.20
Written off during the year	–	–	(600,000,000.00)	(600,000,000.00)
Recovered after written off	–	–	28,704,318.86	28,704,318.86
Other changes	21,652.85	–	(104,691,479.12)	(104,669,826.27)
Balance at the end of the year	65,783,781.35	–	1,870,929,689.74	1,936,713,471.09

The Group

	2023			
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	135,561,893.41	131,581,684.95	2,492,701,138.99	2,759,844,717.35
Transfer to:				
– Lifetime ECL				
– Credit impaired	–	(14,754,527.74)	14,754,527.74	–
(Reversal)/provision for the year	(64,396,371.28)	(116,827,157.21)	855,579,476.62	674,355,948.13
Written off during the year	–	–	(874,292,228.93)	(874,292,228.93)
Recovered after written off	–	–	15,791,457.64	15,791,457.64
Other changes	503,914.09	–	(158,902,222.13)	(158,398,308.04)
Balance at the end of the year	71,669,436.22	–	2,345,632,149.93	2,417,301,586.15



The Bank

	2023			
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	135,561,893.41	131,581,684.95	2,492,701,138.99	2,759,844,717.35
Transfer to:				
– Lifetime ECL				
– Credit impaired	–	(14,754,527.74)	14,754,527.74	–
(Reversal)/provision for the year	(71,724,786.00)	(116,827,157.21)	855,579,476.62	667,027,533.41
Written off during the year	–	–	(874,292,228.93)	(874,292,228.93)
Recovered after written off	–	–	15,791,457.64	15,791,457.64
Other changes	57,256.96	–	(158,902,222.13)	(158,844,965.17)
Balance at the end of the year	63,894,364.37	–	2,345,632,149.93	2,409,526,514.30

15 FINANCIAL INVESTMENTS – OTHER DEBT INVESTMENTS

	The Group and the Bank	
	2024	2023
Bond investment		
– Bonds issued by the Chinese government	1,978,630,010.01	5,998,817,055.10
– Bonds issued by local government	6,750,915,402.45	6,849,882,085.85
– Policy bank bonds	7,526,973,758.85	12,697,591,899.97
– Government-backed agency bonds	457,649,669.89	92,361,666.33
– Bonds issued by commercial banks and other financial institutions	6,088,488,409.84	2,490,852,426.79
– Corporate bonds	5,670,597,283.62	6,070,638,945.14
– Bonds issued by foreign government	20,346,349.80	135,386,067.74
Subtotal	28,493,600,884.46	34,335,530,146.92
Interbank certificates of deposit	5,540,861,015.67	12,837,976,269.44
Trust schemes	199,534,770.34	140,644,856.93
Asset management plans	–	9,854,250.78
Accrued interest	308,514,853.75	474,729,245.72
Total	34,542,511,524.22	47,798,734,769.79
Provision for impairment recognized in other comprehensive income	166,793,757.34	165,576,653.67



(1) Movements of provisions for impairment on other debt investment are as follows:

	2024			
	Estimated 12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	16,467,776.85	–	149,108,876.82	165,576,653.67
(Reversal)/provision for the year	6,998,989.37	–	14,317,014.84	21,316,004.21
Written off during the year	–	–	(20,129,794.97)	(20,129,794.97)
Others	30,894.43	–	–	30,894.43
Balance at the end of the year	23,497,660.65	–	143,296,096.69	166,793,757.34

	2023			
	Estimated 12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	18,166,174.61	–	196,536,917.20	214,703,091.81
(Reversal)/provision for the year	(1,705,894.57)	–	24,001,159.62	22,295,265.05
Written off during the year	–	–	(71,429,200.00)	(71,429,200.00)
Others	7,496.81	–	–	7,496.81
Balance at the end of the year	16,467,776.85	–	149,108,876.82	165,576,653.67

(l) Provisions for impairment on other debt investments are recognized in other comprehensive income, and impairment gains or losses are recognized in profit or loss, without decreasing the carrying amount of the financial assets presented in the balance sheet.

16 FINANCIAL INVESTMENTS – OTHER EQUITY INSTRUMENTS INVESTMENTS

	The Group and the Bank	
	2024	2023
Unlisted equity	227,638,671.82	199,628,982.74
Listed equity	–	–
Total	227,638,671.82	199,628,982.74

17 LONG-TERM EQUITY INVESTMENTS

	Note	The Group		The Bank	
		2024	2023	2024	2023
Investment in subsidiaries	(1)	–	–	1,072,814,552.93	168,570,182.25
Investment in associates	(2)	883,851,867.58	1,003,856,241.43	883,851,867.58	1,003,856,241.43
Total		883,851,867.58	1,003,856,241.43	1,956,666,420.51	1,172,426,423.68



(1) The Bank's investments in its subsidiaries are analyzed as follows:

	Note	2024				
		Balance at the beginning of the year	Carrying amount of long-term equity investment recognized under equity method	Increase in the year	Absorption and merger	Balance at the end of the year
Chongqing Kaizhou Taiye Village Bank Co., Ltd.		31,550,000.00	–	–	–	31,550,000.00
Dongyuan Taiye Village Bank Co., Ltd.	(i)	56,000,000.00	–	56,799,600.00	–	112,799,600.00
Zongyang Taiye Village Bank Co., Ltd.		81,020,182.25	–	–	–	81,020,182.25
Dongguan Chang'an Village Bank Co., Ltd.	(ii)	–	152,689,900.70	441,315,000.00	(594,004,900.70)	–
Dongguan Houjie Huaye Village Bank Co., Ltd.	(iii)	–	38,033,023.16	68,490,500.00	(106,523,523.16)	–
Bank of Dongguan International Limited	(iv)	–	–	910,810,000.00	–	910,810,000.00
Total		168,570,182.25	190,722,923.86	1,477,415,100.00	(700,528,423.86)	1,136,179,782.25

	Note	2023			
		Balance at the beginning of the year	Increase in the year	Balance at the end of the year	Year-end balance of impairment provision
Chongqing Kaizhou Taiye Village Bank Co., Ltd.		31,550,000.00	–	31,550,000.00	–
Dongyuan Taiye Village Bank Co., Ltd.	(i)	51,000,000.00	5,000,000.00	56,000,000.00	–
Zongyang Taiye Village Bank Co., Ltd.		81,020,182.25	–	81,020,182.25	–
Total		163,570,182.25	5,000,000.00	168,570,182.25	–

Notes:

- (i) In 2023, the Bank acquired 5.00% equity interest in Dongyuan Taiye Village Bank Co., Ltd. by way of an agreed transfer with a capital contribution of RMB5.0 million, effectively enjoying RMB6,542,800 in net assets of Dongyuan Taiye Village Bank Co., Ltd. and generating capital surplus of RMB1,542,800, which resulted in an increase in the Bank's shareholding ratio from 51.00% to 56.00%;

In 2024, the Bank received an approval from the Guangdong Branch of the State Financial Supervision and Administration (Yue Jin Fu [2024] No.343), based on which the Bank acquired 44.00% equity interest in Dongyuan Taiye Village Bank Co., Ltd. at the consideration of RMB56.7996 million, effectively enjoying RMB55.1103 million in net assets of Dongyuan Taiye Village Bank Co., Ltd. and generating capital surplus of RMB-1.6893 million, which resulted in an increase in the Bank's shareholding in Dongyuan Taiye Village Bank Co., Ltd. from 56.00% to 100.00% after acquisition.

- (ii) In 2024, the Bank acquired a 5.00% equity interest in Dongguan Chang'an Village Bank Co., Ltd. through a public auction with a capital contribution of RMB29.1070 million, and was effectively entitled to the net assets of Dongguan Chang'an Village Bank Co., Ltd. in the amount of RMB30.2601 million, which increased the Bank's shareholding from 20.00% to 25.00%.

In 2024, the Bank received an approval from the Dongguan Branch of the State Financial Supervision and Administration (Dong Jin Fu [2024] No.45), based on which the Bank acquired 75.00% equity interest in Dongguan Chang'an Village Bank Co., Ltd. by way of agreed transfer at the consideration of RMB441.3150 million, which resulted in an increase in the Bank's shareholding in Dongguan Chang'an Village Bank Co., Ltd. from 25.00% to 100.00%. The relevant payment was made in September 2024. On 8 November 2024, Dongguan Chang'an Village Bank Co., Ltd. received the approval for dissolution from Guangdong Branch of the State Financial Supervision and Administration (Yue Jin Fu [2024] No. 289), based on which, the Bank assumed all the assets, liabilities, rights and obligations of Dongguan Chang'an Village Bank Co., Ltd. As at the date of this report, the deregistration has not been completed

- (iii) In 2024, the Bank received an approval from the Dongguan Branch of the State Financial Supervision and Administration (Dong Jin Fu [2024] No.42), based on which the Bank acquired 65% equity interest in Dongguan Houjie Huaye Village Bank Co., Ltd. by way of agreed transfer at the consideration of RMB68.4905 million, which resulted in an increase in the Bank's shareholding in Dongguan Houjie Huaye Village Bank Co., Ltd. from 35.00% to 100.00% after acquisition. The relevant payment was made in September 2024. On 8 November 2024, Dongguan Houjie Huaye Village Bank Co., Ltd. received the approval for dissolution from Guangdong Branch of the State Financial Supervision and Administration (Yue Jin Fu [2024] No. 290), based on which, the Bank assumed all the assets, liabilities, rights and obligations of Dongguan Chang'an Village Bank Co., Ltd. As at the date of this report, the deregistration has not been completed

- (iv) On 5 September 2024, the Bank paid up capital contribution of HK\$1 billion, holding 100% of the shares of Bank of Dongguan International Limited in the amount of HK\$1 billion. Bank of Dongguan International Limited was granted a banking license in Hong Kong on 31 October 2024 by the Hong Kong Monetary Authority.

Please refer to Note 6 for information about our subsidiaries.



(2) The Group and the Bank's investments in its associates are analyzed as follows:

	Note	2024							Year-end balance of impairment provision
		Balance at the beginning of the year	Additional investment	Investment income recognized under equity method	Other comprehensive income recognized under equity method	Cash dividends or profits declared to be issued	Others	Balance at the end of the year	
Investee									
Bank of Xingtai Co., Ltd.		828,998,469.39	–	28,031,973.69	9,478,160.60	–	–	866,508,603.68	–
Dongguan Chang'an Village Bank Co., Ltd.	(ii)	117,636,203.58	30,260,145.20	5,211,445.49	(417,893.57)	–	(152,689,900.70)	–	–
Lingshan Taiye Village Bank Co., Ltd.	(iii)	20,067,543.49	–	780,073.96	–	–	–	20,847,617.45	(3,504,353.55)
Dongguan Houjie Huaye Village Bank Co., Ltd.		37,154,024.97	–	878,998.19	–	–	(38,033,023.16)	–	–
Total		1,003,856,241.43	30,260,145.20	34,902,491.33	9,060,267.03	–	(190,722,923.86)	887,356,221.13	(3,504,353.55)

	2023					Year-end balance of impairment provision
	Balance at the beginning of the year	Investment income recognized under equity method	Other comprehensive income recognized under equity method	Cash dividends or profits declared to be issued	Balance at the end of the year	
Investee						
Bank of Xingtai Co., Ltd.	783,343,633.09	46,352,450.06	(697,613.76)	-	828,998,469.39	-
Dongguan Chang'an Village Bank Co., Ltd.	115,405,818.74	5,534,788.39	295,596.45	(3,600,000.00)	117,636,203.58	-
Lingshan Taiye Village Bank Co., Ltd.	19,310,598.72	756,944.77	-	-	20,067,543.49	-
Dongguan Houjie Huaye Village Bank Co., Ltd.	36,147,355.40	1,006,669.57	-	-	37,154,024.97	-
Total	954,207,405.95	53,650,852.79	(402,017.31)	(3,600,000.00)	1,003,856,241.43	

(3) Details of immaterial associates accounted for using the equity method are summarized as follows:

	The Group and the Bank	
	2024	2023
Aggregate carrying amount of investments	883,851,867.58	1,003,856,241.43
Aggregate amount of the following items by shareholding ratio		
– Net profits	34,902,491.33	53,650,852.79
– Other comprehensive income	9,060,267.03	(402,017.31)
Total comprehensive income	43,962,758.36	53,248,835.48

(4) Impairment test on long-term equity investment

The Group and the Bank test long-term equity investments for impairment, and the recoverable amount is determined on the basis of the present value of the expected future cash flows of the relevant subsidiaries. The average growth rates used, discount rates and other assumptions used in projecting cash flows reflect the risks associated with them.



18 FIXED ASSETS

The Group

	Buildings and constructions	Transportation and others	Electronic equipment and machinery	Total
Cost				
Balance as at 1 January 2023	2,101,520,829.37	155,581,946.55	828,883,053.61	3,085,985,829.53
Additions during the year	–	10,826,693.00	92,719,204.13	103,545,897.13
Transfer from construction in progress	373,786,427.51	–	1,244,898.64	375,031,326.15
Reductions during the year	–	(7,514,566.16)	(54,114,584.55)	(61,629,150.71)
Balance as at 31 December 2023	2,475,307,256.88	158,894,073.39	868,732,571.83	3,502,933,902.10
Transfer from merger of controlling interests	72,444,130.87	4,283,485.81	4,584,350.96	81,311,967.64
Additions during the year	694,495.82	4,241,106.13	66,430,208.69	71,365,810.64
Transfer from construction in progress	597,494.85	–	3,062,877.30	3,660,372.15
Reductions during the year	(1,108,438.32)	(11,555,154.45)	(11,376,614.57)	(24,040,207.34)
Balance as at 31 December 2024	2,547,934,940.10	155,863,510.88	931,433,394.21	3,635,231,845.19
Accumulated depreciation				
Balance as at 1 January 2023	(737,746,038.15)	(113,270,622.52)	(479,603,775.19)	(1,330,620,435.86)
Provision for depreciation during the year	(106,524,972.86)	(12,220,049.27)	(106,971,669.90)	(225,716,692.03)
Depreciation write-off	–	7,144,852.48	51,872,823.03	59,017,675.51
Balance as at 31 December 2023	(844,271,011.01)	(118,345,819.31)	(534,702,622.06)	(1,497,319,452.38)
Transfer from merger of controlling interests	(47,349,451.81)	(3,600,374.02)	(4,011,317.38)	(54,961,143.21)
Provision for depreciation during the year	(122,492,771.31)	(12,689,954.61)	(116,098,783.25)	(251,281,509.17)
Depreciation write-off	8,688.00	11,008,808.33	9,519,655.62	20,537,151.95
Balance as at 31 December 2024	(1,014,104,546.13)	(123,627,339.61)	(645,293,067.07)	(1,783,024,952.81)
Carrying amounts				
As at 31 December 2024	1,533,830,393.97	32,236,171.27	286,140,327.14	1,852,206,892.38
As at 31 December 2023	1,631,036,245.87	40,548,254.08	334,029,949.77	2,005,614,449.72



The Bank

	Buildings and constructions	Transportation and others	Electronic equipment and machinery	Total
Cost				
Balance as at 1 January 2023	2,071,175,845.02	151,022,760.30	824,898,990.55	3,047,097,595.87
Additions during the year	–	10,816,364.00	92,546,455.63	103,362,819.63
Transfer from construction in progress	373,786,427.51	–	1,244,898.64	375,031,326.15
Reductions during the year	–	(7,328,141.24)	(54,002,213.55)	(61,330,354.79)
Balance as at 31 December 2023	2,444,962,272.53	154,510,983.06	864,688,131.27	3,464,161,386.86
Transfer from absorption and merger	72,444,130.87	4,283,485.81	4,580,322.96	81,307,939.64
Additions during the year	569,061.32	4,225,496.13	58,915,094.48	63,709,651.93
Transfer from construction in progress	597,494.85	–	–	597,494.85
Reductions during the year	(569,061.32)	(11,474,284.05)	(11,233,885.57)	(23,277,230.94)
Balance as at 31 December 2024	2,518,003,898.25	151,545,680.95	916,949,663.14	3,586,499,242.34
Accumulated depreciation				
Balance as at 1 January 2023	(725,605,638.37)	(109,444,434.32)	(476,757,648.03)	(1,311,807,720.72)
Provision for depreciation during the year	(104,793,646.09)	(12,074,795.38)	(106,514,298.13)	(223,382,739.60)
Depreciation write-off	–	6,966,875.77	51,767,863.03	58,734,738.80
As at 31 December 2023	(830,399,284.46)	(114,552,353.93)	(531,504,083.13)	(1,476,455,721.52)
Transfer from absorption and merger	(48,220,999.54)	(3,637,675.36)	(4,039,229.33)	(55,897,904.23)
Provision for depreciation during the year	(119,824,818.18)	(12,512,595.07)	(112,227,282.60)	(244,564,695.85)
Depreciation write-off	–	10,938,756.75	9,383,790.18	20,322,546.93
As at 31 December 2024	(998,445,102.18)	(119,763,867.61)	(638,386,804.88)	(1,756,595,774.67)
Carrying amounts				
As at 31 December 2024	1,519,558,796.07	31,781,813.34	278,562,858.26	1,829,903,467.67
As at 31 December 2023	1,614,562,988.07	39,958,629.13	333,184,048.14	1,987,705,665.34

Notes:

- (i) As at 31 December 2024, the Bank had buildings and constructions with defects of title, with a carrying amount of RMB8.0685 million (31 December 2023: RMB9.4437 million). In the opinion of the Bank's management, the Bank has the right to legally and effectively occupy or use these buildings and constructions.
- (ii) As at 31 December 2024, the carrying amount of the buildings and constructions leased out by the Group for operating leases was RMB2.8011 million (31 December 2023: RMB117.6306 million).
- (iii) As at 31 December 2024, the Group had temporarily idle assets with a carrying amount of RMB111.3807 million. As at 31 December 2023, the Group had no temporarily idle assets of significant amount.



19 CONSTRUCTION IN PROGRESS

The Group

	Total
Cost	
Balance as at 1 January 2023	390,053,013.31
Additions during the year	104,726,431.72
Transfer to fixed assets for the year	(375,031,326.15)
Transfers to intangible assets, long-term deferred expenses and others for the year	(60,658,850.30)
Balance as at 31 December 2023	59,089,268.58
Transfer from merger of controlling interests	1,558,415.18
Additions during the year	82,780,981.29
Transfer to fixed assets for the year	(3,660,372.15)
Transfers to intangible assets, long-term deferred expenses and others for the year	(49,449,428.55)
Balance as at 31 December 2024	90,318,864.35
Carrying amounts	
As at 31 December 2024	90,318,864.35
As at 31 December 2023	59,089,268.58

The Bank

	Total
Cost	
Balance as at 1 January 2023	390,053,013.31
Additions during the year	104,016,702.14
Transfer to fixed assets for the year	(375,031,326.15)
Transfers to intangible assets, long-term deferred expenses and others for the year	(60,511,280.30)
Balance as at 31 December 2023	58,527,109.00
Additions during the year	31,265,385.62
Transfer to fixed assets for the year	(597,494.85)
Transfers to intangible assets, long-term deferred expenses and others for the year	(27,294,162.90)
Balance as at 31 December 2024	61,900,836.87
Carrying amounts	
As at 31 December 2024	61,900,836.87
As at 31 December 2023	58,527,109.00



20 RIGHT-OF-USE ASSETS

The Group

	Buildings and constructions	Office equipment and other equipment	Others	Total
Cost				
Balance as at 1 January 2023	919,112,868.91	106,449.79	1,504,364.53	920,723,683.23
Additions during the year	220,737,615.91	84,940.64	1,505,525.32	222,328,081.87
Reductions during the year	(147,124,997.46)	(83,725.18)	(1,439,356.48)	(148,648,079.12)
Balance as at 31 December 2023	992,725,487.36	107,665.25	1,570,533.37	994,403,685.98
Transfer from merger of controlling interests	30,419,134.29	81,711.94	–	30,500,846.23
Additions during the year	277,336,885.65	155,942.52	179,356.02	277,672,184.19
Reductions during the year	(165,076,972.27)	(109,305.93)	(40,034.10)	(165,226,312.30)
Balance as at 31 December 2024	1,135,404,535.03	236,013.78	1,709,855.29	1,137,350,404.10
Accumulated depreciation				
Balance as at 1 January 2023	(300,211,609.05)	(50,252.78)	(1,183,830.33)	(301,445,692.16)
Provision for the year	(163,902,356.01)	(25,974.73)	(281,087.57)	(164,209,418.31)
Reductions during the year	116,922,507.34	52,891.51	1,252,738.38	118,228,137.23
Balance as at 31 December 2023	(347,191,457.72)	(23,336.00)	(212,179.52)	(347,426,973.24)
Transfer from merger of controlling interests	(11,423,150.49)	(20,829.34)	–	(11,443,979.83)
Provision for the year	(190,163,264.22)	(120,319.55)	(244,761.42)	(190,528,345.19)
Reductions during the year	115,413,765.80	45,823.73	40,034.10	115,499,623.63
Balance as at 31 December 2024	(433,364,106.63)	(118,661.16)	(416,906.84)	(433,899,674.63)
Carrying amounts				
Balance as at 31 December 2023	645,534,029.64	84,329.25	1,358,353.85	646,976,712.74
Balance as at 31 December 2024	702,040,428.40	117,352.62	1,292,948.45	703,450,729.47



The Bank

	Buildings and constructions	Office equipment and other equipment	Others	Total
Cost				
Balance as at 1 January 2023	915,529,180.33	106,449.79	1,504,364.53	917,139,994.65
Additions during the year	220,183,903.95	84,940.64	1,505,525.32	221,774,369.91
Reductions during the year	(147,124,997.46)	(83,725.18)	(1,439,356.48)	(148,648,079.12)
Balance as at 31 December 2023	988,588,086.82	107,665.25	1,570,533.37	990,266,285.44
Additions during the year	190,791,998.44	—	179,356.02	190,971,354.46
Reductions during the year	(113,110,479.18)	(27,593.99)	(40,034.10)	(113,178,107.27)
Balance as at 31 December 2024	1,066,269,606.08	80,071.26	1,709,855.29	1,068,059,532.63
Accumulated depreciation				
Balance as at 1 January 2023	(298,903,669.20)	(50,252.78)	(1,183,830.33)	(300,137,752.31)
Provision for the year	(163,072,420.20)	(25,974.73)	(281,087.57)	(163,379,482.50)
Reductions during the year	116,922,507.34	52,891.51	1,252,738.38	118,228,137.23
Balance as at 31 December 2023	(345,053,582.06)	(23,336.00)	(212,179.52)	(345,289,097.58)
Provision for the year	(152,095,474.92)	(28,586.09)	(244,761.42)	(152,368,822.43)
Reductions during the year	102,775,811.29	22,724.61	40,034.10	102,838,570.00
Balance as at 31 December 2024	(394,373,245.69)	(29,197.48)	(416,906.84)	(394,819,350.01)
Carrying amounts				
Balance as at 31 December 2023	643,534,504.76	84,329.25	1,358,353.85	644,977,187.86
Balance as at 31 December 2024	671,896,360.39	50,873.78	1,292,948.45	673,240,182.62



21 INTANGIBLE ASSETS

	The Group		
	Software	Land use rights	Total
Cost			
As at 1 January 2023	812,308,545.40	297,935,988.42	1,110,244,533.82
Additions during the year	188,396,570.46	65,592.00	188,462,162.46
Reductions during the year	(42,204,630.88)	—	(42,204,630.88)
As at 31 December 2023	958,500,484.98	298,001,580.42	1,256,502,065.40
Additions during the year	172,140,104.63	—	172,140,104.63
Reductions during the year	(17,097,987.16)	—	(17,097,987.16)
As at 31 December 2024	1,113,542,602.45	298,001,580.42	1,411,544,182.87
Accumulated amortization			
As at 1 January 2023	(387,240,018.51)	(69,396,283.27)	(456,636,301.78)
Additions during the year	(126,190,109.46)	(9,426,845.93)	(135,616,955.39)
Reductions during the year	40,139,421.55	—	40,139,421.55
As at 31 December 2023	(473,290,706.42)	(78,823,129.20)	(552,113,835.62)
Additions during the year	(138,842,095.38)	(9,429,351.23)	(148,271,446.61)
Reductions during the year	13,744,190.35	—	13,744,190.35
As at 31 December 2024	(598,388,611.45)	(88,252,480.43)	(686,641,091.88)
Carrying amounts			
As at 31 December 2024	515,153,991.00	209,749,099.99	724,903,090.99
As at 31 December 2023	485,209,778.56	219,178,451.22	704,388,229.78



	The Bank		
	Software	Land use rights	Total
Cost			
As at 1 January 2023	812,308,545.40	297,935,988.42	1,110,244,533.82
Additions during the year	188,396,570.46	65,592.00	188,462,162.46
Reductions during the year	(42,204,630.88)	–	(42,204,630.88)
As at 31 December 2023	958,500,484.98	298,001,580.42	1,256,502,065.40
Additions during the year	151,603,666.72	–	151,603,666.72
Reductions during the year	(17,097,987.16)	–	(17,097,987.16)
As at 31 December 2024	1,093,006,164.54	298,001,580.42	1,391,007,744.96
Accumulated amortization			
As at 1 January 2023	(387,240,018.51)	(69,396,283.27)	(456,636,301.78)
Additions during the year	(126,190,109.46)	(9,426,845.93)	(135,616,955.39)
Reductions during the year	40,139,421.55	–	40,139,421.55
As at 31 December 2023	(473,290,706.42)	(78,823,129.20)	(552,113,835.62)
Additions during the year	(138,842,095.38)	(9,429,351.23)	(148,271,446.61)
Reductions during the year	13,744,190.35	–	13,744,190.35
As at 31 December 2024	(598,388,611.45)	(88,252,480.43)	(686,641,091.88)
Carrying amounts			
As at 31 December 2024	494,617,553.09	209,749,099.99	704,366,653.08
As at 31 December 2023	485,209,778.56	219,178,451.22	704,388,229.78

22 DEFERRED INCOME TAX ASSETS

(1) Analyzed by nature

Item	The Group			
	2024		2023	
	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)
Provisions for impairment of loans and advances to customers and other assets	8,132,174,134.56	2,032,171,656.90	7,677,265,850.29	1,918,902,830.56
Employee benefits payable	795,396,499.85	198,598,917.49	832,150,610.93	207,784,710.32
Provisions for liabilities	84,901,532.60	21,225,383.15	101,552,891.28	25,388,222.82
Lease-related deductible and taxable temporary differences	57,091,282.67	14,282,853.36	47,357,540.83	11,839,578.00
Changes in fair value of financial instruments	(1,150,480,166.88)	(287,620,041.72)	(332,971,820.72)	(83,242,955.18)
Others	(55,181,915.80)	(13,801,678.96)	122,673,253.45	29,873,306.31
Total	7,863,901,367.00	1,964,857,090.22	8,448,028,326.06	2,110,545,692.83



Item	The Bank			
	2024		2023	
	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)	Deductible/(taxable) temporary differences	Deferred income tax assets/(liabilities)
Provisions for impairment of loans and advances to customers and other assets	8,074,397,330.64	2,018,599,332.66	7,626,613,304.48	1,906,653,326.12
Employee benefits payable	790,228,047.04	197,557,011.76	825,928,257.08	206,482,064.27
Provisions for liabilities	84,901,532.60	21,225,383.15	101,552,891.28	25,388,222.82
Lease-related deductible and taxable temporary differences	57,507,338.28	14,376,834.57	47,779,970.64	11,944,992.66
Changes in fair value of financial instruments	(1,150,480,166.88)	(287,620,041.72)	(332,971,820.72)	(83,242,955.18)
Others	(55,243,915.80)	(13,810,978.95)	114,723,182.92	28,680,795.73
Total	7,801,310,165.88	1,950,327,541.47	8,383,625,785.68	2,095,906,446.42

The deferred income tax assets mentioned above are the tax implications of the difference between the related pre-tax accounting profits estimated by the management of the Group to be able to bring tax profits for the Group and the taxable income. The management's estimate was based on the principle of prudence with consideration of the related requirements and realities of prevailing tax regulations.

(2) Analyzed by change

Item	The Group				
	2024				
	Balance at the beginning of the year	Change in the year recognized in profit and loss	Change in the year recognized in equity	Others	Balance at the end of the year
Provisions for impairment of loans and advances to customers and other assets	1,918,902,830.56	89,192,452.53	12,514,793.66	11,561,580.15	2,032,171,656.90
Employee benefits payable	207,784,710.32	(12,704,633.28)	–	3,518,840.45	198,598,917.49
Provisions for liabilities	25,388,222.82	(4,162,839.67)	–	–	21,225,383.15
Lease-related deductible and taxable temporary differences	11,839,578.00	2,443,275.36	–	–	14,282,853.36
Changes in fair value of financial instruments	(83,242,955.18)	(115,079,621.69)	(89,297,464.85)	–	(287,620,041.72)
Others	29,873,306.31	(44,500,292.28)	–	825,307.01	(13,801,678.96)
Total	2,110,545,692.83	(84,811,659.03)	(76,782,671.19)	15,905,727.61	1,964,857,090.22

Item	The Group			
	2023			
	Balance at the beginning of the year	Change in the year recognized in profit and loss	Change in the year recognized in equity	Balance at the end of the year
Provisions for impairment of loans and advances to customers and other assets	2,007,805,162.36	(84,463,968.38)	(4,438,363.42)	1,918,902,830.56
Employee benefits payable	181,921,260.95	25,863,449.37	–	207,784,710.32
Provisions for liabilities	73,431,642.95	(48,043,420.13)	–	25,388,222.82
Lease-related deductible and taxable temporary differences	9,274,630.51	2,564,947.49	–	11,839,578.00
Changes in fair value of financial instruments	597,305.28	(32,367,974.19)	(51,472,286.27)	(83,242,955.18)
Others	7,915,809.06	21,957,497.25	–	29,873,306.31
Total	2,280,945,811.11	(114,489,468.59)	(55,910,649.69)	2,110,545,692.83



Item	The Bank				
	2024				
	Balance at the end of the previous year	Change in the year recognized in profit and loss	Change in the year recognized in equity	Others	Balance at the end of the year
Provisions for impairment of loans and advances to customers and other assets	1,906,653,326.12	76,660,496.25	12,514,793.66	22,770,716.63	2,018,599,332.66
Employee benefits payable	206,482,064.27	(13,788,612.76)	–	4,863,560.25	197,557,011.76
Provisions for liabilities	25,388,222.82	(4,162,839.67)	–	–	21,225,383.15
Lease-related deductible and taxable temporary differences	11,944,992.66	2,431,841.91	–	–	14,376,834.57
Changes in fair value of financial instruments	(83,242,955.18)	(115,079,621.69)	(89,297,464.85)	–	(287,620,041.72)
Others	28,680,795.73	(43,067,036.07)	–	575,261.39	(13,810,978.95)
Total	2,095,906,446.42	(97,005,772.03)	(76,782,671.19)	28,209,538.27	1,950,327,541.47

Item	The Bank			
	2023			
	Balance at the end of the previous year	Change in the year recognized in profit and loss	Change in the year recognized in equity	Balance at the end of the year
Provisions for impairment of loans and advances to customers and other assets	1,993,719,647.53	(82,627,957.99)	(4,438,363.42)	1,906,653,326.12
Employee benefits payable	180,230,699.31	26,251,364.96	–	206,482,064.27
Provisions for liabilities	73,431,642.95	(48,043,420.13)	–	25,388,222.82
Lease-related deductible and taxable temporary differences	9,397,139.62	2,547,853.04	–	11,944,992.66
Changes in fair value of financial instruments	597,305.28	(32,367,974.19)	(51,472,286.27)	(83,242,955.18)
Others	6,684,984.35	21,995,811.38	–	28,680,795.73
Total	2,264,061,419.04	(112,244,322.93)	(55,910,649.69)	2,095,906,446.42

(3) The deductible losses of unrecognized deferred income tax assets will expire in the following years

The Group

Year	2024	2023
2025	28,142,044.50	31,284,057.36
2026	3,560,619.17	–
2027	8,880,079.36	4,653,050.67
2028	12,836,477.24	13,307,436.60
2029	30,469,614.67	–
Total	83,888,834.94	49,244,544.63



23 OTHER ASSETS

	Notes	The Group		The Bank	
		2024	2023	2024	2023
Other receivables		1,183,937,276.68	1,229,026,296.23	1,175,646,512.43	1,219,290,967.89
Prepayment for purchase of fixed assets	(1)	1,209,000,000.00	1,209,000,000.00	1,209,000,000.00	1,209,000,000.00
Long-term deferred expenses	(2)	185,842,495.85	212,833,725.30	171,141,481.99	212,656,584.28
Interest receivable	(3)	69,001,566.39	147,163,036.59	68,855,998.87	147,108,839.26
Debt-expiated assets	(4)	18,153,228.00	14,837,528.00	6,165,000.00	6,165,000.00
Continuously involved assets	(5)	557,024,393.82	557,024,393.82	557,024,393.82	557,024,393.82
Others		1,176,524.75	22,200,787.69	1,029,551.22	21,852,781.34
Subtotal		3,224,135,485.49	3,392,085,767.63	3,188,862,938.33	3,373,098,566.59
Provision for impairment	24	(108,716,755.01)	(186,560,767.97)	(105,918,403.86)	(183,859,146.46)
Total		3,115,418,730.48	3,205,524,999.66	3,082,944,534.47	3,189,239,420.13

(1) On 31 December 2024, the amount represented the prepayment of RMB1.209 billion (31 December 2023: RMB1.209 billion) for the acquisition of the new headquarters building of the Group.

(2) Long-term deferred expenses

The Group

	As at 1 January 2024	Additions during the year	Transfer from merger of controlling interests	Amortization in the year	As at 31 December 2024
Expenditures of improvement of fixed assets rented	80,876,416.85	30,937,850.63	2,859,195.77	(38,287,319.55)	76,386,143.70
Others	131,957,308.45	24,320,013.27	246,667.03	(47,067,636.60)	109,456,352.15
Total	212,833,725.30	55,257,863.90	3,105,862.80	(85,354,956.15)	185,842,495.85

	As at 1 January 2023	Additions during the year	Amortization in the year	As at 31 December 2023
Expenditures of improvement of fixed assets rented	101,049,222.33	9,149,045.66	(29,321,851.14)	80,876,416.85
Others	115,379,731.00	55,936,929.65	(39,359,352.20)	131,957,308.45
Total	216,428,953.33	65,085,975.31	(68,681,203.34)	212,833,725.30



The Bank

	As at 1 January 2024	Additions during the year	Transfer from absorption and merger	Amortization in the year	As at 31 December 2024
Expenditures of improvement of fixed assets rented	80,876,416.85	6,028,225.04	4,120,515.15	(29,340,027.20)	61,685,129.84
Others	131,780,167.43	24,445,447.77	208,105.57	(46,977,368.62)	109,456,352.15
Total	212,656,584.28	30,473,672.81	4,328,620.72	(76,317,395.82)	171,141,481.99

	As at 1 January 2023	Additions during the year	Amortization in the year	As at 31 December 2023
Expenditures of improvement of fixed assets rented	101,049,222.33	9,149,045.66	(29,321,851.14)	80,876,416.85
Others	115,222,421.99	55,789,359.65	(39,231,614.21)	131,780,167.43
Total	216,271,644.32	64,938,405.31	(68,553,465.35)	212,656,584.28

(3) The interest receivable presented in others assets includes interest that is due but not yet received as at the balance sheet date.

(4) Debt-expiated assets**Analyzed by category of debt-expiated assets**

	The Group		The Bank	
	2024	2023	2024	2023
Land, buildings and constructions	18,153,228.00	14,837,528.00	6,165,000.00	6,165,000.00
Provision for impairment	(7,446,343.20)	(6,945,243.20)	(5,002,000.00)	(4,500,900.00)
Total	10,706,884.80	7,892,284.80	1,163,000.00	1,664,100.00

The Group did not dispose of any debt-expiated assets in 2024 (2023: None).

The Group plans to dispose of the debt-expiated assets as of 31 December 2024 through auctions, bids and transfers in the future.

(5) Continuously involved assets

Regarding the first-phase property rights trust project of Guangdong Finance Trust Co., Ltd. • Bank of Dongguan for 2020 and Guanxin's first-phase personal housing mortgage securitization project for 2020 issued by the Bank in 2020, the Bank neither transferred nor retained substantially all the risks and rewards of the ownership of the underlying credit assets. The Bank still retains control over the transferred underlying credit assets together with the consolidated asset securitization trust, and shall continue to recognize the relevant financial assets according to the degree of continued involvement in the transferred underlying credit assets, and recognize relevant debts accordingly. Changes in the value of financial assets have caused the Bank to face risks mainly due to the inability to recover the funds invested in the secondary asset-backed securities and trust beneficiary rights. Therefore, the Bank recognized its continuously involved assets and continuously involved liabilities of RMB557.0244 million on 31 December 2024 (2023: RMB557.0244 million).



24 PROVISION FOR IMPAIRMENT OF ASSETS

The Group

	Note	As at 1 January 2024	(Reversal)/provision for the year	Written off during the year	Transfer-in for the year	Others	As at 31 December 2024
Items of impaired assets							
Deposits with banks and other financial institutions	8	3,081,569.68	(906,098.56)	–	826,657.68	4,053.92	3,006,182.72
Loans to banks and other financial institutions	9	6,004,173.53	(562,747.41)	–	–	6,399.08	5,447,825.20
Loans and advances to customers at amortized costs	12	7,492,071,674.23	2,090,219,287.06	(1,961,222,412.72)	73,050,343.60	21,245,818.95	7,715,364,711.12
Loans and advances at fair value through other comprehensive income		214,351,816.87	(51,276,278.32)	–	–	–	163,075,538.55
Debt investment	14	2,417,301,586.15	197,404,496.19	(600,000,000.00)	–	(75,961,555.91)	1,938,744,526.43
Other debt investments		165,576,653.67	21,316,004.21	(20,129,794.97)	–	30,894.43	166,793,757.34
Long-term equity investments	17	–	3,504,353.55	–	–	–	3,504,353.55
Other assets	23	186,560,767.97	24,085,558.63	(103,267,995.70)	99,391.01	1,239,033.10	108,716,755.01
Total		10,484,948,242.10	2,283,784,575.35	(2,684,620,203.39)	73,976,392.29	(53,435,356.43)	10,104,653,649.92

	Notes	As at 1 January 2023	Provision/(Reversal) for the year	Written off during the year	Others	As at 31 December 2023
Items of impaired assets						
Deposits with banks and other financial institutions	8	2,147,226.32	928,945.82	–	5,397.54	3,081,569.68
Loans to banks and other financial institutions	9	27,515,157.35	(21,510,983.82)	–	–	6,004,173.53
Loans and advances to customers at amortized costs	12	6,761,415,958.25	1,835,378,897.18	(1,101,117,488.91)	(3,605,692.29)	7,492,071,674.23
Loans and advances at fair value through other comprehensive income		147,471,925.06	66,879,891.81	–	–	214,351,816.87
Debt investment	14	2,759,844,717.35	674,355,948.13	(874,292,228.93)	(142,606,850.40)	2,417,301,586.15
Other debt investments		214,703,091.81	22,295,265.05	(71,429,200.00)	7,496.81	165,576,653.67
Other assets	23	188,986,580.42	13,658,581.98	(16,445,154.26)	360,759.83	186,560,767.97
Total		10,102,084,656.56	2,591,986,546.15	(2,063,284,072.10)	(145,838,888.51)	10,484,948,242.10



The Bank

	Notes	As at 1 January 2024	(Reversal)/provision for the year	Written off during the year	Transfer-in for the year	Others	As at 31 December 2024
Items of impaired assets							
Deposits with banks and other financial institutions	8	3,059,062.56	(69,614.67)	–	–	4,053.92	2,993,501.81
Loans to banks and other financial institutions	9	6,004,173.53	(562,747.41)	–	–	6,399.08	5,447,825.20
Loans and advances to customers at amortized costs	12	7,459,340,199.65	2,071,017,931.13	(1,955,567,615.65)	90,969,133.07	13,051,285.62	7,678,810,933.82
Loans and advances at fair value through other comprehensive income		214,351,816.87	(51,276,278.32)	–	–	–	163,075,538.55
Debt investment	14	2,409,526,514.30	203,152,464.20	(600,000,000.00)	–	(75,965,507.41)	1,936,713,471.09
Other debt investments		165,576,653.67	21,316,004.21	(20,129,794.97)	–	30,894.43	166,793,757.34
Long-term equity investments		–	66,869,582.87	–	–	–	66,869,582.87
Other assets	23	183,859,146.46	24,063,209.33	(103,223,798.97)	113,733.44	1,106,113.60	105,918,403.86
Total		10,441,717,567.04	2,334,510,551.34	(2,678,921,209.59)	91,082,866.51	(61,766,760.76)	10,126,623,014.54

	Notes	As at 1 January 2023	Provision/(Reversal) for the year	Written off during the year	Others	As at 31 December 2023
Items of impaired assets						
Deposits with banks and other financial institutions	8	2,143,582.10	910,082.92	–	5,397.54	3,059,062.56
Loans to banks and other financial institutions	9	27,515,157.35	(21,510,983.82)	–	–	6,004,173.53
Loans and advances to customers at amortized costs	12	6,717,531,622.47	1,841,182,002.11	(1,090,634,594.03)	(8,738,830.90)	7,459,340,199.65
Loans and advances at fair value through other comprehensive income		147,471,925.06	66,879,891.81	–	–	214,351,816.87
Debt investment	14	2,759,844,717.35	667,027,533.41	(874,292,228.93)	(143,053,507.53)	2,409,526,514.30
Other debt investments		214,703,091.81	22,295,265.05	(71,429,200.00)	7,496.81	165,576,653.67
Other assets	23	186,327,240.95	13,592,990.69	(16,421,845.01)	360,759.83	183,859,146.46
Total		10,055,537,337.09	2,590,376,782.17	(2,052,777,867.97)	(151,418,684.25)	10,441,717,567.04

25 BORROWINGS FROM CENTRAL BANK

	The Group		The Bank	
	2024	2023	2024	2023
Borrowing from Central Bank	18,379,283,700.00	25,503,543,600.00	18,373,583,700.00	25,498,443,600.00
Re-discounted bills	842,824,931.24	651,958,756.24	842,824,931.24	651,958,756.24
Accrued interest	14,321,355.90	45,280,463.94	14,318,307.98	45,280,463.94
Total	19,236,429,987.14	26,200,782,820.18	19,230,726,939.22	26,195,682,820.18



26 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analyzed by type and location of institutions

	The Group		The Bank	
	2024	2023	2024	2023
Banks operating in Mainland China	286,525,001.37	310,589,736.86	638,900,946.00	671,007,659.68
Other financial institutions operating in Mainland China	2,208,926,969.94	7,253,523,264.99	2,208,926,969.94	7,253,523,264.99
Other financial institutions operating outside Mainland China	337,990,457.57	—	1,048,779,225.66	—
Accrued interest	6,314,228.76	49,197,828.04	6,781,399.14	49,661,060.61
Total	2,839,756,657.64	7,613,310,829.89	3,903,388,540.74	7,974,191,985.28

27 LOANS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analyzed by type and location of institutions

	The Group and the Bank	
	2024	2023
Banks operating in Mainland China	10,726,055,796.44	10,749,274,900.00
Banks operating outside Mainland Offshore	2,670,560,083.58	1,508,959,289.33
Accrued interest	210,400,513.25	62,102,213.97
Total	13,607,016,393.27	12,320,336,403.30

28 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(1) Analyzed by category of financial assets sold under repurchase agreements

	The Group	
	2024	2023
Bills	285,028,010.11	—
Bonds	28,819,169,279.34	24,398,757,989.22
Accrued interest	21,514,405.40	20,807,075.03
Total	29,125,711,694.85	24,419,565,064.25

	The Bank	
	2024	2023
Bills	285,028,010.11	—
Bonds	24,683,163,192.67	20,626,156,805.80
Accrued interest	20,748,376.23	17,949,247.98
Total	24,988,939,579.01	20,644,106,053.78



(2) Analyzed by type of counter-parties

	The Group	
	2024	2023
Banks operating in Mainland China	28,119,634,096.78	24,398,757,989.22
Banks operating outside Mainland China	625,199,357.15	–
Other financial institutions operating outside Mainland China	359,363,835.52	–
Accrued interest	21,514,405.40	20,807,075.03
Total	29,125,711,694.85	24,419,565,064.25

	The Bank	
	2024	2023
Banks operating in Mainland China	23,983,628,010.11	20,626,156,805.80
Banks operating outside Mainland China	625,199,357.15	–
Other financial institutions operating outside Mainland China	359,363,835.52	–
Accrued interest	20,748,376.23	17,949,247.98
Total	24,988,939,579.01	20,644,106,053.78

29 CUSTOMER DEPOSITS

	Note	The Group		The Bank	
		2024	2023	2024	2023
Demand deposits					
– Corporate customers		85,803,445,751.25	86,181,891,074.31	85,660,673,268.14	85,981,715,067.72
– Retail customers		61,300,797,949.33	56,674,895,021.62	61,232,212,087.47	56,619,083,293.36
Subtotal		147,104,243,700.58	142,856,786,095.93	146,892,885,355.61	142,600,798,361.08
Time deposits (Note)					
– Corporate customers		161,134,279,758.10	153,691,511,585.69	161,096,080,458.51	153,586,442,607.14
– Retail customers		108,261,497,000.06	92,139,243,596.07	107,290,432,607.15	91,244,444,332.94
Subtotal		269,395,776,758.16	245,830,755,181.76	268,386,513,065.66	244,830,886,940.08
Fiscal deposits		787,062,540.81	1,232,833,654.20	787,062,540.81	1,232,833,654.20
Remittances outstanding and outward remittances		1,014,984,999.83	1,224,685,215.13	1,013,723,445.65	1,218,961,694.39
Margin deposits	(1)	20,121,728,699.44	27,325,420,076.72	20,114,617,266.80	27,310,614,572.68
Accrued interest		9,002,728,509.47	8,535,497,413.24	8,964,416,435.41	8,493,526,473.44
Total		447,426,525,208.29	427,005,977,636.98	446,159,218,109.94	425,687,621,695.87

Note: Time deposits of the Group and the Bank include notice deposits and structured deposits.



(1) Customer deposits include deposits for guarantees received as indicated below:

	The Group		The Bank	
	2024	2023	2024	2023
– Deposits for acceptance bills	14,837,526,385.52	21,385,521,975.09	14,837,526,385.52	21,385,521,975.09
– Deposits for secured loans	819,243,595.77	1,360,142,875.06	812,656,700.07	1,346,322,689.49
– Deposits for letters of guarantee	370,002,664.60	563,480,373.91	370,002,664.60	563,480,373.91
– Deposits for letters of credit	3,501,684,519.74	3,069,177,221.39	3,501,684,519.74	3,069,177,221.39
– Others	593,271,533.81	947,097,631.27	592,746,996.87	946,112,312.80
Total	20,121,728,699.44	27,325,420,076.72	20,114,617,266.80	27,310,614,572.68

30 EMPLOYEE BENEFITS PAYABLE

	Note	The Group		The Bank	
		2024	2023	2024	2023
Short-term employee benefits	(1)	880,199,005.00	843,735,948.16	872,693,519.47	839,052,995.42
Post-employment benefits	(2)	154,834,342.75	158,178,313.31	154,580,361.20	158,178,313.31
Other long-term employee benefits	(3)	426,694,633.27	416,921,884.60	417,019,795.27	411,500,149.70
Total		1,461,727,981.02	1,418,836,146.07	1,444,293,675.94	1,408,731,458.43

(1) Short-term employee benefits

	The Group				
	1 January 2024	Accrued during the year	Transfer from merger of controlling interests	Decrease during the year	31 December 2024
Salaries, bonuses, allowances and subsidies	830,251,270.78	1,598,020,058.14	8,161,196.68	(1,562,459,593.78)	873,972,931.82
Staff welfare	221,878.90	100,335,321.56	2,449.98	(100,265,918.70)	293,731.74
Social insurance					
– Medical insurance	–	59,138,932.15	–	(59,138,932.15)	–
– Work-related injury insurance	–	2,612,249.70	–	(2,612,249.70)	–
– Maternity insurance	–	178,504.28	–	(178,504.28)	–
Housing fund	3,921,706.68	139,699,586.06	–	(143,621,292.74)	–
Labor union fee, staff and workers' education fee	9,322,374.16	48,728,504.31	30,225.97	(52,148,763.00)	5,932,341.44
Other short-term employee benefits	18,717.64	22,100,199.50	–	(22,118,917.14)	–
Total	843,735,948.16	1,970,813,355.70	8,193,872.63	(1,942,544,171.49)	880,199,005.00



	The Group			
	1 January 2023	Accrued during the year	Decrease during the year	31 December 2023
Salaries, bonuses, allowances and subsidies	893,328,124.55	1,402,764,883.99	(1,465,841,737.76)	830,251,270.78
Staff welfare	180,097.95	97,274,567.26	(97,232,786.31)	221,878.90
Social insurance				
– Medical insurance	10,439,741.69	57,839,990.12	(68,279,731.81)	–
– Work-related injury insurance	1,626.27	2,415,885.67	(2,417,511.94)	–
– Maternity insurance	1,264,907.01	5,125,783.87	(6,390,690.88)	–
Housing fund	3,688,359.72	131,221,121.24	(130,987,774.28)	3,921,706.68
Labor union fee, staff and workers' education fee	9,703,864.87	47,079,043.19	(47,460,533.90)	9,322,374.16
Other short-term employee benefits	17,556.86	19,889,504.35	(19,888,343.57)	18,717.64
Total	918,624,278.92	1,763,610,779.69	(1,838,499,110.45)	843,735,948.16

	The Bank				
	1 January 2024	Accrued during the year	Transfer from absorption and merger	Decrease during the year	31 December 2024
Salaries, bonuses, allowances and subsidies	825,683,173.96	1,509,735,252.61	12,092,618.74	(1,480,945,322.90)	866,565,722.41
Staff welfare	221,878.90	95,225,588.75	134,749.19	(95,288,485.10)	293,731.74
Social insurance					
– Medical insurance	–	58,003,749.71	–	(58,003,749.71)	–
– Work-related injury insurance	–	2,497,211.56	–	(2,497,211.56)	–
– Maternity insurance	–	178,504.28	–	(178,504.28)	–
Housing fund	3,921,706.68	137,623,283.06	–	(141,544,989.74)	–
Labor union fee, staff and workers' education fee	9,207,518.24	48,161,495.09	233.60	(51,535,181.61)	5,834,065.32
Other short-term employee benefits	18,717.64	20,308,964.45	–	(20,327,682.09)	–
Total	839,052,995.42	1,871,734,049.51	12,227,601.53	(1,850,321,126.99)	872,693,519.47

	The Bank			
	1 January 2023	Accrued during the year	Decrease during the year	31 December 2023
Salaries, bonuses, allowances and subsidies	887,159,486.52	1,390,128,692.88	(1,451,605,005.44)	825,683,173.96
Staff welfare	178,097.95	96,385,584.42	(96,341,803.47)	221,878.90
Social insurance				
– Medical insurance	10,439,741.69	56,815,840.44	(67,255,582.13)	–
– Work-related injury insurance	1,626.27	2,383,867.86	(2,385,494.13)	–
– Maternity insurance	1,264,907.01	5,125,783.87	(6,390,690.88)	–
Housing fund	3,688,359.72	129,547,027.24	(129,313,680.28)	3,921,706.68
Labor union fee, staff and workers' education fee	9,560,749.06	46,766,924.90	(47,120,155.72)	9,207,518.24
Other short-term employee benefits	17,556.86	19,658,680.37	(19,657,519.59)	18,717.64
Total	912,310,525.08	1,746,812,401.98	(1,820,069,931.64)	839,052,995.42



(2) Post-employment benefits

	The Group			
	1 January 2024	Accrued during the year	Decrease during the year	31 December 2024
Basic pension insurance	421,434.48	176,398,489.79	(176,131,494.19)	688,430.08
Unemployment insurance	–	8,664,282.94	(8,664,282.94)	–
Enterprise annuity contributions	4,285,609.59	127,484,364.27	(131,769,973.86)	–
Supplementary retirement benefits	153,471,269.24	17,535,443.90	(16,860,800.47)	154,145,912.67
Total	158,178,313.31	330,082,580.90	(333,426,551.46)	154,834,342.75

	The Group			
	1 January 2023	Accrued during the year	Decrease during the year	31 December 2023
Basic pension insurance	407,867.42	152,527,322.25	(152,513,755.19)	421,434.48
Unemployment insurance	763.90	6,419,604.86	(6,420,368.76)	–
Enterprise annuity contributions	3,733,653.61	123,252,820.69	(122,700,864.71)	4,285,609.59
Supplementary retirement benefits	139,093,013.85	26,310,891.01	(11,932,635.62)	153,471,269.24
Total	143,235,298.78	308,510,638.81	(293,567,624.28)	158,178,313.31

	The Bank			
	1 January 2024	Accrued during the year	Decrease during the year	31 December 2024
Basic pension insurance	421,434.48	169,307,956.10	(169,294,942.05)	434,448.53
Unemployment insurance	–	8,560,683.71	(8,560,683.71)	–
Enterprise annuity contributions	4,285,609.59	127,414,412.27	(131,700,021.86)	–
Supplementary retirement benefits	153,471,269.24	17,479,893.90	(16,805,250.47)	154,145,912.67
Total	158,178,313.31	322,762,945.98	(326,360,898.09)	154,580,361.20

	The Bank			
	1 January 2023	Accrued during the year	Decrease during the year	31 December 2023
Basic pension insurance	407,867.42	150,477,971.27	(150,464,404.21)	421,434.48
Unemployment insurance	763.90	6,348,356.18	(6,349,120.08)	–
Enterprise annuity contributions	3,733,653.61	123,252,820.69	(122,700,864.71)	4,285,609.59
Supplementary retirement benefits	139,093,013.85	26,310,891.01	(11,932,635.62)	153,471,269.24
Total	143,235,298.78	306,390,039.15	(291,447,024.62)	158,178,313.31

(i) Social insurance

Social insurance includes basic pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. The Group pays contributions to the above-mentioned social insurance for the benefits of its employees in accordance with related laws, regulations and policies of the authorities in charge of labor and social insurance in China. The Group pays the above-mentioned social insurance contributions to related authorities in a certain proportion of the contribution base.



(ii) Annuity plan

In addition to basic endowment insurance, the Bank also set up an annuity plan for qualified employees in accordance with the Labor Law of the People's Republic of China, the Measures for Enterprise Annuity (Decree No. 36 of the Ministry of Labor and Social Security), the Administrative Measures on Enterprise Annuity Funds (Decree No. 24 of the Ministry of Human Resources and Social Security), the Notification of Guangdong Province on Establishing Enterprise Annuity System (YFB [2004] No. 81), the Opinions on Implementation of Enterprise Annuity in Guangdong Province (YLS [2005] No. 98), and the Notification on Establishing Enterprise Annuity System in Dongguan (DFB [2007] No. 82). The Bank started to operate the annuity plan in 2006 and paid annuity based on the actual performance of the Bank and individual employees.

(3) Other long-term employee benefits

	The Group		The Bank	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Deferred payment of remuneration				
Balance at the beginning of the year	416,921,884.60	251,835,885.64	411,500,149.70	246,910,359.50
Provision for the year	135,429,874.43	278,546,556.08	129,456,764.49	276,519,261.10
Transfer-in for the year	8,207,575.58	–	7,361,622.28	–
Paid during the year	(133,864,701.34)	(113,460,557.12)	(131,298,741.20)	(111,929,470.90)
Balance at the end of the year	426,694,633.27	416,921,884.60	417,019,795.27	411,500,149.70

Note: Other long-term employee benefits are mainly in-arrears payment of remuneration accrued in accordance with the requirements of regulatory authorities and relevant regulations of the Group. The deferred payment period is three years.

31 PROVISIONS**The Group and the Bank**

	Note	As at 31 December 2024	As at 31 December 2023
Expected credit losses of off-balance sheet credit operations	(i)	84,901,532.56	101,552,891.29
Others		3,344,299.04	3,443,636.00
Total		88,245,831.60	104,996,527.29

(i) Expected credit losses of off-balance sheet credit operations

The Group and the Bank

	2024			
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	Total
Balance at the beginning of the year	101,282,150.77	270,740.52	–	101,552,891.29
Transfer to:				
– Lifetime ECL				
– not credit-impaired	(153,210.23)	153,210.23	–	–
– credit impaired	(151,891.13)	–	151,891.13	–
Reversal for the year	(16,509,831.31)	10,363.71	(151,891.13)	(16,651,358.73)
Balance at the end of the year	84,467,218.10	434,314.46	–	84,901,532.56



	2023			Total
	12-month ECL	Lifetime ECL – not credit-impaired	Lifetime ECL – credit impaired	
Balance at the beginning of the year	248,294,950.53	2,009,834.02	43,421,787.23	293,726,571.78
Transfer to:				
– Lifetime ECL				
– not credit-impaired	(36,921.81)	36,921.81	–	–
– credit impaired	–	(22,149.75)	22,149.75	–
Reversal for the year	(146,975,877.95)	(1,753,865.56)	(43,443,936.98)	(192,173,680.49)
Balance at the end of the year	101,282,150.77	270,740.52	–	101,552,891.29

32 BONDS PAYABLE

	Notes	The Group and the Bank	
		2024	2023
Tier-2 capital bonds payable	(ii)	10,998,574,046.84	10,996,609,171.30
Financial bonds payable	(iii)	22,998,687,040.96	16,997,422,821.13
Interbank certificates of deposit payable	(iv)	77,588,280,740.72	57,880,465,210.39
Accrued interest		507,539,178.08	425,656,643.47
Total		112,093,081,006.60	86,300,153,846.29

Changes in bonds payable:

	As at 1 January 2024	Issued during this year	Repaid during this year	Amortization of discount and premium	As at 31 December 2024
Tier-2 capital bonds payable	10,996,609,171.30	4,000,000,000.00	(4,000,000,000.00)	1,964,875.54	10,998,574,046.84
Financial bonds payable	16,997,422,821.13	12,000,000,000.00	(6,000,000,000.00)	1,264,219.83	22,998,687,040.96
Interbank certificates of deposit payable	57,880,465,210.39	171,707,753,537.08	(152,010,000,000.00)	10,061,993.25	77,588,280,740.72
Total	85,874,497,202.82	187,707,753,537.08	(162,010,000,000.00)	13,291,088.62	111,585,541,828.52

	As at 1 January 2023	Issued during this year	Repaid during this year	Amortization of discount and premium	As at 31 December 2023
Tier-2 capital bonds payable	8,996,447,985.61	2,000,000,000.00	–	161,185.69	10,996,609,171.30
Financial bonds payable	13,996,946,855.33	7,000,000,000.00	(4,000,000,000.00)	475,965.80	16,997,422,821.13
Interbank certificates of deposit payable	68,100,434,717.24	94,630,000,000.00	(104,870,000,000.00)	20,030,493.15	57,880,465,210.39
Total	91,093,829,558.18	103,630,000,000.00	(108,870,000,000.00)	20,667,644.64	85,874,497,202.82

(i) Changes in bonds payable do not include accrued interest.

(ii) Approved by the "Decision on Administrative Approval from the People's Bank of China" (YXZYJZ [2024] No. 52) issued by the People's Bank of China, the Bank issued tier-2 capital bonds of RMB2 billion in total with a term of 10 years on 29 August 2024. The Bank has an option to redeem all or part of the tier-2 capital bonds as per the nominal value at the end of the 5th year. If the Bank exercises such option, the term of the bonds is then reduced to five years. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.42%, and the value date is 2 September 2024.



Approved by the "Decision on Administrative Approval from the People's Bank of China" (YXZYJZ [2024] No. 52) issued by the People's Bank of China, the Bank issued tier-2 capital bonds of RMB2 billion in total with a term of 10 years on 8 May 2024. The Bank has an option to redeem all or part of the tier-2 capital bonds as per the nominal value at the end of the 5th year. If the Bank exercises such option, the term of the bonds is then reduced to five years. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.62%, and the value date is 10 May 2024.

Approved by the "Decision on Administrative Approval from the People's Bank of China" (YXZYJZ [2023] No. 80) issued by the People's Bank of China, the Bank issued tier-2 capital bonds of RMB2 billion in total with a term of 10 years on 21 September 2023. The Bank has an option to redeem all or part of the tier-2 capital bonds as per the nominal value at the end of the 5th year. If the Bank exercises such option, the term of the bonds is then reduced to five years. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 3.80%, and the value date is 25 September 2023.

Approved by the "Decision on Administrative Approval from the People's Bank of China" (YXZYJZ [2021] No. 15) issued by the People's Bank of China, the Bank issued tier-2 capital bonds of RMB2 billion in total with a term of 10 years on 27 April 2021. The Bank has an option to redeem all or part of the tier-2 capital bonds as per the nominal value at the end of the 5th year. If the Bank exercises such option, the term of the bonds is then reduced to five years. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 4.75%, and the value date is 29 April 2021.

Approved by the "Decision on Administrative Approval from the People's Bank of China" (YXZYJZ [2021] No. 15) issued by the People's Bank of China, the Bank issued tier-2 capital bonds of RMB3 billion in total with a term of 10 years on 25 March 2021. The Bank has an option to redeem all or part of the tier-2 capital bonds as per the nominal value at the end of the 5th year. If the Bank exercises such option, the term of the bonds is then reduced to five years. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 4.80%, and the value date is 29 March 2021.

Approved by the "Decision on Administrative Approval from the People's Bank of China" (YSCXZY [2019] No. 198) issued by the People's Bank of China, the Bank issued tier-2 capital bonds of RMB4 billion in total with a term of 10 years on 26 November 2019. The Bank has an option to redeem all or part of the tier-2 capital bonds as per the nominal value at the end of the 5th year. If the Bank exercises such option, the term of the bonds is then reduced to five years. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 4.50%, and the value date is 28 November 2019. The Bank exercised its redemption option on 28 November 2024 to redeem and pay off the bonds in full.

- (iii) The Bank issued financial bonds of RMB4 billion in total with a term of 3 years on 28 October 2024. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.30%, and the value date is 30 October 2024.

The Bank issued financial bonds of RMB4 billion in total with a term of 3 years on 20 September 2024. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.10%, and the value date is 24 September 2024.



The Bank issued financial bonds of RMB4 billion in total with a term of 3 years on 13 June 2024. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.18%, and the value date is 17 June 2024.

The Bank issued financial bonds of RMB3 billion in total with a term of 3 years on 15 August 2024. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.64%, and the value date is 17 August 2023.

The Bank issued financial bonds of RMB4 billion in total with a term of 3 years on 12 July 2023. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.72%, and the value date is 14 July 2023.

The Bank issued financial bonds of RMB4 billion in total with a term of 3 years on 25 February 2022. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 2.88%, and the value date is 1 March 2022.

The Bank issued financial bonds of RMB3 billion in total with a term of 3 years on 5 November 2021. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 3.10%, and the value date is 9 November 2021.

The Bank issued financial bonds of RMB3 billion in total with a term of 3 years on 23 September 2021. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 3.09%, and the value date is 27 September 2021.

The Bank issued financial bonds of RMB4 billion in total with a term of 3 years on 9 September 2020. The bond interest is paid once a year at a fixed interest rate using the simple interest method. The annual interest rate is fixed at 3.79%, and the value date is 11 September 2020. The bond was due and paid on 11 September 2023.

- (iv) During 2024, the Bank accumulatively issued to the national interbank bond market 267 interbank CDs in total with a total face value of RMB170.980 billion.

During 2024, the Bank issued 3 interbank CDs in total in Hong Kong with a total face value of RMB728 million.

During 2023, the Bank issued to the national interbank bond market 200 interbank CDs in total with a total face value of RMB94.630 billion.



33 LEASE LIABILITY

Analysis of lease liabilities by maturity date – Undiscounted analysis:

	The Group		The Bank	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Within one year	178,347,109.61	142,457,139.98	163,222,135.01	141,833,669.78
1 to 2 years	165,489,992.28	122,978,326.98	150,297,646.30	122,736,856.78
2 to 3 years	123,558,985.49	111,558,158.23	120,844,519.33	111,327,701.03
3 to 5 years	182,480,376.04	180,224,626.68	182,374,871.36	179,882,664.80
Over 5 years	185,894,582.10	220,928,049.73	185,894,582.10	220,928,049.73
Total undiscounted lease liabilities	835,771,045.52	778,146,301.60	802,633,754.10	776,708,942.12
Lease liabilities on the balance sheet	759,747,735.51	690,668,414.98	727,403,221.87	689,313,522.50

34 OTHER LIABILITIES

	Notes	The Group		The Bank	
		2024	2023	2024	2023
Other payables	(1)	517,471,879.61	547,386,951.84	499,871,360.71	537,306,201.30
Payables for fund settlement		162,850,057.95	86,395,107.58	162,751,363.22	86,080,391.91
Deferred income		39,587,656.97	53,490,341.52	39,587,656.97	53,490,341.52
Dividend payable		7,092,538.59	6,014,854.96	7,092,538.59	6,014,854.96
Continuously involved debt	23 (5)	557,024,393.82	557,024,393.82	557,024,393.82	557,024,393.82
Others		344,683.82	114,060.10	122,434.22	114,060.10
Total		1,284,371,210.76	1,250,425,709.82	1,266,449,747.53	1,240,030,243.61

(1) Other payables

	The Group		The Bank	
	2024	2023	2024	2023
Asset-backed securitization payments to be transferred	27,255,295.45	59,765,914.93	27,255,295.45	59,765,914.93
Pending accounts for subscription	255,798,604.00	261,074,660.53	255,798,604.00	261,074,660.53
Amounts to be transferred	18,196,826.05	12,183,646.27	18,196,540.97	12,181,248.14
Long-suspended and pending customers' deposits	4,796,483.73	5,784,746.54	4,644,393.32	5,561,458.01
Others	211,424,670.38	208,577,983.57	193,976,526.97	198,722,919.69
Total	517,471,879.61	547,386,951.84	499,871,360.71	537,306,201.30



35 SHARE CAPITAL

The share capital structures of the Bank as at each balance sheet date are as follows:

	Balance as at 1 January 2024	Additions during the year	Reductions during the year	Balance as at 31 December 2024
Registered capital and share capital (ordinary share with a face value of RMB1 per share)	2,341,600,000.00	–	–	2,341,600,000.00

	Balance as at 1 January 2023	Additions during the year	Reductions during the year	Balance as at 31 December 2023
Registered capital and share capital (ordinary share with a face value of RMB1 per share)	2,180,000,000.00	161,600,000.00	–	2,341,600,000.00

Historical verification results of the Bank's share capital:

According to the Capital Verification Report (DSSYZ [1999] No. 0355) issued on 26 July 1999 by Dongguan Auditing Firm, the Bank had share capital of RMB1,089,218,723;

According to the Capital Verification Report (SPSYZ [2006] No. 033) issued on 29 April 2006 by Shenzhen Pengcheng Accounting Firm Co., Ltd. (former Shenzhen Pengcheng Accounting Firm Co., Ltd.), the Bank increased its share capital by RMB547,581,277 to RMB1,636,800,000;

According to the Capital Verification Report (XKSBZ [2011] No. 300019) issued on 13 December 2011 by BDO China Shu Lun Pan Certified Public Accountants LLP, the Bank increased its share capital by RMB343,200,000 to RMB1,980,000,000, and increased the capital reserve (share premium) by RMB1,201,200,000;

According to the Capital Verification Report (XKJSBZ [2014] No. 130015) issued on 21 January 2014 by BDO China Shu Lun Pan Certified Public Accountants LLP, the Bank increased its share capital by RMB200,000,000 to RMB2,180,000,000, and increased the capital reserve (share premium) by RMB866,000,000.

According to the Capital Verification Report (BMWHZY No. 2300728) issued on 30 March 2023 by KPMG Huazhen LLP, the Bank increased its share capital by RMB161,600,000 to RMB2,341,600,000, and increased the capital reserve (share premium) by RMB1,973,136,000.



36 CAPITAL RESERVE

Changes in capital reserve are as follows:

	The Group			
	Balance as at 1 January 2024	Additions during the year	Reductions during the year	Balance as at 31 December 2024
Share premium	4,076,899,844.83	–	(1,689,349.04)	4,075,210,495.79
Other capital reserve	(12,685,892.94)	–	–	(12,685,892.94)
Total	4,064,213,951.89	–	(1,689,349.04)	4,062,524,602.85

	The Group			
	Balance as at 1 January 2023	Additions during the year	Reductions during the year	Balance as at 31 December 2023
Share premium	2,102,221,024.35	1,974,678,820.48	–	4,076,899,844.83
Other capital reserve	(12,685,892.94)	–	–	(12,685,892.94)
Total	2,089,535,131.41	1,974,678,820.48	–	4,064,213,951.89

	The Bank			
	Balance as at 1 January 2024	Additions during the year	Reductions during the year	Balance as at 31 December 2024
Share premium	4,074,607,122.46	–	–	4,074,607,122.46
Other capital reserve	(12,685,892.94)	–	–	(12,685,892.94)
Total	4,061,921,229.52	–	–	4,061,921,229.52

	The Bank			
	Balance as at 1 January 2023	Additions during the year	Reductions during the year	Balance as at 31 December 2023
Share premium	2,101,471,122.46	1,973,136,000.00	–	4,074,607,122.46
Other capital reserve	(12,685,892.94)	–	–	(12,685,892.94)
Total	2,088,785,229.52	1,973,136,000.00	–	4,061,921,229.52

For details of changes in capital reserve of the Group and the Bank, please see Notes 17(1) and 36.



37 OTHER EQUITY INSTRUMENTS

(1) Table of other equity instruments issued at the end of the year

Issuing Perpetual Bonds	Issue date	Accounting classification	Initial interest rate	Offering price	Number (shares)	Amount	Maturity date	Share transfer conditions	Transfer status
Undated capital bonds	8 August 2022	Equity instruments	3.52%	RMB100/piece	20,000,000.00	2,000,000,000.00	Permanent	Nil	Nil
Less: issue expenses						1,037,735.85			
Undated capital bonds	20 May 2020	Equity instruments	4.25%	RMB100/piece	22,000,000.00	2,200,000,000.00	Permanent	Nil	Nil
Less: issue expenses						2,641,509.43			
Carrying amount						4,196,320,754.72			

(2) Main terms

Approved by "Decision on Administrative Approval from the People's Bank of China" (YXZY [2022] No. 133), the Bank issued a total of RMB2 billion of write-down undated capital bonds ("Perpetual Bonds") in the national interbank bond market on 8 August 2022. The unit face value of the bond is RMB100, and the coupon rate for the first five years is 3.52%, with every five years thereafter set as a coupon rate adjustment period. During a coupon rate adjustment period, interest is paid at the same coupon rate as agreed.

Approved by "Decision on Administrative Approval from the People's Bank of China" (YSCXZY [2020] No. 72), the Bank issued a total of RMB2.2 billion of write-down undated capital bonds ("Perpetual Bonds") in the national interbank bond market on 20 May 2020. The unit face value of the bond is RMB100, and the coupon rate for the first five years is 4.25%, with every five years thereafter set as a coupon rate adjustment period. During a coupon rate adjustment period, interest is paid at the same coupon rate as agreed.

The duration of the bonds is consistent with the duration of the Bank's continuing operations. The bond issuance sets the Bank's conditional redemption clause. The Bank has the right to redeem the bonds in full or in part on the payment date of annual interest (including the interest payment date in the fifth year after the issuance date) five years after the issuance date. The Bank must exercise the redemption rights subject to the approval of the former CBIRC and the following conditions: Replace the redeemed instruments with equivalent or higher quality capital instruments, only if the income capacity is sustainable; or after the exercise of the redemption rights, the capital level is still significantly higher than the regulatory capital requirements stipulated by the former CBIRC.

The Bank has the right to cancel part or all of the bond dividends, which shall not constitute a default event. If the Bank completely or partially cancels the dividend distribution of these bonds, the Bank will not make any income distribution to ordinary shareholders from the day after the resolution of the general meeting of shareholders is passed until it decides to restart the full dividend payment to the bondholders. The bonds adopt the non-cumulative interest payment method, i.e., the difference of the full dividend not paid to the bondholders will not accumulate to the next interest accrual year.

After deducting the issuance costs, the proceeds from the bond offering will be used to supplement other Tier-1 capital of the Bank in accordance with applicable laws and the approval of the competent authorities.

(3) Changes

	Balance as at 1 January 2024		Additions during the year		Reductions during the year		Balance as at 31 December 2024	
	Number (shares)	Carrying amount	Number (shares)	Carrying amount	Number (shares)	Carrying amount	Number (shares)	Carrying amount
Issue of perpetual bonds								
Undated capital bonds	42,000,000.00	4,196,320,754.72	-	-	-	-	42,000,000.00	4,196,320,754.72

	Balance as at 1 January 2023		Additions during the year		Reductions during the year		Balance as at 31 December 2023	
	Number (shares)	Carrying amount	Number (shares)	Carrying amount	Number (shares)	Carrying amount	Number (shares)	Carrying amount
Issue of perpetual bonds								
Undated capital bonds	42,000,000.00	4,196,320,754.72	-	-	-	-	42,000,000.00	4,196,320,754.72



38 OTHER COMPREHENSIVE INCOME

	The Group	
	2024	2023
Balance at the beginning of the year	362,557,301.73	(4,979,750.73)
Other comprehensive income which cannot be reclassified into profit or loss		
– Changes in fair value of other equity instrument investments	28,009,689.08	201,672,007.13
Other comprehensive income which will be reclassified into profit or loss		
– Changes in fair value of debt instruments measured at FVTOCI which are included in other comprehensive income	278,968,919.22	26,640,297.25
– Impairment on debt instruments in FVTOCI which are included in other comprehensive income	(50,059,174.65)	17,753,453.67
– Reclassifications from previous other comprehensive income to current profit or loss	78,220,940.20	179,248,847.83
– Other comprehensive income that can be reclassified into profit or loss under equity method	9,060,267.03	(402,017.31)
– Exchange differences in foreign currency financial statements	10,684,207.03	(1,464,886.42)
Income tax implications	(76,782,671.19)	(55,910,649.69)
Balance at the end of the year	640,659,478.45	362,557,301.73

	The Bank	
	2024	2023
Balance at the beginning of the year	362,557,301.73	(4,979,750.73)
Other comprehensive income which cannot be reclassified into profit or loss		
– Changes in fair value of other equity instrument investments	28,009,689.08	201,672,007.13
Other comprehensive income which will be reclassified into profit or loss		
– Changes in fair value of debt instruments measured at FVOCI which are included in other comprehensive income	278,968,919.22	26,640,297.25
– Impairment on debt instruments in FVOCI which are included in other comprehensive income	(50,059,174.65)	17,753,453.67
– Reclassifications from previous other comprehensive income to current profit or loss	78,220,940.20	179,248,847.83
– Other comprehensive income that can be reclassified into profit or loss under equity method	9,060,267.03	(402,017.31)
– Exchange differences in foreign currency financial statements	(2,071,128.67)	(1,464,886.42)
Income tax implications	(76,782,671.19)	(55,910,649.69)
Balance at the end of the year	627,904,142.75	362,557,301.73



39 SURPLUS RESERVE

	The Group and the Bank Statutory surplus reserve
Balance as at 1 January 2023	3,284,742,136.13
Provision for the year	407,697,418.66
Balance as at 31 December 2023	3,692,439,554.79
Provision for the year	382,167,145.85
Balance as at 31 December 2024	4,074,606,700.64

In accordance with the Articles of Association, the Bank needs to appropriate 10% of the net profit to the statutory surplus reserve after making up the losses sustained in the previous years. When the accumulated amount of the statutory surplus reserve reaches 50% of the registered capital of the Bank, it can no longer be appropriated. The Bank's statutory surplus reserve has reached 50% of the Bank's registered capital.

The Bank has not appropriated discretionary surplus reserve.

40 GENERAL RISK RESERVE

In accordance with the "Administrative Measures on Accrual of Provisions by Financial Enterprises" (CJ [2012] No. 20) issued by MOF, apart from provisions for impairment of assets, the Bank accrued general risk reserves to compensate for potential losses in association with risk assets yet to be identified by the Bank. Such general risk reserves are treated as profit distribution, forms part of owners' equity, and in principle should not be less than 1.5% of the closing balance of risk assets.



41 PROFIT DISTRIBUTION

(1) Appropriation to surplus reserve and general risk reserves

- (i) In accordance with the Articles of Association, the Bank made an appropriation to its statutory surplus reserve for 2024 and 2023 at 10% of the net profit.
- (ii) The Bank's profit distribution plan for the year ended 31 December 2023 approved by the Annual General Meeting of Shareholders for the Year 2023 held on 12 April 2024 is as follows:
 - Appropriate 10% of the net profit as statutory surplus reserve
 - Appropriate RMB900 million as general risk reserve

(2) Profit distribution to investors

- (i) As approved by the Annual General Meeting of Shareholders held on 12 April 2024, based on the retained earnings at the end of 2023, the Bank distributed a cash dividend totaling RMB725,896,000 to all shareholders of 2,341,600,000 capital shares.
- (ii) The Bank paid the interest of RMB70,592,876.71 for the perpetual bond during the interest-bearing period according to the relevant provisions of the 2024 Interest Payment Announcement dated 18 July 2024 for 2022 Undated Capital Bonds in August 2024.

The Bank paid the interest of RMB93,500,000.00 for the perpetual bond during the interest-bearing period according to the relevant provisions of the 2024 Interest Payment Announcement dated 28 April 2024 for 2020 Undated Capital Bonds in May 2024.

(3) Undistributed profit at the end of the year

As at 31 December 2024, the undistributed profit attributable to the parent company included an appropriation of RMB11,404,626.19 (As at 31 December 2023: RMB11,513,344.62) to surplus reserve made by the Bank's subsidiaries.



42 NET INTEREST INCOME

	The Group		The Bank	
	2024	2023	2024	2023
Interest income				
Loans and advances to customers	13,934,590,751.27	14,221,911,015.85	13,869,058,598.51	14,173,077,264.71
– Corporate loans and advances	9,007,418,541.93	9,044,575,729.40	8,999,140,292.31	9,034,948,319.52
– Individual loans and advances	4,635,218,273.97	4,945,673,461.97	4,577,964,370.83	4,906,467,120.71
– Discounted bills	291,953,935.37	231,661,824.48	291,953,935.37	231,661,824.48
Financial investment	5,181,523,600.12	5,267,706,836.03	4,913,121,062.98	5,012,813,077.62
Deposits with the central bank	444,186,727.42	462,660,988.47	441,968,072.69	461,464,638.25
Loans to banks and other financial institutions	273,691,200.54	218,940,390.15	273,691,200.54	218,940,390.15
Financial assets purchased under resale agreements	189,704,785.21	197,606,934.23	184,351,436.79	195,524,409.04
Deposits with banks and other financial institutions	35,523,704.18	28,079,694.59	28,155,027.85	20,317,452.02
Subtotal of interest income	20,059,220,768.74	20,396,905,859.32	19,710,345,399.36	20,082,137,231.79
Interest expense				
Customer deposits	(8,663,811,861.84)	(8,448,750,846.17)	(8,618,960,064.18)	(8,417,707,914.28)
Bonds payable	(2,680,524,852.62)	(2,222,270,584.57)	(2,680,524,852.62)	(2,222,270,584.57)
Loans from banks and other financial institutions	(492,598,028.71)	(420,753,287.86)	(492,598,028.71)	(420,753,287.86)
Financial assets sold under repurchase agreements	(371,257,538.15)	(458,432,380.84)	(293,155,825.76)	(375,885,483.83)
Borrowing from Central Bank	(533,074,219.12)	(323,624,111.45)	(532,996,610.79)	(322,994,809.79)
Deposits from banks and other financial institutions	(172,303,313.49)	(166,625,341.36)	(185,324,723.73)	(172,515,196.37)
Interest expense on lease liabilities	(26,994,246.91)	(23,752,138.62)	(23,931,757.80)	(23,696,712.84)
Sub-total of interest expense	(12,940,564,060.84)	(12,064,208,690.87)	(12,827,491,863.59)	(11,955,823,989.54)
Net interest income	7,118,656,707.90	8,332,697,168.45	6,882,853,535.77	8,126,313,242.25



43 NET HANDLING FEES AND COMMISSION INCOME

	The Group		The Bank	
	2024	2023	2024	2023
Fee and commission income				
Agency service charges	213,008,265.52	301,028,681.27	218,219,051.23	302,972,309.97
Settlement charges	148,988,047.32	122,456,670.17	149,209,469.28	122,568,820.15
Guarantee service charges	92,002,536.09	119,405,582.79	92,002,536.09	119,405,582.79
Bank card charges	58,525,533.77	70,617,389.35	58,518,975.30	70,654,812.69
Entrusted service charges	74,327,903.86	66,842,644.13	74,327,903.86	66,842,644.13
Consulting service charges	19,119,654.34	37,105,331.39	19,119,265.98	37,104,787.69
Security lending service charges	7,962,269.81	12,975,863.67	7,962,269.81	12,975,863.67
Custody service charges	1,786,908.87	2,075,977.72	1,786,908.87	2,075,977.72
Other charges	277,982,869.92	260,618,315.54	277,902,513.76	260,576,488.18
Sub-total of handling fees and commission income	893,703,989.50	993,126,456.03	899,048,894.18	995,177,286.99
Handling fees and commission expenses				
Settlement charges	(97,092,739.58)	(100,022,940.28)	(97,015,864.05)	(100,014,101.81)
Bank card charges	(10,189,880.69)	(11,914,990.03)	(10,164,659.94)	(11,894,427.31)
Agency service charges	(1,935,354.41)	(3,972,191.73)	(1,935,354.41)	(3,972,191.73)
Security lending service charges	(1,008,580.85)	(1,471,282.11)	(1,008,580.85)	(1,471,282.11)
Other charges	(46,207,801.86)	(38,758,143.95)	(46,171,476.06)	(38,741,895.72)
Sub-total of handling fees and commission expenses	(156,434,357.39)	(156,139,548.10)	(156,295,935.31)	(156,093,898.68)
Net handling fees and commission income	737,269,632.11	836,986,907.93	742,752,958.87	839,083,388.31



44 INVESTMENT INCOME

	The Group		The Bank	
	2024	2023	2024	2023
Realized profits/(losses) from disposal of investment				
– Precious metals	(2.49)	1,072,329.07	(2.49)	1,072,329.07
– Trading financial assets	(132,845,859.54)	(80,272,152.71)	9,390,293.80	(94,946,776.98)
– Debt investment	184,925,999.92	138,297.27	143,183,215.64	838,477.27
– Other debt investments	80,520,160.72	43,286,107.19	80,520,160.72	43,286,107.19
– Derivative financial instruments	(20,587,921.94)	2,171,870.40	(2,047,052.85)	4,881,494.93
– Trading financial liabilities	(9,370,434.28)	(5,827,406.61)	(9,370,434.28)	(5,827,406.61)
– Loans	398,050.53	–	398,050.53	–
Profits realized during the period				
– Net interest income from financial investments	827,593,885.83	413,346,810.95	662,462,093.22	389,241,287.88
– Dividends for financial assets	1,115,676,922.48	1,102,320,745.76	1,115,676,922.48	1,124,385,745.76
– Dividend income	4,752,986.04	4,765,135.71	4,752,986.04	4,765,135.71
– Dividend from subsidiaries	–	–	–	663,000.00
– Income from investment in associates	34,902,491.33	53,650,852.79	34,902,491.33	53,650,852.79
Others	469,459.26	38,931.22	469,459.26	38,931.22
Total	2,086,435,737.86	1,534,691,521.04	2,040,338,183.40	1,522,049,178.23

45 NET GAINS/(LOSSES) FROM CHANGES IN FAIR VALUE

	The Group	
	2024	2023
Trading financial assets	327,625,436.75	(65,332,130.77)
Derivative financial instruments	(94,959,235.42)	10,264,142.10
Total	232,666,201.33	(55,067,988.67)

	The Bank	
	2024	2023
Trading financial assets	551,404,155.30	109,779,394.65
Derivative financial instruments	(92,954,189.08)	18,511,632.65
Total	458,449,966.22	128,291,027.30

46 NET GAINS/(LOSSES) FROM DISPOSAL OF ASSETS

	The Group		The Bank	
	2024	2023	2024	2023
Net gains/(losses) from disposal of fixed assets and other long-term assets	285,724.94	(3,050,662.68)	(1,280,768.20)	(3,042,828.31)
Total	285,724.94	(3,050,662.68)	(1,280,768.20)	(3,042,828.31)



47 OTHER INCOME

Government grants

	The Group		The Bank	
	2024	2023	2024	2023
Government grants related to income	83,534,208.48	196,579,460.96	83,380,028.82	196,246,079.63

In 2024, the Group received government grants totaling RMB83,534,208.48, including loan support tool incentive funds received by the Bank of RMB64,702,972.64, loan risk compensation of RMB14,992,144.50, unemployment insurance return for job stabilization of RMB1,769,945.51, subsidies for the establishment of doctoral workstations of RMB27,046.73, risk reserve of RMB455,814.47 transferred by the Credit Re-guarantee Center, one-time job expansion subsidy of RMB347,500.00, subsidy of RMB283,018.87 for banks handling guaranteed loans for entrepreneurship, governmental subsidy of RMB467,660.52 for supporting the development of financial enterprises in Shenzhen, one-time subsidy of RMB96,140.00 for retaining jobs, government subsidy of Shenzhen Futian District to support the high-quality development of the financial industry of RMB88,495.58 and financial senior management personnel training grant of RMB149,290.00. Dongyuan Taiye Village Bank Co., Ltd, our subsidiary, received one-off job retention subsidy of RMB16,775.00 and one-off job expansion subsidy of RMB1,000.00. Zongyang Taiye Village Bank Co., Ltd., our subsidiary, received unemployment insurance return for job stabilization of RMB38,337.68. Chongqing Kaizhou Taiye Village Bank Co., Ltd., our subsidiary, received RMB98,066.98 for loan support.

In 2023, government subsidies received by the Group totaled RMB196,579,460.96, of which the Bank received RMB175,068,869.81 for loan support, RMB18,106,145.22 of loan risk compensation, RMB2,496,320.76 for loan extension support, RMB276,213.58 in one-time allowance for job expansion, RMB155,886.84 fixed asset purchase subsidies, RMB60,517.59 of doctoral workstation construction grant, RMB50,198.00 of the balance of bank loans increment for reward projects, RMB28,355.00 in one-time retention subsidies, RMB3,572.83 in unemployment insurance return for job stabilization; the subsidiary Zongyang Taiye Village Bank Co., Ltd. received RMB129,126.21 for loan support and RMB7,377.67 in "Shui Rong Tong" (税融通) loan interest subsidies; and the subsidiary Chongqing Kaizhou Taiye Village Bank Co., Ltd. received RMB159,218.45 for loan extension support, RMB37,659.00 in unemployment insurance return for job stabilization.

48 TAXES AND SURCHARGES

	The Group		The Bank	
	2024	2023	2024	2023
City maintenance and construction tax	55,855,129.04	58,020,652.32	55,616,935.08	57,906,728.88
Education surcharges	39,986,659.99	41,511,612.84	39,797,972.78	41,424,270.39
Others	31,219,275.53	32,289,150.72	30,551,453.88	31,974,373.98
Total	127,061,064.56	131,821,415.88	125,966,361.74	131,305,373.25



49 OPERATING AND ADMINISTRATIVE EXPENSES

	The Group		The Bank	
	2024	2023	2024	2023
Employee compensation costs				
– Short-term employee benefits	1,970,813,355.70	1,763,610,779.69	1,871,734,049.51	1,746,812,401.98
– Post-employment benefits	330,082,580.90	308,510,638.81	322,762,945.98	306,390,039.15
– Other long-term employee benefits	135,429,874.43	278,546,556.08	129,456,764.49	276,519,261.10
Subtotal	2,436,325,811.03	2,350,667,974.58	2,323,953,759.98	2,329,721,702.23
Depreciation and amortisation	675,436,257.12	594,224,269.07	621,522,360.71	590,932,642.84
Lease and property management fees	23,418,206.62	18,358,057.33	16,211,653.04	17,713,948.13
Other office and administrative expenses	842,069,054.63	850,893,446.61	802,562,669.34	832,943,784.95
Total	3,977,249,329.40	3,814,143,747.59	3,764,250,443.07	3,771,312,078.15

50 CREDIT IMPAIRMENT LOSSES

	The Group		The Bank	
	2024	2023	2024	2023
Loans and advances to customers	2,038,943,008.74	1,902,258,788.99	2,019,741,652.81	1,908,061,893.92
Debt investment	197,404,496.19	674,355,948.13	203,152,464.20	667,027,533.41
Other debt investments	21,316,004.21	22,295,265.05	21,316,004.21	22,295,265.05
Deposits with banks and other financial institutions	(906,098.56)	928,945.82	(69,614.67)	910,082.92
Loans to banks and other financial institutions	(562,747.41)	(21,510,983.82)	(562,747.41)	(21,510,983.82)
Credit commitments	(16,651,358.73)	(192,173,680.49)	(16,651,358.73)	(192,173,680.49)
Others	23,584,458.63	13,292,681.97	23,562,109.33	13,227,090.69
Total	2,263,127,763.07	2,399,446,965.65	2,250,488,509.74	2,397,837,201.68

51 NON-OPERATING INCOME AND EXPENSES

(1) Non-operating income

	The Group		The Bank	
	2024	2023	2024	2023
Income from long-suspended and pending customers' deposits	1,013,588.37	911,613.05	1,013,588.37	911,613.05
Others	21,635,519.90	1,061,713.16	2,732,599.22	981,644.42
Total	22,649,108.27	1,973,326.21	3,746,187.59	1,893,257.47



(2) Non-operating expenses

	The Group		The Bank	
	2024	2023	2024	2023
Fines and overdue fines	5,771,840.46	1,000,389.23	5,471,840.46	988,760.45
Donation outlay	8,787,498.18	7,800,914.84	8,775,248.18	7,762,756.64
Others	1,780,490.32	1,958,022.42	1,773,508.86	1,951,008.08
Total	16,339,828.96	10,759,326.49	16,020,597.50	10,702,525.17

52 INCOME TAX EXPENSE**(1) Income tax expense for the year represents:**

	The Group		The Bank	
	2024	2023	2024	2023
Current income tax measured in accordance with tax laws and relevant regulations	16,437,836.40	53,975,564.42	5,768,539.73	53,410,964.26
Adjustment of differences in final settlement	(2,389,367.21)	(1,915,674.26)	(3,078,913.99)	(2,087,438.28)
Changes in deferred income tax	84,811,659.03	114,489,468.59	97,005,772.03	112,244,322.93
Total	98,860,128.22	166,549,358.75	99,695,397.77	163,567,848.91

(2) Reconciliation between income tax expense and income tax calculated based on statutory tax rates:

	Note	The Group		The Bank	
		2024	2023	2024	2023
Profit before tax		3,831,684,057.35	4,232,742,441.49	3,921,366,856.27	4,240,542,035.52
Expected income tax at statutory rate		957,921,014.34	1,058,185,610.37	980,341,714.07	1,060,135,508.88
Effect of different tax rates applied by subsidiaries		13,379,947.23	369,209.84	—	—
Income tax implications of the following items:					
Income from non-taxable items	(i)	(948,516,379.96)	(947,667,788.29)	(928,582,958.32)	(949,640,329.79)
Non-tax-deductible expenses	(ii)	51,916,619.81	55,318,142.09	51,015,556.01	55,160,108.10
Differences in final settlement		(2,389,367.21)	(1,915,674.26)	(3,078,913.99)	(2,087,438.28)
Others		26,548,294.01	2,259,859.00	—	—
Income tax expenses		98,860,128.22	166,549,358.75	99,695,397.77	163,567,848.91

- (i) This mainly includes interest income from bonds issued by the national government and local governments in China, income from equity investment between qualified resident enterprises, and income from distributions by security investment funds.
- (ii) This mainly refers to the hospitality expenses, donation expenses and other expenses irrelevant to the obtained income, which cannot be fully deducted before tax according to the tax law or exceed the deduction standard stipulated by the tax law.



53 SUPPLEMENTAL INFORMATION OF CASH FLOW STATEMENT

(1) Reconciliation of net profit to cash flow from operating activities:

	The Group		The Bank	
	2024	2023	2024	2023
Net Profit	3,732,823,929.13	4,066,193,082.74	3,821,671,458.50	4,076,974,186.61
Add: Credit impairment loss	2,263,127,763.07	2,399,446,965.65	2,250,488,509.74	2,397,837,201.68
Impairment loss of other assets	4,005,453.55	365,900.00	67,370,682.87	365,900.00
Depreciation of fixed assets	251,281,509.17	225,716,692.03	244,564,695.85	223,382,739.60
Amortization of intangible assets	148,271,446.61	135,616,955.39	148,271,446.61	135,616,955.39
Depreciation of right-of-use assets	190,528,345.19	164,209,418.31	152,368,822.43	163,379,482.50
Amortization of long-term deferred expenses	85,354,956.15	68,681,203.34	76,317,395.82	68,553,465.35
Interest expense on lease liabilities	26,994,246.91	23,752,138.62	23,931,757.80	23,696,712.84
Interest income from credit-impaired loans	(127,110,624.05)	(203,885,436.84)	(127,110,624.05)	(203,885,436.84)
Losses from disposal of fixed assets, intangible assets and other long-term assets	(285,724.94)	3,050,662.68	1,280,768.20	3,042,828.31
Net Losses/(gains) from changes in fair value	(232,666,201.33)	55,067,988.67	(458,449,966.22)	(128,291,027.30)
Interest income from financial investments	(5,181,523,600.12)	(5,267,706,836.03)	(4,913,121,062.98)	(5,012,813,077.62)
Investment income	(2,086,435,737.86)	(1,534,691,521.04)	(2,040,338,183.40)	(1,522,049,178.23)
Unrealized foreign exchange gains and losses	(48,049,697.31)	(146,409,274.08)	(45,731,052.53)	(149,499,905.88)
Bond interest expense payable	2,680,524,852.62	2,222,270,584.57	2,680,524,852.62	2,222,270,584.57
Net increase in deferred income tax assets	84,811,659.03	114,489,468.59	97,005,772.03	112,244,322.93
Increase in operating receivable	(24,999,723,582.83)	(41,702,410,160.57)	(25,053,530,588.37)	(41,645,494,562.67)
Increase in operating payables	9,857,923,557.47	86,619,480,314.59	10,162,652,066.87	86,557,104,940.18
Net cash flows from operating activities	(13,350,147,449.54)	47,243,238,146.62	(12,911,833,248.21)	47,322,436,131.42

(2) Net changes in cash and cash equivalents:

	The Group		The Bank	
	2024	2023	2024	2023
Cash at the end of the year	1,227,266,352.50	694,929,883.52	1,219,204,432.39	687,785,392.26
Less: Cash at the beginning of the year	(694,929,883.52)	(1,015,833,461.60)	(687,785,392.26)	(1,006,963,735.48)
Add: Cash equivalents at the end of the year	30,933,652,299.37	29,588,756,486.13	30,273,054,823.97	29,362,860,962.95
Less: Cash equivalents at the beginning of the year	(29,588,756,486.13)	(24,244,899,852.30)	(29,362,860,962.95)	(24,120,058,130.68)
Net increase in cash and cash equivalents	1,877,232,282.22	5,022,953,055.75	1,441,612,901.15	4,923,624,489.05



(3) Cash and cash equivalents are as follows:

	The Group		The Bank	
	2024	2023	2024	2023
Cash on hand	1,227,266,352.50	694,929,883.52	1,219,204,432.39	687,785,392.26
Excess reserves with central bank	7,806,116,258.22	15,942,092,104.20	7,725,994,565.12	15,896,287,933.94
With an original maturity of three months or less				
– Deposits with banks and other financial institutions	3,205,540,348.03	1,835,420,224.53	2,995,564,565.73	1,696,259,029.01
– Loans to banks and other financial institutions	10,735,012,693.12	1,504,059,000.00	10,735,012,693.12	1,504,059,000.00
– Financial assets purchased under resale agreements	9,186,983,000.00	10,307,185,157.40	8,816,483,000.00	10,266,255,000.00
Total of cash and cash equivalents	32,160,918,651.87	30,283,686,369.65	31,492,259,256.36	30,050,646,355.21

54 RISK MANAGEMENT

The Group has exposure to the following main risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk
- Operational Risk

This note presents the information about the Group's exposure to each of the above risks and their sources, and their changes during the year, as well as the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

The Board of Directors is the top decision maker with regards to the Bank's risk management policy, and supervises the Group's risk management functions through the risk management committee. The Group aims to seek appropriate balance between the risks and benefits and to mitigate the adverse effects that financial risks have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyze risks facing the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Senior management is the supreme execution unit of our risk management framework and reports directly to the Board of Directors. According to the risk management preferences established by the Board of Directors, senior management is responsible for establishing and implementing risk management policies and systems, and for monitoring, identifying and controlling risks confronting different businesses.

(1) Credit risk

Credit risk refers to the risk that a customer or counterparty is unable or unwilling to perform contractual obligations. Changes in the economic environment or the quality of credit assets in a particular industry in the Group's asset portfolio will result in possible losses to the Group. The credit risk exposures in the balance sheet include customer loans, securities investment and interbank transactions, and there are also off-balance-sheet credit risk exposures, such as loan commitments. The Group's main business operations are currently concentrated in Guangdong Province, which indicates that there is a concentration risk in the Group's credit portfolio and it is relatively vulnerable to changes in regional economic conditions. Therefore, the management cautiously manages its exposure to credit risks. The risk management department at the head office is responsible for managing the overall credit risk associated with the Bank (including loans, securities investment and interbank transactions), and reports regularly to the senior management of the Group. The Group has established relevant mechanisms to set relevant credit risk limits, and regularly monitors the above credit risk limits and conducts audits at least once a year.



Credit operations

Based on the Rules on Risk Classification of Financial Assets of Commercial Banks, the Group has formulated the Bank of Dongguan Financial Asset Risk Classification Management Measures to assess and manage the quality of the Bank's credit assets. According to these Measures, the Group classifies on-balance sheet and off-balance sheet credit assets into five categories: normal, concerned, substandard, doubtful and loss. Loans in the latter three categories are considered non-performing credit assets.

The core definitions of five categories of loans are as follows:

Normal:	Borrowers can honor the terms of the contracts. There is no objective evidence that the principal, interest or earnings will not be repaid in full and on time.
Concerned:	Although there are a number of factors that may adversely affect the performance of the contract, the borrowers are currently able to pay the principal, interest or earnings.
Substandard:	Borrowers are unable to make full payment of principal, interest or earnings, or the financial asset is credit-impaired.
Doubtful:	Borrowers are unable to make full payment of principal, interest or earnings, or the financial asset is significantly credit-impaired.
Loss:	After all possible measures have been taken, only a very small portion of the financial assets can be recovered or all of the financial assets are lost.

Capital business

The credit risk facing the Group's capital business is generated by the investment business and the interbank business. The Group implements the access management of interbank credit for the business of banks and non-bank financial institutions, and verifies the interbank credit line; and the credit extension and control model of corporate clients for non-financial institutions.

(a) Measurement of ECLs

Risk stages of financial instruments

The Group divides each business into three risk stages and accrues provisions for ECLs based on whether the credit risk associated with financial instruments has increased significantly or credit impairment has occurred since the initial recognition. Please refer to Note 3(g)(i) for the main definitions of the three risk stages of financial instruments.

Based on whether there is a significant increase in credit risk and whether the asset has incurred credit impairment, the Group measures allowances for loss of different assets with 12-month ECL or lifetime ECL, respectively.

The Group measures loss provision of the financial instruments that meet the following conditions according to the amount of expected credit losses within the next 12 months, and measures loss allowances for other financial instruments in accordance with the amount of lifetime expected credit losses:

- The financial instruments that are determined to have low credit risk at the reporting date; or
- The financial instruments for which credit risk has not increased significantly since initial recognition.

(i) Significant increase in credit risk

When one or more quantitative, qualitative standards or upper limits are triggered, the Group assumes that credit risk associated with financial instruments has increased significantly.



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

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

The Group uses an early warning list to monitor credit risk in financial instruments related to loans and advances and capital operations, and conducts regular assessments at the counterparty level. The standards used in determining whether credit risk increases significantly and the appropriateness thereof are regularly monitored and reviewed by the management.

As of 31 December 2024, the Group has not considered that any of its financial instruments has lower credit risk and no longer compared the credit risk at the balance sheet date with that at the initial recognition to identify whether there was a significant increase in credit risk.

(ii) Definitions of "default" and "credit-impaired assets"

When a financial instrument meets one or more of the following conditions, the Group considers the financial asset to be in default, and the criteria are consistent with the definition of credit-impaired assets:

(a) Quantitative criterion.

The borrower has not paid more than 90 days after the contract payment date.

(b) Qualitative criterion.

The borrower meets the criterion of "having debt repayment difficulties", which indicates that the borrower has significant financial difficulty, including:

- The loan has been in the grace period for a long time
- The borrower is deceased
- The borrower goes into bankruptcy



- The borrower breaches (one or more) terms of the contract that the debtor shall be subject to
- The disappearance of an active market for the related financial asset because of financial difficulties facing the borrower
- The creditor makes concessions due to the financial difficulties facing the borrower
- It is highly likely that the borrower will go into bankruptcy
- A higher discount was obtained during the acquisition of assets, and the assets have incurred credit loss when they are acquired

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

Risk Groups

To calculate the relevance between ECL allowance modelled on a collective basis and macro-economic indicators, a grouping of exposure is performed on the basis of shared risk characteristics, so that risk exposures within a group are homogenous. In grouping, the Group has obtained sufficient information to ensure its statistical reliability. According to the credit risk characteristics such as product types, customer types, and the industry in which the customers belong, the risk exposures are grouped. The Group reviews the reasonableness of the groups on a regular basis, conducts qualitative and quantitative assessment on the risk groups, and timely reviews the reasonableness of the groups when the credit risk characteristics of the risk exposure within the portfolio changes, and re-classifies the groups according to the risk characteristics of the relevant credit risk exposure if necessary.

Notes to the parameters, assumptions and valuation techniques

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

- PD refers to the likelihood that a counterparty will be unable to meet his repayment obligations over the next 12 months or the remaining lifetime of the guarantee;
- EAD is the amount that the Group should be reimbursed upon default of an obligor over the next 12 months or the remaining lifetime of the guarantee;
- LGD refers to the Group's prediction as to the degree of loss arising from the exposure at default. LGD varies according to different types of counterparties, methods and priority of recovering debts, and the availability of collateral or other credit support.

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

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

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



Forward-looking information incorporated in the ECL

The assessment of whether the credit risk of a financial instrument has increased significantly since initial recognition and the measurement of ECL both incorporate forward-looking information.

The Group conducts forecast of multiple macroeconomic variables under three domestic macro scenarios, namely positive, neutral and negative, and determines the weight of multiple scenarios of the macro economy by the Group. Of which, the neutral scenario is defined as the most likely scenario in the future, which serves as a comparison basis for other scenarios. Positive and negative scenarios are those that fluctuate better and worse on the basis of the neutral scenario respectively, and can also be used as a source of sensitivity analysis.

The Group has performed historical analysis and identified the key economic variables related to credit risks and expected credit losses that affect each asset portfolio, including the CPI growth rate on year-on-year basis, M1 money supply growth rate on year-on year basis, and provision for impairment of loans of commercial banks.

As at 31 December 2024, the Group's rating for the positive scenario is 15%, the neutral scenario is 50%, and the negative scenario is 35%.

(b) Maximum credit risk exposure

Regardless of collateral and other credit enhancements, the maximum exposure to credit risk at the Group and the Bank is the sum of the carrying amount of each financial asset and the contract amount of each credit commitment. Except for the credit commitments given by the Group and the Bank as set out in Note 58, the Group and the Bank do not provide any other guarantees which would expose the Group or the Bank to credit risk. The maximum exposure to credit risk in respect of these credit commitments at the end of the reporting period is disclosed in Note 58.

The carrying amounts of financial instruments on the balance sheet have reflected their maximum credit risks.



(c) Credit quality analysis of financial assets

As at 31 December 2024									
	Book balance			The Group					
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL - credit-impaired)	Total			Provisions for ECL		
				Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL - credit-impaired)	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL - credit-impaired)
Loan	354,883,516,200.50	7,335,446,082.77	4,104,452,608.21	366,323,414,891.48	(3,443,721,525.26)	(1,718,126,126.25)	(2,716,592,598.16)	(7,878,440,249.67)	(7,878,440,249.67)
Investment (ii)	174,557,302,921.77	-	3,323,878,211.31	177,881,181,133.08	(91,312,497.34)	-	(2,014,225,786.43)	(2,105,538,283.77)	(2,105,538,283.77)
Others (iii)	25,712,195,811.64	-	21,341,797.72	25,733,537,609.36	(88,382,622.01)	-	(21,341,797.72)	(109,724,419.73)	(109,724,419.73)
As at 31 December 2023									
	Book balance			The Group					
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL - credit-impaired)	Total			Provisions for ECL		
				Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL - credit-impaired)	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL - credit-impaired)
Loan	321,687,090,601.44	3,650,027,564.07	3,050,529,118.42	328,387,647,283.93	(4,061,841,326.16)	(1,031,406,705.54)	(2,613,175,459.40)	(7,706,423,491.10)	(7,706,423,491.10)
Investment (ii)	186,150,087,608.67	-	3,983,757,351.34	190,133,844,960.01	(88,137,213.07)	-	(2,494,741,026.75)	(2,582,878,239.82)	(2,582,878,239.82)
Others (iii)	23,403,774,173.09	-	121,994,006.55	23,525,768,179.64	(66,707,261.43)	-	(121,994,006.55)	(188,701,267.98)	(188,701,267.98)



As at 31 December 2024									
	The Bank					Provisions for ECL			
	Book balance			Stage III (Lifetime ECL – credit-impaired)		Stage II (Lifetime ECL)		Stage III (Lifetime ECL – credit-impaired)	
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL – credit-impaired)	Total	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL – credit-impaired)	Total	Total
Loan	354,083,860,654.72	7,290,712,219.58	4,081,581,469.95	365,456,154,344.25	(3,437,388,725.68)	(1,709,377,494.79)	(2,695,140,251.90)	(7,841,886,472.37)	(7,841,886,472.37)
Investment (ii)	165,804,293,147.33	–	3,323,878,211.31	169,128,171,358.64	(89,281,442.00)	–	(2,014,225,786.43)	(2,103,507,228.43)	(2,103,507,228.43)
Others (iii)	25,071,863,333.94	–	21,321,950.46	25,093,185,284.40	(88,035,780.41)	–	(21,321,950.46)	(109,357,730.87)	(109,357,730.87)

As at 31 December 2023									
	The Bank					Provisions for ECL			
	Book balance			Stage III (Lifetime ECL – credit-impaired)		Stage II (Lifetime ECL)		Stage III (Lifetime ECL – credit-impaired)	
	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL – credit-impaired)	Total	Stage I (12-month ECL)	Stage II (Lifetime ECL)	Stage III (Lifetime ECL – credit-impaired)	Total	Total
Loan	320,855,080,111.62	3,625,921,335.04	3,030,772,322.74	327,511,773,769.40	(4,053,740,586.19)	(1,026,091,989.79)	(2,593,859,440.54)	(7,673,692,016.52)	(7,673,692,016.52)
Investment (ii)	176,856,576,259.33	–	3,983,757,351.34	180,840,333,610.67	(80,362,141.22)	–	(2,494,741,026.75)	(2,575,103,167.97)	(2,575,103,167.97)
Others (iii)	23,114,929,331.09	–	121,988,084.97	23,236,917,416.06	(66,433,337.58)	–	(121,988,084.97)	(188,421,482.55)	(188,421,482.55)

(i) Overdue loans refer to all loans owed by loan customers to the Bank, for which the full or partial amount of the principal or interest has been overdue for one day or above.

(ii) As at 31 December 2024 and 31 December 2023, investments include debt investments and other debt investments.

(iii) Others include deposit with banks and other financial institutions, loans to banks and other financial institutions, financial assets purchased under resale agreements, interests receivable, and other receivables.



(d) Credit risk rating of bond investments

The Group adopts the credit rating method to monitor the credit risk status of the debt instrument investment portfolio held by the Group. The debt instrument investment rating refers to the rating of the rating agency recognized by the People's Bank of China. On the balance sheet date, the analysis of the Group's bond investment according to the debt rating is as follows:

	The Group	
	2024	2023
Credit-impaired financial assets		
Carrying value	10,878,904.60	13,377,563.89
Overdue		
Carrying value	—	—
Financial assets neither overdue nor credit-impaired (including accrued interest)		
AAA	41,462,764,059.33	45,866,748,862.66
AA – to AA+	5,483,071,032.91	5,186,991,791.61
A – to A+	5,168,932,091.87	3,538,688,497.09
A3 to A1	1,160,739,498.94	1,659,852,750.82
BBB – to BBB+	1,836,956,805.94	2,818,277,263.76
Baa3 to Baa1	298,429,275.12	584,284,452.21
Not rated	112,474,278,500.02	110,111,367,833.26
Provision for impairment	(50,464,947.27)	(65,828,924.62)
Sub-total of carrying value	167,834,706,316.86	169,700,382,526.79
Total	167,845,585,221.46	169,713,760,090.68



	The Bank	
	2024	2023
Credit-impaired financial assets		
Carrying value	10,878,904.60	13,377,563.89
Overdue		
Carrying value	—	—
Financial assets neither overdue nor credit-impaired (including accrued interest)		
AAA	39,476,818,606.96	36,573,237,513.32
AA – to AA+	5,086,499,543.48	5,186,991,791.61
A – to A+	5,168,932,091.87	3,538,688,497.09
A3 to A1	1,160,739,498.94	1,659,852,750.82
BBB – to BBB+	1,836,956,805.94	2,818,277,263.76
Baa3 to Baa1	298,429,275.12	584,284,452.21
Not rated	106,103,785,667.38	110,111,367,833.26
Provision for impairment	(48,433,891.93)	(58,053,852.77)
Sub-total of carrying value	159,083,727,597.76	160,414,646,249.30
Total	159,094,606,502.36	160,428,023,813.19

Overdue means that all or part of the principal or interest is overdue for one day or more.

(e) Credit risk concentration analysis of financial assets

The credit risk concentration of loans and advances granted by the Bank refers to the fact that borrowers are concentrated in a certain industry or region, or share certain economic characteristics, which usually increases the credit risk accordingly. Please refer to Note 12 for the industry concentration analysis of loans and advances granted by the Bank.

(2) Market risk

Market risk refers to the risk of loss of on – and off-balance-sheet businesses of the Group due to adverse changes in market prices (interest rates, exchange rates, product prices, stock prices, and other prices). The market risk facing the Group mainly comes from the interest rate risk and exchange rate risk associated with various asset-liability businesses and products involved in market operations.

The Group establishes a market risk management system based on the “Guidelines for Market Risk Management of Commercial Banks” promulgated by the former CBRC. The Board of Directors of the Bank assumes the ultimate responsibility for monitoring market risk management, is responsible for approving market risk management policies and procedures, and determines the tolerable level of market risk. The senior management is responsible for implementing the market risk management policy and market risk appetite decided by the Board of Directors, and for coordinating efforts to align the total risk with business objectives. The risk management department is responsible for the identification, measurement, monitoring, controlling, and reporting of market risk at the company level. Business departments are responsible for monitoring and reporting market risks associated with the businesses managed by them respectively.

The Group’s risk monitoring techniques include risk detection measurement and monitoring management of market risks in each business by means of long-term monitoring exposure analysis, sensitivity analysis, scenario analysis, etc. The financial market department has set up the trading limit, stop loss limit, derivatives risk limit and other market risk limit systems and monitored the use of market risk limit. The stress test of market risk has been carried out under prudent conditions according to the requirements of the former CBRC.



(a) Interest rate risk

Interest rate risk refers to the possibility of losses caused by changes in factors such as interest rate level and term structure to the overall return and economic value of bank accounts. With respect to the Bank's exposure to interest rate risk, the Group determines the future interest rate trend by investigating various macroeconomic indicators. It also forecasts the future trends for changes in Group's funding activities based on factors such as the Group's capital cost, capital adequacy ratio, and the growth of deposits and loans to analyze the Group's tolerance towards interest rate risk.

The Group manages interest rate risk mainly through asset portfolio construction and adjustment. The purpose of the portfolio is to diversify risk and increase profitability through asset diversification.

The Group's interest rate risk management mainly involves:

- (i) The Group stepping up the analysis and prediction of interest rate fluctuations, predicting the future interest rate trends taking into account the interest rate trends for SHIBOR, treasury bonds and policy financial bonds, and using the internal fund transfer pricing (FTP) system to concentrate interest rate risk to "Treasurer" conducts unified management, guiding business structure optimization and improving the pricing level by formulating scientific and reasonable FTP price transmission policy guidance;
- (ii) Using the asset-liability management (ALM) system to measure and manage interest rate risk exposure, through scenario simulations, stress tests and repricing gap analysis to simulate the Group's net interest income and economic value under different interest rate scenarios – this way, reasonable management suggestions are made, and timely strategic adjustments are made to avoid the negative impact of interest rate fluctuations on the Group's financial standing.

The Group uses sensitivity analysis to measure the possible impact of changes in interest rates on the Group's net profit and equity. The following table shows the sensitivity of the Group's net profit and equity to possible and reasonable changes in interest rates when other variables are fixed.

	Net profit sensitivity			
	The Group		The Bank	
	2024	2023	2024	2023
	(Decrease)/Increase	Increase/(Decrease)	(Decrease)/Increase	Increase/(Decrease)
Interest rate change (basis point)				
+100	(262,388,590.87)	(699,843,568.60)	(237,347,882.31)	(673,848,469.49)
- 100	262,388,590.87	699,843,568.60	237,347,882.31	673,848,469.49

	Equity sensitivity			
	The Group		The Bank	
	2024	2023	2024	2023
	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase	(Decrease)/Increase
Interest rate change (basis point)				
+100	(1,172,700,851.27)	(1,052,933,135.25)	(1,147,660,142.71)	(1,026,938,036.14)
- 100	1,224,031,615.48	1,064,347,687.17	1,198,990,906.92	1,038,352,588.06



The above sensitivity analysis is based on the static interest rate risk structure of assets and liabilities. The relevant analysis only measures changes in interest rates within one year and reflects the impact of re-pricing of the Group's assets and liabilities on the Group's annualized net profit and equity within one year based on the following assumptions:

- (i) All assets and liabilities re-priced or due within one year are assumed to be re-priced or expire at the beginning of the relevant period;
- (ii) The yield curve moves parallel to the changes in interest rates;
- (iii) There is no other change in the portfolio of assets and liabilities.

The sensitivity of net profit is based on the impact of certain interest rate changes on the net interest income from financial assets and liabilities held at the end of the year and whose interest rate is expected to be redefined within the next year.

Equity sensitivity is calculated based on the effect of revaluation of all financial instruments held at the end of the year when a certain interest rate changes.

The sensitivity analysis on above interest rate is provided only as an example, based on the simplification of the scenario. The analysis shows the estimated changes in net profit and equity under each expected revenue curve and the current interest rate risk facing the Group. However, the analysis of the impact does not consider the risk management activities that the management may take to reduce interest rate risk. The above estimation assumes that the interest rates for all the years will change at the same rate. Therefore, it does not reflect the potential impact on net profit or equity if some interest rates change while others remain unchanged.

Based on the above assumptions, the actual change in the net profit and equity of the Group due to the increase or decrease in interest rates may differ from the findings of this sensitivity analysis.



The table below presents the distribution of the effective interest rates of assets and liabilities for the relevant year and by the next expected repricing date (or maturity date, whichever is earlier) at the end of the reporting period.

	The Group					
	2024					
	Total	3 months or below	3 months to 1 year	1 to 5 years	More than 5 years	Interest-free
Assets						
Cash and deposits in the central bank	35,125,921,851.01	33,508,828,296.99	-	-	-	1,617,093,554.02
Deposits with and loans to banks and other financial institutions	14,075,486,540.15	6,537,583,883.61	6,494,239,591.03	-	-	1,043,683,065.51
Financial assets purchased under resale agreements	9,187,658,218.22	9,186,983,000.00	-	-	-	675,218.22
Loans and advances to customers	358,608,050,180.36	123,886,511,926.39	186,788,538,897.43	41,773,959,052.50	5,388,385,248.25	770,655,055.79
Investments (I)	245,646,981,535.72	14,838,775,314.78	34,105,783,734.69	96,530,740,058.26	52,364,284,137.64	47,807,398,290.35
Derivative financial assets	750,628,265.31	2,634,302.56	60,245,212.27	435,570,457.07	-	252,178,293.41
Other assets	9,335,007,265.47	-	-	-	-	9,335,007,265.47
Total assets	672,729,733,856.24	187,961,296,724.33	227,448,807,435.42	138,740,269,567.83	57,752,669,385.89	60,826,690,742.77
Liabilities						
Borrowings from central bank	(19,236,429,987.14)	(4,210,608,172.59)	(15,011,500,458.65)	-	-	(14,321,355.90)
Deposits and loans from banks and other financial institutions	(16,446,773,050.91)	(6,086,761,090.54)	(6,429,702,508.50)	(3,700,000,000.00)	-	(220,309,451.87)
Financial assets sold under repurchase agreements	(29,125,711,694.85)	(28,411,745,438.83)	(692,451,850.62)	-	-	(21,514,405.40)
Customer deposits	(447,426,525,208.29)	(203,966,979,250.87)	(74,986,452,313.53)	(159,355,981,589.10)	(131,018.98)	(9,116,981,035.81)
Bonds payable	(112,093,081,006.60)	(33,908,026,264.48)	(47,680,076,664.01)	(29,997,438,900.03)	-	(507,539,178.08)
Derivative financial liabilities	(940,321,782.08)	(9,186,114.48)	(83,106,393.75)	(448,369,399.48)	-	(399,659,874.37)
Lease liability	(759,747,735.51)	(45,028,528.10)	(129,436,400.61)	(434,456,504.48)	(150,826,302.32)	-
Other liabilities	(3,059,927,450.25)	-	-	-	-	(3,059,927,450.25)
Total liabilities	(629,088,517,915.63)	(276,648,334,859.89)	(145,012,726,589.67)	(193,936,246,393.09)	(150,957,321.30)	(13,340,252,751.68)
Exposure to assets and liabilities	43,641,215,940.61	(88,687,038,135.56)	82,436,080,845.75	(55,195,976,825.26)	57,601,712,064.59	47,486,437,991.09
Nominal amount of derivative instruments	103,211,559,179.87	1,727,115,435.40	9,595,846,470.70	26,050,000,000.00	-	65,838,597,273.77



The Group						
2023						
	Total	3 months or below	3 months to 1 year	1 to 5 years	More than 5 years	Interest-free
Assets						
Cash and deposits in the central bank	44,641,351,241.22	43,624,688,662.22	-	-	-	1,016,662,579.00
Deposits with and loans to banks and other financial institutions	10,663,634,836.77	4,530,826,258.82	5,864,666,673.04	-	-	268,141,904.91
Financial assets purchased under resale agreements	10,308,835,756.84	10,307,185,157.40	-	-	-	1,650,599.44
Loans and advances to customers	320,895,575,609.70	99,600,931,910.43	155,235,850,599.31	57,480,224,486.47	7,917,844,294.00	660,724,319.49
Investments (i)	231,998,769,472.70	32,930,366,341.01	24,488,839,963.58	70,015,353,942.76	72,086,845,739.47	32,477,363,485.88
Derivative financial assets	680,499,866.53	5,488,722.13	18,516,280.07	354,763,398.56	-	301,751,465.77
Other assets	9,735,995,594.74	-	-	-	-	9,735,995,594.74
Total assets	628,924,662,378.50	190,999,467,052.01	185,607,873,516.00	127,850,341,827.79	80,004,690,033.47	44,462,289,949.23
Liabilities						
Borrowings from central bank	(26,200,782,820.18)	(5,471,951,453.97)	(20,683,550,902.27)	-	-	(45,280,463.94)
Deposits and loans from banks and other financial institutions	(19,933,647,233.19)	(9,473,355,657.64)	(3,045,643,688.33)	(7,300,000,000.00)	-	(114,647,886.22)
Financial assets sold under repurchase agreements	(24,419,565,064.25)	(24,174,757,989.22)	-	-	-	(244,807,075.03)
Customer deposits	(427,005,977,636.98)	(235,654,028,761.24)	(69,371,108,464.61)	(113,440,032,565.74)	(5,159,393.11)	(8,535,648,452.28)
Bonds payable	(86,300,153,846.29)	(24,996,327,539.55)	(42,881,816,178.96)	(17,996,353,484.31)	-	(425,666,643.47)
Derivative financial liabilities	(786,417,874.75)	(528,483.56)	(19,013,233.47)	(432,203,084.67)	-	(334,673,073.05)
Lease liability	(690,668,414.98)	(38,474,730.61)	(101,535,534.86)	(377,234,537.98)	(173,423,611.53)	-
Other liabilities	(3,010,371,176.41)	-	-	-	-	(3,010,371,176.41)
Total liabilities	(588,347,584,067.03)	(299,809,424,615.79)	(136,102,668,003.50)	(139,545,823,672.70)	(178,583,004.64)	(12,711,084,770.40)
Exposure to assets and liabilities	40,577,078,311.47	(108,809,957,563.78)	49,505,205,512.50	(11,695,481,844.91)	79,826,107,028.83	31,751,205,178.83
Nominal amount of derivative financial instruments	92,361,039,461.10	250,000,000.00	1,767,061,699.90	36,470,000,000.00	-	53,873,977,761.20



The Bank						
2024						
	Total	3 months or below	3 months to 1 year	1 to 5 years	More than 5 years	Interest-free
Assets						
Cash and deposits in the central bank	34,975,182,032.86	33,366,175,602.50	-	-	-	1,609,006,430.36
Deposits with and loans to banks and other financial institutions	13,814,220,709.14	6,317,058,240.89	6,454,249,204.61	-	-	1,042,913,263.64
Financial assets purchased under resale agreements	8,817,020,736.95	8,816,483,000.00	-	-	-	537,736.95
Loans and advances to customers	357,777,343,410.43	123,477,953,833.26	186,435,056,045.07	41,709,354,552.42	5,386,254,364.47	768,724,615.21
Investments (I)	241,971,018,300.04	15,486,315,392.53	35,667,223,595.94	93,935,238,443.17	49,260,390,255.36	47,621,860,583.04
Derivative financial assets	750,628,265.31	2,634,302.84	60,245,212.27	435,570,457.07	-	252,178,293.13
Other assets	10,259,349,636.69	-	-	-	-	10,259,349,636.69
Total assets	688,364,763,091.42	187,466,620,372.02	228,616,774,057.89	136,080,163,452.66	54,646,634,649.83	61,554,570,559.02
Liabilities						
Borrowings from central bank	(19,230,726,939.22)	(4,210,608,172.59)	(15,005,800,458.65)	-	-	(14,318,307.98)
Deposits and loans from banks and other financial institutions	(17,510,404,934.01)	(7,160,392,973.64)	(6,429,702,508.50)	(3,700,000,000.00)	-	(220,309,451.87)
Financial assets sold under repurchase agreements	(24,988,939,579.01)	(24,275,739,352.16)	(692,451,850.62)	-	-	(20,748,376.23)
Customer deposits	(446,159,218,109.94)	(203,331,255,912.99)	(74,774,387,048.44)	(158,974,775,167.79)	(131,018.97)	(9,078,688,961.75)
Bonds payable	(112,093,081,006.60)	(33,908,026,264.48)	(47,880,076,664.01)	(29,997,438,900.03)	-	(507,539,178.08)
Derivative financial liabilities	(930,133,716.70)	(4,080,638.61)	(78,023,803.83)	(448,369,399.48)	-	(399,659,874.78)
Lease liability	(727,403,221.87)	(42,026,486.87)	(117,524,756.39)	(417,025,676.29)	(150,826,302.32)	-
Other liabilities	(3,022,925,456.94)	-	-	-	-	(3,022,925,456.94)
Total liabilities	(624,662,832,964.29)	(272,932,129,801.34)	(144,777,967,090.44)	(193,537,609,143.59)	(150,957,321.29)	(13,264,169,607.63)
Exposure to assets and liabilities	43,701,930,127.13	(85,465,509,429.32)	83,838,806,967.45	(57,457,445,690.93)	54,495,677,328.54	48,290,400,951.39
Nominal amount of derivative financial instruments	102,825,785,673.77	1,480,000,000.00	9,457,188,400.00	26,050,000,000.00	-	65,838,597,273.77



The Bank 2023						
	Total	3 months or below	3 months to 1 year	1 to 5 years	More than 5 years	Interest-free
Assets						
Cash and deposits in the central bank	44,523,324,740.97	43,513,832,416.61	-	-	-	1,009,492,324.36
Deposits with and loans to banks and other financial institutions	10,384,596,105.98	4,276,879,508.86	5,854,614,186.78	-	-	253,102,410.34
Financial assets purchased under resale agreements	10,267,858,266.84	10,266,255,000.00	-	-	-	1,603,266.84
Loans and advances to customers	320,052,433,569.75	99,218,663,451.42	154,838,187,981.19	57,425,062,129.14	7,911,742,870.44	658,777,137.56
Investments (i)	228,316,519,471.01	33,369,806,234.11	25,863,528,425.64	70,959,177,570.61	65,905,367,470.48	32,218,639,770.17
Derivative financial assets	680,141,629.71	5,488,722.13	18,516,280.07	354,763,398.56	-	301,393,228.95
Other assets	9,853,170,482.21	-	-	-	-	9,853,170,482.21
Total assets	624,078,044,266.47	190,650,905,333.13	186,574,846,873.68	128,739,003,098.31	73,817,110,340.92	44,296,178,620.43
Liabilities						
Borrowings from central bank	(26,195,682,820.18)	(5,471,951,453.97)	(20,678,450,902.27)	-	-	(45,280,463.94)
Deposits and loans from banks and other financial institutions	(20,294,528,388.58)	(9,834,236,813.03)	(3,045,643,688.33)	(7,300,000,000.00)	-	(114,647,886.22)
Financial assets sold under repurchase agreements	(20,644,106,053.78)	(20,626,156,805.80)	-	-	-	(17,949,247.98)
Customer deposits	(425,687,621,695.87)	(235,055,577,278.89)	(69,122,222,235.27)	(113,011,150,411.12)	(4,994,258.11)	(8,493,677,512.48)
Bonds payable	(86,300,153,846.29)	(24,996,327,539.55)	(42,881,816,178.96)	(17,996,353,484.31)	-	(425,656,643.47)
Derivative financial liabilities	(777,286,608.52)	(528,483.56)	(19,013,233.47)	(432,203,084.67)	-	(325,541,806.82)
Lease liability	(689,313,522.50)	(38,442,354.70)	(100,958,275.63)	(376,489,280.64)	(173,423,611.53)	-
Other liabilities	(2,989,303,646.23)	-	-	-	-	(2,989,303,646.23)
Total liabilities	(583,577,996,581.95)	(296,023,220,729.50)	(135,848,104,514.93)	(139,116,196,260.74)	(178,417,869.64)	(12,412,057,207.14)
Exposure to assets and liabilities	40,500,047,684.52	(105,372,315,396.37)	50,726,742,358.75	(10,377,193,162.43)	73,638,692,471.28	31,884,121,413.29
Nominal amount of derivative financial instruments	91,983,615,364.66	250,000,000.00	1,767,061,699.90	36,470,000,000.00	-	53,496,553,664.76

(i) As at 31 December 2024 and 31 December 2023, the investments include trading financial assets, debt investments, other debt investments and other equity instruments investments.



(b) Exchange rate risk

The Group is mainly engaged in Renminbi business. Some transactions involve US dollar or Hong Kong dollar, while few transactions involve other currencies. The Group's exchange rate risks include the transactional foreign currency exposure risk resulting from the routine capital transaction business, and the non-RMB-denominated loans and advances to customers, interbank payments and customer deposits, etc. held by the Group.

The exchange rate risk facing the Group mainly arises from the foreign exchange purchase and sale transactions provided by the Group for customers, when it has not been able to immediately hedge the exposure risk posed by the overall position of purchase and sale of foreign exchange. This type of the foreign exchange position may be subject to exchange rate fluctuations resulting in losses or profits. As the Group mainly manages the foreign exchange position, closely monitors foreign exchange market prices, and implements real-time position squaring for largescale transactions, the impact of exchange rate changes on the Group's financial standing and cash flow is limited, and the exchange rate risk is not significant. For this type of risks, measures taken by the Group include: strict implementation of overall position management of foreign exchange purchases and sales, and ensuring that the overall position reserved on a daily basis conform to relevant requirements set by the State Administration of Foreign Exchange (SAFE).

The non-transactional risks mainly refer to the risks arising from mismatches between foreign currency assets and liabilities, which are difficult to avoid in the Group's operations. For this type of risks, the Group measures the value in use, the purpose of clearing, and the risk bearing capacity of each currency, and tries to match the assets and liabilities of each currency in terms of currency and maturity, so as to prevent foreign currency and maturity mismatch from causing losses to the Group due to exchange rate fluctuations.

	Net profit sensitivity	
	The Group	
	2024	2023
	(Decrease)/Increase	(Decrease)/Increase
Exchange rate change		
Appreciation against Renminbi by 1%	43,840,494.10	(3,257,997.86)
Depreciation against Renminbi by 1%	(43,840,494.10)	3,257,997.86

	Net profit sensitivity	
	The Bank	
	2024	2023
	(Decrease)/Increase	(Decrease)/Increase
Exchange rate change		
Appreciation against Renminbi by 1%	38,049,970.77	(14,175,854.48)
Depreciation against Renminbi by 1%	(38,049,970.77)	14,175,854.48

The analysis is based on the following assumptions:

- The exchange rate sensitivity of all currencies refers to the exchange gains and losses resulting from the 1% fluctuation in the closing exchange rates (median rate) of all currencies against Renminbi on the reporting date;
- Changes in exchange rate of all currencies refer to the simultaneous fluctuations in the same direction in the exchange rates of all currencies against Renminbi;
- The calculation of foreign exchange exposure includes spot foreign exchange exposure and forward foreign exchange exposure.

The above sensitivity analysis is based on the static exchange rate risk structure of assets and liabilities, and has not considered the measures that the Group may take to eliminate the negative impact of foreign exchange exposure on profits. Therefore, the above impact may be different from the actual situation.



The exchange rate risk exposure of the Group on each balance sheet date is as follows:

	The Group				
	2024				
	RMB	Conversion of USD into RMB	Conversion of HKD into RMB	Conversion of other currencies into RMB	Total
Assets					
Cash and deposits in the central bank	34,778,492,442.91	164,014,411.64	183,414,996.46	-	35,125,921,851.01
Deposits with and loans to banks and other financial institutions	8,690,532,084.21	3,957,729,087.92	859,384,941.70	567,840,426.32	14,075,486,540.15
Financial assets purchased under resale agreements	9,187,658,218.22	-	-	-	9,187,658,218.22
Loans and advances to customers	352,915,957,699.59	2,074,494,259.82	3,584,077,459.81	33,520,761.14	358,608,050,180.36
Investments (i)	228,811,386,310.93	10,480,454,289.02	1,207,590,874.26	5,147,550,061.51	245,646,981,535.72
Derivative financial assets	728,654,960.18	-	21,973,305.13	-	750,628,265.31
Other assets	8,926,501,600.54	296,068,004.83	112,437,660.10	-	9,335,007,265.47
Total assets	644,039,183,316.58	16,972,760,053.23	5,968,879,237.46	5,748,911,248.97	672,729,733,856.24
Liabilities					
Borrowings from central bank	(19,236,429,987.14)	-	-	-	(19,236,429,987.14)
Deposits and loans from banks and other financial institutions	(9,232,251,038.28)	(5,508,111,584.95)	(1,706,410,427.68)	-	(16,446,773,050.91)
Financial assets sold under repurchase agreements	(28,125,096,294.09)	(1,000,615,400.76)	-	-	(29,125,711,694.85)
Customer deposits	(442,750,015,182.12)	(3,650,864,071.23)	(788,249,857.99)	(237,396,096.95)	(447,426,525,208.29)
Bonds payable	(111,954,039,835.63)	(139,041,170.97)	-	-	(112,093,081,006.60)
Derivative financial liabilities	(741,974,976.89)	-	(198,346,805.19)	-	(940,321,782.08)
Lease liability	(694,870,057.11)	-	(64,877,678.40)	-	(759,747,735.51)
Other liabilities	(3,043,905,194.22)	(495,530.41)	(15,519,414.00)	(7,311.62)	(3,059,927,450.25)
Total liabilities	(615,778,582,565.48)	(10,299,127,758.32)	(2,773,404,183.26)	(237,403,408.57)	(629,088,517,915.63)
Net position of assets and liabilities	28,260,600,751.10	6,673,632,294.91	3,195,475,054.20	5,511,507,840.40	43,641,215,940.61



	The Group				
	2023				
	RMB	Conversion of USD into RMB	Conversion of HKD into RMB	Conversion of other currencies into RMB	Total
Assets					
Cash and deposits in the central bank	44,350,614,385.25	199,012,535.77	91,724,320.20	-	44,641,351,241.22
Deposits with and loans to banks and other financial institutions	8,573,816,025.69	1,711,586,563.84	70,356,307.25	307,875,939.99	10,663,634,836.77
Financial assets purchased under resale agreements	10,308,835,756.84	-	-	-	10,308,835,756.84
Loans and advances to customers	316,528,917,307.15	838,592,670.53	3,476,715,632.92	51,349,999.10	320,895,575,609.70
Investments (i)	220,960,273,031.66	11,038,496,441.04	-	-	231,998,769,472.70
Derivative financial assets	500,803,573.51	-	179,696,293.02	-	680,499,866.53
Other assets	19,495,014,673.23	(3,954,376,849.52)	(5,500,385,657.06)	(304,256,571.91)	9,735,995,594.74
Total assets	620,718,274,753.33	9,833,311,361.66	(1,681,893,103.67)	54,969,367.18	628,924,662,378.50
Liabilities					
Borrowings from central bank	(26,200,782,820.18)	-	-	-	(26,200,782,820.18)
Deposits and loans from banks and other financial institutions	(14,925,969,488.56)	(4,997,842,966.36)	(9,834,778.27)	-	(19,933,647,233.19)
Financial assets sold under repurchase agreements	(23,576,928,056.51)	(842,637,007.74)	-	-	(24,419,565,064.25)
Customer deposits	(423,186,863,693.12)	(3,203,645,653.35)	(561,601,729.62)	(53,866,560.89)	(427,005,977,636.98)
Bonds payable	(86,300,153,846.29)	-	-	-	(86,300,153,846.29)
Derivative financial liabilities	(767,275,884.29)	-	(19,141,990.46)	-	(786,417,874.75)
Lease liability	(689,340,419.78)	-	(1,327,995.20)	-	(690,668,414.98)
Other liabilities	(2,998,570,162.24)	(4,064,372.82)	(7,695,809.39)	(40,831.96)	(3,010,371,176.41)
Total liabilities	(578,645,884,370.97)	(9,048,190,000.27)	(599,602,302.94)	(53,907,392.85)	(588,347,584,067.03)
Net position of assets and liabilities	42,072,390,382.36	785,121,361.39	(2,281,495,406.61)	1,061,974.33	40,577,078,311.47



The Bank						
2024						
	RMB	Conversion of USD into RMB	Conversion of HKD into RMB	Conversion of other currencies into RMB	Total	
Assets						
Cash and deposits in the central bank	34,627,752,624.76	164,014,411.64	183,414,996.46	-	34,975,182,032.86	
Deposits with and loans to banks and other financial institutions	9,140,055,250.50	3,957,728,686.38	148,596,345.94	567,840,426.32	13,814,220,709.14	
Financial assets purchased under resale agreements	8,817,020,736.95	-	-	-	8,817,020,736.95	
Loans and advances to customers	352,085,250,929.66	2,074,494,259.82	3,584,077,459.81	33,520,761.14	357,777,343,410.43	
Investments (i)	225,135,423,075.25	10,480,454,289.02	1,207,590,874.26	5,147,550,061.51	241,971,018,300.04	
Derivative financial assets	728,654,960.18	-	21,973,305.13	-	750,628,265.31	
Other assets	9,953,967,416.96	296,068,004.83	9,314,214.90	-	10,259,349,636.69	
Total assets	640,488,124,994.26	16,972,759,651.69	5,154,967,196.50	5,748,911,248.97	668,364,763,091.42	
Liabilities						
Borrowings from central bank	(19,230,726,939.22)	-	-	-	(19,230,726,939.22)	
Deposits and loans from banks and other financial institutions	(10,295,882,921.38)	(5,508,111,584.95)	(1,706,410,427.68)	-	(17,510,404,934.01)	
Financial assets sold under repurchase agreements	(23,988,324,178.25)	(1,000,615,400.76)	-	-	(24,988,939,579.01)	
Customer deposits	(441,482,708,083.78)	(3,650,864,071.23)	(788,249,857.99)	(237,396,096.94)	(446,159,218,109.94)	
Bonds payable	(111,954,039,835.63)	(139,041,170.97)	-	-	(112,093,081,006.60)	
Derivative financial liabilities	(731,786,911.51)	-	(198,346,805.19)	-	(930,133,716.70)	
Lease liability	(693,417,275.42)	-	(33,985,946.45)	-	(727,403,221.87)	
Other liabilities	(3,017,854,134.67)	(495,530.41)	(4,568,480.24)	(7,311.62)	(3,022,925,456.94)	
Total liabilities	(611,394,740,279.87)	(10,299,127,758.32)	(2,731,561,517.55)	(237,403,408.56)	(624,662,832,964.29)	
Net position of assets and liabilities	29,093,384,714.39	6,673,631,893.37	2,423,405,678.95	5,511,507,840.41	43,701,930,127.13	



	The Bank 2023				
	RMB	Conversion of USD into RMB	Conversion of HKD into RMB	Conversion of other currencies into RMB	Total
Assets					
Cash and deposits in the central bank	44,232,587,885.00	199,012,535.77	91,724,320.20	-	44,523,324,740.97
Deposits with and loans to banks and other financial institutions	8,302,927,954.88	1,703,435,903.86	70,356,307.25	307,875,939.99	10,384,596,105.98
Financial assets purchased under resale agreements	10,267,858,266.84	-	-	-	10,267,858,266.84
Loans and advances to customers	315,685,775,267.20	838,592,670.53	3,476,715,632.92	51,349,999.10	320,052,433,569.75
Investments (i)	217,664,674,229.46	10,651,845,241.55	-	-	228,316,519,471.01
Derivative financial assets	500,445,336.69	-	179,696,293.02	-	680,141,629.71
Other assets	19,612,189,560.70	(3,954,376,849.52)	(5,500,385,657.06)	(304,256,571.91)	9,853,170,482.21
Total assets	616,266,458,500.77	9,438,509,502.19	(1,681,893,103.67)	54,969,367.18	624,078,044,266.47
Liabilities					
Borrowings from central bank	(26,195,682,820.18)	-	-	-	(26,195,682,820.18)
Deposits and loans from banks and other financial institutions	(15,286,850,643.95)	(4,997,842,966.36)	(9,834,778.27)	-	(20,294,528,388.58)
Financial assets sold under repurchase agreements	(19,801,469,046.04)	(842,637,007.74)	-	-	(20,644,106,053.78)
Customer deposits	(421,868,507,752.02)	(3,203,645,653.35)	(561,601,729.62)	(53,866,560.88)	(425,687,621,695.87)
Bonds payable	(86,300,153,846.29)	-	-	-	(86,300,153,846.29)
Derivative financial liabilities	(758,144,618.06)	-	(19,141,990.46)	-	(777,286,608.52)
Lease liability	(687,985,527.30)	-	(1,327,995.20)	-	(689,313,522.50)
Other liabilities	(2,977,502,632.06)	(4,064,372.82)	(7,695,809.39)	(40,831.96)	(2,989,303,646.23)
Total liabilities	(573,876,296,885.90)	(9,048,190,000.27)	(599,602,302.94)	(53,907,392.84)	(583,577,996,581.95)
Net position of assets and liabilities	42,390,161,614.87	390,319,501.92	(2,281,495,406.61)	1,061,974.34	40,500,047,684.52

(i) As at 31 December 2024 and 31 December 2023, investments include trading financial assets, debt investments, other debt investments and other equity instruments investments.



(3) Liquidity risk

Liquidity risk refers to the risk of failures to obtain sufficient funds in a timely manner at reasonable prices for repaying mature debts, honoring other payment obligations, or supporting regular business activities.

The Group applies liquidity management principles of comprehensive coverage, dynamic prevention, cost-effectiveness, and scientific management. At the head office level, the Board of Directors is the supreme governing body for liquidity risk management, and assumes the ultimate responsibility for liquidity risk management, and reviews and approves liquidity risk management preferences, policies and procedures. The Asset and Liability Committee is responsible for the effective management and control of liquidity risk, which formulates liquidity management policies and strategies, coordinates the fulfillment of management objectives, and ensures the effective implementation of the policy objectives; the Asset and Liability Management Department is the liquidity risk management department, which implements specific liquidity risk management policies according to the resolution of the Asset and Liability Committee, issues various liquidity indicators, specializes in risk detection, measurement, monitoring and controlling to ensure the Bank's liquidity safety.

The main measures of the Group's liquidity management are: Closely tracking market trends, formulating and dynamically adjusting the Bank's financing arrangements on a daily basis, strictly implementing large capital position management and cash management systems, preventing day-to-day liquidity risks, and maintaining adequate payment; continuously monitoring changes in the ratio of asset-liability structure and the increasing size of high-liquidity assets to ensure that the Group's liquidity needs are met; conducting liquidity risk limit management to ensure that the indicators are in good quality and meet management requirements; establishing multi-level liquidity guarantees; consolidating liabilities Business foundation, increasing the ratio of core liabilities, and maintaining good market financing capabilities; establishing a liquidity risk early warning mechanism and emergency plan; regularly carrying out liquidity risk stress tests to identify factors that may trigger liquidity risk in a timely manner.



(a) Remaining maturity analysis

An analysis of the assets and liabilities based on the remaining maturities as at the balance sheet date is as follows:

The Group

	2024						
	Overdue/repayment on demand	Within 1 month	1 – 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity
Assets							
Cash and deposits in the central bank	9,046,554,374.41	-	-	10,482,235.44	-	-	26,088,885,241.16
Deposits with and loans to banks and other financial institutions	3,162,197,797.94	1,809,190,828.30	2,563,382,493.84	6,540,715,420.07	-	-	-
Financial assets purchased under resale agreements	-	9,187,653,218.22	-	-	-	-	-
Loans and advances to customers (i)	3,951,662,799.08	15,996,755,103.58	25,633,953,710.46	82,168,757,265.86	94,360,212,818.34	134,495,935,284.29	2,000,773,198.75
Investment (ii)	40,648,423,297.57	5,134,269,138.65	13,394,930,771.56	35,676,594,333.98	96,747,913,343.69	52,364,284,137.64	1,680,566,512.63
Derivative financial assets	-	73,103,073.07	52,274,880.91	98,742,349.27	526,507,982.06	-	-
Other assets	1,983,666,181.43	4,509,739.79	534,812.43	513,988,520.71	11,382,111.50	5,955,718.02	6,809,990,181.59
Total assets	58,797,504,450.43	32,205,486,101.61	41,645,076,669.20	125,009,260,125.33	191,646,016,235.59	186,866,175,139.95	36,560,215,134.13
Liabilities							
Borrowings from central bank	-	(1,137,680,692.04)	(3,066,998,497.06)	(15,011,750,798.04)	-	-	-
Deposits and loans from banks and other financial institutions	(2,267,984,796.63)	(2,199,474,823.24)	(1,760,373,365.40)	(6,518,940,063.64)	(3,700,000,000.00)	-	-
Financial assets sold under repurchase agreements	-	(28,125,096,294.09)	(293,715,041.57)	(706,900,359.19)	-	-	-
Customer deposits	(156,703,424,113.55)	(21,442,103,147.48)	(27,626,214,328.96)	(77,326,255,324.91)	(164,328,393,188.58)	(135,104.81)	-
Bonds payable	-	(11,020,713,155.67)	(23,093,588,451.28)	(47,981,360,499.62)	(29,997,438,900.03)	-	-
Derivative financial liabilities	-	(104,342,700.35)	(117,263,710.33)	(179,408,466.84)	(539,306,904.56)	-	-
Lease liability	-	(16,404,714.00)	(28,623,814.11)	(129,436,400.61)	(434,456,504.48)	(150,826,302.32)	-
Other liabilities	(1,132,394,210.09)	(5,886,106.77)	(235,537,949.37)	(1,055,709,261.72)	(447,572,069.64)	(249,206.19)	(182,523,646.47)
Total liabilities	(160,103,803,122.27)	(64,051,751,633.64)	(56,242,295,158.08)	(148,909,761,174.57)	(199,447,167,567.29)	(151,210,613.32)	(182,523,646.47)
Exposure to assets and liabilities	(101,306,298,671.84)	(31,846,265,532.03)	(14,597,218,488.88)	(23,900,501,049.24)	(7,801,151,331.70)	186,714,964,526.63	36,377,686,487.66
Nominal amount of derivative financial instruments	-	15,337,370,041.51	8,305,886,629.13	18,424,662,509.23	61,143,640,000.00	-	-
							103,211,559,179.87



The Bank

	2024							
	Overdue/repayment on demand	Within 1 month	1 – 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No maturity	Total
Assets								
Cash and deposits in the central bank	8,958,345,657.65	-	-	10,482,235.44	-	-	26,006,354,239.77	34,975,182,032.86
Deposits with and loans to banks and other financial institutions	2,992,590,011.49	1,796,191,032.24	2,524,714,631.76	6,500,725,033.85	-	-	-	13,814,220,709.14
Financial assets purchased under resale agreements	-	8,817,020,736.95	-	-	-	-	-	8,817,020,736.95
Loans and advances to customers (i)	3,943,481,359.01	15,963,936,520.69	25,579,221,542.39	81,923,497,069.17	94,184,309,279.31	134,186,471,768.47	1,996,425,872.39	357,777,343,410.43
Investment (ii)	40,648,423,297.58	5,102,204,388.42	14,013,785,696.71	37,113,789,820.88	94,151,868,298.46	49,260,380,285.36	1,680,566,512.63	241,971,018,300.04
Derivative financial assets	-	73,103,073.07	52,274,880.91	98,742,349.27	526,507,982.06	-	-	750,628,265.31
Other assets	1,986,756,492.57	4,509,739.79	534,812.43	513,988,520.71	11,382,111.50	5,955,718.02	7,736,242,241.67	10,259,349,638.69
Total assets	58,529,596,717.30	31,756,965,491.16	42,170,531,564.20	126,161,205,029.12	188,874,067,651.33	183,452,807,771.85	37,419,598,866.46	668,364,763,091.42
Liabilities								
Borrowings from central bank	-	(1,137,680,692.04)	(3,066,998,497.06)	(15,006,047,750.12)	-	-	-	(19,230,726,939.22)
Deposits and loans from banks and other financial institutions	(3,331,616,681.73)	(2,199,474,823.24)	(1,760,373,365.40)	(6,518,940,063.64)	(3,700,000,000.00)	-	-	(17,510,404,834.01)
Financial assets sold under repurchase agreements	-	(23,988,324,178.25)	(293,715,041.57)	(706,900,359.19)	-	-	-	(24,988,939,579.01)
Customer deposits	(156,484,701,107.08)	(21,316,778,916.73)	(27,318,976,176.05)	(77,106,225,337.78)	(163,932,401,467.49)	(135,104.81)	-	(446,159,218,109.94)
Bonds payable	-	(11,020,713,155.67)	(23,093,568,451.28)	(47,981,360,499.62)	(29,997,438,900.03)	-	-	(112,093,081,006.60)
Derivative financial liabilities	-	(102,005,783.85)	(114,495,151.37)	(174,325,876.92)	(539,306,904.56)	-	-	(930,133,716.70)
Lease liability	-	(15,081,766.32)	(26,944,720.55)	(117,524,756.39)	(417,025,676.29)	(150,826,302.32)	-	(727,403,221.87)
Other liabilities	(1,116,885,802.86)	(5,934,606.77)	(233,891,724.37)	(1,047,888,517.50)	(437,746,143.15)	(249,206.19)	(180,329,456.10)	(3,022,925,456.94)
Total liabilities	(160,933,203,591.67)	(69,785,993,922.87)	(55,928,963,127.65)	(148,659,213,161.16)	(199,023,919,091.52)	(151,210,613.32)	(180,329,456.10)	(624,682,832,964.29)
Exposure to assets and liabilities	(102,403,606,874.37)	(28,029,028,431.71)	(13,758,431,563.45)	(22,498,008,132.04)	(10,149,851,440.19)	183,301,597,158.53	37,239,259,410.36	43,701,930,127.13
Nominal amount of derivative financial instruments	-	15,264,306,061.51	8,131,835,173.73	18,286,004,438.53	61,143,640,000.00	-	-	102,825,785,673.77



(b) Analysis of undiscounted contractual cash flow

The following table shows an analysis of the undiscounted contractual cash flow of its financial liabilities and credit commitments at balance sheet dates. The actual cash flow of these financial instruments may be significantly different from this analysis.

The Group

	2024							
	Carrying amount	Undiscounted contractual cash flow	No maturity	Overdue/Repay immediately	Within 1 month	1-3 months	3 months to 1 year	1 to 5 years
Non-derivative financial liabilities								
Borrowings from central bank	19,236,429,987.14	19,404,619,843.13	-	-	1,164,314,570.72	3,124,272,361.90	15,116,032,910.51	-
Deposits and loans from banks and other financial institutions	16,446,773,050.91	16,728,622,650.08	-	2,267,984,798.63	2,237,634,572.39	1,824,340,972.01	6,633,924,498.83	3,764,537,806.22
Financial assets sold under repurchase agreements	29,125,711,694.85	29,154,476,126.18	-	-	28,135,880,716.65	300,121,256.86	718,474,152.67	-
Customer deposits	447,426,525,208.29	458,589,412,257.27	-	156,703,424,113.54	21,457,499,396.70	27,736,773,467.71	78,501,694,078.87	174,189,860,924.35
Bonds payable	112,093,081,006.60	114,636,437,135.96	-	-	11,111,850,000.01	23,319,777,530.22	49,175,687,372.70	31,029,122,235.03
Lease liability	759,747,735.51	835,771,045.52	-	-	16,426,404.52	28,774,999.75	133,145,705.34	471,529,353.81
Other liabilities	2,736,331,550.68	2,736,331,550.68	182,528,646.47	1,132,394,210.09	5,936,106.77	16,765,906.71	1,012,763,014.18	444,694,460.27
Total	627,883,600,233.98	642,144,670,608.82	182,528,646.47	160,103,603,122.26	64,129,741,767.76	56,350,826,495.16	151,291,721,733.10	209,899,744,779.68
Credit commitments	66,810,878,567.74	66,810,878,567.74	-	20,791,900,728.93	7,756,025,085.99	11,882,003,509.84	21,366,713,896.86	4,932,671,441.17
2023								
Non-derivative financial liabilities								
Borrowings from central bank	26,200,782,820.18	26,574,408,578.82	-	-	1,041,894,383.28	4,604,438,342.41	20,928,075,873.13	-
Deposits and loans from banks and other financial institutions	19,933,647,233.19	20,288,169,301.74	-	2,489,649,769.28	4,170,196,172.67	2,910,770,453.85	3,215,067,042.93	7,502,485,863.01
Financial assets sold under repurchase agreements	24,419,565,064.25	24,422,426,052.56	-	223,976,240.94	23,543,637,528.42	654,812,283.20	-	-
Customer deposits	427,005,977,636.98	437,406,205,698.58	-	164,263,646,291.33	40,743,342,533.18	35,657,774,350.03	72,049,808,486.25	124,665,625,850.86
Bonds payable	86,300,153,846.29	88,620,405,393.90	-	-	4,961,991,667.00	20,467,983,133.43	44,357,260,352.16	18,793,170,151.31
Lease liability	630,668,414.98	778,146,301.60	-	-	14,735,616.44	23,914,914.04	103,806,809.50	414,761,111.89
Other liabilities	2,720,995,360.12	2,720,995,360.12	560,623,273.04	695,199,712.85	4,400,376.39	5,970,126.45	910,432,547.35	544,318,285.00
Total	587,271,790,375.99	600,810,756,597.32	560,623,273.04	167,672,472,014.40	74,500,196,257.38	64,345,863,603.41	141,564,450,911.32	151,940,361,260.07
Credit commitments	91,161,145,431.50	91,161,145,431.51	-	20,153,139,033.71	8,915,650,836.09	20,943,547,049.05	25,743,436,329.59	15,276,342,867.24



The Bank

2024										
	Carrying amount	Undiscounted contractual cash flow	No maturity	Overdue/Repay immediately	Within 1 month	1-3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Non-derivative financial liabilities										
Borrowings from central bank	19,230,726,939.22	19,398,916,795.21	-	-	1,164,314,570.72	3,124,272,361.90	15,110,329,862.59	-	-	
Deposits and loans from banks and other financial institutions	17,510,404,934.01	17,732,254,533.18	-	3,331,616,681.73	2,237,834,572.39	1,824,940,972.01	6,633,924,498.83	3,764,537,808.22	-	
Financial assets sold under repurchase agreements	24,988,939,579.01	25,018,470,039.51	-	-	23,999,874,629.98	300,121,256.86	718,474,152.67	-	-	
Customer deposits	446,159,218,109.94	457,294,626,727.27	-	156,484,701,107.07	21,332,066,115.56	27,428,362,567.29	78,278,558,763.44	173,770,487,897.80	160,276.11	
Bonds payable	112,093,081,006.60	114,636,437,135.96	-	-	11,111,850,000.01	23,319,777,530.22	49,175,687,372.70	31,029,122,233.03	-	
Lease liability	727,403,221.87	802,633,754.10	-	-	15,103,365.20	27,092,135.63	121,026,834.18	453,517,036.99	185,894,582.10	
Other liabilities	2,759,401,598.10	2,759,401,598.10	180,329,456.10	1,116,885,802.86	5,934,606.77	9,855,522.50	1,008,300,860.53	437,746,143.15	249,206.19	
Total	623,469,175,386.75	637,702,740,583.33	180,329,456.10	160,933,203,591.66	59,856,977,860.63	56,033,912,346.41	151,046,602,144.94	209,455,411,119.19	186,304,064.40	
Credit commitments	66,810,878,567.74	66,810,878,567.74	-	20,791,900,728.83	7,756,026,085.99	11,882,003,509.84	21,366,713,896.86	4,932,671,441.17	81,582,904.95	
2023										
Non-derivative financial liabilities										
Borrowings from central bank	26,195,682,820.18	26,569,206,299.37	-	-	1,041,865,979.72	4,604,421,575.29	20,922,898,744.36	-	-	
Deposits and loans from banks and other financial institutions	20,294,528,388.58	20,665,967,966.19	-	2,850,530,924.67	4,170,196,172.67	2,910,586,607.35	3,232,166,398.49	7,502,485,863.01	-	
Financial assets sold under repurchase agreements	20,644,106,053.78	20,646,967,042.09	-	-	19,997,693,832.39	649,773,209.70	-	-	-	
Customer deposits	425,687,621,695.87	436,056,307,096.38	-	163,976,191,805.81	40,643,274,289.72	35,426,329,969.00	71,787,801,932.57	124,216,898,660.23	5,810,419.05	
Bonds payable	86,300,153,846.29	88,620,405,393.90	-	-	4,981,991,667.00	20,487,963,133.43	44,357,260,352.16	18,793,170,151.31	-	
Lease liability	689,313,522.50	776,708,942.12	-	-	14,703,148.89	23,914,914.04	103,215,606.85	413,947,222.61	220,928,049.73	
Other liabilities	2,700,267,887.81	2,700,267,887.81	560,472,363.62	686,622,772.68	4,398,876.39	5,506,590.45	904,226,052.93	538,990,190.70	51,041.04	
Total	582,511,674,215.01	596,036,930,537.86	560,472,363.62	167,513,345,503.16	70,864,143,966.78	64,108,018,019.26	141,307,569,087.36	151,465,492,087.86	226,789,509.82	
Credit commitments	91,161,145,431.50	91,161,145,431.51	-	20,153,139,033.71	8,915,650,836.09	20,943,547,049.05	25,743,436,329.59	15,278,342,667.24	126,829,315.83	



(4) Operational risk

Operational risk refers to the risk of losses caused by problematic internal procedures, employees and information technology systems, and external events, including legal risks, but excluding strategic risks and reputational risks.

The Group has developed a series of policies and procedures to identify, evaluate, monitor, control, manage and report risks focusing on internal control measures. This set of mechanisms cover all aspects of business ranging from finance, credit, accounting, settlement, savings, fund, intermediate business, application and management of computer systems, and asset preservation to legal affairs. The Group relies on these mechanisms to identify and monitor the inherent operational risks in all major products, activities, processes and systems.

55 FAIR VALUE

(1) Determination method of the fair value of financial instruments

The following table presents the fair value information and the fair value hierarchy at the end of the current reporting period of the Group's assets and liabilities which are measured at fair value at each balance sheet date on recurring and non-recurring basis. The level in which fair value measurement is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The three levels of inputs are defined as follows:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs: unobservable inputs for the asset or liability.

The Group has established relevant policies and internal monitoring mechanisms for the measurement of fair value, and standardized the framework for measuring fair value of financial instruments, fair value measurement methods, and procedures.

The following summarizes the major methods and assumptions used in estimating the fair value of financial instruments:

(i) Bond investments

The fair value of debt securities that are traded in an active market is based on their quoted market prices at the balance sheet date.

(ii) Other financial investments and other non-derivative financial assets

The fair value is estimated as the present value of the future cash flow, discounted at the market interest rates at the balance sheet date.

(iii) Bonds payable and other non-derivative financial liabilities

The fair value of bonds payable is based on quoted market prices at the balance sheet date or estimated as the present value of the future cash flow. The fair value of other non-derivative financial liabilities is estimated as the present value of the future cash flow. It is discounted at the market interest rates at the balance sheet date.

(iv) Derivative financial instruments

Derivative financial instruments that are valued using valuation techniques that only include observable market data mainly include interest rate swaps, currency forwards, and swaps. The most common valuation techniques include discounted cash flow models. Model parameters include forward foreign exchange rate, foreign exchange rate volatility, and interest rate curve.



(a) Financial assets measured at fair value

The following table presents the analysis of financial instruments measured at fair value by fair value levels:

The Group

	2024			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
Assets				
Loans and advances at fair value through other comprehensive income	–	–	48,185,797,050.29	48,185,797,050.29
Trading financial assets	516,432,160.00	67,677,844,071.26	1,282,630,025.99	69,476,906,257.25
Other debt investments	–	34,341,811,904.57	200,699,619.65	34,542,511,524.22
Other equity instruments investments	–	–	227,638,671.82	227,638,671.82
Derivative financial assets	–	750,628,265.31	–	750,628,265.31
Total assets measured at fair value on a recurring basis	516,432,160.00	102,770,284,241.14	49,896,765,367.75	153,183,481,768.89
Liabilities				
Derivative financial liabilities	–	(940,321,782.08)	–	(940,321,782.08)

	2023			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
Assets				
Loans and advances at fair value through other comprehensive income	–	–	20,505,312,405.06	20,505,312,405.06
Trading financial assets	572,223,940.63	42,398,312,888.23	1,112,060,287.24	44,082,597,116.10
Other debt investments	–	47,646,239,430.57	152,495,339.22	47,798,734,769.79
Other equity instruments investments	–	–	199,628,982.74	199,628,982.74
Derivative financial assets	–	680,499,866.53	–	680,499,866.53
Total assets measured at fair value on a recurring basis	572,223,940.63	90,725,052,185.33	21,969,497,014.26	113,266,773,140.22
Liabilities				
Derivative financial liabilities	–	(786,417,874.75)	–	(786,417,874.75)



The Bank

	2024			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
Assets				
Loans and advances at fair value through other comprehensive income	–	–	48,185,797,050.29	48,185,797,050.29
Trading financial assets	516,432,160.00	63,440,280,993.61	10,595,208,587.06	74,551,921,740.67
Other debt investments	–	34,341,811,904.57	200,699,619.65	34,542,511,524.22
Other equity instruments investments	–	–	227,638,671.82	227,638,671.82
Derivative financial assets	–	750,628,265.31	–	750,628,265.31
Total assets measured at fair value on a recurring basis	516,432,160.00	98,532,721,163.49	59,209,343,928.82	158,258,497,252.31
Liabilities				
Derivative financial liabilities	–	(930,133,716.70)	–	(930,133,716.70)

	2023			
	Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
Assets				
Loans and advances at fair value through other comprehensive income	–	–	20,505,312,405.06	20,505,312,405.06
Trading financial assets	572,223,940.63	40,045,420,494.54	9,068,438,956.73	49,686,083,391.90
Other debt investments	–	47,646,239,430.57	152,495,339.22	47,798,734,769.79
Other equity instruments investments	–	–	199,628,982.74	199,628,982.74
Derivative financial assets	–	680,141,629.71	–	680,141,629.71
Total assets measured at fair value on a recurring basis	572,223,940.63	88,371,801,554.82	29,925,875,683.75	118,869,901,179.20
Liabilities				
Derivative financial liabilities	–	(777,286,608.52)	–	(777,286,608.52)

(i) There is no significant transfer between Level 1 and Level 2 of the Bank's financial instruments measured at fair value.

(b) Level 2 fair value measurement

Most of the financial assets categorized within Level 2 are investments in RMB-denominated bonds. The fair value of these bonds is determined based on the results of valuation conducted by China Central Depository & Clearing Co., Ltd., and all significant valuation parameters adopted in its valuation techniques are observable market information.

As at 31 December 2024, there was no change in the valuation techniques used by the Group for the recurring Level 2 fair value measurements.

(c) Level 3 fair value measurement

The Group has a dedicated team performing valuation of assets and liabilities for Level 3 fair value measurements. The significant and unobservable inputs and valuation adjustments are reviewed regularly by the valuation team. If third-party information (such as broker quotes or pricing service) is applied in fair value measurement, the valuation team will assess the evidence obtained from third parties to support the conclusion that the related valuation conforms to the provisions of the Accounting Standards for Business Enterprises, including the requirement that the related valuation has been categorized within the appropriate level of the fair value hierarchy.



Quantitative information about Level 3 fair value measurements is as follows:

The Group

	Fair value in 2024	Valuation techniques	Unobservable inputs
Loans and advances at fair value through other comprehensive income	48,185,797,050.29	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Trading financial assets	1,282,630,025.99	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other debt investments	200,699,619.65	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other equity instruments investments	227,638,671.82	Comparison of listed companies/ Net asset method	Market data calibration
Derivative financial assets	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Derivative financial liabilities	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount

	Fair value in 2023	Valuation techniques	Unobservable inputs
Loans and advances at fair value through other comprehensive income	20,505,312,405.06	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Trading financial assets	1,112,060,287.24	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other debt investments	152,495,339.22	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other equity instruments investments	199,628,982.74	Comparison of listed companies/ Net asset method	Market data calibration
Derivative financial assets	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Derivative financial liabilities	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount

The Bank

	Fair value in 2024	Valuation techniques	Unobservable inputs
Loans and advances at fair value through other comprehensive income	48,185,797,050.29	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Trading financial assets	10,595,208,587.06	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other debt investments	200,699,619.65	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other equity instruments investments	227,638,671.82	Comparison of listed companies/ Net asset method	Market data calibration
Derivative financial assets	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Derivative financial liabilities	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount

	Fair value in 2023	Valuation techniques	Unobservable inputs
Loans and advances at fair value through other comprehensive income	20,505,312,405.06	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Trading financial assets	9,068,438,956.73	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other debt investments	152,495,339.22	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Other equity instruments investments	199,628,982.74	Comparison of listed companies	Market data calibration
Derivative financial assets	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount
Derivative financial liabilities	–	Discounted cash flow	Risk-adjusted discount rates/Liquidity discount



Reconciliation between the opening and closing balances of the assets and liabilities under the recurring Level 3 fair value measurements is as follows:

The Group

	As at 1 January 2024	Total gains or losses for the year			Purchases, sales and settlements		As at 31 December 2024	Unrealized gains or losses for the year included in profit or loss for the above assets held at the reporting date
		Transfers out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchases	Sales and Settlements		
Loans and advances at fair value through other comprehensive income	20,505,312,405.06	-	514,960,420.89	29,380,942.70	177,307,920,527.04	(150,171,777,245.40)	48,185,797,050.29	(163,075,538.55)
Trading financial assets	1,112,080,287.24	-	320,749,503.10	-	3,183,451,195.24	(3,333,630,959.59)	1,282,630,025.99	320,749,503.10
Other debt investments	152,495,339.22	-	(133,671.53)	(465,229.66)	201,164,849.31	(152,361,667.69)	200,699,619.65	57,706,123.79
Other equity instruments investments	199,623,982.74	-	-	28,009,889.08	-	-	227,638,871.82	-
Derivative financial assets	-	-	-	-	-	-	-	-
Total financial assets	21,989,497,014.26	-	835,576,252.46	56,925,402.12	180,632,536,571.59	(153,657,769,872.68)	49,895,765,367.75	215,380,083.34
Derivative financial liabilities	-	-	-	-	-	-	-	-

	As at 1 January 2023	Total gains or losses for the year			Purchases, sales and settlements		As at 31 December 2023	Unrealized gains or losses for the year included in profit or loss for the above assets held at the reporting date
		Transfers out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchases	Sales and Settlements		
Loans and advances at fair value through other comprehensive income	24,500,493,232.74	-	421,762,389.07	(10,565,526.65)	114,734,701,271.28	(119,141,080,951.38)	20,505,312,405.06	(214,351,816.87)
Trading financial assets	7,259,424,619.28	-	138,522,153.81	-	2,925,278,240.63	(9,211,164,726.48)	1,112,060,287.24	138,522,153.81
Other debt investments	476,208,615.70	-	(944,311.18)	291,875.08	140,511,185.40	(463,570,025.78)	152,495,339.22	(987,359.04)
Other equity instruments investments	191,149,084.21	-	-	180,479,898.53	-	-	199,623,982.74	-
Derivative financial assets	177,612,803.56	(177,612,803.56)	-	-	-	-	-	-
Total financial assets	32,432,886,355.49	(177,612,803.56)	559,340,231.70	170,208,246.96	117,800,490,697.31	(128,815,815,713.64)	21,989,497,014.26	(78,817,022.10)
Derivative financial liabilities	(177,612,803.56)	177,612,803.56	-	-	-	-	-	-



The Bank

	As at 1 January 2024	Total gains or losses for the year			Purchases, sales and settlements		As at 31 December 2024	Unrealized gains or losses for the year included in profit or loss for the above assets held at the reporting date
		Transfers out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchases	Sales and Settlements		
Loans and advances at fair value through other comprehensive income	20,505,312,405.06	-	514,960,420.89	29,380,942.70	177,307,920,527.04	(150,171,777,245.40)	48,185,797,050.29	(163,075,538.55)
Trading financial assets	9,068,438,956.73	-	353,318,435.09	-	3,183,451,195.24	(2,010,000,000.00)	10,595,208,587.06	353,318,435.09
Other debt investments	152,495,339.22	-	(133,671.53)	(465,229.66)	201,164,849.31	(152,361,667.69)	200,659,619.65	57,706,123.79
Other equity instruments investments	199,623,982.74	-	-	28,009,889.08	-	-	227,638,671.82	-
Derivative financial assets	-	-	-	-	-	-	-	-
Total financial assets	29,925,875,683.75	-	888,145,184.45	56,925,402.12	180,692,536,571.59	(152,334,138,913.09)	59,209,349,328.82	247,949,020.33
Derivative financial liabilities	-	-	-	-	-	-	-	-

	As at 1 January 2023	Total gains or losses for the year			Purchases, sales and settlements		As at 31 December 2023	Unrealized gains or losses for the year included in profit or loss for the above assets held at the reporting date
		Transfers out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchases	Sales and Settlements		
Loans and advances at fair value through other comprehensive income	24,500,493,232.74	-	421,762,389.07	(10,568,526.65)	114,734,701,271.28	(119,141,080,961.38)	20,505,312,405.06	(214,351,816.87)
Trading financial assets	7,259,424,619.28	-	138,522,153.81	-	2,925,276,240.63	(1,254,786,056.99)	9,085,438,956.73	138,522,153.81
Other debt investments	476,205,615.70	-	(944,311.18)	291,875.08	140,511,185.40	(463,570,025.78)	152,435,339.22	(987,359.04)
Other equity instruments investments	191,149,084.21	-	-	180,479,888.53	-	-	199,623,982.74	-
Derivative financial assets	177,612,803.56	(177,612,803.56)	-	-	-	-	-	-
Total financial assets	32,432,886,355.49	(177,612,803.56)	559,340,231.70	170,208,246.96	117,800,490,697.31	(120,859,437,044.15)	29,925,875,683.75	(76,817,022.10)
Derivative financial liabilities	(177,612,803.56)	-	-	-	-	-	-	-

(2) Reasons for transfers between different levels, and the policy about the timing of those transfers for recurring fair value measurements

During 2024, there were no transfers between different levels of the Group's above assets and liabilities which are measured at fair value on a recurring basis. The Group recognizes transfers between different levels at the end of the current reporting period during which such transfers are made.

(3) Current changes in valuation techniques and the reasons

During 2024, there were no changes in valuation techniques used to measure the recurring and non-recurring fair value.



(4) Financial instruments not measured at fair value

The following table presents the disclosure of the carrying amount, fair value, and fair value hierarchy of bond investments measured at amortized cost as well as bonds payable. Except for the following items, there is no significant difference between the carrying amount and fair value of the Group's other financial assets and financial liabilities not measured at fair value at each balance sheet date.

The Group

	2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Bond investments	139,168,934,747.09	146,604,314,220.66	–	146,604,314,220.66	–
Financial liabilities					
Bonds payable	112,093,081,006.60	112,808,726,342.24	–	112,808,726,342.24	–

	2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Bond investments	134,905,496,929.55	137,749,594,425.25	–	137,749,594,425.25	–
Financial liabilities					
Bonds payable	86,300,153,846.29	86,694,070,380.00	–	86,694,070,380.00	–

The Bank

	2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Bond investments	130,417,956,027.99	137,568,250,871.52	–	137,568,250,871.52	–
Financial liabilities					
Bonds payable	112,093,081,006.60	112,808,726,342.24	–	112,808,726,342.24	–

	2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Bond investments	125,619,760,652.06	128,338,540,714.02	–	128,338,540,714.02	–
Financial liabilities					
Bonds payable	86,300,153,846.29	86,694,070,380.00	–	86,694,070,380.00	–



56 REPORTING BY SEGMENT

Based on the business lines, the Group divides its businesses into different operating groups to perform business management. The assets and liabilities, revenues, expenses and operating results of the various segments are measured in accordance with the Group's accounting policies. The transfer pricing of transactions between segments is determined by reference to the market price and has been reflected in the performance of each segment. The net interest income and expense generated by internal charges and transfer pricing adjustments are presented as "net interest income/expense between segments".

The Group's operating segments have presented information in a manner consistent with that of internal information submission, and this internal reporting information is provided to the management of the Group for the purpose of allocating resources and assessing segment performance. In this financial report, the following reportable segments are determined based on operating segments in the Group:

Corporate banking

The segment provides corporate clients, governmental authorities and financial institutions with various financial products and services, including corporate loans and other credit services, entrusted loans, deposit services, agency services, cash management services, financial advisory and consulting services, remittance and settlement services, custody services, and guarantee services, etc.

Retail banking

The segment provides retail customers with various financial products and services, including loans services, deposit services, wealth management services, remittance services, and securities agency services, etc.

Capital business

The segment includes interbank lending transactions in the interbank market, repurchase agreements, bond investment and trading, equity investments, and foreign exchange trading. This segment also manages the liquidity level of the Group, including the issuance of bonds.

Other business

The segment includes the business that is not directly attributable to or cannot be reasonably allocated to the above-mentioned segments.

Segment accounting policies are consistent with those for the financial statements of the Group.

The income, expenses, assets and liabilities of the segments include the items managed directly by the segments and allocated to the segments based on appropriate benchmark criteria. Capital expenditures of the segments refer to the total amount of the acquisition of fixed assets, intangible assets and other long-term assets as well as the expenses incurred in new construction in progress during the accounting period.



The Group

Item	2024				
	Capital business	Corporate banking	Retail banking	Other business	Total
Interest income	6,019,938,538.35	9,404,063,956.42	4,635,218,273.97	–	20,059,220,768.74
Interest expense	(4,248,477,890.12)	(5,613,702,585.64)	(3,078,383,585.08)	–	(12,940,564,060.84)
Net interest (expense)/income between segments	(1,284,671,590.86)	240,431,916.25	1,044,239,674.61	–	–
Net interest income	486,789,057.37	4,030,793,287.03	2,601,074,363.50	–	7,118,656,707.90
Net handling fees and commission income	35,373,903.54	437,473,887.21	264,421,841.36	–	737,269,632.11
Income arising from investment	2,086,435,737.86	–	–	–	2,086,435,737.86
(Including: Income from investment in associates)	34,902,491.33	–	–	–	34,902,491.33
Income arising from derecognition of financial assets measured at amortized cost)	184,925,999.92	–	–	–	184,925,999.92
Net losses from changes in fair value	232,666,201.33	–	–	–	232,666,201.33
Foreign exchange gains and losses	(8,683,355.11)	(55,855,298.86)	–	–	(64,538,653.97)
Income from other business	–	–	–	2,514,664.24	2,514,664.24
Net losses from disposal of assets	–	–	–	285,724.94	285,724.94
Other income	–	64,473,907.97	15,960,042.51	3,100,258.00	83,534,208.48
Operating income	2,832,581,544.99	4,476,885,783.35	2,881,456,247.37	5,900,647.18	10,196,824,222.89
Taxes and surcharges	(10,920,351.81)	(53,792,531.26)	(31,141,032.02)	(31,207,149.47)	(127,061,064.56)
Operating and administrative expenses	(637,433,151.74)	(2,026,692,593.41)	(1,313,123,584.25)	–	(3,977,249,329.40)
Credit impairment losses	(226,294,826.96)	(1,208,557,857.54)	(806,399,256.85)	(21,875,821.72)	(2,263,127,763.07)
Impairment losses of other assets	(3,504,353.55)	–	–	(501,100.00)	(4,005,453.55)
Other business cost	–	–	–	(5,834.27)	(5,834.27)
Operating expenses	(878,152,684.06)	(3,289,042,982.21)	(2,150,663,873.12)	(53,589,905.46)	(6,371,449,444.85)
Operating profits/(losses)	1,954,428,860.93	1,187,842,801.14	730,792,374.25	(47,689,258.28)	3,825,374,778.04
Add: non-operating income	–	–	–	22,649,108.27	22,649,108.27
Less: non-operating expenses	–	–	–	(16,339,828.96)	(16,339,828.96)
Total profits/(losses)	1,954,428,860.93	1,187,842,801.14	730,792,374.25	(41,379,978.97)	3,831,684,057.35
Segment assets	307,135,472,978.30	255,014,719,417.30	109,607,010,821.41	972,530,639.23	672,729,733,856.24
Segment liabilities	(178,877,438,652.70)	(276,070,983,942.16)	(174,134,363,476.93)	(5,731,843.84)	(629,088,517,915.63)
Other segment information:					
Depreciation and amortization expenses	(187,629,818.35)	(296,548,308.67)	(190,867,272.03)	(390,858.07)	(675,436,257.12)
Capital expenditure					
Including: Expenses on construction in progress	(22,995,775.42)	(36,344,747.17)	(23,392,555.42)	(47,903.28)	(82,780,981.29)
Expenses on acquisition of fixed assets	(19,824,748.74)	(31,332,949.95)	(20,166,814.34)	(41,297.61)	(71,365,810.64)
Expenses on acquisition of intangible assets	(47,818,896.63)	(75,577,608.30)	(48,643,986.50)	(99,613.16)	(172,140,104.59)
Expenses on acquisition of right-of-use assets	(77,134,712.46)	(121,911,158.48)	(78,465,631.30)	(160,681.95)	(277,672,184.19)
New long-term deferred expenses	(3,705,014.96)	(5,855,763.92)	(3,768,943.04)	(7,718.03)	(13,337,439.95)
Total	(171,479,148.21)	(271,022,227.82)	(174,437,930.60)	(357,214.03)	(617,296,520.66)



The Group

Item	2023				
	Capital business	Corporate banking	Retail banking	Other business	Total
Interest income	6,099,909,453.68	9,351,322,943.67	4,945,673,461.97	–	20,396,905,859.32
Interest expense	(3,594,090,864.12)	(5,713,435,303.62)	(2,756,682,523.13)	–	(12,064,208,690.87)
Net interest (expense)/income between segments	(1,493,165,303.28)	778,500,437.73	714,664,865.55	–	–
Net interest income	1,012,653,286.28	4,416,388,077.78	2,903,655,804.39	–	8,332,697,168.45
Net handling fees and commission income	53,936,037.20	445,242,889.38	337,807,981.35	–	836,986,907.93
Income arising from investment	1,534,691,521.04	–	–	–	1,534,691,521.04
(Including: Income from investment in associates	53,650,852.79	–	–	–	53,650,852.79
Income arising from derecognition of financial assets measured at amortized cost)	138,297.27	–	–	–	138,297.27
Net losses from changes in fair value	(55,067,988.67)	–	–	–	(55,067,988.67)
Foreign exchange gains and losses	7,814,631.31	(267,173,192.59)	–	–	(259,358,561.28)
Income from other business	6.00	–	–	3,829,797.95	3,829,803.95
Net losses from disposal of assets	–	–	–	(3,050,662.68)	(3,050,662.68)
Other income	–	91,063,856.55	104,736,605.45	778,998.96	196,579,460.96
Operating income	2,554,027,493.16	4,685,521,631.12	3,346,200,391.19	1,558,134.23	10,587,307,649.70
Taxes and surcharges	(9,299,630.61)	(57,925,329.35)	(32,333,002.17)	(32,263,453.75)	(131,821,415.88)
Operating and administrative expenses	(536,318,561.44)	(1,961,843,073.08)	(1,315,982,113.07)	–	(3,814,143,747.59)
Credit impairment losses	(610,166,194.81)	(1,885,295,305.43)	101,295,646.78	(5,281,112.19)	(2,399,446,965.65)
Impairment losses of other assets	–	–	–	(365,900.00)	(365,900.00)
Other business cost	–	–	–	(1,178.81)	(1,178.81)
Operating expenses	(1,155,784,386.86)	(3,905,063,707.86)	(1,247,019,468.46)	(37,911,644.75)	(6,345,779,207.93)
Operating profits/(losses)	1,398,243,106.30	780,457,923.26	2,099,180,922.73	(36,353,510.52)	4,241,528,441.77
Add: non-operating income	–	–	–	1,973,326.21	1,973,326.21
Less: non-operating expenses	–	–	–	(10,759,326.49)	(10,759,326.49)
Total profits/(losses)	1,398,243,106.30	780,457,923.26	2,099,180,922.73	(45,139,510.80)	4,232,742,441.49
Segment assets	300,668,301,130.27	219,120,105,062.78	108,028,201,419.98	1,108,054,765.47	628,924,662,378.50
Segment liabilities	(158,509,342,260.73)	(276,775,491,970.63)	(153,060,882,621.13)	(1,867,214.54)	(588,347,584,067.03)
Other segment information:					
Depreciation and amortization expenses	(143,347,597.95)	(262,980,047.30)	(187,809,171.83)	(87,451.99)	(594,224,269.07)
Capital expenditure					
Including: Expenses on construction in progress	(25,263,664.26)	(46,347,756.90)	(33,099,597.97)	(15,412.59)	(104,726,431.72)
Expenses on acquisition of fixed assets	(24,978,878.18)	(45,825,299.20)	(32,726,480.89)	(15,238.86)	(103,545,897.13)
Expenses on acquisition of intangible assets	(48,253,823.35)	(88,524,627.74)	(63,220,526.40)	(29,438.18)	(200,028,415.67)
Expenses on acquisition of right-of-use assets	(53,633,279.81)	(98,393,573.82)	(70,268,508.21)	(32,720.03)	(222,328,081.87)
New long-term deferred expenses	(1,148,557.95)	(2,107,100.70)	(1,504,801.76)	(700.69)	(4,761,161.10)
Total	(153,278,203.55)	(281,198,358.36)	(200,819,915.23)	(93,510.35)	(635,389,987.49)



The Bank

Item	2024				
	Capital business	Corporate banking	Retail banking	Other business	Total
Interest income	5,736,595,321.73	9,395,785,706.80	4,577,964,370.83	–	19,710,345,399.36
Interest expense	(4,180,321,928.47)	(5,600,468,755.42)	(3,046,701,179.70)	–	(12,827,491,863.59)
Net interest (expense)/income between segments	(1,271,037,936.16)	236,346,223.19	1,034,691,712.97	–	–
Net interest income	285,235,457.10	4,031,663,174.57	2,565,954,904.10	–	6,882,853,535.77
Net handling fees and commission income	40,589,397.81	437,723,057.42	264,440,503.64	–	742,752,958.87
Income arising from investment	2,040,338,183.40	–	–	–	2,040,338,183.40
(Including: Income from investment in associates)	34,902,491.33	–	–	–	34,902,491.33
Income arising from derecognition of financial assets measured at amortized cost)	143,183,215.64	–	–	–	143,183,215.64
Net losses from changes in fair value	458,449,966.22	–	–	–	458,449,966.22
Foreign exchange gains and losses	(11,001,999.89)	(55,855,298.86)	–	–	(66,857,298.75)
Income from other business	–	–	–	2,086,491.74	2,086,491.74
Net losses from disposal of assets	–	–	–	(1,280,768.20)	(1,280,768.20)
Other income	–	64,473,907.97	15,960,042.51	2,946,078.34	83,380,028.82
Operating income	2,813,611,004.64	4,478,004,841.10	2,846,355,450.25	3,751,801.88	10,141,723,097.87
Taxes and surcharges	(10,659,555.98)	(53,767,307.25)	(30,988,044.63)	(30,551,453.88)	(125,966,361.74)
Operating and administrative expenses	(449,538,280.31)	(2,029,475,624.67)	(1,285,236,538.09)	–	(3,764,250,443.07)
Credit impairment losses	(209,876,257.29)	(1,210,692,054.57)	(808,049,057.57)	(21,871,140.31)	(2,250,488,509.74)
Impairment losses of other assets	(66,869,582.87)	–	–	(501,100.00)	(67,370,682.87)
Other business cost	–	–	–	(5,834.27)	(5,834.27)
Operating expenses	(736,943,676.45)	(3,293,934,986.49)	(2,124,273,640.29)	(52,929,528.46)	(6,208,081,831.69)
Operating profits/(losses)	2,076,667,328.19	1,184,069,854.61	722,081,809.96	(49,177,726.58)	3,933,641,266.18
Add: non-operating income	–	–	–	3,746,187.59	3,746,187.59
Less: non-operating expenses	–	–	–	(16,020,597.50)	(16,020,597.50)
Total profits/(losses)	2,076,667,328.19	1,184,069,854.61	722,081,809.96	(61,452,136.49)	3,921,366,856.27
Segment assets	302,637,052,633.91	254,859,398,463.92	108,825,035,449.19	2,043,276,544.40	668,364,763,091.42
Segment liabilities	(175,767,911,891.28)	(275,847,800,806.70)	(173,042,172,292.12)	(4,947,974.19)	(624,662,832,964.29)
Other segment information:					
Depreciation and amortization expenses	(172,428,505.19)	(274,428,725.10)	(174,435,206.11)	(229,924.31)	(621,522,360.71)
Capital expenditure					
Including: Expenses on construction in progress	(8,673,933.64)	(13,805,005.99)	(8,774,879.76)	(11,566.23)	(31,265,385.62)
Expenses on acquisition of fixed assets	(17,674,923.29)	(28,130,538.27)	(17,880,621.79)	(23,568.58)	(63,709,651.93)
Expenses on acquisition of intangible assets	(42,125,629.53)	(67,045,079.32)	(42,615,882.23)	(56,172.31)	(151,842,763.39)
Expenses on acquisition of right-of-use assets	(52,981,046.64)	(84,322,027.09)	(53,597,633.30)	(70,647.43)	(190,971,354.46)
New long-term deferred expenses	(716,326.60)	(1,140,070.17)	(724,663.11)	(955.18)	(2,582,015.06)
Total	(122,171,859.70)	(194,442,720.84)	(123,593,680.19)	(162,909.73)	(440,371,170.46)



The Bank

Item	2023				Total
	Capital business	Corporate banking	Retail banking	Other business	
Interest income	5,833,974,577.29	9,341,695,533.79	4,906,467,120.71	–	20,082,137,231.79
Interest expense	(3,516,787,559.38)	(5,708,605,900.67)	(2,730,430,529.49)	–	(11,955,823,989.54)
Net interest (expense)/income between segments	(1,475,141,187.83)	769,221,594.94	705,919,592.89	–	–
Net interest income	842,045,830.08	4,402,311,228.06	2,881,956,184.11	–	8,126,313,242.25
Net handling fees and commission income	53,936,037.20	447,322,144.31	337,825,206.80	–	839,083,388.31
Income arising from investment	1,522,049,178.23	–	–	–	1,522,049,178.23
(Including: Income from investment in associates	53,650,852.79	–	–	–	53,650,852.79
Income arising from derecognition of financial assets measured at amortized cost)	838,477.27	–	–	–	838,477.27
Net losses from changes in fair value	128,291,027.30	–	–	–	128,291,027.30
Foreign exchange gains and losses	4,723,999.51	(267,173,192.59)	–	–	(262,449,193.08)
Income from other business	–	–	–	3,682,140.78	3,682,140.78
Net losses from disposal of assets	–	–	–	(3,042,828.31)	(3,042,828.31)
Other income	–	90,965,798.30	104,705,537.49	574,743.84	196,246,079.63
Operating income	2,551,046,072.32	4,673,425,978.08	3,324,486,928.40	1,214,056.31	10,550,173,035.11
Taxes and surcharges	(9,164,614.10)	(57,904,535.80)	(32,261,849.37)	(31,974,373.98)	(131,305,373.25)
Operating and administrative expenses	(511,636,126.54)	(1,959,030,951.04)	(1,300,645,000.57)	–	(3,771,312,078.15)
Credit impairment losses	(602,818,653.98)	(1,890,320,595.26)	100,513,829.68	(5,211,782.12)	(2,397,837,201.68)
Impairment losses of other assets	–	–	–	(365,900.00)	(365,900.00)
Other business cost	–	–	–	(1,178.81)	(1,178.81)
Operating expenses	(1,123,619,394.62)	(3,907,256,082.10)	(1,232,393,020.26)	(37,553,234.91)	(6,300,821,731.89)
Operating profits/(losses)	1,427,426,677.70	766,169,895.98	2,092,093,908.14	(36,339,178.60)	4,249,351,303.22
Add: non-operating income	–	–	–	1,893,257.47	1,893,257.47
Less: non-operating expenses	–	–	–	(10,702,525.17)	(10,702,525.17)
Total profits/(losses)	1,427,426,677.70	766,169,895.98	2,092,093,908.14	(45,148,446.30)	4,240,542,035.52
Segment assets	296,542,310,466.05	218,975,339,772.46	107,285,762,283.34	1,274,631,744.62	624,078,044,266.47
Segment liabilities	(155,077,012,024.55)	(276,424,238,458.15)	(152,074,992,536.89)	(1,753,562.36)	(583,577,996,581.95)
Other segment information:					
Depreciation and amortization expenses	(142,888,310.22)	(261,766,319.39)	(186,210,011.93)	(68,001.30)	(590,932,642.84)
Capital expenditure					
Including: Expenses on construction in progress	(25,151,378.90)	(46,076,434.61)	(32,776,918.96)	(11,969.67)	(104,016,702.14)
Expenses on acquisition of fixed assets	(24,993,269.23)	(45,786,783.29)	(32,570,872.69)	(11,894.42)	(103,362,819.63)
Expenses on acquisition of intangible assets	(48,367,140.75)	(88,606,887.40)	(63,031,369.34)	(23,018.18)	(200,028,415.67)
Expenses on acquisition of right-of-use assets	(53,625,341.82)	(98,239,725.37)	(69,883,782.13)	(25,520.59)	(221,774,369.91)
New long-term deferred expenses	(1,151,255.18)	(2,109,058.68)	(1,500,299.36)	(547.89)	(4,761,161.11)
Total	(153,288,385.88)	(280,818,889.35)	(199,763,242.48)	(72,950.75)	(633,943,468.46)



57 CAPITAL MANAGEMENT

The Group's capital management takes capital adequacy ratio and Core tier-1 capital adequacy ratio at the core, with the aim of ensuring compliance with the requirements for external supervision, credit rating, risk compensation and shareholder returns, as well as facilitating the Group's risk management and striking a balance between business scale expansion and profitability, total capital and structure optimization, and optimal capital scale and capital returns while taking the development plan into account.

Under the Measures for the Administration of Capital of Commercial Banks (《商业银行资本管理办法》) (under the Measures for the Administration of Capital of Commercial Banks (Trial)《商业银行资本管理办法(试行)》prior to 31 December 2023), non-systemically important banks shall maintain minimum ratios of 7.50% for core tier-1 capital adequacy ratio, 8.50% for tier-1 capital adequacy ratio and 10.50% for capital adequacy ratio. Moreover, the Group forecasts, plans and manages the capital adequacy ratio by scenario simulation and stress testing according to factors such as strategic development planning, business expansion and risk trends. The Group monitors the capital adequacy ratio on a regular basis, and submits relevant information to National Financial Regulatory Administration (the former CBRC) at the end of each year and each quarter. The Capital Management of the Group complies with all relevant regulatory requirements

Credit risk weighted assets include on-balance sheet credit risk weighted assets, off-balance sheet credit risk weighted assets and counterparty credit risk weighted assets. The on-balance sheet credit risk weighted assets are calculated adopting different risk weightings, which are determined by credit risks of each asset and counterparty, market risk and other relevant risk, while taking the effects of qualified mortgages and credit mitigation tools. The off-balance sheet exposures are calculated using the same method, and adjusted according to characteristics of the contingent loss. In 2023, the Group's market risk weighted assets were measured using standard method, and its operational risk weighted assets using the basic indicator method. In 2024, the Group's market risk weighted assets were measured using simplified standardized approach, and its operational risk weighted assets using standard method.

According to the Measures for the Administration of Capital of Commercial Banks (《商业银行资本管理办法》) promulgated by the National Financial Regulatory Administration (according to the Measures for the Administration of Capital of Commercial Banks (Trial) (《商业银行资本管理办法(试行)》) prior to 31 December 2023) and other relevant regulations, the Group's capital adequacy ratios are measured as follows:

RMB'0,000	2024	2023
Net amount of core tier-1 capital	3,893,044.00	3,580,365.25
Net amount of tier-1 capital	4,312,827.03	4,000,250.84
Net amount of tier-2 capital	1,511,489.11	1,554,023.61
Total net capital	5,824,316.14	5,554,274.45
Total risk-weighted assets	41,818,125.27	40,382,884.44
– Credit risk weighted assets	39,392,930.80	37,322,446.30
– Market risk weighted assets	750,983.98	1,167,273.04
– Operational risk weighted assets	1,657,427.35	1,893,165.10
– Risk weighted assets arising from transfers between trading and banking books	16,783.14	–
Core tier-1 capital adequacy ratio	9.31%	8.87%
Tier-1 capital adequacy ratio	10.31%	9.91%
Capital adequacy ratio	13.93%	13.75%



58 CREDIT COMMITMENTS

Credit commitments of the Group include the approved and contracted irrevocable loan commitments, financial guarantees and letters of credit. The Group assesses its contingent losses of credit commitments regularly and makes provisions when necessary.

The Group provides financial guarantees and letters of credit so as to guarantee the performance of customers toward third parties. The contract amount for letters of guarantee and letters of credit represents the maximum loss incurred if counterparties default. Acceptance bills comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

As the facilities may expire without being used, the following contractual amount is not indicative of expected future cash outflow.

	The Group and the Bank	
	2024	2023
Loan commitments	1,473,826,824.04	3,063,397,540.83
Unused overdraft limit of credit cards	6,580,804,974.76	6,687,769,940.48
Sub-total	8,054,631,798.80	9,751,167,481.31
Bank acceptance bill	30,048,340,942.70	38,426,946,704.49
Letters of credit	17,193,207,627.09	15,557,804,531.19
Letters of guarantee	11,273,975,069.29	15,463,498,740.29
Others	240,723,129.86	500,038,620.00
Sub-total	58,756,246,768.94	69,948,288,595.97
Total	66,810,878,567.74	79,699,456,077.28

Credit risk weighted amount

	The Group and the Bank	
	2024	2023
Credit risk weighted amount of credit commitments	1,454,887,271.19	2,033,876,693.30

The credit risk weighted amounts of credit commitments are calculated in accordance with the Measures for the Administration of Capital of Commercial Banks (《商业银行资本管理办法》) promulgated by the National Financial Regulatory Administration (in accordance with the measures for the Administration of Capital of Commercial Banks (Trial) (《商业银行资本管理办法(试行)》) prior to 31 December 2023). The risk weights are determined based on credit conditions of counterparties, term to maturity and other factors. The risk weights of credit commitments range from 0% to 100%.

59 COMMITMENTS

Capital commitments

As at the balance sheet date, the capital commitments of the Group and the Bank are summarized as follows:

	The Group and the Bank	
	2024	2023
Agreement of capital expenditure		
Contracted but unpaid	2,178,035,836.32	2,194,438,169.05

As of 31 December 2024, the capital expenditure commitments which are approved but not yet contracted of the Group and the Bank amounted to RMB157,703,100.00 (31 December 2023: RMB187,564,056.58).



60 CONTINGENCIES

As at 31 December 2024, there were no contingent assets and liabilities for the Group (As at 31 December 2023: Nil).

As at the balance sheet date, the Bank or its subsidiaries did not have any material pending legal proceedings as a defendant.

61 ENTRUSTED LENDING BUSINESS

The Group's entrusted lending business refers to activities where the Group accepts the entrustment of government departments, business entities and individuals, and grants entrustment loans with the funds provided by them. In the Group's entrusted lending business, the Group does not need to bear any bank credit risk, and only manages the assets and liabilities as instructed by clients and charges commission fees as an agent. Entrusted lending are not assets of the Group and are not recognized in the balance sheet. Excess funds are reflected in accepted deposit.

As at the balance sheet date, the entrusted loans and their funds for the Group and the Bank were as follows:

	The Group and the Bank	
	2024	2023
Entrusted loans	2,823,262,892.54	3,066,816,738.28
Funds for entrusted loans	2,823,262,892.54	3,066,816,738.28

62 ASSETS USED AS PLEDGE

	The Group	
	2024	2023
Classified by the types of collateral:		
Bonds	53,256,269,986.67	51,454,507,583.42
Bank acceptance bill	1,127,852,941.35	651,958,756.24
Remortgage	4,564,363,689.04	7,278,214,050.80
Total	58,948,486,617.06	59,384,680,390.46
Classified by item of asset:		
Debt investments	48,046,809,679.31	44,296,182,528.91
Other debt investments	4,325,463,511.36	6,971,393,849.91
Trading financial assets	883,996,796.00	186,931,204.60
Loans	5,692,216,630.39	7,930,172,807.04
Total	58,948,486,617.06	59,384,680,390.46



	The Bank	
	2024	2023
Classified by the types of collateral:		
Bonds	49,120,263,900.00	47,681,906,400.00
Bank acceptance bill	1,127,852,941.35	651,958,756.24
Remortgage	4,564,363,689.04	7,278,214,050.80
Total	54,812,480,530.39	55,612,079,207.04
Classified by item of asset:		
Debt investments	44,794,800,388.64	40,710,512,550.09
Other debt investments	4,325,463,511.36	6,971,393,849.91
Loans	5,692,216,630.39	7,930,172,807.04
Total	54,812,480,530.39	55,612,079,207.04

63 TRANSACTIONS WITH RELATED PARTIES

1 Major related parties of the Bank

(1) Related parties as the principal shareholders of the Bank

Since the Bank does not have a controlling shareholder, the related parties as principal shareholders refer to shareholders holding more than 5% shares of the Bank. The names of the principal shareholders and the information on shareholding are as follows:

Name of shareholders	31 December 2024		31 December 2023	
	Number of shares	Ratio %	Number of shares	Ratio %
Dongguan Municipal Finance Bureau	495,504,000.00	21.16%	495,504,000.00	21.16%
Dongguan Financial Holdings Group Co., Ltd.	238,826,865.00	10.20%	238,812,174.00	10.20%

(2) Subsidiaries of the Bank

For details of the Bank's subsidiaries, please see Note 6.

(3) Associates of the Bank

For details of the Bank's associates, please see Note 17(2) and 17(3).

(4) Other related parties

Other related parties include key management personnel (Directors, Supervisors and senior executives) and their close family members, as well as the enterprises controlled, jointly controlled or significantly influenced by key management personnel or their close family members.

Key management personnel of the Group and the Bank refer to persons who have power and responsibilities to directly and indirectly plan, instruct and control activities of the Group and the Bank, including Directors, Supervisors and senior executives.



2 Transactions with related parties of the Group and the Bank

Proceeds arising from transactions with related parties during the year:

	2024	2023
Interest income	113,828,228.14	106,244,719.53
Interest expense	1,867,485,207.12	1,716,527,513.07
Investment income	714,742.26	863,400.00
Losses or gains from changes of fair value	5,192,885.98	–
Other comprehensive income	–	–
Handling fees and commission income	114,128.93	8,783,771.14

The balances of transactions with related parties as at the balance sheet date are as follows:

	2024	2023
On-balance sheet items:		
Loans and advances to customers	2,068,358,056.48	1,960,639,307.26
Customer deposits	63,491,876,476.16	55,868,566,287.83
Trading financial assets	121,018,247.39	–
Debt investments	326,387,410.69	–
Other debt investments	836,769,686.29	–
Deposits from banks and other financial institutions	1,896,790,217.44	263,968,464.05
Off-balance sheet items:		
Credit commitments	9,458,488.85	5,759,856.97
Loan balance guaranteed by related parties (ii)	2,284,596,146.61	2,340,239,104.82

- (i) According to the requirements of Caikuai [2018] No. 36, as at 31 December 2024, the interest of the financial instrument calculated based on the effective interest rate method is reflected in the book balance of the corresponding financial instruments. The interest due but not received on the balance sheet date is listed in other assets. The interest due but not paid on the balance sheet date is listed in other liabilities.
- (ii) In the total amount, the same loan that guaranteed by multiple related parties is only counted once by the amount of the loan.

3 Transactions between key management personnel and the Group

	The Group and the Bank	
	2024	2023
Remuneration of key management personnel	21,136,372.95	20,909,372.31

- (i) The Directors, Supervisors and senior executives did not receive any incentive payment for joining the Group or termination compensation in 2024 and 2023.



4 Transactions between the Bank and its subsidiaries

The significant inter-company balances and transactions with subsidiaries are eliminated on the consolidated financial statement.

Amounts of transactions with subsidiaries during the year:

	2024	2023
Interest income	–	146,666.67
Interest expense	13,021,492.88	5,889,855.01
Handling fees and commission income	5,776,250.05	2,227,744.15

The balances of transactions with subsidiaries as at the balance sheet date are as follows:

	2024	2023
Deposits from banks and other financial institutions	1,063,631,883.10	360,881,155.39

Other significant amounts of transactions with subsidiaries are as follows:

	2024	2023
Foreign Exchange Services	42,583,896.70	–

64 INTERESTS IN OTHER ENTITIES

(1) Interests in subsidiaries

As of 31 December 2024, the background information of the subsidiaries was as follows:

	Registration and establishment date	Establishment, registration and operation place	Registered capital	Shareholding percentage of the Bank	Business scope
Chongqing Kaizhou Taiye Village Bank Co., Ltd.	27 August 2009	Kaizhou, Chongqing	RMB50 million	63.10%	Banking industry
Dongyuan Taiye Village Bank Co., Ltd.	11 May 2011	Heyuan, Guangdong	RMB100 million	100.00%	Banking industry
Zongyang Taiye Village Bank Co., Ltd.	17 March 2011	Tongling, Anhui	RMB110 million	84.55%	Banking industry
Bank of Dongguan International Limited	19 August 2021	Hong Kong, China	HKD1 billion	100.00%	Banking industry

Note: In 2021, the Bank has established a subsidiary, i.e. Guanyin International Limited in Hong Kong according to the "Reply of Guangdong Office of the China Banking and Insurance Regulatory Commission on Bank of Dongguan's Investment and Establishment of the Hong Kong Subsidiary" (YYBJF [2020] No. 659) and Banking Ordinance of Hong Kong, and obtained the "Business Registration Certificate". As of 5 September 2024, the Bank had paid up its capital contribution in full, totaling HKD1 billion. On 31 October 2024, Guanyin International Limited was granted a banking license by the Hong Kong Monetary Authority. On 30 December 2024, Guanyin International Limited was formally confirmed as Bank of Dongguan International Limited. As of 31 December 2024, Bank of Dongguan International Limited remained in the preparatory phase for commencement of operations.



(2) Interests in associates

	31 December 2024	31 December 2023
Insignificant associates	887,356,221.13	1,003,856,241.43
Less: Provision for impairment	(3,504,353.55)	–
Total	883,851,867.58	1,003,856,241.43

Details of insignificant associates accounted for using the equity method are summarized as follows:

	31 December 2024	31 December 2023
Aggregate carrying amount of investments	883,851,867.58	1,003,856,241.43
Aggregate amount of the following items by shareholding ratio		
– Net profits	34,902,491.33	53,650,852.79
– Other comprehensive income	9,060,267.03	(402,017.31)
Total comprehensive income	43,962,758.36	53,248,835.48

(3) Interests in structured entities included in the consolidated financial statements

The Group manages or invests in various structured entities, primarily including fund investments, trust schemes and asset management plans, asset-backed securities and wealth management products. To determine whether the Group controls such structured entities, the Group mainly assesses the aggregate economic interests (including direct investment income and expected management fees) of the structured entities and the decision making authority of the structured entities through participation in the decision-making process and relevant contractual arrangements.

The Group controls and included these structured entities in the consolidated financial statements when the Group has power over structured entities through arrangements such as investment contracts, it is exposed to, or has rights to, variable returns from its involvement with the structured entities and has the ability to affect those returns through its power over the structured entities.

(4) Interests in structured entities not included in the consolidated financial statements**(i) Interest in the structured entities sponsored by third-party institutions**

The Group directly holds interests in some structured entities sponsored by third-party institutions through investments in the notes issued by these structured entities. Such structured entities include asset management plans, trust schemes, funds and asset-backed securities, and the Group does not consolidate these structured entities. The nature and purpose of these structured entities are to manage assets on behalf of investors and earn management fees. These structured entities are financed through the issuance of investment products to investors.

The following table sets out the carrying amounts of interests directly held by the Group as at 31 December 2024 and 31 December 2023 in the structured entities sponsored by third-party institutions, and the line items in the balance sheet in which assets are recognized relating to the interests of the Group and the Bank in structured entities sponsored by third parties:



The Group

	2024			
	Carrying amount			Maximum exposure to loss
	Trading financial assets	Other debt investments	Total	
Wealth management products	707,784,149.04	–	707,784,149.04	707,784,149.04
Trust schemes	3,800,000.00	200,699,619.65	204,499,619.65	204,499,619.65
Funds	45,061,211,167.93	–	45,061,211,167.93	45,061,211,167.93
Asset-backed securities	304,678,118.29	293,152,171.11	597,830,289.40	597,830,289.40
Total	46,077,473,435.26	493,851,790.76	46,571,325,226.02	46,571,325,226.02

	2023			
	Carrying amount			Maximum exposure to loss
	Trading financial assets	Other debt investments	Total	
Wealth management products	52,134,558.91	–	52,134,558.91	52,134,558.91
Trust schemes	3,800,000.00	140,789,858.47	144,589,858.47	144,589,858.47
Funds	29,435,328,173.90	–	29,435,328,173.90	29,435,328,173.90
Asset-backed securities	1,838,243,002.51	294,037,186.67	2,132,280,189.18	2,132,280,189.18
Total	31,329,505,735.32	434,827,045.14	31,764,332,780.46	31,764,332,780.46

The maximum exposures to loss in the above unconsolidated structured entities directly held by the Group are the amortized cost or fair value of assets at the balance sheet date.

(ii) Interest in the structured entities sponsored by the Group not included in the consolidated financial statements

The structured entities sponsored by the Group not included in the consolidated financial statements include non-principal guaranteed wealth management products issued by the Group. The nature and purposes of these structured entities are to charge management fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors. Interest in the structured entities held by the Group not included in the consolidated financial statements mainly represents management fees charged on managing these structured entities.

As at 31 December 2024, the balance of the non-principal guaranteed wealth management products not included in the consolidated financial statements, which are sponsored by the Group, was approximately RMB24.668 billion (as at 31 December 2023: RMB26.018 billion).

(iii) Structured entities in which the Group holds no interest and are not included in the consolidated financial statements at the end of each year

In 2024, the handling fees and commission earned by the Group from such non-principal guaranteed wealth management products were RMB65 million (2023: RMB57 million).

The Group's non-principal guaranteed wealth management products due in 2024 amounted to RMB74.957 billion in total (2023: RMB83.198 billion).



65 TRANSFER OF FINANCIAL ASSETS

During routine business operations, the Group conducts certain transactions in which recognized financial assets are transferred to third parties or special-purpose trust schemes. When the transfer of these financial assets meets the derecognition conditions set out in the Accounting Standards for Business Enterprises, the relevant financial assets are derecognized in full or in part. When the Group retains most of the risks and rewards of the transferred assets, the transfer of related financial assets do not meet the conditions for derecognition, and the Group will continue to recognize the above assets in the balance sheet.

(i) Credit asset securitization

The Group enters into asset securitization, credit or circulation transactions in the normal course of business. The Group sells credit assets to special-purpose trusts which then issue asset-backed securities to investors, or carries out trust beneficial rights registration and circulation business in Banking Credit Asset Registration and Circulation Center (BCARC). During this process, the Group may hold some senior asset-backed securities or subordinate asset-backed securities or trust beneficial rights, retaining certain risk and return on the transferred credit assets. The Group determines, based on the extent of the retained risk and return, whether to derecognize related credit assets.

In 2020, the Group initiated two credit asset transfer businesses, namely Guanxin's first phase of personal housing mortgage securitization project for 2020 in the interbank market, for which the trust was established on 15 December 2020, with a total size of RMB2 billion; and the first phase of property rights trust of Guangdong Finance Trust Co., Ltd. • Bank of Dongguan for 2020 in BCARC, for which the trust was established on 2 December 2020, with a total size of RMB2.001 billion. The Group confirmed its continued involvement in assets and continued involvement in liabilities based on the amount of self-owned inferior assets. (The size of credit asset securitization for 2019: nil. The credit assets transferred by the Group under this program met derecognition criteria and were fully derecognized at transaction date). The carrying value of the asset-backed securities or trust beneficiary rights invested by the Group on 31 December 2024 in these credit asset securitization and circulation transactions was RMB650 million (as at 31 December 2023: RMB593 million), and its maximum exposure to losses is similar to the carrying value.

(ii) Securities lending transactions

The transferred financial assets not derecognized mainly included securities under securities lending transactions, and the counterparties may sell the securities or use them as collateral as long as the Group does not default, but it shall return the securities to the Group upon the maturity dates set forth in the related agreements. For the above-mentioned transactions, the Group did not derecognize the securities as it believes that it has retained most risks and returns thereon.

As at 31 December 2024, the carrying value of the securities lent in such lending transactions was nil (carrying value as at 31 December 2023: Nil).

66 POST-BALANCE SHEET DATE EVENTS

Description of significant non-adjusting events after the balance sheet date

1 Description of profit distribution after the balance sheet date

According to the resolution made by the Board of Directors of the Bank on 21 March 2025, the profit distribution plan of the Bank in 2024 is as follows:

- (1) Appropriate 10% of net profit as statutory surplus reserve in 2024;
- (2) In accordance with the Administrative Measures on Accrual of Provisions by Financial Enterprises (CJ [2012] No. 20) issued by MOF, appropriate a general risk reserve of RMB500 million based on the difference of 1.5% of the balance of risk assets;
- (3) Based on the retained earnings at the end of 2024, distribute a cash dividend totaling RMB585,400,000.00 to all shareholders of 2,341,600,000 capital shares.

The profit distribution plan is subject to approval by the General Meeting of Shareholders.

2 Description of Post-Balance Sheet Date Conversion of Rural Bank into Branch Network

On 21 March 2025, Dongyuan Taiye Village Bank Co., Ltd. obtained dissolution approval (YJF [2025] No. 94) from the Guangdong Regulatory Bureau of the National Financial Regulatory Administration, with this Bank assuming all assets, liabilities, rights and obligations of the dissolved entity by operation of law.

Except for the above events, the Group has no other significant post-balance sheet date events that should be disclosed.



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