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JIANGXI BANK CO., LTD.*

江西銀行股份有限公司*

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

(Stock Code: 1916)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

The board of directors (the “**Board**”) of Jiangxi Bank Co., Ltd.* (the “**Bank**”) is pleased to announce the unaudited consolidated interim results (the “**Interim Results**”) of the Bank and its subsidiaries for the six months ended June 30, 2024. This results announcement, containing the full text of the 2024 interim report of the Bank, complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. The Board and the audit committee of the Board have reviewed and confirmed the Interim Results.

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Bank (www.jx-bank.com). The interim report for the six months ended June 30, 2024 will be published on the above websites in due course, and despatched to the H shareholders of the Bank in the manner as they elect to receive corporate communications.

By order of the Board
Jiangxi Bank Co., Ltd.*
ZENG Hui
Chairman

Nanchang, the PRC, August 30, 2024

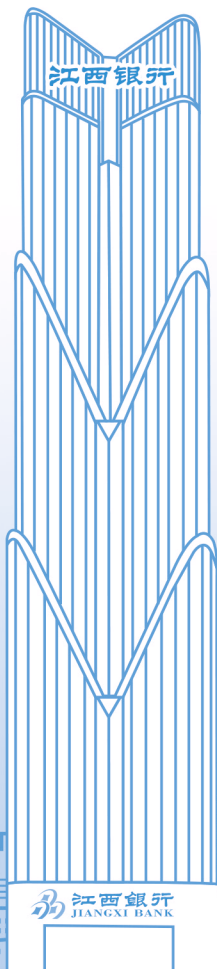
As of the date of this announcement, the board of directors of the Bank comprises Ms. ZENG Hui and Mr. LUO Xiaolin as executive directors; Mr. YU Minxin, Mr. DENG Yonghang, Ms. XIONG Jiemin, Mr. LI Shuiping and Mr. PENG Xiyuan as non-executive directors; and Mr. YANG Ailin, Mr. LIU Xinghua, Ms. WANG Feimilan and Mr. HE Enliang as independent non-executive directors.

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

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* This interim report is prepared in both Chinese and English. In the event of inconsistency, the Chinese version shall prevail.



CHAPTER I COMPANY PROFILE

1.1 BASIC INFORMATION

Statutory Chinese name of the Company:	江西銀行股份有限公司*
Statutory English name of the Company:	JIANGXI BANK CO., LTD.*
Legal representative:	ZENG Hui
Authorized representatives:	ZENG Hui, NGAI Wai Fung
Joint company secretaries:	NGAI Wai Fung, ZHANG Na
Stock short name:	JIANGXI BANK
Stock Code:	1916
Unified Social Credit Code:	913601007055009885
Number of financial license:	B0792H236010001
Registered capital:	RMB6,024,276,901
Registered and office address:	Jiangxi Bank Tower, No. 699 Financial Street, Honggutan District, Nanchang, Jiangxi Province, the PRC
Principal place of business in Hong Kong:	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong
Contact number:	+86-791-86791008/+86-791-86791009
Fax:	+86-791-86771100
Website of the Bank:	www.jx-bank.com (the contents of the website do not form a part of this report)
Service hotline:	+86-956055
Domestic auditor:	BDO China Shu Lun Pan Certified Public Accountants LLP
International auditor:	BDO LIMITED
Legal advisor in mainland China:	JunHe LLP
Legal advisor in Hong Kong:	Clifford Chance
Stock exchange on which H Shares are listed:	The Stock Exchange of Hong Kong Limited
H Share Registrar:	Computershare Hong Kong Investor Services Limited
Domestic Shares custodian:	China Securities Depository and Clearing Corporation Limited

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

CHAPTER I COMPANY PROFILE

1.2 MAJOR AWARDS IN THE FIRST HALF OF 2024

In January 2024, the Bank was awarded the 2023 CDC Member Business Development Quality “Top 100 for Proprietary Clearing” by China Central Depository & Clearing Co., Ltd.

In January 2024, the Bank was honored as the “Excellent Institution for Wealth Management Information Registration” by China Banking Wealth Management Registration & Depository Center (銀行業理財登記託管中心).

In January 2024, the Bank’s “Rural Insurance Loan” won the 2024 “Digital Intelligence Model” Case Award in respect of optimization of the industrial business environment.

In March 2024, the Bank was awarded the “2023 Cross-border RMB Business Enhancement Award in Jiangxi Province” jointly by the Jiangxi Branch of the PBOC and the Office of the Financial Commission of the CPC Jiangxi Provincial Committee.

In April 2024, the Bank’s digital agricultural service platform, “Jiangyin iNong”, won the “Scenario Financial Innovation Award in 2024 Huaying Award BDI Digital Index”.

In June 2024, the Bank was awarded the “Excellent Organization Award” and “Best Popularity Award” of the “ICBC Cup” Jiangxi Province Short Video Competition for Prevention of Illegal Fund Raising, jointly organized by the Jiangxi Provincial Local Financial Supervision and Administration Bureau, the Jiangxi Public Security Department and the Communist Youth League of Jiangxi Province.

In June 2024, the Bank’s “Rural Insurance Loan” and “Government Procurement E-loan (政採易貸)” won the “Innovation Achievement Award” and “Excellent Case Award” at the 6th China Digital Inclusive Finance Conference in 2024 National SME Service Month, respectively.

In June 2024, the Bank was awarded the “second prize”, the “third prize” and the “Best Organization Award” in the “Gan Yin Cup” Jiangxi Province Financial Network Security Attack and Defense Competition organized by the Jiangxi Branch of the PBOC.

In June 2024, the Bank was awarded the 19th Golden Round Table Award for Boards of China’s Listed Companies “Special Contribution Award for Corporate Governance”.



CHAPTER II SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

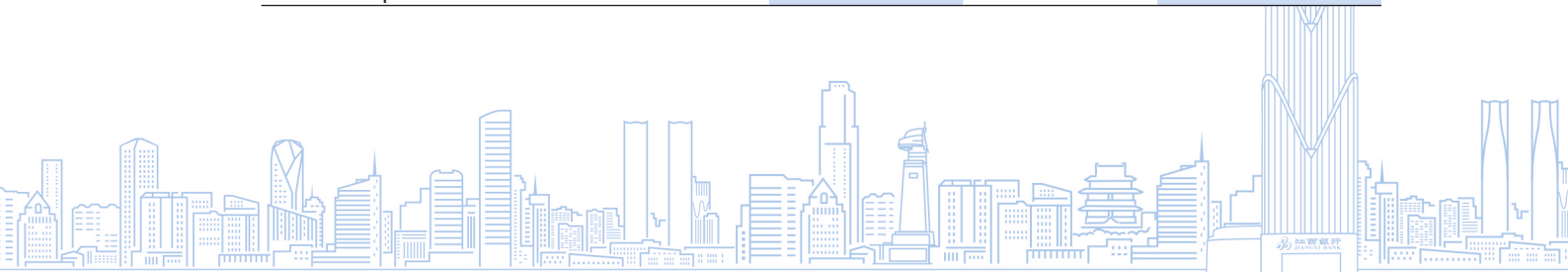
2.1 FINANCIAL DATA

The financial information set out in this interim report has been prepared on a combined basis in accordance with the International Financial Reporting Standards. Unless otherwise stated, data of the Group is denominated in RMB.

	For the six months ended June 30,		2024 compared to 2023
	2024	2023	
(in millions of RMB, unless otherwise stated)			
Operating results			Change rate (%)
Net interest income	3,987.32	4,481.64	(11.03)
Net fee and commission income	233.29	167.05	39.65
Operating income	5,748.29	5,398.52	6.48
Operating expenses	(1,410.90)	(1,600.05)	(11.82)
Impairment losses on assets	(3,673.15)	(2,439.36)	50.58
Profit before taxation	668.75	1,362.88	(50.93)
Net Profit for the period	644.80	1,225.88	(47.40)
Net profit attributable to equity Shareholders of the Bank	623.25	1,201.98	(48.15)
Per share (in RMB/share)			Change rate (%)
Basic earnings per share ¹	0.10	0.20	(50.00)
Basic diluted earnings per share ¹	0.10	0.20	(50.00)
Indicators for profitability			Change
Average return on total assets ²	0.23%	0.47%	(0.24%)
Average return on equity ¹	3.19%	6.23%	(3.04%)
Net interest spread ³	1.48%	1.74%	(0.26%)
Net interest margin ⁴	1.54%	1.82%	(0.28%)
Net fee and commission income to operating income	4.06%	3.09%	0.97%
Cost-to-income ratio ⁵	23.13%	28.25%	(5.12%)

CHAPTER II SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

	As of June 30, 2024	As of December 31, 2023	The first half of 2024 compared to the end of 2023
(in millions of RMB, unless otherwise stated)			
Indicators for volume			Change rate (%)
Total assets	564,514.60	552,345.38	2.20
Including: net loans and advances to customers	336,745.50	325,516.87	3.45
Total liabilities	516,304.01	504,812.86	2.28
Including: deposits from customers	383,244.44	381,212.27	0.53
Share capital	6,024.28	6,024.28	–
Total equity attributable to equity shareholders of the Bank	47,433.25	46,776.73	1.40
Non-controlling interests	777.34	755.79	2.85
Total equity	48,210.59	47,532.52	1.43
Net assets per share attributable to shareholders of the Bank (RMB/share) ⁶	6.55	6.44	1.71
Indicators for quality of assets			Change
Non-performing loans ratio	2.53%	2.17%	0.36%
Provision coverage ratio ⁷	171.30%	177.16%	(5.86%)
Provision ratio of loans ⁸	4.33%	3.84%	0.49%
Indicators for capital adequacy ratio			Change
Core tier-one capital adequacy ratio	9.07%	9.37%	(0.30%)
Tier-one capital adequacy ratio	12.05%	12.37%	(0.32%)
Capital adequacy ratio	13.22%	13.55%	(0.33%)
Leverage ratio	7.81%	8.25%	(0.44%)
Total equity to total assets	8.54%	8.61%	(0.07%)
Other indicators			Change
Liquidity coverage ratio	301.62%	333.38%	(31.76%)
Liquidity ratio	87.02%	76.27%	10.75%
Loan-to-deposit ratio	91.53%	88.37%	3.16%



CHAPTER II SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

- Notes:*
1. Basic earnings per share, diluted earnings per share and average return on equity are calculated in accordance with Preparation Rules for Information Disclosures by Companies Offering Securities to the Public No.9 – Calculations and Disclosures for Return on Net Assets and Earnings Per Share. The Group issued perpetual bonds in August 2021, September and December 2022, which are all classified as other equity instruments. No interests arising from perpetual bonds are declared by the Group in the first half of 2024. Therefore, when calculating the basic earnings per share, diluted earnings per share and average return on equity for the current period, “net profit attributable to equity Shareholders of the Bank” did not involve the deduction of the interest from perpetual bonds, and the “average equity” deducted the perpetual bonds.
 2. Refer to the net profit for the period as a percentage of the average balance of total assets at the beginning and the end of the period.
 3. Calculated by the difference between the average rate of return on total interest-bearing assets and the average cost ratio of total interest-bearing liabilities, and calculated based on the daily average of the interest-earning assets and interest-bearing liabilities.
 4. Calculated by dividing net interest income by the average balance of interest-bearing assets and calculated based on the daily average of the interest-bearing assets.
 5. Calculated by dividing operating expenses (excluding tax and surcharges) by operating income.
 6. Calculated by dividing total equity attributable to shareholders of the Bank after deducting other equity instruments at the end of the period by total ordinary share capital at the end of the period.
 7. Calculated by dividing the amount of the allowance for impairment losses on loans by the total amount of non-performing loans.
 8. Calculated by dividing the amount of the allowance for impairment losses on loans by the total amount of loans and advances to customers.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.1 REVIEW OF THE ECONOMIC, FINANCIAL AND POLICY ENVIRONMENT

In light of a more complex, severe, and uncertain external economic environment, China is experiencing the effects of economic structural adjustment. Effective domestic demand remains insufficient. However, in the medium to long run, the fundamentals of stable operation and the potential for long-term improvement of the economy remain unchanged, and the focus on high-quality development continues to be a consistent trend. During the Reporting Period, China's economy maintained overall stability with steady progress. Industrial production grew steadily, demand continued to recover, employment and prices remained generally stable, and residents' incomes continued to increase. New growth drivers accelerated, and high-quality development made new progress. According to preliminary calculations by the National Bureau of Statistics, the gross domestic production reached RMB61,683.6 billion in the first half of 2024, representing an increase of 5.0% over the same period of the previous year. Among this, the first quarter saw a GDP growth of 5.3% year-on-year, while the second quarter saw a growth of 4.7%. Although there were short-term fluctuations in the second quarter, the medium-to-long-term trend of steady improvement remained unchanged. China's financial sector maintained overall stability in the first half of 2024, and its support for the economy continued to strengthen. As of the end of the Reporting Period, the balance of broad money supply (M2) amounted to RMB305.02 trillion, representing a year-on-year increase of 6.2%; the balance of RMB loans amounted to RMB250.85 trillion, representing a year-on-year increase of 8.8%; the balance of RMB deposits amounted to RMB295.72 trillion, representing a year-on-year increase of 6.1%; and the aggregate financing to the real economy (stock) amounted to RMB395.11 trillion, representing a year-on-year increase of 8.1%.

During the Reporting Period, the economy of Jiangxi Province of China, where the Bank carries out its main business activities, continued to pick up and made progress in stability, and achieved new results in high-quality development. In the first half of 2024, Jiangxi Province achieved a gross domestic product (GDP) of RMB1,563.80 billion, an increase of 4.5% over the same period of the previous year. In the first half of the year, the value added of industrial enterprises above designated size in Jiangxi increased by 8.8%, 2.8 percentage points higher than that of the whole country; investment in industrial enterprises increased by 11.5%, 7.6 percentage points higher than that of the first quarter; total retail sales of consumer goods increased by 4.9%, 0.1 percentage point higher than that of the first quarter. At present, focused on the development of “three highlands” and implementation of “five strategies,” Jiangxi has formulated and implemented the “1269” Action Plan for the modernization of key industrial chains of manufacturing industry and the project-driven strategy of the “Ten, Hundred, Thousand and Ten Thousand Projects” action plan, and introduced a series of policies such as the implementation plan of large-scale equipment renewal and consumer goods trade-in and 20 measures for the steady development of the real estate market, so as to effectively stimulate the vitality and endogenous momentum of the market and realize sustainable stabilization and improvement in economic operation.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.2 OVERALL OPERATION OVERVIEW

Since the beginning of this year, under the strong leadership of the CPC Jiangxi Provincial Committee and Jiangxi Provincial Government, and the scientific supervision of the regulatory authorities, Jiangxi Bank, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, dove into and implemented the spirit of the 20th CPC National Congress, the Second Plenary and the Third Plenary Session of the 20th CPC Central Committee, the spirit of the Central Financial Work Conference and General Secretary Xi Jinping's important speeches during his inspection of Jiangxi, firmly launched the party discipline study and education, earnestly implemented the decisions and deployment made by the CPC Jiangxi Provincial Committee and Jiangxi Provincial Government, focused on high-quality development goals, and coordinated efforts in preventing and controlling risks, serving entities and deepening reforms. The overall business development remained sound.

Firstly, the scale of operation has grown stably. As of the end of the Reporting Period, the total amount of assets of the Group reached RMB564.515 billion, representing an increase of RMB12.169 billion as compared to the end of the previous year; the total liabilities amounted to RMB516.304 billion, representing an increase of RMB11.491 billion as compared to the end of the previous year; the total equity amounted to RMB48.211 billion, representing an increase of RMB678 million as compared to the end of the previous year; the total loans and advances to customers amounted to RMB350.795 billion, representing an increase of RMB13.906 billion as compared to the end of the previous year; the total deposits from customers amounted to RMB383.244 billion, representing an increase of RMB2.032 billion as compared to the end of the previous year.

Secondly, the size of customers continued to expand. Adhering to the customer-centric concept of operation and management and guided by the market demand, customer needs and characteristic management, the Bank thoroughly implemented a three-year campaign of doubling the number of corporate customers, and intensified efforts in customer management, making a stable increase in the number of corporate, individual and inclusive customers, of which the overall corporate customers were 97.6 thousand, representing an increase of 5,847 as compared to the end of the previous year, overall individual customers were 6.3681 million, representing an increase of 146.4 thousand as compared to the end of the previous year, and inclusive small and micro loans customers were 41.3 thousand, representing an increase of 2,915 as compared to the end of the previous year.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Thirdly, the effectiveness of structure adjustment was demonstrated. Based on maintaining overall stable growth, the Bank placed more emphasis on the revitalization of stock assets and structure adjustment. The Bank adhered to returning to the original source, focused on the main business, and made issue of loans the primary means of asset growth. As of the end of the Reporting Period, the proportion of the Group's total loans and advances to customers to total assets increased by 1.15 percentage points as compared to the end of the previous year.

Fourthly, the revenue-enhancing and expenditure-control measures were implemented effectively. The Bank highlighted the cost reduction and efficacy improvement, worked diligently and frugally, and enhanced the restriction on the budget and coordination to lean forward resources to strategic businesses. During the Reporting Period, the operating income of the Group increased by RMB350 million or 6.48% as compared to the same period of the previous year; operating expenses decreased by RMB189 million, or 11.82% as compared to the same period of the previous year; cost-to-income ratio was 23.13%, representing a decrease of 5.12 percentage points as compared to the same period of the previous year.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.3 PROFIT STATEMENT ANALYSIS

During the Reporting Period, the Group actively responded to the intricate internal and external business environment, stayed committed to returning to the core business and serving the real economy, and scaled up credit investment, with an increase in the fair value of certain assets. The Group achieved an operating income of RMB5.748 billion, representing an increase of RMB350 million as compared with the same period of the previous year. Leveraging reducing costs and improving efficiency on an ongoing basis as well as enhancing refined management of financial resources, the Group achieved operating expenses of RMB1.411 billion, representing a decrease of RMB189 million as compared with the same period of the previous year. As the non-performing assets increased affected by the economic environment, the Group made provisions for impairment losses on assets in accordance with the principle of prudence. The expenses for impairment losses on assets amounted to RMB3.673 billion, representing an increase of RMB1.234 billion as compared with the same period of the previous year. As a result of the above factors, the Group achieved a net profit of RMB645 million, representing a decrease of RMB581 million as compared with the same period of the previous year.

	For the six months ended June 30,			
	2024	2023	Amount of change	Change rate (%)
	(in millions of RMB, unless otherwise stated)			
Interest income	9,588.24	9,922.14	(333.90)	(3.37)
Interest expense	(5,600.92)	(5,440.50)	(160.42)	2.95
Net interest income	3,987.32	4,481.64	(494.32)	(11.03)
Fee and commission income	294.91	214.15	80.76	37.71
Fee and commission expense	(61.62)	(47.10)	(14.52)	30.83
Net fee and commission income	233.29	167.05	66.24	39.65
Net trading gains	95.80	45.73	50.07	109.49
Net gains arising from financial investments	1,350.19	393.60	956.59	243.04
Other operating income	81.69	310.50	(228.81)	(73.69)
Operating income	5,748.29	5,398.52	349.77	6.48
Operating expenses	(1,410.90)	(1,600.05)	189.15	(11.82)
Impairment losses on assets	(3,673.15)	(2,439.36)	(1,233.79)	50.58
Share of profits of associates	4.51	3.77	0.74	19.63
Profit before taxation	668.75	1,362.88	(694.13)	(50.93)
Income tax expense	(23.95)	(137.00)	113.05	(82.52)
Net profit for the period	644.80	1,225.88	(581.08)	(47.40)
Net profit attributable to equity Shareholders of the Bank	623.25	1,201.98	(578.73)	(48.15)
Non-controlling interests	21.55	23.90	(2.35)	(9.83)

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.3.1 Net Interest Income, Net Interest Spread and Net Interest Margin

The following table sets forth the average balance of the Group's interest-bearing assets and interest-bearing liabilities, the interest income and expense of such assets and liabilities, the average rate of return on interest-bearing assets, and the average cost ratio of interest-bearing liabilities for the periods indicated.

	For the six months ended June 30,					
	2024			2023		
	Average balance	Interest income/expense	Average annualized yield/cost ratio	Average balance	Interest income/expense	Average annualized yield/cost ratio
(in millions of RMB, unless otherwise stated)						
Interest-bearing assets						
Loans and advances to customers	344,241.85	7,183.55	4.18%	322,844.57	7,244.00	4.48%
Financial investments ¹	117,427.77	1,803.13	3.08%	117,061.32	2,258.12	3.86%
Deposits with the central bank	27,987.67	208.74	1.50%	30,459.86	220.59	1.44%
Deposits with banks and other financial institutions	2,435.81	10.33	0.84%	2,022.31	5.38	0.54%
Financial assets held under resale agreements	9,393.00	85.32	1.82%	15,083.90	124.26	1.64%
Placements with banks and other financial institutions	18,617.07	297.17	3.20%	4,557.17	69.79	3.06%
Total interest-bearing assets	520,103.17	9,588.24	3.68%	492,029.13	9,922.14	4.04%
Interest-bearing liabilities						
Deposits from customers	376,537.55	4,078.05	2.16%	356,361.25	4,128.91	2.32%
Deposits from banks and other financial institutions	17,620.04	218.68	2.48%	11,769.71	137.44	2.34%
Borrowing from the central bank ²	26,202.70	313.76	2.40%	20,411.72	250.34	2.46%
Placements from banks and other financial institutions	3,773.35	44.09	2.34%	4,577.95	53.73	2.34%
Financial assets sold under repurchase agreements	32,276.11	311.54	1.94%	24,586.13	197.21	1.60%
Debt securities issued	49,072.08	610.56	2.48%	52,864.38	639.56	2.42%
Borrowing from other financial institutions	1,750.14	24.24	2.78%	2,038.35	33.31	3.26%
Total interest-bearing liabilities	507,231.97	5,600.92	2.20%	472,609.49	5,440.50	2.30%
Net interest income		3,987.32			4,481.64	
Net interest spread		1.48%			1.74%	
Net interest margin		1.54%			1.82%	

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Notes: 1. The interest income of financial assets in interest-bearing assets includes the interest income of financial assets at amortised cost and financial investments at fair value through other comprehensive income.

2. Includes bill rediscounted business.

The following table sets forth the changes in interest income and interest expense resulting from the changes in the Group's volume and interest rates during the periods indicated. Changes in volume are measured by the changes in the average balance of interest-bearing assets and interest-bearing liabilities, while changes in interest rates are measured by changes in the average interest rates of interest-bearing assets and interest-bearing liabilities. The combined effect of changes in volume and interest rate is embedded in the change in interest.

	For the six months ended June 30, Compared 2024 with 2023		
	Reasons for increase/ (decrease) Volume ¹	Rate ²	Net increase/ (decrease) ³
	(in millions of RMB, unless otherwise stated)		
Interest-bearing assets			
Loans and advances to customers	480.11	(540.56)	(60.45)
Financial investments	7.07	(462.06)	(454.99)
Deposits with the central bank	(17.90)	6.05	(11.85)
Deposits with banks and other financial institutions	1.10	3.85	4.95
Financial assets held under resale agreements	(46.88)	7.94	(38.94)
Placements with banks and other financial institutions	215.32	12.06	227.38
Changes in interest income	566.13	(900.03)	(333.90)
Interest-bearing liabilities			
Deposits from customers	233.77	(284.63)	(50.86)
Deposits from banks and other financial institutions	68.32	12.92	81.24
Borrowing from the central bank ⁴	71.02	(7.60)	63.42
Placements from banks and other financial institutions	(9.44)	(0.20)	(9.64)
Financial assets sold under repurchase agreements	61.68	52.65	114.33
Debt securities issued	(45.88)	16.88	(29.00)
Borrowing from other financial institutions	(4.71)	(4.36)	(9.07)
Changes in interest expense	398.56	(238.14)	160.42
Changes in net interest income	167.57	(661.89)	(494.32)
Including: Changes in net interest income from deposits and loans	246.34	(255.93)	(9.59)

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

- Notes:*
1. Refer to the average balance for the Reporting Period minus the average balance for the same period of the previous year, multiplied by the average yield/cost ratio for the same period of the previous year.
 2. Refer to the average yield/cost ratio for the Reporting Period minus the average yield/cost ratio for the same period of the previous year, multiplied by the average balance in the Reporting Period.
 3. Refer to interest income/expense during the Reporting Period minus interest income/expense for the same period of the previous year.
 4. Includes bill rediscounted business.

During the Reporting Period, the Group achieved net interest income of RMB3.987 billion, representing a decrease of RMB494 million or 11.03% over the same period of the last year, mainly due to the impact of the repricing of loans and the downtrend of the market interest rates.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.3.2 Interest Income

During the Reporting Period, the Group's interest income amounted to RMB9.588 billion, representing a decrease of RMB334 million, or 3.37% as compared to the same period of the last year, mainly due to the decrease in the yield of the Group's loans and advances to customers and financial investment business.

1 Interest income from loans and advances to customers

During the Reporting Period, the Group achieved interest income of loans and advances to customers of RMB7.184 billion, representing a decrease of RMB60 million as compared to the same period of the last year.

The following table sets forth the average balance, interest income and average yield for each component of the Group's loans and advances to customers during the periods indicated.

	For the six months ended June 30,					
	Average balance	2024 Interest income	Average yield	Average balance	2023 Interest income	Average yield
Corporate loans and advances ¹	260,059.70	5,418.77	4.16%	239,090.28	5,255.74	4.40%
Personal loans and advances	84,182.15	1,764.78	4.20%	83,754.29	1,988.26	4.74%
Total	344,241.85	7,183.55	4.18%	322,844.57	7,244.00	4.48%

Note: 1. Includes bills discounting business.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

2 *Interest income from financial investments*

During the Reporting Period, the Group's interest income from financial investments amounted to RMB1.803 billion, representing a decrease of RMB455 million, or 20.15% as compared to the same period of the last year. It was mainly due to the combined impact of the decline in market interest rates and the adjustment of the Group's financial investment allocation strategy to meet the needs of safety and efficiency, and the increase in the scale of standard assets with low risk and high liquidity.

3 *Interest income from deposits with the central bank*

During the Reporting Period, the Group's interest income from deposits with the central bank amounted to RMB209 million, representing a decrease of RMB12 million, or 5.37% as compared to the same period of the last year, which was mainly due to the decrease in the average balance of the Group's reserves with the central bank during the Reporting Period.

4 *Interest income from financial assets held under resale agreements*

During the Reporting Period, the Group's interest income from financial assets held under resale agreements amounted to RMB85 million, representing a decrease of RMB39 million, or 31.34% as compared to the same period of the last year, which was mainly due to the fact that the Group optimized the utilization of funds, increasing the investment in credit assets and decreasing the scale of financial assets held under resale agreements during the Reporting Period.

5 *Interest income from placements with banks and other financial institutions*

During the Reporting Period, the Group's interest income from placements with banks and other financial institutions was RMB297 million, representing an increase of RMB227 million, or 325.81% as compared to the same period of the last year, which was mainly due to the combined effect of the increase in the scale and the average yield of the placements with banks and other financial institutions of the Group during the Reporting Period.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.3.3 Interest Expense

During the Reporting Period, the Group's interest expense was RMB5.601 billion, representing an increase of RMB160 million, or 2.95% as compared to the same period of the previous year, mainly affected by the factors such as the increase in the scale of the interest-bearing liabilities and the decrease in interest costs.

1 Interest expense on deposits from customers

During the Reporting Period, the Group's interest expense on deposits from customers was RMB4.078 billion, representing a decrease of RMB51 million, or 1.23% as compared to the same period of the last year, which was mainly due to the Group's strengthening of internal and external pricing management in line with market trends, continuous adjustment of the deposit structure, and control of the cost of paying interest on deposits.

	For the six months ended June 30,					
	Average balance	2024 Interest expense	Average cost ratio	Average balance	2023 Interest expense	Average cost ratio
	(in millions of RMB, unless otherwise stated)					
Corporate deposits						
Demand	92,592.13	464.80	1.00%	107,124.48	655.06	1.22%
Time	87,818.01	1,046.80	2.38%	75,981.54	936.08	2.46%
Sub-total	180,410.14	1,511.60	1.68%	183,106.02	1,591.14	1.74%
Personal deposits						
Demand	23,093.14	17.20	0.15%	23,043.12	34.79	0.30%
Time	173,034.27	2,549.25	2.94%	150,212.11	2,502.98	3.34%
Sub-total	196,127.41	2,566.45	2.62%	173,255.23	2,537.77	2.92%
Total	376,537.55	4,078.05	2.16%	356,361.25	4,128.91	2.32%

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

2 *Interest expense on deposits from banks and other financial institutions*

During the Reporting Period, the Group's interest expense on deposits from banks and other financial institutions was RMB219 million, representing an increase of RMB81 million, or 59.11% as compared to the same period of the previous year, mainly due to the increase of both the average balance and the average cost ratio of the Group's deposits from banks and other financial institutions during the Reporting Period.

3 *Interest expense on borrowing from the central bank*

During the Reporting Period, the Group's interest expense on borrowings from the central bank was RMB314 million, representing an increase of RMB63 million, or 25.33% as compared to the same period of the previous year, mainly due to the increase of RMB5,791 million in the average balance of borrowing from the central bank as compared with the same period of last year as the Central Bank provided more monetary policy instruments to support the Group during the Reporting Period.

4 *Interest expense on financial assets sold under repurchase agreements*

During the Reporting Period, the Group's interest expense on financial assets sold under repurchase agreements was RMB312 million, representing an increase of RMB114 million, or 57.97% as compared to the same period of the previous year, mainly due to the increase in the average balance as well as the increase in the average cost ratio of the Group's financial assets sold under repurchase agreements during the Reporting Period.

5 *Interest expense on debt securities issued*

During the Reporting Period, the Group's interest expense on debt securities issued was RMB611 million, representing a decrease of RMB29 million, or 4.53% as compared to the same period of the previous year, mainly due to the decrease in the average balance of the Group's bonds issued during the Reporting Period.



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3.3.4 Non-interest Income

1 Net fee and commission income

During the Reporting Period, the Group realized a net fee and commission income of RMB233 million, representing an increase of RMB66 million, or 39.65% as compared to the same period of the last year. The increase in the net fee and commission income was mainly due to the increase in fee income from the Group's agency and custody service during the Reporting Period as compared to the same period of the previous year.

	For the six months ended June 30,			
	2024	2023	Amount of change	Change rate (%)
	(in millions of RMB, unless otherwise stated)			
Fee and commission income	294.91	214.15	80.76	37.71
Agency and custody service fees	155.70	87.10	68.60	78.76
Acceptance and guarantee service fees	41.16	35.38	5.78	16.34
Bank card service fees	32.66	37.14	(4.48)	(12.06)
Settlement and electronic channel business fees	52.91	46.37	6.54	14.10
Others	12.48	8.16	4.32	52.94
Fee and commission expense	(61.62)	(47.10)	(14.52)	30.83
Third party cooperation fees	(8.73)	(3.88)	(4.85)	125.00
Financial leasing service fees	(0.33)	(0.20)	(0.13)	65.00
Settlement and clearing fees	(16.25)	(13.07)	(3.18)	24.33
Transaction fees	(36.22)	(29.55)	(6.67)	22.57
Others	(0.09)	(0.40)	0.31	(77.50)
Net fee and commission income	233.29	167.05	66.24	39.65

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

2 Net trading gains

During the Reporting Period, the Group's net trading gains were RMB96 million, representing an increase of RMB50 million or 109.49% as compared to the same period of the previous year, mainly due to the Group's active participation in market trading during the Reporting Period and the steady improvement in bond investment trading activity and profitability.

3 Net gains arising from financial investments

During the Reporting Period, the Group's net gains arising from financial investments were RMB1,350 million, representing an increase of RMB957 million or 243.04% as compared to the same period of the previous year, which was mainly due to: (i) the combined impact of structural optimization and scale growth, as the Group actively strengthened the management of financial investment assets, and continuously optimized the asset structure; (ii) the fair value changes of financial assets at fair value through profit or loss of the Group during the Reporting Period.

4 Other operating income

During the Reporting Period, the Group's other operating income was RMB82 million, representing a decrease of RMB229 million or 73.69% as compared to the same period of the previous year, mainly due to the decrease in exchange gains and policy grants of the Group during the Reporting Period.

3.3.5 Operating Expenses

During the Reporting Period, the Group's operating expenses were RMB1.411 billion, representing a decrease of RMB189 million or 11.82% as compared to the same period of the previous year, mainly due to the Group's continuous efforts to reduce costs and increase efficiency, and strengthen the refined management of financial resources.

	For the six months ended June 30,			
	2024	2023	Amount of change	Change rate (%)
	(in millions of RMB, unless otherwise stated)			
Staff costs	711.64	901.56	(189.92)	(21.07)
Depreciation and amortisation	214.13	232.15	(18.02)	(7.76)
Tax and surcharges	81.07	75.10	5.97	7.95
Interest expense on lease liabilities	16.53	17.64	(1.11)	(6.29)
Other general and administrative expenses	387.53	373.60	13.93	3.73
Total	1,410.90	1,600.05	(189.15)	(11.82)

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.3.6 Impairment Losses on Assets

During the Reporting Period, the Group's impairment losses on assets for the period amounted to RMB3.673 billion, representing an increase of RMB1.234 billion as compared with the same period of last year, which was mainly because the Group increased the provisions due to the increase of non-performed assets affected by the economic environment.

	For the six months ended June 30,			
	2024	2023	Amount of change	Change rate (%)
	(in millions of RMB, unless otherwise stated)			
Loans and advances to customers	3,727.53	2,453.30	1,274.23	51.94
Financial investments	(118.91)	146.28	(265.19)	(181.29)
Others	64.53	(160.22)	224.75	(140.28)
Total	3,673.15	2,439.36	1,233.79	50.58

3.3.7 Income Tax Expense

During the Reporting Period, the Group's income tax expense was RMB24 million, representing a decrease of RMB113 million as compared to the same period of the last year, which was mainly due to the increase in the Group's tax-free income and other factors.

	For the six months ended June 30,			
	2024	2023	Amount of change	Change rate (%)
	(in millions of RMB, unless otherwise stated)			
Current tax	1,264.50	913.04	351.46	38.49
Changes in deferred tax	(1,240.55)	(776.04)	(464.51)	59.86
Total	23.95	137.00	(113.05)	(82.52)

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

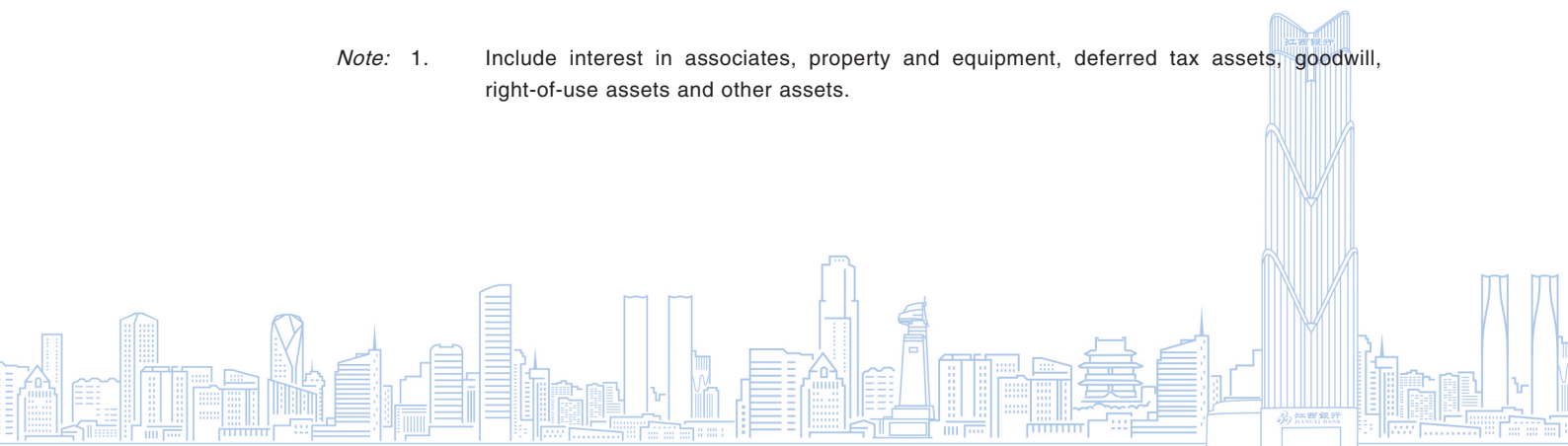
3.4 ANALYSIS ON MAIN ITEMS OF ASSETS AND LIABILITIES

3.4.1 Assets

As of the end of the Reporting Period, the total assets of the Group amounted to RMB564.515 billion, representing an increase of RMB12.169 billion, or 2.20% as compared with the end of the previous year. The increase in total assets was mainly due to the increase in the Group's businesses, such as loans and advances to customers, financial investments and placements with banks and other financial institutions.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
(in millions of RMB, unless otherwise stated)				
Gross loans and advances to customers	350,795.22	–	336,889.50	–
Loans and advances to customers accrued interest	686.54	–	1,001.22	–
Allowances for impairment losses on loans and advances to customers	(14,736.26)	–	(12,373.85)	–
Net loans and advances to customers	336,745.50	59.65	325,516.87	58.93
Financial investments	164,391.29	29.12	163,773.16	29.65
Cash and deposits with the PBOC	28,507.53	5.05	32,128.15	5.82
Deposits with banks and other financial institutions	1,558.81	0.28	3,691.59	0.67
Financial assets held under resale agreements	–	–	–	–
Placements with banks and other financial institutions	21,852.95	3.87	16,694.99	3.02
Other assets ¹	11,458.52	2.03	10,540.62	1.91
Total assets	564,514.60	100.00	552,345.38	100.00

Note: 1. Include interest in associates, property and equipment, deferred tax assets, goodwill, right-of-use assets and other assets.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

1 *Loans and advances to customers*

As of the end of the Reporting Period, the Group's total loans and advances to customers amounted to RMB350.795 billion, representing an increase of RMB13.906 billion, or 4.13% as compared with the end of the previous year. The following table sets forth the Group's distribution of loans by business types for the periods indicated.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
(in millions of RMB, unless otherwise stated)				
Loans and advances to customers measured at amortised cost				
Corporate loans and advances	231,507.59	66.00	211,314.30	62.73
Personal loans and advances	84,238.27	24.01	85,782.77	25.46
Sub-total	315,745.86	90.01	297,097.07	88.19
Loans and advances to customers measured at FVOCI				
Corporate loans and advances	8,594.79	2.45	8,582.58	2.55
Discounted bills	26,454.57	7.54	31,209.85	9.26
Sub-total	35,049.36	9.99	39,792.43	11.81
Gross loans and advances to customers	350,795.22	100.00	336,889.50	100.00

Corporate loans and advances

As of the end of the Reporting Period, the Group's total corporate loans and advances (discounted bills inclusive) amounted to RMB266.557 billion, representing an increase of RMB15.450 billion or 6.15% as compared with the end of the previous year. During the Reporting Period, the Group continued to enhance its quality and efficiency in serving the real economy and further increased loans to major key projects, fin-tech finance, green finance, rural revitalization and other sectors.

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Personal loans and advances

As of the end of the Reporting Period, the Group's gross personal loans and advances amounted to RMB84.238 billion, representing a decrease of RMB1.545 billion or 1.80% as compared with the end of the previous year, mainly due to the decrease in the scale of personal residential mortgage loans.

2 *Financial investments*

During the Reporting Period, the Group continued to optimize the structure of financial investment assets, and reasonably arranged the growth pace of investment assets. As of the end of the Reporting Period, the Group's balance of financial investments amounted to RMB164.391 billion, representing an increase of RMB0.618 billion or 0.38% compared to the end of the previous year.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
	(in millions of RMB, unless otherwise stated)			
Financial investments				
– Financial investments at amortised cost	82,261.14	50.04	84,085.80	51.34
– Financial investments at fair value through profit or loss	46,258.58	28.14	50,954.03	31.11
– Financial investments at fair value through other comprehensive income	35,871.57	21.82	28,733.33	17.55
Total	164,391.29	100.00	163,773.16	100.00



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the distribution of financial investments of the Group for the periods indicated.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
Distribution of financial investments				
Debt securities				
Chinese government bonds	45,771.84	27.84	45,090.88	27.53
Policy bank bonds	50,163.53	30.51	47,813.11	29.19
Commercial banks and other financial institutions bonds	12,380.52	7.53	9,571.35	5.84
Corporate bonds	8,229.13	5.01	9,693.81	5.92
Sub-total	116,545.02	70.89	112,169.15	68.48
Other financial investments				
Fund investments ¹	29,623.86	18.02	29,731.96	18.16
Equity instrument investments	1,081.88	0.66	1,035.40	0.63
Investment management products managed by securities companies and trust plans	15,512.43	9.44	19,156.13	11.70
Sub-total	46,218.17	28.12	49,923.49	30.49
Accrued interest	1,628.10	0.99	1,680.52	1.03
Total	164,391.29	100.00	163,773.16	100.00

Note: 1. Primarily include monetary market funds and bond funds.



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3.4.2 Liabilities

As of the end of the Reporting Period, the Group's total liabilities amounted to RMB516.304 billion, representing an increase of RMB11.491 billion, or 2.28% as compared with the end of the previous year. It was mainly due to the increase in deposits from customers, financial assets sold under repurchase agreements and deposits from banks and other financial institutions of the Group.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
	(in millions of RMB, unless otherwise stated)			
Deposits from customers	383,244.44	74.23	381,212.27	75.52
Deposits from banks and other financial institutions	19,077.07	3.69	17,200.60	3.41
Borrowing from the central bank	25,607.43	4.96	26,124.26	5.18
Borrowing from other financial institutions	2,276.50	0.44	1,237.97	0.25
Placements from banks and other financial institutions	4,082.90	0.79	4,002.90	0.79
Financial assets sold under repurchase agreements	31,464.18	6.09	25,731.37	5.10
Debt securities issued	45,901.43	8.89	45,371.28	8.99
Income tax payable	798.55	0.15	42.69	0.01
Other liabilities ¹	3,851.51	0.76	3,889.52	0.75
Total liabilities	516,304.01	100.00	504,812.86	100.00

Note: 1. Primarily include lease liabilities, guarantee deposits from leases, accrued staff costs, other tax payables, provisions, and other payables.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

1 Deposits from customers

As of the end of the Reporting Period, the Group's total deposits from customers amounted to RMB383.244 billion, representing an increase of RMB2.032 billion, or 0.53% as compared with the end of the previous year.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
(in millions of RMB, unless otherwise stated)				
Demand deposits				
– Corporate customers	80,986.00	21.13	93,778.96	24.60
– Individual customers	23,291.49	6.08	24,403.09	6.40
Sub-total	104,277.49	27.21	118,182.05	31.00
Time deposits				
– Corporate customers	64,238.83	16.76	71,382.86	18.73
– Individual customers	179,084.01	46.73	161,172.77	42.28
Sub-total	243,322.84	63.49	232,555.63	61.01
Pledged deposits	27,607.21	7.20	22,512.44	5.91
Inward and outward remittances	69.21	0.02	135.61	0.04
Accrued interest	7,967.69	2.08	7,826.54	2.04
Total	383,244.44	100.00	381,212.27	100.00



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

2 *Deposits from banks and other financial institutions*

As of the end of the Reporting Period, the Group's balance of deposits from banks and other financial institutions was RMB19.077 billion, representing an increase of RMB1,876 million, or 10.91% as compared with the end of the previous year, mainly due to the increase in the scale of the deposits from banks and other financial institutions based on the Group's comprehensive consideration of liquidity management needs.

3 *Borrowing from the central bank*

As of the end of the Reporting Period, the Group's borrowings from the central bank amounted to RMB25.607 billion, representing a decrease of RMB517 million or 1.98% as compared with the end of the previous year.

4 *Financial assets sold under repurchase agreements*

As of the end of the Reporting Period, the Group's amount of financial assets sold under repurchase agreements was RMB31.464 billion, representing an increase of RMB5,733 million, or 22.28% as compared with the end of the previous year, mainly due to the increase in scale of the financial assets sold under repurchase agreements based on the Group's comprehensive consideration of liquidity management needs.

5 *Debt securities issued*

As of the end of the Reporting Period, the Group's debt securities issued was RMB45.901 billion, representing an increase of RMB530 million, or 1.17% as compared with the end of the previous year.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.4.3 Shareholders' Equity

As of the end of the Reporting Period, the Group's total equity was RMB48.211 billion, representing an increase of RMB678 million, or 1.43% as compared with the end of the previous year. The total equity attributable to equity shareholders of the Bank was RMB47.433 billion, representing an increase of RMB657 million, or 1.40% as compared with the end of the previous year.

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
	(in millions of RMB, unless otherwise stated)			
Share capital	6,024.28	12.50	6,024.28	12.67
Capital reserve	13,291.25	27.57	13,291.25	27.96
Surplus reserve	3,327.02	6.90	3,327.02	7.00
General reserve	7,645.26	15.86	7,645.26	16.08
Other comprehensive income	928.74	1.93	654.49	1.38
Retained earnings	8,218.74	17.05	7,836.47	16.49
Other equity instruments	7,997.96	16.58	7,997.96	16.83
Total equity attributable to equity shareholders of the Bank	47,433.25	98.39	46,776.73	98.41
Non-controlling interests	777.34	1.61	755.79	1.59
Total equity	48,210.59	100.00	47,532.52	100.00



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3.5 OFF-BALANCE SHEET COMMITMENTS

As of the end of the Reporting Period, the breakdown of the Group's off-balance sheet credit commitments was as follows:

	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
	(in millions of RMB, unless otherwise stated)			
Credit commitments				
Bank acceptances	31,590.38	55.99	36,790.56	59.96
Letters of credit	9,600.47	17.01	10,617.46	17.30
Unused credit card commitments	8,695.10	15.41	8,258.25	13.46
Letters of guarantees	6,543.04	11.59	5,693.68	9.28
Loan commitments	0.98	0.00	—	—
Total	56,429.97	100.00	61,359.95	100.00

For details of the off-balance sheet commitments, please refer to Note 38 to the unaudited interim financial report.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6 LOAN QUALITY ANALYSIS

As of the end of the Reporting Period, the Group's gross loans and advances to customers amounted to RMB350.795 billion, representing an increase of RMB13.906 billion, or 4.13% as compared with that at the end of the previous year.

3.6.1 Distribution of Loans by Five-category Classification

Five-category classification	As of June 30, 2024		As of December 31, 2023	
	Total	% of total (%)	Total	% of total (%)
	(in millions of RMB, unless otherwise specified)			
Normal	319,496.45	91.08	312,553.84	92.77
Special mention	22,426.37	6.39	17,036.61	5.06
Substandard	4,763.06	1.36	2,987.83	0.89
Doubtful	2,995.71	0.85	3,345.98	0.99
Loss	1,113.63	0.32	965.24	0.29
Gross loans and advances to customers	350,795.22	100.00	336,889.50	100.00
Non-performing loans and non-performing loans ratio	8,872.40	2.53	7,299.05	2.17
Allowances for impairment losses	15,198.46		12,930.81	
Including: Allowances for impairment losses on loans and advances to customers measured at amortised cost	14,736.26		12,373.85	
Allowances for impairment losses on loans and advances to customers measured at FVOCI	462.20		556.96	

As of the end of the Reporting Period, the Group's normal loans amounted to RMB319.496 billion, accounting for 91.08%. The special mention loans amounted to RMB22.426 billion, accounting for 6.39%. The total amount of non-performing loans was RMB8.872 billion and the proportion of non-performing loans accounted for 2.53%. The increase in the proportion of the Group's non-performing loans was mainly due to some customers facing difficulties in operating and weakened repayment ability.

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.2 Distribution of Loans and Non-performing Loans by Product Type

Item	As of June 30, 2024				As of December 31, 2023			
	Loan amount	% of total (%)	NPL amount	NPL ratio (%)	Loan amount	% of total (%)	NPL amount	NPL ratio (%)
(in millions of RMB, unless otherwise specified)								
Corporate loans and advances	240,102.38	68.45	7,253.66	3.02	219,896.88	65.28	6,131.11	2.79
Personal loans and advances	84,238.27	24.01	1,618.74	1.92	85,782.77	25.46	1,167.94	1.36
Discounted bills	26,454.57	7.54	-	-	31,209.85	9.26	-	-
Total	350,795.22	100.00	8,872.40	2.53	336,889.50	100.00	7,299.05	2.17

As of the end of the Reporting Period, the Group's corporate loans and advances amounted to RMB240.102 billion and the non-performing ratio was 3.02%. The personal loans and advances amounted to RMB84.238 billion and the non-performing ratio was 1.92%. The discounted bills amounted to RMB26.455 billion.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.3 Distribution of Loans and Non-performing Loans by Industry

Industry	As of June 30, 2024				As of December 31, 2023			
	Loan amount	% of total (%)	NPL amount	NPL ratio (%)	Loan amount	% of total (%)	NPL amount	NPL ratio (%)
(in millions of RMB, unless otherwise specified)								
Agriculture, forestry, animal husbandry and fishery	5,699.51	1.62	50.31	0.88	5,322.16	1.58	59.39	1.12
Mining	2,744.17	0.78	–	–	2,120.60	0.63	–	–
Manufacturing	21,691.15	6.18	1,082.57	4.99	21,146.71	6.28	934.40	4.42
Production and distribution of electricity, heating power, gas and water	3,994.46	1.14	3.80	0.10	3,258.90	0.97	–	–
Construction	28,896.24	8.24	671.10	2.32	25,132.26	7.46	1,039.08	4.13
Wholesale and retail trade	33,429.07	9.53	3,198.86	9.57	31,065.04	9.22	3,484.27	11.22
Transportation, storage and postal services	6,876.71	1.96	29.76	0.43	7,111.33	2.11	17.55	0.25
Accommodation and catering	979.44	0.28	23.43	2.39	766.32	0.23	26.64	3.48
Information transmission, software and information technology services	2,107.96	0.60	18.34	0.87	1,586.72	0.47	12.22	0.77
Finance	4,881.55	1.39	–	–	4,501.03	1.34	–	–
Real estate	10,155.28	2.89	1,686.74	16.61	10,473.80	3.11	344.09	3.29
Leasing and commercial services	72,905.50	20.78	449.19	0.62	66,088.55	19.62	191.89	0.29
Scientific research and technical services	4,398.35	1.25	3.32	0.08	4,326.19	1.28	–	–
Water conservancy, environment and public facility management	35,715.35	10.18	18.51	0.05	31,901.36	9.47	4.64	0.01

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Industry	As of June 30, 2024				As of December 31, 2023			
	Loan amount	% of total (%)	NPL amount	NPL ratio (%)	Loan amount	% of total (%)	NPL amount	NPL ratio (%)
(in millions of RMB, unless otherwise specified)								
Residents services, repairs and other services	821.27	0.23	11.95	1.46	630.58	0.19	10.37	1.64
Education	860.05	0.25	-	-	962.95	0.29	-	-
Health, social security and social welfare	1,385.35	0.39	-	-	1,499.33	0.45	-	-
Culture, sports, and entertainment	2,560.97	0.73	5.78	0.23	2,003.05	0.58	6.57	0.33
Public administration, social security and social organizations	-	-	-	-	-	-	-	-
Total amount of corporate loans and advances	240,102.38	68.45	7,253.66	3.02	219,896.88	65.28	6,131.11	2.79
Total amount of personal loans and advances	84,238.27	24.01	1,618.74	1.92	85,782.77	25.46	1,167.94	1.36
Discounted bills	26,454.57	7.54	-	-	31,209.85	9.26	-	-
Total	350,795.22	100.00	8,872.40	2.53	336,889.50	100.00	7,299.05	2.17

As of the end of the Reporting Period, the top three industries of the Group's corporate loans and advances include: leasing and commercial services, water conservancy, environment and public facilities management, and wholesale and retail. The top three industries in terms of the amount of non-performing loans of the Group were industries as follows: wholesale and retail, real estate, and manufacturing.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.4 Distribution of Loans and Non-performing Loans by Collateral

Type of collateral	As of June 30, 2024				As of December 31, 2023			
	Loan amount	% of total (%)	NPL amount	NPL ratio (%)	Loan amount	% of total (%)	NPL amount	NPL ratio (%)
(in millions of RMB, unless otherwise specified)								
Unsecured loans	41,293.94	11.77	543.41	1.32	36,085.58	10.71	432.85	1.20
Guaranteed loans	208,220.56	59.36	3,629.54	1.74	199,997.72	59.37	3,330.46	1.67
Collateralised loans	85,504.02	24.37	4,020.21	4.70	89,200.68	26.48	3,125.85	3.50
Pledged loans	15,776.70	4.50	679.24	4.31	11,605.52	3.44	409.89	3.53
Total	350,795.22	100.00	8,872.40	2.53	336,889.50	100.00	7,299.05	2.17

As of the end of the Reporting Period, the types of collateral of the Group's loans and advances to customers were guaranteed loans, accounting for 59.36%, and the non-performing ratio was 1.74%.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.5 Distribution of Loans and Non-performing Loans by Geographical Region

Geographical region	As of June 30, 2024				As of December 31, 2023			
	Loan amount	% of total (%)	NPL amount	NPL ratio (%)	Loan amount	% of total (%)	NPL amount	NPL ratio (%)
(in millions of RMB, unless otherwise specified)								
Nanchang area	147,925.69	42.17	6,455.50	4.36	155,959.65	46.29	4,692.81	3.01
Within Jiangxi Province (apart from Nanchang area)	181,994.47	51.88	1,464.07	0.80	160,759.65	47.72	1,106.85	0.69
Outside Jiangxi Province	20,875.06	5.95	952.83	4.56	20,170.20	5.99	1,499.39	7.43
Total	350,795.22	100.00	8,872.40	2.53	336,889.50	100.00	7,299.05	2.17

As of the end of the Reporting Period, the proportion of the Group's loans and advances to customers in the Nanchang area, Jiangxi Province (apart from the Nanchang area) and outside Jiangxi Province was 42.17%, 51.88% and 5.95%, respectively, of which the non-performing ratios were 4.36%, 0.8% and 4.56%, respectively.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.6 Distribution of Loans by Overdue Period

Type of overdues	As of June 30, 2024		As of December 31, 2023	
	Loan amount	% of total (%)	Loan amount	% of total (%)
(in millions of RMB, unless otherwise specified)				
Current loans	331,886.82	94.61	324,616.05	96.36
Loans past due for				
Up to 3 months	10,227.77	2.92	5,207.03	1.55
Over 3 months up to 1 year	3,556.04	1.01	2,444.02	0.73
Over 1 year up to 3 years	4,494.03	1.28	4,047.95	1.20
Over 3 years	630.56	0.18	574.45	0.16
Sub-total	18,908.40	5.39	12,273.45	3.64
Total	350,795.22	100.00	336,889.50	100.00

As of the end of the Reporting Period, the Group's total loans past due amounted to RMB18.908 billion, accounting for 5.39%.

3.6.7 Measures for Non-performing Assets

Stepping up the collection and disposal of non-performing loans and focusing on the goals of addressing challenges head-on, the Bank optimized its collection and disposal management by setting out clear the key points of the annual collection work, and put forward specific ideas and measures. Through making decisive efforts to consolidate key large accounts, the Bank focused on the key points, established a dedicated group for such accounts, innovated disposal methods, and comprehensively applied various means to accelerate the disposal process. The Bank strengthened the classification management of non-performing assets, and clarified the disposal measures of "different policy for each category" to improve the efficiency and accuracy of the disposal. Special actions and door-to-door collection, along with assistance from special supervision mechanisms of courts and public security were used by the Bank to continuously improve the effectiveness of disposal.

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.8 Large Risk Exposures

1 Large exposures to the ten largest single customers outside of the trade

In accordance with the applicable banking laws and regulations in the PRC, the Group's exposure to single customers outside of the trade shall not exceed 15% of net Tier 1 capital. The following table sets out the Group's exposure to single customers outside of the trade as of the dates indicated.

Item	Industry	As of June 30, 2024		
		Balance of risk exposure	% of total loans	% of net tier-one capital
		(in millions of RMB)		
Borrower A	Leasing and commercial services	3,428.03	0.98	7.12
Borrower B	Leasing and commercial services	3,172.84	0.90	6.59
Borrower C	Construction	2,914.98	0.83	6.06
Borrower D	Scientific research and technology services	2,846.31	0.81	5.92
Borrower E	Water conservancy, environment and public facility management	2,831.00	0.81	5.88
Borrower F	Leasing and commercial services	2,797.66	0.80	5.81
Borrower G	Wholesale and retail trade	2,719.14	0.78	5.65
Borrower H	Leasing and commercial services	2,417.28	0.69	5.02
Borrower I	Water conservancy, environment and public facility management	2,399.46	0.68	4.99
Borrower J	Leasing and commercial services	2,399.04	0.68	4.99
Total		27,925.73	7.96	58.03



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

2 Large exposures to the ten largest associated customers outside of the trade

In accordance with the applicable banking guidelines in the PRC, the Group's exposure to associated customers outside of the trade shall not exceed 20% of net Tier 1 capital. The following table sets out the Group's exposure to associated customers outside of the trade as of the dates indicated.

Item	Industry	As of June 30, 2024		
		Balance of risk exposure	% of total loans	% of net tier-one capital
Borrower A	Water conservancy, environment and public facility management	5,638.39	1.61	11.72
Borrower B	Leasing and commercial services	4,884.24	1.39	10.15
Borrower C	Leasing and commercial services	4,703.68	1.34	9.78
Borrower D	Construction	4,383.04	1.25	9.11
Borrower E	Leasing and commercial services	4,006.92	1.14	8.33
Borrower F	Leasing and commercial services	3,773.90	1.08	7.84
Borrower G	Scientific research and technology services	3,707.97	1.06	7.71
Borrower H	Leasing and commercial services	3,365.56	0.96	6.99
Borrower I	Transportation, storage and postal services	3,315.75	0.95	6.89
Borrower J	Leasing and commercial services	3,171.90	0.90	6.59
Total		40,951.35	11.68	85.11

3.6.9 Repossessed Assets and Impairment Allowances

Item	As of June 30, 2024	As of December 31, 2023
	Amount	Amount
Land use rights and buildings	177.03	171.41
Others	–	2.25
Less: Allowances for impairment losses	(39.61)	(33.87)
Net repossessed assets	137.42	139.79

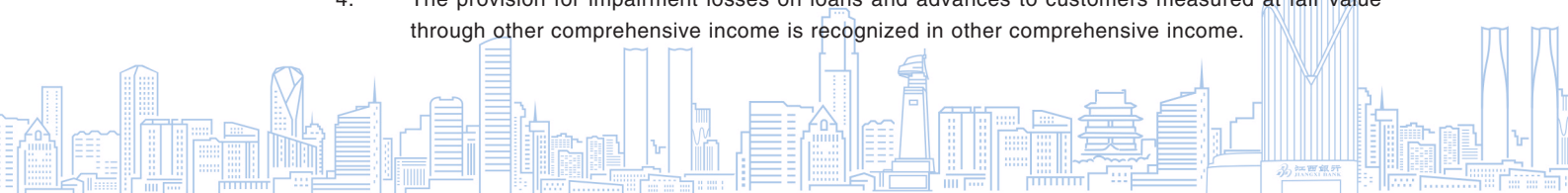
CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.6.10 Movements of Allowances for Impairment Losses on Loans

	Stage 1 ¹ Amount	Stage 2 ² Amount	Stage 3 ³ Amount	Total Amount
(in millions of RMB, unless otherwise stated)				
Loans and advances to customers measured at amortised cost				
As at January 1, 2024	4,546.37	1,446.98	6,380.50	12,373.85
Transferred to next 12-month ECL	214.60	(214.60)	–	–
Transferred to lifetime ECL				
–not credit-impaired	(88.51)	133.94	(45.43)	–
Transferred to lifetime ECL				
–credit-impaired	(46.77)	(303.45)	350.22	–
Charged/(reversal) for the year	589.84	529.21	2,703.24	3,822.29
Transferred out for the year	–	–	–	–
Recoveries for the year	–	–	100.60	100.60
Write-offs for the year	–	–	(1,234.09)	(1,234.09)
Others	–	–	(326.39)	(326.39)
As at June 30, 2024	5,215.53	1,592.08	7,928.65	14,736.26
Loans and advances to customers measured at FVOCI⁴				
As at January 1, 2024	556.96	–	–	556.96
(Reversal)/charged for the year	(94.76)	–	–	(94.76)
As at June 30, 2024	462.20	–	–	462.20

Notes:

1. Stage 1 refers to the expected credit loss for the next 12 months.
2. Stage 2 refers to the expected credit loss within the lifetime in which no credit impairment has occurred.
3. Stage 3 refers to the expected credit loss within the lifetime in which a credit impairment has occurred.
4. The provision for impairment losses on loans and advances to customers measured at fair value through other comprehensive income is recognized in other comprehensive income.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.7 MAIN SEGMENT OPERATING INCOME

The Group has three principal business activities: corporate banking, retail banking and financial markets business. The following table sets forth the operating income indicators for each business segment for the periods indicated.

	For the six months ended June 30, 2024		For the six months ended June 30, 2023	
	Amount	% of total	Amount	% of total
Corporate banking	2,647.70	46.06	2,800.61	51.88
Retail banking	1,345.00	23.40	1,308.76	24.24
Financial market business	1,752.30	30.48	1,286.35	23.83
Other business	3.29	0.06	2.80	0.05
Total	5,748.29	100.00	5,398.52	100.00

3.8 BUSINESS OVERVIEW

3.8.1 Corporate Banking

1 Corporate customers

Adhering to the customer-centered concept, the Bank continued to optimize the business process to effectively improve the experience for corporate customers through establishing experience posts for corporate business and increasing business research. The Bank insisted on differential management, carried out differential service based on the customers' demand, and continued to expand the width and depth of the cooperation through accurate customer segmentation and categorization. As of the end of the Reporting Period, the overall corporate customers of the Bank were 97.6 thousand, representing an increase of 6.37% as compared to the end of the previous year.

2 Corporate deposits

During the Reporting Period, the Bank focused on hot funds such as investment attraction, major key projects, and government special bonds, developing service plans to actively introduce low-cost deposits. The Bank deeply explored business opportunities in institutional business and scenario-based finance, marketing key business qualifications and accounts such as treasury agencies, budget units, and bankruptcy administrators, to expand new deposit sources. The Bank continuously enhanced internal fund circulation management for corporate customers, expanded the financial settlement accounts of upstream and downstream customers of core enterprises, and increased customer fund retention.

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3 Corporate loans and advances

As of the end of the Reporting Period, the total amount of corporate loans and advances issued by the Group had reached RMB240.102 billion, representing an increase of 9.19% as compared to the end of the previous year. Corporate loans and advances were the largest components of the Group's loan portfolio.

Distribution of corporate loans and advances by product type

Item	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
	(in millions of RMB, unless otherwise stated)			
Working capital loans	131,076.25	54.59	120,615.01	54.85
Fixed asset loans	79,005.30	32.90	71,591.10	32.56
Financial lease	6,633.72	2.76	6,012.53	2.73
Others ¹	23,387.11	9.75	21,678.24	9.86
Total amount of corporate loans and advances	240,102.38	100.00	219,896.88	100.00

Note:

1. Mainly includes trade financing, advance payment of acceptance bills and syndicated loans.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Distribution of corporate loans and advances by contract maturity

According to their respective contract maturity, the Group's corporate loans and advances include short-term loans and advances as well as medium to long-term loans. The following table sets forth the Group's corporate loans and advances by contract maturity as of the dates indicated.

Item	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
Short-term loans and advances ¹	99,796.48	41.56	70,021.01	31.84
Medium to long-term loans ²	140,305.90	58.44	149,875.87	68.16
Total amount of corporate loans and advances	240,102.38	100.00	219,896.88	100.00

Notes:

1. Consists of loans and advances with contract maturity of one year or less.
2. Consists of loans with contract maturity of more than one year.



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Distribution of corporate loans and advances by customer category

The Group's corporate loans and advances customers mainly included state-owned enterprises and private enterprises, primarily from leasing business services, water conservancy, environment and public facilities management, manufacturing, etc.

The following table sets forth the Group's corporate loans and advances by the size of corporate customers as of the dates indicated.

Item	As of June 30, 2024		As of December 31, 2023	
	Amount	% of total	Amount	% of total
Micro enterprises ¹	28,870.23	12.02	22,414.23	10.19
Small enterprises ¹	118,162.98	49.21	109,024.54	49.58
Medium enterprises ¹	58,409.25	24.33	55,245.84	25.12
Large enterprises ¹	25,975.41	10.82	24,537.70	11.16
Others ²	8,684.51	3.62	8,674.57	3.95
Total amount of corporate loans and advances	240,102.38	100.00	219,896.88	100.00

Notes:

1. The Statistics on the Measures for Classification of Large, Medium, Small and Micro Enterprises (2017) (《統計上大中小微型企業劃分辦法(2017)》) stipulates that the classification of large enterprises, medium enterprises, small enterprises and micro enterprises shall be based on the number of employees, operating income and total assets.
2. Primarily includes loans to public institutions such as hospitals and schools.

Loans and advances to large and medium enterprises

As of the end of the Reporting Period, the Group's loans to large and medium enterprises amounted to RMB84.385 billion, accounting for 35.15% of the Group's total corporate loans and advances, with a decrease of 1.13 percentage points as compared to the end of the previous year.

Loans and advances to small and micro enterprises

As of the end of the Reporting Period, the Group's loans to small and micro enterprises amounted to RMB147.033 billion, accounting for 61.23% of the Group's total corporate loans and advances, with an increase of 1.46 percentage points as compared to the end of the previous year.

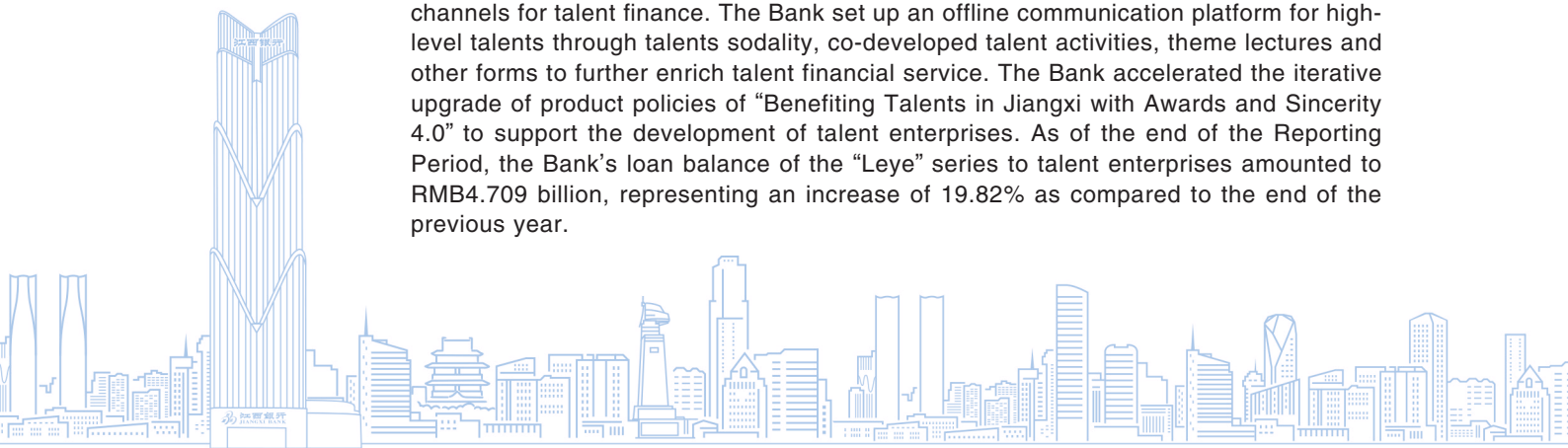
CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

4 *Characteristic corporate credit business*

Actively serving new quality productive forces. The Bank proactively engaged with clients on the “Whitelist”, including those under the “1269” Action Plan for the modernization of key industrial chains of manufacturing industry in Jiangxi Province and technology enterprises, ensuring comprehensive outreach and marketing coverage. The Bank launched products including “Technology Credit Loan”, “Technology Mortgage Loan”, “Technology and Innovation Knowledge Loan”, “Loan for Transformation of Scientific and Technological Achievements” and “Technology Transaction Loan”, and enhanced the use of credit products such as “Technology-Loan Link” to actively serve manufacturing and technology enterprises, such as small and medium-sized technology enterprises, high-tech enterprises, specialized and innovative, “specialized and innovative” small giants, and manufacturing single champion enterprises. As of the end of the Reporting Period, the balance of the Bank’s medium- to long-term manufacturing loans increased by 14.97% as compared to the end of the previous year, and the balance of science and technology enterprise loans amounted to RMB10.561 billion, which maintained positive growth.

Energetically developing green finance. Focusing on the “dual carbon” goal, the Bank formulated the “New Journey” Strategic Plan for Green and Sustainable Development, and held a press conference on joining the Principles for Responsible Banking of the United Nations and the “New Journey” Strategy for Green and Sustainable Development, which provides direction for green finance development of the Bank. The Bank established a product series of “Green to Gold” to provide funding support for areas such as green manufacturing, green energy, ecological environment, ecological product value realization and transition finance. The Bank strengthened green financial training, improved the green financial management systems and constantly improved the professional skills of credit officers. As of the end of the Reporting Period, the balance of green loans of the Bank amounted to RMB38.420 billion, representing an increase of 23.16% as compared to the end of the previous year.

Innovating talent financial service. As the exclusive talent financial service institution in Jiangxi Province, the Bank fully implemented a strategic deployment of strengthening the province through talent cultivation, gave full play to the advantages of full coverage of the Talent Financial Services Center in cities across Jiangxi Province, established online-only talent service zones, and gradually refined both online and offline service channels for talent finance. The Bank set up an offline communication platform for high-level talents through talents sodality, co-developed talent activities, theme lectures and other forms to further enrich talent financial service. The Bank accelerated the iterative upgrade of product policies of “Benefiting Talents in Jiangxi with Awards and Sincerity 4.0” to support the development of talent enterprises. As of the end of the Reporting Period, the Bank’s loan balance of the “Leye” series to talent enterprises amounted to RMB4.709 billion, representing an increase of 19.82% as compared to the end of the previous year.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

5 *Investment banking*

During the Reporting Period, the Bank gave play to the advantages of its position as the lead underwriter of debt financing instruments, and designed products based on the differentiated needs of customers to support the direct financing needs of enterprises in Jiangxi Province and help them lower financing costs. During the Reporting Period, the Bank participated in non-financial corporate debt financing instruments with an issuance of RMB2.560 billion, of which the Bank underwrote RMB1.024 billion.

Leveraging the advantages of full coverage of outlets in districts and counties across Jiangxi Province, the Bank provided consulting services to local governments in special bond project selection, planning and declaration. As of the end of the Reporting Period, the Bank launched special bond advisory services in eight cities within Jiangxi Province, and assisted Jiangxi Provincial Government in the bond issuance.

6 *Inclusive finance*

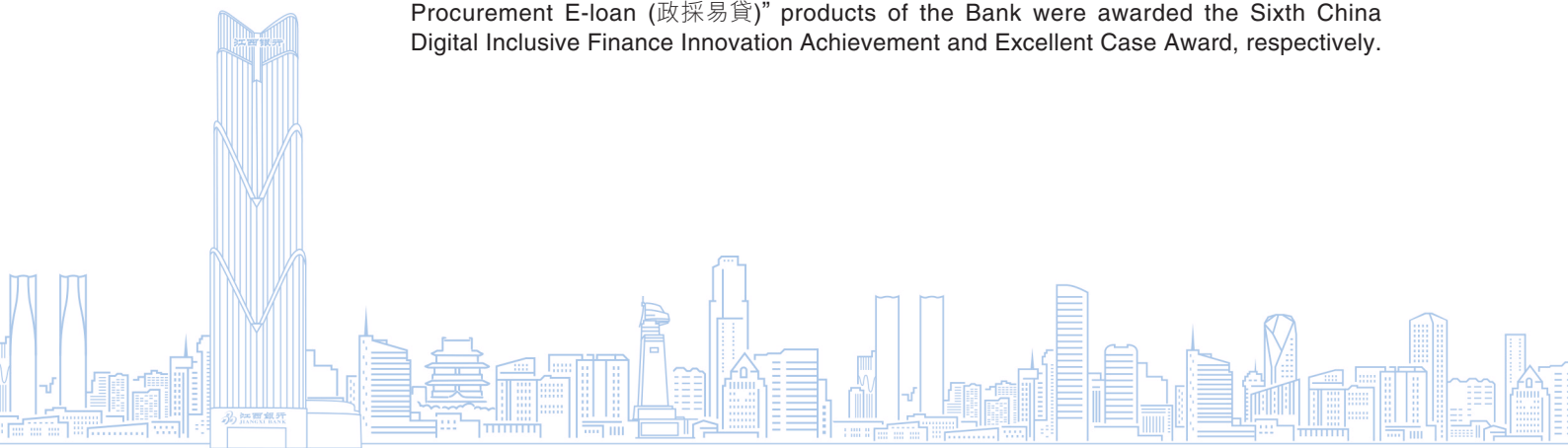
Promoting the growth and the expansion of coverage of inclusive credit. The Bank thoroughly implemented the operational philosophy of “commitments to micro and small loans”, improved the inclusive financial service system, and formulated special plans for inclusive credit, made clear the two major goals of “reasonable growth in quantity” and “effective improvement in quality”, and took “industrial finance”, “scenario finance” and “rural revitalization” as the key direction, leveraged regional resource endowments to focus on four types of target customer groups, namely “customers of industry chain”, “refined customers”, “characteristic customers” and “individual customers”, and step up its efforts on the resource allocation by supporting policies such as internal and external preferential interest rates and differentiated credit approval and authorization. As of the end of the Reporting Period, the balance of inclusive small and micro enterprise loans of the Bank (with the credit granted to a single customer less than RMB10 million (inclusive)) amounted to RMB49.799 billion, representing an increase of RMB3.658 billion or 7.93% as compared to the end of the previous year. The number of customers who received inclusive small and micro enterprise loans (with the credit granted to a single customer less than RMB10 million (inclusive)) was up by 2,915 as compared to the end of the previous year.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Increasing credit investment in the area of rural revitalization. The Bank carried out characteristic services for rural revitalization in Jiangxi Province, perfected the framework of “1+3+N” financial services for rural revitalization, strengthened the capacity building of rural financial services, optimized risk control mechanisms and management processes, continued to innovate and optimize financial products for “agriculture, rural areas and farmers”, promoted the construction of online and offline channels, introduced the implementation plan for spring ploughing and ploughing preparation and financial support for rural revitalization, supported policies such as differentiated credit granting and assessment, enhanced the ability and level of financial support for rural revitalization and increased credit support for agriculture-related customers in key areas such as spring ploughing and ploughing preparation, grain harvesting and storage, high-standard farmland construction, rural cold chain logistics, new agricultural business entities, farmers, as well as for local characteristic agricultural industries. As of the end of the Reporting Period, according to the revisions of the special statistical system of agriculture-related loans of the PBOC, the Bank’s balance of agriculture-related loans amounted to RMB29.056 billion, representing an increase of RMB598 million or 2.10% as compared to the end of the previous year. The balance of inclusive agriculture-related loans amounted to RMB11.069 billion, representing an increase of RMB1.622 billion or 17.17% as compared to the end of the previous year, which was 11.16 percentage points higher than the growth rate of various loans (excluding discounted bills) of the Bank.

Continuously innovating and optimizing products. The Bank launched “High-tech Innovation Bonus Point Loan (高新科創積分貸)” and “Digital on-lending (數轉貸)” for technology-based small and medium-sized enterprises, the special service program of “Jiangxi Bank iTao (江銀 i 陶)” centered on the construction of Jingdezhen National Ceramic Culture Inheritance and Innovation Experimental Zone (景德鎮國家陶瓷文化傳承創新實驗區) and the integration of finance into the ceramic industry chain and the “Public Welfare Forest (Natural Commodity Forest) Compensation Revenue Right Pledge Loan” aimed at revitalizing public welfare forests and natural commodity forests. The Bank iterated and improved iNong series products such as “Rural Insurance Loan” and launched agriculture-related characteristic products such as “Feed Loan (飼料貸)”, “Tea Loan (茶香貸)” and “Orange Loan (橙意貸)”; promoted the optimization and iteration of business processes and risk control models for inclusive agriculture-related online products such as “iNong – Loan of Agricultural Products” and “iNong – Rural Insurance Loan”, so as to realize the online process and effectively improve customers’ experience on the loan application. In 2024, the “Rural Insurance Loan” and “Government Procurement E-loan (政採易貸)” products of the Bank were awarded the Sixth China Digital Inclusive Finance Innovation Achievement and Excellent Case Award, respectively.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.8.2 Retail Banking

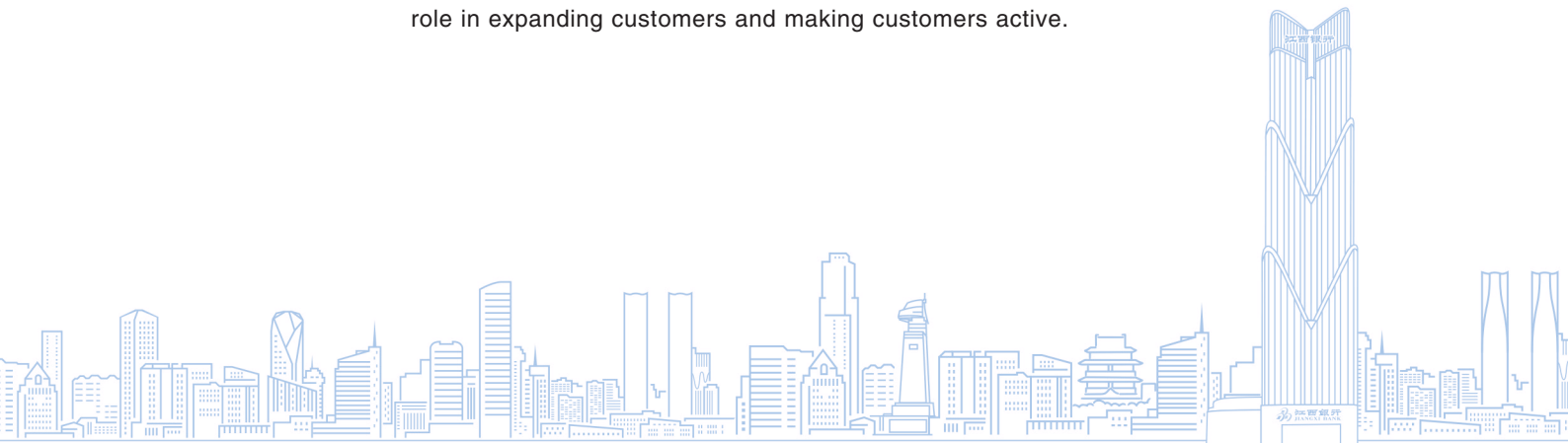
1 Retail customers

During the Reporting Period, based on the differentiated needs of customer groups, the Bank focused on developing special services for customer groups such as middle-aged and elderly people, payroll customers, and acquiring merchants to further consolidate the customer base. As of the end of the Reporting Period, the overall individual customers of the Bank were 6.3681 million, representing an increase of 146.4 thousand as compared to the end of the previous year.

In terms of pension finance, the Bank focused on introducing products such as dividend-paying endowment insurance, medium- and long-term agency sales of wealth management products, and health-themed public funds and enriched the system of elderly-friendly products; the Bank took root in the community and cooperated extensively with the neighborhood committees, elderly universities and other institutions and carried out themed activities such as “Jiangxi Bank’s Day for Respecting for the Elderly (江銀敬老節)” and “Jiangxi Bank’s Wealth Carnival (江銀財富節)”. As of the end of the Reporting Period, the Bank established a cooperative relationship of “Jiangxi Bank Caring the Elderly” with 324 communities, covering all counties (districts) in Jiangxi Province.

In terms of the customer group of payroll business, the Bank standardized customer marketing processes and standards, piloted the operation of key enterprises of payroll business, carried out classified service drills for middle and senior management and employees in enterprises, improved the rights and interests system, launched “Gifts Drawn Every Week (週週抽好禮)”, “surprises in upgrading the levels, entitlement enjoyed every month (等級提升有驚喜 權益好禮月月領)” and other activities for payroll customers to promote the retention of payroll customers’ funds.

In terms of the customer group of acquiring business, the Bank has made every effort to build the acquiring scenarios, connecting to the cash collection of living supermarkets, ceramic characteristic commercial circle, brand chain stores, etc., which plays a positive role in expanding customers and making customers active.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

2 *Personal deposits*

During the Reporting Period, the Group's personal deposit balance exceeded RMB200 billion for the first time. As of the end of the Reporting Period, the balance of the personal deposits reached RMB202.376 billion, representing an increase of RMB16.80 billion or 9.05% as compared to the end of the previous year.

As of the end of the Reporting Period, according to the PBOC, the Bank's market share of personal deposits balance reached 5.20% in Jiangxi Province.

The Bank promoted the decrease in the interest payment cost on personal deposits through measures such as the operation of the payroll customer group, the construction of the acquiring scenario, and the renewal of expired products. As of the end of the Reporting Period, the Bank's interest payment rate on personal deposits was 2.62%, representing a decrease of 0.28 percentage point as compared to the previous year.

3 *Personal loans*

During the Reporting Period, the Bank deeply implemented the central government's prudent regulation and control policy on the real estate market, actively responded to the guidance spirit of regulatory authorities, adjusted the down payment ratio for personal housing loans, proactively lowered the housing loan interest rate, and launched a paperless function for real estate mortgage loans to support the resident's housing demand. As of the end of the Reporting Period, the Bank's personal housing loan balance amounted to RMB50.142 billion.

As of the end of the Reporting Period, the balance of the Bank's personal business loans was RMB21.225 billion, representing an increase of RMB716 million as compared with the end of the previous year. The balance of personal start-up guaranteed loans was RMB504 million, representing an increase of RMB167 million as compared to the end of the previous year. The Bank accelerated the research and development of characteristic products, successively launched characteristic products, such as "Hui Nong Quick Loan (惠農快貸)" and "Hui Min Quick Loan (惠民快貸)", and implemented 41 characteristic projects, and the number of customers granted with pre-authorizing credit loans was 13 thousand. As of the end of the Reporting Period, the balance of personal agriculture-related loans amounted to RMB757 million, representing a year-on-year increase of RMB532 million.

The Bank continued to implement the relevant requirements to boost consumption potential and promote the improvement of people's quality of life, and increased the support for personal comprehensive consumption loans. The Bank continuously improved product functions and reduced the cost of borrowers' loans. During the Reporting Period, the Bank issued a total of RMB7.039 billion of personal comprehensive consumption loans, supporting the consumption needs of 30,334 local residents.

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The Bank continued to accelerate the advancement of financial services for new citizens, which significantly enhanced the efficiency and quality of the financial services for new citizens and continuously improved its availability and convenience. As of the end of the Reporting Period, the balance of personal loans for new citizens of the Bank amounted to RMB3.971 billion.

4 *Bank cards*

During the Reporting Period, the Bank launched card binding rights packages for Internet payment according to customer levels, organized characteristic activities such as WeChat monthly swiping (微信月月刷), random discounts on mobile phone top-ups and penny journey, strengthened the publicity of the “one-click card binding” function on mobile banking, and continuously improved the activity rate of debit card customers.

The Bank actively carried out the systematic operation of the life cycle journey of credit card customers, explored new models of green consumption, promoted the launch of the green interests system, set up growth strategies with goals and paths for customers through “One Beauty Life”, a digital operation platform of customers, and realized stratified, grouped and graded digital operation of customers. As of the end of the Reporting Period, the Bank’s credit card overdraft balance was RMB3.297 billion.

The Bank strengthened the expansion of the social security card issuance business in Jiangxi Province. As of the end of the Reporting Period, the Bank issued a total of 271.7 thousand social security cards, representing an increase of 6.7 thousand or 2.53% as compared to the end of the previous year.



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5 *Wealth management*

During the Reporting Period, the Bank developed and launched the agency sales system of wealth management products, and cooperated with four wealth management companies to launch a new agency sales business of wealth management products, covering products with minimum holding period and closed net worth, and launched exclusive offerings for customers in preparation for their old ages and payroll customers.

Focusing on improving the three core capabilities of “cross-marketing, customer base maintenance and expansion and asset allocation,” the Bank optimized the wealth customer management and maintenance mechanism, and proposed different key assessments for personnel in different positions (namely lobby managers, financial managers and wealth consultants); formulated initial allocation rules for customer management accounts above platinum level to clarify the number of customers maintained by personnel in each position and the hierarchical management rules and ensure that customer maintenance responsibilities are assigned to each person.

As of the end of the Reporting Period, the number of individual VIP customers holding financial assets worth RMB100,000 or more in the Bank increased by 11.16% as compared to the end of the previous year. The balance of financial assets of individual VIP customers increased by 9.37% as compared to the end of the previous year.



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3.8.3 Financial Market Business

1 *Money market business*

During the Reporting Period, the Bank actively implemented the monetary policy requirements, took the initiative to optimize the structure of various money market instruments, continuously enhanced the service capabilities as a money market trader, and steadily increased the trading volume of the money market. At the same time, the Bank actively responded to market fluctuations, rationally matched the scale of money market instruments such as interbank deposits, interbank lending and buy-back (selling under repurchase agreement), strengthened the maturity matching of assets and liabilities, and steadily improved the liquidity management.

2 *Investment in securities and other financial assets*

During the Reporting Period, the Bank always focused on the overall development strategy, adhered to the purpose of “professional promotion and serving entities” for financial markets business, the Bank continuously optimized its business structure, flexibly allocated standardized products and high-liquidity assets, and maintained the steady development of various investment businesses. The Bank actively fulfilled the functions of an interbank market dealer and a market maker, proactively participated in the trading of innovative products in the interbank market, and continued to enhance investment and trading capabilities. The Bank achieved growth in terms of scale and income in multiple trading businesses such as bond lending and market-making transactions.



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3 *Inter-bank business and customer management*

During the Reporting Period, the Bank continued to deepen the operation of interbank customers, the scale of interbank assets and liabilities in the financial market steadily increased, the scope of customer cooperation continued to expand, and the number of interbank customers with deep cooperation grew steadily, covering all kinds of financial institutions in the whole market. The Bank continued to promote the construction of an inter-bank customer management system, focusing on optimizing evaluation indicators such as risk prevention and control, credit granting control and cooperation benefits of inter-bank customers, continuously promoting the optimization of inter-bank cooperation, and promoting the improvement of the efficiency of inter-bank resources in serving the Bank's development.

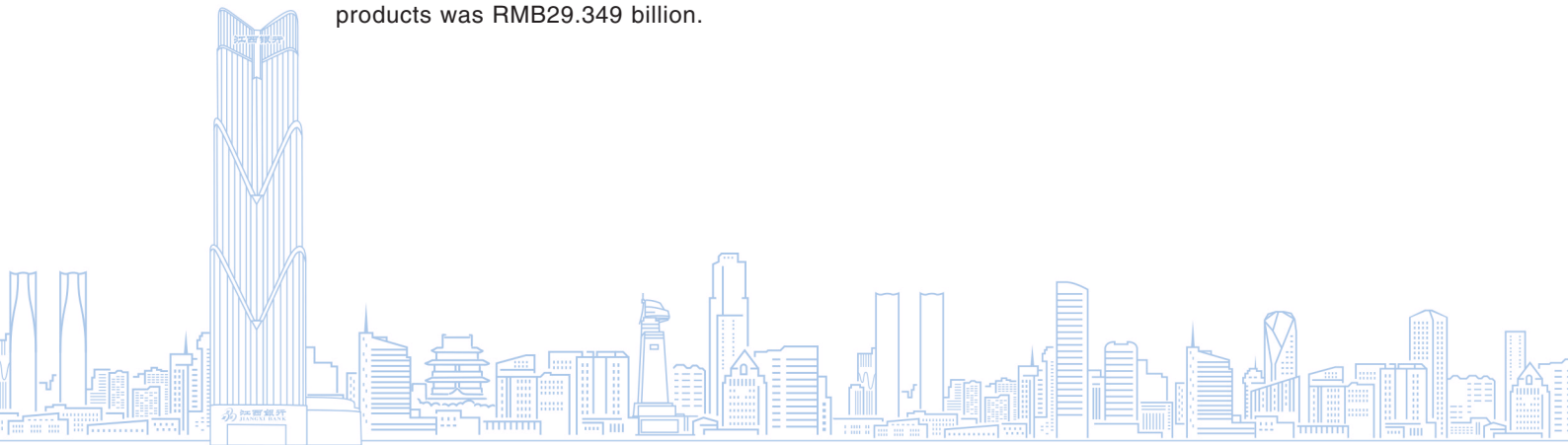
4 *Financial markets serve the real economy*

During the Reporting Period, the Bank actively promoted the implementation of the concept of “professional promotion and serving entities” for its financial market business. The Bank continuously gave full play to the advantages of products by actively participating in the local bond underwriting in Jiangxi Province, expanding and improving bonds and bills and other businesses, so as to enhance the efficiency of the financial market business in serving entity customers and the real economy.

3.8.4 Assets Management Business

During the Reporting Period, the Bank paid close attention to implementing the national strategy, serving the real economy, and supporting industrial transformation and upgrading, actively reached out to quality enterprises in Jiangxi Province, accelerated digital transformation, and enhanced technological empowerment, thus being recognized as the “Outstanding Institution for Wealth Management Information Registration” by the China Banking Wealth Management Registration & Depository Center.

As of the end of the Reporting Period, the subsisting balance of the Bank's wealth management products was RMB29.349 billion.



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3.8.5 Transaction Banking Business

During the Reporting Period, the Bank focused on key sectors, put customers at the center, comprehensively promoted digital transformation, and took well-targeted steps to digital finance of "the priority" to innovatively launch four digital products, including industrial platform "i" series, payment and settlement "e" series, comprehensive service "butler" series, and scene customization "smart" series. Relying on the situations in Jiangxi Province and taking advantage of "Jiangyin iNong" and "Jiangyin iTao" digital scene financial service platforms, the Bank has built the financial ecological scene of "core enterprises + banks + rural households (merchants)", and continuously innovated "digital services" initiatives to provide diversified, distinctive and differentiated settlement and financing channels for enterprises and fully support the high-quality development of the real economy.

The Bank promoted the upgrading of the "Jiangyin iNong" industrial platform by focusing on online products, credit granting by batch, operation specialization and scene digitalization. As of the end of the Reporting Period, the platform had 429 core enterprises and 7,349 individual customers, with a total of RMB4.055 billion of credit granted to core enterprises, and a total of RMB734 million of credit granted to agriculture-related individual customers. In response to the development trend of the Jingdezhen ceramic industry, the Bank created the "Jiangyin iTao" industry platform and launched the basic version in June, helping the rapid development of the "three scenes and one chain" in the Jingdezhen ceramic industry. The Bank has successfully launched the "e-account" sub-account product system and completed the online operation of the first scene "Yicheng Yaoxie (醫城藥械)". The Bank has constructed the "e Hui Rong (e 匯融)" platform to promote the reform and transformation of state-owned enterprise platforms, achieving the reform and transformation of the first customer. The Bank has launched the enterprise payroll management SaaS service "Payroll Manager" to assist small – and medium-sized enterprises in their digital transformation. The Bank has carried out marketing and signed 654 customers, and provided actual payment agency services for 324 customers, serving 10,940 employees of these enterprises.

The Bank is committed to providing enterprises with online supply chain financial services, with a focus on advancing the factoring of electronic certificates for accounts receivable, known as the "Cloud Enterprise Chain". The "Cloud Enterprise Chain" business served a total of 2,122 customers, providing a financing balance of RMB8.173 billion, representing an increase of RMB1.254 billion or 18.12% as compared to the end of the previous year. Of this total, the financing balance supporting inclusive enterprises reached RMB6.096 billion, accounting for 74.59% of the financing balance of the Cloud Enterprise Chain.



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The Bank continued to uphold the concept of synergistic development of local and foreign currencies. In response to the State Administration of Foreign Exchange's directive to support export-oriented economies, we achieved several firsts among provincial city commercial banks: the first cross-border financial service platform business “connecting banks and enterprises for financing”, and the first registration business for the “Directory of Enterprises with Foreign Exchange Receipts and Payments in Trade”. During the Reporting Period, we utilized the cross-border financial service platform to complete export receivables financing totaling US\$75.8 million, representing an increase of 80% as compared to the same period of the previous year.

3.8.6 Channel Construction

1 *Physical channels*

As of the end of the Reporting Period, the Bank had a total of 232 self-service banking service zones (outlets) and 753 units of automatic services machines (including 479 units of cash recycling systems and 274 units of intelligent self-service terminals).

2 *Electronic channels*

During the Reporting Period, the Bank further advanced its digital transformation by leveraging electronic channels such as mobile banking, online banking, WeChat banking, and remote banking, and continuously expanded the breadth and depth of financial services, so as to improve customer service experience and service efficiency.

Personal e-bank: The barrier-free services such as Nanchang dialect one-touch dialing, voice-based screen reading and video consultation were launched, and exclusive risk prevention and control strategies for elderly customers such as night warning and optimal matching of transfer methods were added, thereby constantly improving the level of elderly services through online channels. In-depth cooperation between the bank and the government was carried out, the inclusive finance section of the mobile banking was upgraded, and one-stop services from entrepreneurial policy interpretation to loan granting were provided, providing information services for nearly 100 talents seeking employment and entrepreneurship every day on average. Focusing on the entire process of customer service, we built a multi-channel customer reach system such as intelligent outbound calls, APP messages and pop-up windows, WeChat tweets, and WeChat/SMS notifications, and carried out digital operations, to accurately deliver product, activity and service information to customers. As of the end of the Reporting Period, the number of the Bank's individual e-banking registered customers totaled 3,548.2 thousand, and the replacement rate of online transactions reached 99%.

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Corporate e-bank: The Bank continued to optimize its channel user experience and expand online functionalities. The corporate micro-banking O2O features were enhanced to support updates to mobile banking security settings and facilitate the online transition of outlet services. New features include a reserve fund payment function to support the usage scenarios of corporate ACS accounts, and improvements were made to the E-payroll system to continuously elevate the level of corporate online services. Additionally, a new feature for processing rare characters was launched to address challenges and pain points of our customers in salary payments. As of the end of the Reporting Period, the total number of the Bank's corporate e-channel customers increased by 6.37% as compared to the end of the previous year. The effective customer sign-up rate for corporate e-channels reached 84.43%, and over 70% of corporate e-channel customers were active. The Bank consistently prioritizes customer information security. In 2024, our corporate mobile banking has achieved national financial technology security certification.

Remote banking: The Bank has preliminarily established a remote banking service system integrating four application scenarios: remote customer service, remote counter service, remote marketing and remote credit. We have introduced an online business hall in our mobile banking app, offering audio and video customer consultation functions, and have launched a new generation of wealth management, fund, and insurance dual-recording systems, together with remote non-physical due diligence services.

Telephone banking: The Bank's customer service center received a total of 505 thousand calls from customers, with an average daily of 2,775 calls, an average telephone connection rate of 89.59% and a customer satisfaction rate of 99.61%.

WeChat official account: As of the end of the Reporting Period, the WeChat Official Account "Jiangxi Bank" had a total of 1,068.9 thousand followers, representing a year-on-year increase of 10.9%.



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3.8.7 Informatization Construction

During the Reporting Period, the Group accelerated its digital transformation with the goal of establishing “comprehensively empowered and partially leading” digital Jiangxi Bank, while actively working to enhance digital operations and service capabilities. We emphasized technology-driven business development, strengthened the collaboration between online and offline services, and supported innovation in products and business model transformation across various sectors, including corporate, inclusive, personal, and peer services. Additionally, we reinforced our infrastructure, continued to enhance our independent research and development capabilities, and improved the application of digital technologies, significantly elevating our network security measures against potential attacks.

Accelerating digital transformation. Focusing on the “432N” digital transformation strategy, we planned a total of 43 digital projects across 10 major project groups for the period from 2024 to 2026. We established 18 “core milestones” and implemented three key promotion mechanisms, each with clearly defined responsibilities and a strong emphasis on results. This comprehensive approach encompasses all business lines and aims to enhance our digital operations and service capabilities. The first batch of projects reached key milestones, including the piloting of marketing initiatives for payroll customers in several branches, which resulted in a conversion rate of 36.7%. Additionally, we continued to optimize the customer journey, leading to a nearly 37% reduction in the opening process duration for corporate accounts and a roughly 40% decrease in the average time required for out-of-bank card opening services.

Insisting on technology-empowered business development. We have established crucial systems such as a new-generation acquiring system, a new imaging platform, a credit accounting platform, an external data management platform, an asset-liability center, and a shared expense center. By creating online, intelligent, and specialized financial services, we have launched a series of innovative financial products, including “Jiangyin iTao (江銀 i 陶),” “e Hui Rong (e 匯融),” “e-account (e 賬通)” and “Fu Nong Quick Loan (富農快貸),” to serve small and medium-sized enterprises, government and enterprises, industries, and residents. Our “Rural Insurance Loan” and “Government Procurement E-loan (政採易貸)” have received the Innovation Achievement and Excellent Case Awards at the 6th China Digital Inclusive Finance Conference. We have also strengthened the coordination between online and offline operations. Our mobile banking app now features a “Gan Talents Code (贛才碼)” section, a “Low Carbon Life” section, a senior-friendly voice broadcast option, and POS/ATM overseas transaction controls. Furthermore, our corporate online banking has introduced new functions such as “Smart Payroll Disbursement (智慧薪企代發)” and pre-paid account payments, continuously optimizing mobile business processes and self-service device functions.

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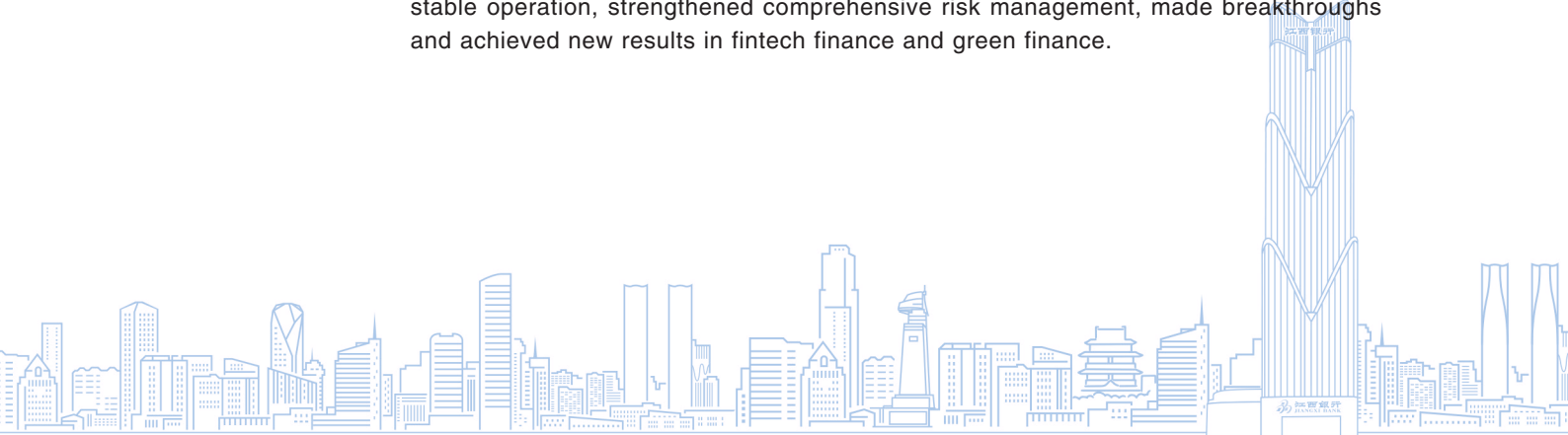
Strengthening infrastructure construction. The Bank improved the technology platform system, invested in and researched the integrated platform to support low-code development and automated construction and deployment, and launched smart payment and other functions to meet more than 10 business requirements. RPA platform provided 20 new business scenarios, including intelligent takeover of fund and settlement, pre-loan verification by six network systems, credit reporting, inclusive/operating management report production and other business processes. The digital financial service platform launched 24 digital inclusive products. Data were managed by level and category, applying the EAST monitoring data risk analysis tool to strengthen data security control. The level of network security attack and defense has been further enhanced, and the Bank won the second prize, third prize and Excellent Organization Award in 2024 Jiangxi “Gan Yin Cup” financial industry network security attack and defense competition. The Bank optimized the arrangement of the data center, accelerated the expansion and renovation of server rooms to improve operational efficiency and power outage endurance, and promoted the green transformation of the data center.

3.8.8 Subsidiary Business

1 *Jiangxi Financial Leasing Corp., Ltd.*

Jiangxi Financial Leasing Corp., Ltd. (“Jiangxi Financial Leasing”) was established in November 2015 with a registered capital of RMB1 billion, which is held as to 51% by Jiangxi Bank. In March 2018, the registered capital of Jiangxi Financial Leasing was changed to RMB2.02 billion, and the shareholding ratio of Jiangxi Bank increased from 51% to 75.74%. Since its establishment, Jiangxi Financial Leasing has always adhered to the development strategy of “professionalization and specialization”, and firmly served the development of the local economy.

As of the end of the Reporting Period, Jiangxi Financial Leasing recorded total assets of RMB8.154 billion, net assets of RMB3.199 billion. During the Reporting Period, Jiangxi Financial Leasing recorded net profit of RMB94 million. All regulatory indicators of the company met the standards. During the Reporting Period, Jiangxi Financial Leasing actively practiced new development concepts, adhered to the principle of prudent and stable operation, strengthened comprehensive risk management, made breakthroughs and achieved new results in fintech finance and green finance.



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In the future, Jiangxi Financial Leasing will make the best of the characteristics of “financing capitals + financing goods”, consolidate the traditional leasing business, expand the advantages of business development in the province, continue to expand the business markets of new infrastructure, new energy, new intelligent manufacturing, new consumption, stick to the sustainable development path featuring localization, specialization and professionalization, unswervingly promote the high-quality development of the company, and promote the development of the “five major sectors” of finance in a solid way.

2 *Jinxian Ruifeng County Bank*

Jinxian Ruifeng County Bank Co., Ltd. (“Jinxian Ruifeng”) was incorporated on June 15, 2012 at Jinxian County, Jiangxi Province, with a registered capital of RMB50 million, 30% of which was held by Jiangxi Bank. In December 2020, the registered capital of Jinxian Ruifeng was changed to RMB100 million, and the shareholding ratio of Jiangxi Bank increased from 30% to 69.50%. The principal activities of Jinxian Ruifeng are the provision of corporate and retail banking services.

As of the end of the Reporting Period, the total assets of Jinxian Ruifeng were RMB324 million, total liabilities were RMB279 million and total loans and advances to customers were RMB217 million. During the Reporting Period, Jinxian Ruifeng adhered to the business philosophy of combining development with risk, and solidly promoted various tasks.

3 *Immaterial businesses of affiliated enterprises*

As of the end of the Reporting Period, the Bank’s immaterial affiliated enterprises were 4 village and township banks, namely, Nanchang Dafeng County Bank Co., Ltd. (南昌大豐村鎮銀行有限責任公司), Si Ping Tie Dong De Feng County Bank Co., Ltd. (四平鐵東德豐村鎮銀行股份有限公司), Nanfeng Judu County Bank Co., Ltd. (南豐桔都村鎮銀行有限責任公司) and Guangchang Nanyin County Bank Co., Ltd. (廣昌南銀村鎮銀行股份有限公司). As of the end of the Reporting Period, the total assets of the 4 villages and township banks were RMB3.762 billion, total loans were RMB2.521 billion and total liabilities were RMB3.246 billion.

The rural banks initiated by the Bank have been a strong champion of the overall development strategy of the Group, adhering to the business objectives of serving agriculture, rural areas and farmers and SMEs in the county areas and operating according to law, with the purpose of basing themselves on the county areas, supporting SMEs and serving the Sannong. The rural banks have further improved the corporate governance structure, enhanced the level of corporate governance, and thoroughly implemented the business philosophy of supporting agriculture and small enterprises.

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3.9 PLEDGED ASSETS OF THE GROUP

Details of the pledged assets of the Group are set out in Note 38(e) to the unaudited interim financial report.

3.10 RISK MANAGEMENT

The Group adheres to a stable and moderate risk appetite. By establishing and improving a comprehensive risk governance structure with clear responsibilities, formulating risk management strategies with systematic layout and refined management, and improving the risk management process of classification and grading, joint prevention and control, the Bank consolidated the responsibilities of three defense lines of risk management and built the risk management and assessment system that takes into account the effect of risk management and control and collaborative support capabilities, so as to promote effective risk control and sustainable business development, and support the high-quality development of the Bank.

The comprehensive risk management of the Group includes the management of credit risk, market risk, liquidity risk, operational risk, country risk, banking book interest rate risk, information technology risk, reputational risk and strategic risk. The Board assumes the ultimate responsibility for overall risk management.

3.10.1 Credit Risk Management

Credit risk refers to the risk of economic losses caused by the counterparty's failure to fulfill the obligations in the contract, which mainly comes from various loan portfolios, investment portfolios, guarantees and other on-balance-sheet and off-balance-sheet credit risk exposures.

During the Reporting Period, the Group mainly adopted the following measures to strengthen credit risk management:



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Promoting the reform of the risk management system. The Bank formulated an implementation plan for optimizing risk line management, further consolidated the main responsibilities of risk management, and continued to promote the transformation of risk management from “post-disposal” to “forward-looking prevention and control” by optimizing the risk management structure, clarifying the responsibilities of risk management, and improving the management and assessment mechanism.

Strengthening the whole-process risk management and control of credit granting. The Bank strengthened pre-loan investigation management, improved the hierarchical pre-loan investigation model, and enhanced the source control of risks. It specialized and reinforced review and approval, established an approval team with division of work by business and industry, and improved the professionalism and effectiveness of credit approval. It enhanced post-lending management and supervision, established the asset inventory mechanism, and carried out special inspection towards material areas and links. It established the accountability system with clear subjects and responsibilities and unified standards, implemented the principle of “accountability for dereliction of duty and exemption from liability in case of duty fulfillment,” continuously improved the long-term mechanism of “dare to lend, willing to lend, able to lend and good at lending,” and cultivated the credit cultures of compliance in the operation and performing duties diligently.

Strengthening digital risk control technology. The Bank accelerated the construction of a new generation of credit system group, strengthened the unified management of credit granting to groups and optimized the credit business operation and risk control management with the whole business, the whole product and the whole process; the Bank initiated the construction of a unified risk control platform and credit risk data market, deepened the development of measurement models and the application of results, and promoted the Bank's transformation of risk management towards the refined pattern with intelligent risk control and decision-making.



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3.10.2 Market Risk Management

Market risk refers to the risk of losses in banks' on-and off-balance sheet businesses arising from adverse movements in market prices including interest rates, exchange rates, commodity prices, stock prices and other prices, which exists in the trading and non-trading businesses of banks.

The major market risks faced by the Group include transaction book interest rate risk and bank book exchange rate risk.

1 Transaction book interest rate risk management

During the Reporting Period, the Group improved the rationality and coverage of limit setting by optimizing risk limit scheme for financial market business; prevented the risk of disorderly deviation of transaction prices by applying control measures such as thresholds and deviations; strictly implemented the procedures for handling over-limits and over-thresholds by carrying out market monitoring day by day and conducting the attribution analysis of profits and losses; carried out capital measurement and gap analysis under the new regulations in accordance with the requirements of the new capital regulations, and improved the market risk measurement system to ensure that the transaction book interest rate risk remained within a controllable range.

2 Bank Book Exchange Rate Risk Management

During the Reporting Period, the Group's foreign exchange risk exposure was relatively small, and the Group had not carried out derivatives trading business. The Group managed and controlled exchange rate risk mainly by setting exposure limits for foreign exchange risk and increasing the frequency of operation of trading positions on behalf of customers. The Group dynamically tracked and monitored the operation of the proportion of accumulated foreign exchange exposure positions to ensure that the bank book exchange rate risk remained within a controllable range.



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3.10.3 Liquidity Risk Management

Liquidity risk refers to the risk of loss or bankruptcy caused by the failure of commercial banks to promptly provide financing for the reduction of liabilities and (or) the increase of assets. During the Reporting Period, the Group continued to adopt a sound and prudent liquidity risk management strategy, the liquidity level remained reasonable and sufficient, and all liquidity regulatory indicators met the regulatory requirements. As of June 30, 2024, the Group's liquidity ratio was 87.02%, NSFR was 139.18%, and the liquidity coverage ratio was 301.62%. Among them, the balance of qualified high-quality liquid assets was RMB51.675 billion, and the amount of net cash outflow in the next 30 days was RMB17.132 billion.

During the Reporting Period, the Group mainly adopted the following measures to manage liquidity risk:

Under the background of the continued upward trend of macro economy, the Group optimized the liquidity management system, actively strengthened the pre-adjustment and minor adjustment of the asset and liability structure, and deepened the cooperative relationship between key customers and other banks and financial institutions while making significant efforts to excel in the “five major sectors” of finance, actively absorbed core liabilities, balanced the maturity gap of each time window, and sustained the coordinated development of the asset and liability structure.

The Group improved monitoring and early warning mechanisms of all outlets, consolidated the position forecasting responsibility of each branch, and made overall plans for capital planning. The Group improved the efficiency of capital utilization, and ensured the safety and orderliness of the Group's daytime payment. Taking into account the complex and volatile external situations, the Group insisted on conducting liquidity stress tests on a quarterly basis, simulated the impact of different scenarios, identified potential risk points, made up for its own shortcomings, and continuously improved the emergency management strategies to firmly maintain a liquidity risk-free bottom line.

By continuously enriching the multi-layer liquidity reserve mechanism and taking into account the market dynamics and trends, the Group effectively utilized the borrowing from the Central Bank, promoted policy tools to make forward efforts, opportunely allocated treasury bonds, policy financial bonds, and other high-quality liquidity assets, reasonably controlled the proportion of bond pledges, and promoted the proportion of qualified high-quality liquidity assets to remain stable to continuously consolidate the Group's capacities of defending liquidity risk.



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3.10.4 Operational Risk Management

Operational risks refer to the risks of losses due to problems with internal processes, employees and information technology systems as well as external events.

During the Reporting Period, the Group mainly adopted the following measures to strengthen operational risk management:

Improving the operational risk management system. In accordance with the Administrative Measures for the Capital of Commercial Banks and the Measures for the Administration of Operation Risk of Banking and Insurance Institutions, the Group formulated the Operational Risk Management Optimization Plan for Jiangxi Bank, revised the Administrative Measures of Jiangxi Bank for Operational Risk and the Measures of Operational Risk Loss Data Collection and Management for Jiangxi Bank, promoted the implementation of operational risk capital measurement projects, and launched optimizing and consulting projects for operational risk management system.

Strengthening operational risk monitoring and identification. The Group set the operational risk appetite, made full use of information systems to monitor key risk indicators of operational risk, refined the template for additional recording of operational risk loss data, and continuously collected and sorted out loss data; and comprehensively strengthened the real-time monitoring of abnormal behavior of employees through the joint efforts in the internal control and compliance system, the online early warning and regular offline investigation.

Strengthening data and protection of network security. The Group strictly implemented the classification and hierarchical management of financial data, improved the external data management platform, constantly improved the level of data security management, and promoted the construction of the data security system; continued properly prepared in attack monitoring, carried out mobile application security reinforcement services, carried out red and blue cross-penetration tests, and continuously enriching means of network security protection.

Continuing to prevent and resolve legal risks. The Group continued the legal pre-review of new products and business, rules and regulations, and credit granting business by following external supervision requirements and internal requirements, to forestall and resolve legal risks in advance, and timely issue special risk tips for legal risks found in the process of daily management and legal review to promote legal operation.



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3.10.5 Country Risk Management

Country risk refers to the risk due to changes and incidents that occur in the economy, politics and society of a specific country or region, which results in the debtors in that country or region being incapable of or unwilling to pay their debts owed to the banking financial institutions or otherwise leads to business losses or other losses to the banking financial institutions in that country or region.

During the Reporting Period, the Group continued to promote country risk management by way of revising the Administrative Measures for Country Risk Management of Jiangxi Bank (《江西銀行國別風險管理辦法》), setting the country risk limits and strengthening the country risk monitoring in accordance with the requirements of new regulatory regulations.

3.10.6 Bank Book Interest Rate Risk Management

Bank book interest rate risk refers to the risk of losses in the economic value and overall gain of the banking book arising from adverse changes in interest rate levels and term structure etc., mainly including gap risk, benchmark risk and option risk.

During the Reporting Period, the Group further improved the risk management system for bank book interest rate, covering governance structure, management policies, limit management and reporting processes. In terms of risk measurement and stress testing, the Group adopted reasonable interest rate shock scenarios and model assumptions to measure bank book interest rate risk based on changes in economic value and income impact, and adjusted the risk strategy in a timely manner according to the stress testing results. The Group controlled the allocation of the term of assets and liabilities within a reasonable range by adjusting internal and external pricing policies and the business term to ensure that the interest rate risk of the banking book remained within a controllable range.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.10.7 Information Technology Risk Management

Information technology risk refers to the operational risk, legal risk, reputational risk and other types of risks caused by natural or human factors, technical vulnerabilities and management defects during the use of information technology in the operation of commercial banking.

During the Reporting Period, the Group mainly adopted the following measures to strengthen information technology risk management:

Continuing to consolidate the foundation of information technology management. The Group improved its whole processes of management for information technology risk and continuously optimized its information technology risk management system across several areas, including information technology governance, development and operations, information system operation and maintenance, network security, information security, IT outsourcing management, and business continuity management.

Strengthening on-site and off-site monitoring and assessment. The Group optimized the monitoring of dynamic indicators related to information technology, and strengthened pre-event and in-process risk management and control. The Group conducted on-site inspections on information technology outsourcing, reinforced information technology risk assessment, promptly identified weak management links, and continuously improved information technology management level.

Continuing to conduct business continuity management assessment. The Group assessed its business continuity management practices from dimensions such as governance structure, impact analysis, disaster recovery construction and emergency response, and business continuity drills were carried out to improve collaboration response capabilities, so as to further improve the quality and efficiency of business continuity management.



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3.10.8 Reputational Risk Management

Reputational risk refers to the risk of negative comments on banking institutions from stakeholders, the public and the media arising from the acts of banking institutions, the acts of practitioners or external events, which may damage their brand value, adversely affect their normal operations, and even affect market stability and social stability.

During the Reporting Period, the Group diligently implemented the requirements of reputational risk management, continuously improved the reputational risk management system and enhanced the quality and efficiency of reputational risk management. The Group strengthened the normalization of reputational risk management, conducted per-assessment on public opinion, carried out front management of reputational risk, conducted reputational risk investigations on a regular basis, promoted risk governance at source, and reduced reputational risks and hidden dangers. The Group continued to carry out the monitoring of public opinion, analyzed and assessed public opinion and enhanced its capabilities of reputational risk management and control. The Group carried out thematic publicity and released a series of reports to showcase the Bank's development achievements and enhance its brand image.



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3.10.9 Strategic Risk Management

Strategic risks refer to the risks caused by improper business strategy or changes in the external business environment.

The year 2024 marks a crucial year for realizing the objectives and tasks of the “14th Five-Year” Plan. Adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group firmly implemented the spirit of the important speech delivered by General Secretary Xi Jinping during his inspection trip in Jiangxi and the spirit of the Central Financial Work Conference. Focusing on the development of “three highlands”, implementation of “five strategies” and the “1269” Action Plan for the modernization of key manufacturing industry chains of Jiangxi Province, the Group closely followed the strategic plan of the third session of the Board of Directors, continuously deepened reforms, coordinated and promoted the development of the “five major sectors” of finance, accelerated digital transformation, constantly innovated its products, optimized financial services and achieved stabilized development in the characteristic management road. The Bank has maintained steady growth with constant optimizations to its business structure and continuously promoted the improvement of quality, capacity and efficiency in the development. By tracking and analyzing important information such as macroeconomic situation, regulatory policies and peer dynamics, the Group has established a regular analysis mechanism for business development and continuously strengthened internal and external strategic risk monitoring. As of the end of the Reporting Period, the Bank’s strategic risks were stable and controllable on the whole.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.11 CAPITAL MANAGEMENT

As at December 31, 2022, December 31, 2023, and June 30, 2024, the adequacy ratios of the Group's core tier-one capital were 9.65%, 9.37% and 9.07%, respectively; the adequacy ratios of the Group's tier-one capital were 12.82%, 12.37% and 12.05%, respectively; the adequacy ratios of the Group's capital were 14.00%, 13.55% and 13.22%, respectively, which were in compliance with the relevant regulatory requirements in the PRC. As of June 30, 2024, the asset-liability ratio of the Group was 91.46% (calculated by dividing liabilities by assets).

As at December 31, 2022, December 31, 2023 and June 30, 2024, the Group's leverage ratios were 8.68%, 8.25% and 7.81% respectively, which were in compliance with relevant regulatory requirements in China.

Since January 1, 2024, the Group has measured its capital adequacy ratios and leverage ratios according to the Administrative Measures for the Capital of Commercial Banks issued by the National Financial Regulatory Administration in 2023.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Capital Adequacy Ratios Table

Item	As of June 30, 2024 <small>(in millions of RMB, unless otherwise stated)</small>	As of December 31, 2023
Net core tier-one capital	36,196.97	37,227.26
Net tier-one capital	48,114.32	49,160.70
Net tier-two capital	4,683.99	4,669.44
Net capital	52,798.31	53,830.14
Risk weighted assets	399,278.47	397,301.60
Credit risk-weighted assets	376,260.57	372,475.76
Market risk-weighted assets	3,331.63	2,929.01
Operational risk-weighted assets	19,686.27	21,896.83
Core tier-one capital adequacy ratio	9.07%	9.37%
Tier-one capital adequacy ratio	12.05%	12.37%
Capital adequacy ratio	13.22%	13.55%

3.12 SOCIAL RESPONSIBILITIES

Serving the local economy. Adhering to its positioning, returning to the original source, and focusing on the main business, the Bank always aligned its development with national reform and development and regional economic development. During the Reporting Period, the Bank's balance of inclusive small and micro-loans reached RMB49.799 billion, representing an increase of RMB3.658 billion as compared to the end of the previous year, with a growth rate of 7.93%. The Bank's balance of green loans amounted to RMB38.42 billion, representing an increase of RMB7.224 billion as compared to the end of the previous year, with a growth rate of 23.16%. The Bank proactively established partnerships with the Science and Technology Department of Jiangxi Province, the Department of Industry and Information Technology of Jiangxi Province and other competent departments and bureaus of Jiangxi Province, increased the efforts in visiting and following up oversight of the listed enterprises to carry out loan performance analysis. The reach rate of service provision to national and provincial-level specialized and innovative enterprises, high-tech enterprises and technology-based small-and medium-sized enterprises in Jiangxi Province was 100%, 80% and 70%, respectively. The Bank strengthened industrial research, focused on the key industrial chain and industrial cluster in the province, and ramped up its efforts in credit supply.



CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

Supporting rural revitalization. The Bank implemented the decisions and arrangements of the CPC Central Committee and the State Council on rural revitalization, applied the new development philosophy in a complete, correct and comprehensive manner, closely integrated the financial support for inclusive small and micro enterprises and empowerment for rural revitalization and development with the achievement of its own high-quality development in the new era and new stage, deeply cultivated the small and micro financial service market in counties and towns, continuously maintained the efforts for credit provision in poverty alleviation areas, and consolidated and expanded the achievements of poverty alleviation. As of the end of the Reporting Period, the Bank served 14,360 agriculture-related customers, with an average weighted interest rate of 5.09% with respect to agriculture-related loans in the province. The Bank also served 11,425 inclusive agriculture-related customers, with an average weighted interest rate of 4.97% with respect to inclusive agriculture-related loans in the province. The Bank solidly pushed forward with the basic financial services in rural areas, strengthened the layout of physical outlets at the county level and the establishment of inclusive financial service stations in towns, improved the rural financial service system, and extended the “last kilometer” of financial services to rural areas. As of the end of the Reporting Period, the number of inclusive financial service stations of the Bank that had commenced business reached 116, covering 75 county areas, with a county area coverage rate of 96.15%.

Lowering financing costs for enterprises. In accordance with our preferential interest rate policies for inclusive small and micro enterprises and rural revitalization, the Bank provided exclusive preferential interest rates, and reduced 24 service fees, such as interest and transfer and settlement fees, for small and micro enterprises; continued to serve small and micro enterprises with “principal-free renewal loans”. In the first half of the year, the Bank provided a total amount of RMB4.614 billion of principal-free renewal loans for small and micro enterprises, saving bridge financing costs for small and micro enterprises and effectively reducing the financing costs of small and micro enterprises and individual businesses.

Protecting the rights and interests of consumers. The Bank earnestly implemented the “top leader responsibility system” (一把手責任制) for consumer rights protection, and established a working mechanism of “horizontal coordination” (橫向協同) between departments of the head office and “vertical management” (縱向管理) of branches by the head office. The Bank continued to deeply carry out thematic publicity activities for consumer rights protection, which were reported 45 times by provincial media and 817 times by new media, launched 1,615 publicity activities in “Five Fields” (五進入), and released 116 original educational promotional copies, actively popularizing financial knowledge to the public, effectively enhancing consumers' financial literacy and safety awareness, and further enhancing brand influence.

CHAPTER III MANAGEMENT DISCUSSION AND ANALYSIS

3.13 FUTURE DEVELOPMENT PROSPECTS

With the continued introduction and implementation of growth stabilization policies and measures, the trend of economic recovery and improvement was continuously consolidated and strengthened. We can also see that the adverse impact brought by changes in the external environment has increased, domestic effective demand remains insufficient, and the foundation for economic recovery and development still needs to be consolidated.

Looking ahead to the second half of the year, Jiangxi Bank will, following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply implement the spirit of the 20th Session of National Congress of CPC and the second and third plenary session of the 20th CPC Central Committee, and fully implement the spirit of the important speech delivered by General Secretary Xi Jinping during his inspection trip in Jiangxi, conscientiously implement the spirit of the sixth plenary session of the 15th CPC Jiangxi Committee, and prioritize the goal of “staying at the forefront of the times, contending for first place and being adept in making efforts (走在前、勇爭先、善作為)”. Based on the general tone of seeking progress while maintaining stability and aiming at improving the ability of the financial sector to serve the real economy, the Bank will develop “three highlands” and implement “five strategies” in Jiangxi, anchor on the Bank’s general goal of “two stabilizations, two advances and three enhancements”¹ throughout the year, constantly increase credit supply, optimize credit structure, innovate financial products and improve financial services. Taking the development of the “five major sectors” of finance as the key task, the Bank will conduct characteristic operations through securing its foothold in Jiangxi Province, so as to “get closer to local development strategy, have a refined utilization of industry and resource endowment, realize more in-depth involvement with the communities and counties, and provide more rapid response to customers’ demands,” and vigorously build a local legal person bank with more distinctive features, more robustness, more efficiency and more warmth.

Note: 1. The “two stabilizations, two advances and three enhancements” refer to ensuring the overall stability of asset quality and sustainable development capacity; new progress has been made in serving the modern industrial system and digital comprehensive empowerment; focus on improving the effectiveness of party building to lead development, feature operation, and promote the development of the “five major sectors” of finance.

CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.1 CHANGES IN SHARE CAPITAL

There were no changes in the share capital of the Bank during the Reporting Period. As of June 30, 2024, the total issued share capital of the Bank amounted to RMB6,024,276,901, including 1,345,500,000 H Shares with a par value of RMB1.00 each and 4,678,776,901 Domestic Shares with a par value of RMB1.00 each.

(Unit: share)

Item		As of December 31, 2023	Changes in the Reporting Period	As of June 30, 2024
Domestic Shares	State Fund	211,320,108	–	211,320,108
	Corporate Fund	4,392,317,924	–	4,392,317,924
	Individual Fund	75,138,869	–	75,138,869
H Shares		1,345,500,000	–	1,345,500,000
Total		6,024,276,901	–	6,024,276,901

4.2 SHAREHOLDER DATA

4.2.1 Total Number of Domestic Shareholders

As of June 30, 2024, the Bank had a total of 8,853 Domestic Shareholders, including 27 state Shareholders, 284 corporate Shareholders and 8,542 natural person Shareholders.



CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.2 Particulars of Shareholdings of the Top 10 Domestic Shareholders

(Unit: share)

No.	Name of Shareholder	Nature of shareholder	Total number of shares held as of June 30, 2024 (share)	Changes as compared to December 31, 2023 (share)	Percentage of total share capital as of June 30, 2024 (%)	Pledged or frozen shares	
						Status of shares	Number (share)
1	Jiangxi Provincial Communications Investment Group Co., Ltd. (江西省交通投資集團有限責任公司)	State-owned corporate shareholder	937,651,339	0	15.56	Normal	-
2	Jiangxi Financial Holding Group Co., Ltd. (江西省金融控股集團有限公司)	State-owned corporate shareholder	347,546,956	0	5.77	Normal	-
3	Nanchang Industrial Investment Group Co., Ltd.	State-owned corporate shareholder	289,710,670	0	4.81	Normal	-
4	Pingxiang Huixiang Construction Development Co., Ltd. (萍鄉市匯翔建設發展有限公司)	State-owned corporate shareholder	241,088,500	0	4.00	Normal	-
5	China National Tobacco Corporation Jiangxi Branch	State-owned corporate shareholder	180,000,000	0	2.99	Normal	-
6	Jiangxi Province Investment Group Co., Ltd. (江西省投資集團有限公司)	State-owned corporate shareholder	180,000,000	0	2.99	Normal	-
7	Ganshang Union (Jiangxi) Co., Ltd. (贛商聯合(江西)有限公司)	General corporate shareholder	148,308,400	0	2.46	Pledged	74,000,000
8	Jiangxi Copper Company Limited (江西銅業股份有限公司)	State-owned corporate shareholder	140,000,000	0	2.32	Normal	-
9	Jiangxi Provincial Water Conservancy Investment Group Co., Ltd. (江西省水利投資集團有限公司)	State-owned corporate shareholder	99,830,800	0	1.66	Normal	-
10	Jiangxi Blue Sky Automobile Driving School Co., Ltd. (江西藍天駕駛培訓中心有限公司)	General corporate shareholder	97,289,259	0	1.61	Normal	-



CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.3 Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares under Hong Kong Regulations

To the knowledge of the Bank and the Directors, as at June 30, 2024, the following substantial Shareholders of the Bank and other persons (other than the Directors, Supervisors and chief executive of the Bank) had or were deemed to have interests and short positions in the shares and underlying shares of the Bank which would be required to be notified to the Bank or the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO:

(Unit: share)

Name of Shareholder	Class of shares	Nature of interest	Number and nature of shares ¹	Changes as compared to December 31, 2023	Approximate percentage of the total issued share capital of the class of the Bank ²	Approximate percentage of the total issued share capital of the Bank ²
Jiangxi Provincial Communications Investment Group Co., Ltd. ³	Domestic Shares	Beneficial owner	937,651,339 (L)	0	20.04%	15.56%
Jiangxi Financial Holding Group Co., Ltd. ⁴	Domestic Shares	Beneficial owner	347,546,956 (L)	0	7.43%	5.77%
		Interest of controlled corporation	20,763,200 (L)	20,763,200	0.44%	0.34%
Nanchang Industrial Investment Group Co., Ltd. ⁵	Domestic Shares	Beneficial owner	296,876,170 (L)	0	6.35%	4.93%
	H Shares	Beneficial owner	31,970,000 (L)	0	2.38%	0.53%
Hua An Fund Management Co., Ltd. represent Hua An Fund-Track Group QDII, Hua An Fund-Municipal Group QDII, Hua An Fund-Track City Investment Company QDII, Hua An Fund-Industrial Holdings QDII, Hua An Fund-High and New Municipal QDII, Hua An Fund-Honggu Tan City Investment QDII, Hua An Fund-Jinkai Capital QDII, Hua An Fund-Nanchang County Urban Construction Investment QDII and other asset management plans ⁶	H Shares	Others	272,084,000 (L)	0	20.22%	4.52%
China National Tobacco Corporation Jiangxi Branch ⁷	Domestic Shares	Beneficial owner	180,000,000 (L)	0	3.85%	2.99%
		Interest of controlled corporation	83,000,000 (L)	0	1.77%	1.38%
Pingxiang Huixiang Construction Development Co., Ltd. ⁸	Domestic Share	Beneficial owner	241,088,500 (L)	0	5.15%	4.00%
Luso International Banking Limited ⁹	H Shares	Beneficial owner	134,602,500 (L)	0	10.00%	2.23%
Chiyu Banking Corporation Limited ⁹	H Shares	Beneficial owner	123,248,500 (L)	0	9.16%	2.05%
Xiamen International Bank Co., Ltd. ⁹	H Shares	Interest of controlled corporation	257,851,000 (L)	0	19.16%	4.28%
AMTD Asia Limited ¹⁰	H Shares	Beneficial owner	111,149,500 (L)	0	8.26%	1.85%
AMTD Group Company Limited ¹⁰	H Shares	Interest of controlled corporation	111,149,500 (L)	0	8.26%	1.85%
CITIC-Guonan Group ¹¹	H Shares	Interest of controlled corporation	105,968,000 (L)	0	7.88%	1.76%
Road Shine Developments Limited ¹¹	H Shares	Beneficial owner	105,968,000 (L)	0	7.88%	1.76%

CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Name of Shareholder	Class of shares	Nature of interest	Number and nature of shares ¹	Changes as compared to December 31, 2023	Approximate percentage of the total issued share capital of the class of the Bank ²	Approximate percentage of the total issued share capital of the Bank ²
Yichun Yuanzhou Guotou Group Co., Ltd. (宜春市袁州區國投集團有限公司) ¹²	H Shares	Interest of controlled corporation	103,701,000 (L)	0	7.71%	1.72%
Yichun Development Investment Group Co., Ltd. ¹³	H Shares	Beneficial owner	94,840,500 (L)	0	7.05%	1.57%
Representative of Guotai Asset Management Co., Ltd. (國泰基金管理有限公司); Guotai-Global Investments Asset Management Plan No.10/ Guotai Asset Management Co Ltd – CHINA GUANGFA BANK CO. LTD – GTFUND-QDII1-10 Principal: Yichun Development Investment Group Co., Ltd. (宜春發展投資集團有限公司) ¹³	H Shares	Trustee of the trust	94,840,500 (L)	0	7.05%	1.57%

Notes:

- (L) represents long position, and (S) represents short position.
- As at June 30, 2024, the total issued share capital of the Bank was 6,024,276,901 shares, including 4,678,776,901 Domestic Shares and 1,345,500,000 H Shares.
- Jiangxi Provincial Communications Investment Group Co., Ltd. is a state-owned corporate shareholder, whose legal representative is XIE Jianfa (謝兼法). Regarding Jiangxi Provincial Communications Investment Group Co., Ltd., its controlling shareholder and de facto controller are both Department of Transportation of Jiangxi Province (江西省交通運輸廳).
- Jiangxi Financial Holding Group Co., Ltd. directly holds 347,546,956 shares of the Bank, and holds 40% interest in Jiangxi Financial Asset Management Co., Ltd. directly and through its wholly-owned subsidiaries. Jiangxi Financial Asset Management Co., Ltd. holds 62.5% interest in Jiangxi Xinglu Asset Management Co., Ltd. (江西興盧資產管理有限公司) which holds 20,763,200 shares of the Bank. Therefore, Jiangxi Xinglu Asset Management Co., Ltd. is deemed to be interested in the Domestic Shares of the Bank held by Jiangxi Financial Holding Group Co., Ltd. Jiangxi Financial Holding Group is a state-owned corporate shareholder and its legal representative is QI Wei, whose controlling shareholder and de facto controller are both Jiangxi Provincial Financial Assets Center (江西省財政資產中心).



CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

5. Nanchang Industrial Investment Group Co., Ltd. (including Hua An Fund Management Co., Ltd., the trustee of the Trust, holding 31,970,000 H Shares of the Bank) and its wholly-owned subsidiaries, including Nanchang Guojin Industrial Investment Co., Ltd. (南昌市國金工業投資有限公司), Nanchang Jinchang State-owned Assets Operation Co., Ltd. (南昌市金昌國有資產運營有限責任公司) and Jiangxi Huayuan Jiangfang Co., Ltd. (江西華源江紡有限公司), jointly hold 328,846,170 shares of the Bank. Nanchang Industrial Investment Group Co., Ltd. is a state-owned corporate shareholder, whose legal representative is LI Shuiping. Regarding Nanchang Industrial Investment Group Co., Ltd., its controlling shareholder and de facto controller are both Nanchang Municipal People's Government.
6. Hua An Fund Management Co., Ltd. is the manager of eight QDII Single Asset Management Plans, and holds shares of the Bank through the above-mentioned eight asset management plans to achieve its investment plans on behalf of its asset trustees.
7. China National Tobacco Corporation Jiangxi Branch holds 263,000,000 shares of the Bank jointly with its wholly-owned subsidiary Jiangxi Jinfeng Investment Management Co., Ltd. It is a state-owned corporate shareholder and its legal representative is JIANG Kai. Regarding China National Tobacco Corporation Jiangxi Branch, its controlling shareholder and de facto controller are both China National Tobacco Corporation (中國煙草總公司).
8. Pingxiang Huixiang Construction Development Co., Ltd. is a state-owned corporate shareholder, whose legal representative is OUYANG Dian (歐陽淀). Regarding Pingxiang Huixiang Construction Development Co., Ltd., its controlling shareholder is Pingxiang Huifeng Investment Co., Ltd. (萍鄉市滙豐投資有限公司), and its de facto controller is Pingxiang State-owned Assets Supervision and Administration Commission (萍鄉市國有資產監督管理委員會).
9. Luso International Banking Limited directly holds 134,602,500 shares of the Bank, and Xiamen International Bank Co., Ltd. indirectly holds 49.01% interest in Luso International Banking Limited through its wholly-owned subsidiary; Chiyu Banking Corporation Limited directly holds 123,248,500 shares of the Bank, and Xiamen International Bank Co., Ltd. indirectly holds 69.63% interests of Chiyu Banking Corporation Limited through its wholly-owned subsidiaries. Therefore, Xiamen International Bank Co., Ltd. is deemed to be interested in the H Shares of the Bank held by Luso International Banking Limited and Chiyu Banking Corporation Limited.
10. AMTD Asia Limited directly holds 111,149,500 shares of the Bank, and AMTD Group Company Limited indirectly holds 100% interest in AMTD Asia Limited through AMTD Asia (Holdings) Limited. Therefore, AMTD Group Company Limited is deemed to be interested in the H Shares of the Bank held by AMTD Asia Limited.
11. CITIC Guoan Group indirectly holds 105,968,000 H Shares of the Bank held by Road Shine Developments Limited through its controlled corporation, Guoan (HK) Holdings Limited. Therefore, according to the SFO, CITIC Guoan Group and Guoan (HK) Holdings Limited are deemed to be interested in the Bank's H Shares held by Road Shine Developments Limited, respectively.
12. Yichun Yuanzhou Guotou Group Co., Ltd. is wholly owned by Yichun Yuanzhou District State-owned Assets Supervision and Administration Office (宜春市袁州區國有資產監督管理辦公室). Yichun Yuanzhou Guotou Group Co., Ltd. holds 103,701,000 shares of the Bank.
13. Yichun Development Investment Group Co., Ltd. is wholly owned by Yichun Stated-owned Assets Supervision and Administration Commission (宜春市國有資產監督管理委員會). Yichun Development Investment Group Co., Ltd. holds 94,840,500 shares of the Bank through the trustee Guotai Asset Management Co., Ltd.

CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.4 Shareholders Holding 5% or More of the Bank's Shares

See 4.2.3 Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares under Hong Kong Regulations in this chapter.

4.2.5 Other Substantial Domestic Shareholders

According to the Interim Measures for the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》), as adopted at the 1st chairman's meeting of the former CBIRC in 2018 (former CBRC Order 2018 No. 1), substantial shareholders of a commercial bank mean shareholders who hold or control 5% or above shares or voting right of the commercial bank, or who hold less than 5% of total capital or total shares but have significant impacts on the operation and management of the commercial bank. The significant impacts mentioned above include but are not limited to dispatching directors, supervisors or senior executives to a commercial bank.

Other than those disclosed in the section 4.2.3 "Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares under Hong Kong Regulations" in this chapter, i.e., Jiangxi Provincial Communications Investment Group Co., Ltd., Jiangxi Financial Holding Group Co., Ltd. and China National Tobacco Corporation Jiangxi Branch, there were no other substantial Domestic Shareholders of the Bank who hold less than 5% of total capital or total shares of the Bank but dispatch Directors, Supervisors or senior executives to the Bank.

Note: The appointment of a shareholder representative Supervisor of the third session of the Board of Supervisors by Jiangxi Copper Company Limited constituted significant influence, and Mr. ZHOU Minhui, the appointed Supervisor, resigned on June 12, 2024.

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4.2.6 Related Parties of Substantial Shareholders at the End of the Reporting Period

No.	Name of substantial shareholders	Related parties of substantial shareholders
1	Jiangxi Provincial Communications Investment Group Co., Ltd.	Jiangxi Highway Development Co., Ltd. (江西公路開發有限責任公司), Jiangxi JiaoTou Property Development Co., Ltd. (江西省交投置業發展有限責任公司), Jiangxi Transportation Engineering Group Co., Ltd. (江西省交通工程集團有限公司), Jiangxi Communications Investment New Energy Group Co., Ltd (江西省交投新能源集團有限責任公司), Jiangxi Transportation Consulting Co., Ltd., Jiangxi Ganyue Expressway Co., Ltd., Jiangxi Lutong Real Estate Development Co., Ltd. (江西路通房地產開發有限公司), Jiangxi Changtong Expressway Co., Ltd. (江西昌銅高速公路有限責任公司), Jiangxi Expressway Cultural Tourism Development Co., Ltd. (江西高速文化旅遊發展有限公司), Jiangxi Expressway Petrochemical Co., Ltd. (江西高速石化有限責任公司), Jiangxi Changtai Expressway Co., Ltd. (江西昌泰高速公路有限責任公司), Jiangxi Jiujiang Yangtze River Highway Bridge Co., Ltd., Jiangxi Provincial Expressway Investment and Supply Chain Co., Ltd. (江西省交投供應鏈有限公司), Jiangxi Provincial Expressway Investment Group Materials Co., Ltd. (江西省高速公路投資集團材料有限公司), etc.



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No.	Name of substantial shareholders	Related parties of substantial shareholders
2	Jiangxi Financial Holding Group Co., Ltd.	Jiangxi Financial Holding Group Co. Ltd, Jiangxi Province Credit Financing Guarantee Group Co., Ltd. (江西省信用融資擔保集團股份有限公司), Jiangxi Financial Asset Management Co., Ltd., Jiangxi Jinkong Financial Leasing Co., Ltd., Jiangxi Pratt & Whitney Financing Guarantee Co., Ltd. (江西省普惠融資擔保有限公司), Jiangxi Famc Supply Chain Financial Service Co., Ltd. (江西省財通供應鏈金融集團有限公司), Jiangxi Financial Supply Chain Services Co., Ltd. (江西金控供應鏈服務有限公司), Jiangxi Zhongbang Land Development Co., Ltd. (江西省中邦土地開發有限公司), Jiangxi Financial Holding Urban Development Investment Co., Ltd. (江西省金控城鎮開發投資有限公司), Jiangxi Xingsen International Trade Co., Ltd. (江西星森國際貿易有限公司), Jiangxi Financial Holding Foreign Trade Group Co., Ltd. (江西省金控外貿集團股份有限公司), Jiangxi Finance Holding Industrial Development Co. Ltd. (江西省金控實業發展有限公司), etc.
3	Nanchang Industrial Investment Group Co., Ltd.	Nanchang Guojin Industrial Investment Co., Ltd. (南昌市國金產業投資有限公司), Nanchang Guosheng Industrial Investment Co., Ltd. (南昌國晟產業投資有限公司), Nanchang Guowei Industrial Investment Co., Ltd. (南昌國微產業投資有限公司), Jiangxi Production and Investment Business Development Co., Ltd. (江西產投商貿發展有限公司), Nanchang State-owned Venture Capital Management Co., Ltd. (南昌國資創業投資管理有限公司), Nanchang Ruidonghui Industrial Investment Co., Ltd. (南昌瑞東匯產業投資有限公司), Jiangxi Jiulong Trading Co., Ltd. (江西久隆貿易有限公司), Nanchang State-owned Supply Chain Financial Management Co., Ltd. (南昌市國資供應鏈金融管理有限公司), Nanchang State-owned Industrial Operation Group Investment Development Co., Ltd. (南昌國資產業經營集團投資發展有限公司), etc.



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No.	Name of substantial shareholders	Related parties of substantial shareholders
4	China National Tobacco Corporation Jiangxi Branch	China National Tobacco Corporation (中國煙草總公司), Jiangxi Tobacco Corporation Nanchang Branch (江西省煙草公司南昌市公司), Jiangxi Tobacco Corporation Jiujiang Branch (江西省煙草公司九江市公司), Jiangxi Tobacco Corporation Fuzhou Branch (江西省煙草公司撫州市公司), Jiangxi Tobacco Corporation Ji'an Branch (江西省煙草公司吉安市公司), Jiangxi Jinfeng Investment Management Co., Ltd., etc.
5	Jiangxi Copper Company Limited (江西銅業股份有限公司) ¹	Jiangxi Copper Corporation Limited, JiangXi Copper Lead & Zinc Metals Co., Ltd (江西銅業鉛鋅金屬有限公司), Jiangxi Copper Hotel Management Co., Ltd. (江西銅業酒店管理有限公司), JCC Financial Co., Ltd. (江西銅業集團財務有限公司), Jiangxi Copper Industry Group Yinshan Mining Industry Co., Ltd. (江西銅業集團銀山礦業有限責任公司), Jiangxi Copper Corporation Construction Limited (江西銅業集團建設有限公司), etc.

Note:

- Jiangxi Copper Company Limited has become a related party legal person of the Bank as its appointment of shareholder representative Supervisor of the third session of the Board of Supervisors constituted significant influence. The appointed Supervisor resigned on June 12, 2024, and no Supervisor was appointed after the resignation.



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4.2.7 Related Party Transactions between the Bank and the Substantial Shareholders and Controlling Shareholders, De Facto Controllers, Related Parties, Persons Acting in Concert, and Ultimate Beneficiaries thereof in the Reporting Period

Unit: in millions

NO.	Name of Shareholder	Credit balance	Controlling shareholder of the enterprise	Credit balance	De facto controller	Credit balance	Persons acting in concert	Credit balance	Ultimate beneficiary	Credit balance	Related party	Credit balance	Total
1	Jiangxi Provincial Communications Investment Group Co., Ltd.	2,076.64	Department of Transportation of Jiangxi Province	-	Department of Transportation of Jiangxi Province	-	None	-	Jiangxi Provincial Communications Investment Group Co., Ltd.	2,076.64	Jiangxi Provincial Expressway Investment Group Materials Co., Ltd.	556.88	3,358.39
											Jiangxi Provincial Expressway Investment and Supply Chain Co., Ltd.	599.87	
											Guosheng Financial Holding Inc. (國盛金融控股集團股份有限公司)	115.00	
											Jiangxi Hengrui Traffic Technology Co., Ltd. (江西省恒瑞交通科技有限公司)	10.00	
2	Jiangxi Financial Holding Group Co., Ltd.	520.00	Jiangxi Provincial Financial Assets Center (江西省財政資產中心)	-	Jiangxi Provincial Financial Assets Center	-	None	-	Jiangxi Financial Holding Group Co., Ltd.	520.00	Jiangxi Financial Asset Management Co., Ltd.	625.36	2,190.36
											Jiangxi Fanc Supply Chain Financial Service Co., Ltd.	300.00	
											Jiangxi Financial Supply Chain Services Co., Ltd.	80.00	
											Jiangxi Financial Holding Investment Group Co., Ltd. (江西省金控投資集團有限公司)	155.00	
											Jiangxi Financial Holding Urban Development Investment Co., Ltd.	10.00	
											Jiangxi Financial Holding Foreign Trade Group Co., Ltd.	100.00	
											Jiangxi Finance Holding Industrial Development Co., Ltd.	400.00	



CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

NO.	Name of Shareholder	Credit balance	Controlling shareholder of the enterprise	Credit balance	De facto controller	Persons			Credit balance	Ultimate beneficiary	Credit balance	Related party	Credit balance	Total
						Credit balance	acting in concert	Credit balance						
3	Nanchang Industrial Investment Group Co., Ltd.	1,746.00	The People's Government of Nanchang Municipality	-	The People's Government of Nanchang Municipality	-	None	-	Nanchang Industrial Investment Group Co., Ltd.	1,746.00	Jiangxi Production and Investment Business Development Co., Ltd.	200.00	3,424.31	
											Jiangxi Jiulong Trading Co., Ltd.	188.06		
											Nanchang State-owned Industrial Operation Group Investment Development Co., Ltd.	95.00		
											Nanchang State-owned Supply Chain Financial Management Co., Ltd.	50.00		
											Nanchang Ruidonghui Industrial Investment Co., Ltd.	30.00		
											Jiangxi Qijia International Logistics Park Co., Ltd. (江西奇佳國際物流園有限公司)	10.00		
											Shanghai Ganxunda International Trade Co., Ltd. Nanchang Branch (上海韓訊達國際貿易有限公司南昌分公司)	10.00		
											Jiangxi Qijia Fertilizer Industry Co., Ltd. (江西奇佳肥業股份有限公司)	10.00		
											Jiangxi Jiangnai Decoration Building Materials Co., Ltd. (江西江耐裝飾建材有限公司)	10.00		
											Nanchang Construction Material Market Co., Ltd. (南昌建材大市場有限公司)	10.00		

CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

NO.	Name of Shareholder	Credit balance	Controlling shareholder of the enterprise	Credit balance	De facto controller	Persons		Credit balance	Ultimate beneficiary	Credit balance	Related party	Credit balance	Total
						Credit balance	acting in concert						
											Jiangxi Simamiao Building Materials Service Center Co., Ltd. (江西司馬廟建材服務中心有限公司)	10.00	
											Jiangxi Printing Co., Ltd. (江西印刷股份有限公司)	5.25	
											Nanchang State-owned Venture Capital Management Co., Ltd.	1,050.00	
4	China National Tobacco Corporation Jiangxi Branch	-	China National Tobacco Corporation	-	China National Tobacco Corporation	-	None	-	China National Tobacco Corporation Jiangxi Branch	-	-	-	0.00
5	Jiangxi Copper Company Limited	-	Jiangxi Copper Corporation Limited	-	State-owned Assets Supervision and Administration Commission of Jiangxi Province	-	None	-	Jiangxi Copper Company Limited	-	JiangXi Copper Lead & Zinc Metals Co., Ltd	9.28	9.28
Total		4,342.64	-	-	-	-	-	-	-	4,342.64	-	4,639.71	8,982.35



CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.8 Pledge of Equity in the Bank by Substantial Domestic Shareholders

None

4.2.9 Nomination of Directors and Supervisors by the Shareholders

1. Mr. YU Minxin and Mr. DENG Yonghang were nominated as Directors by Jiangxi Provincial Communications Investment Group Co., Ltd.;
2. Ms. XIONG Jiemin was nominated as a Director by Jiangxi Financial Holding Group Co., Ltd.;
3. Mr. LI Shuiping was nominated as a Director by Nanchang Municipal Bureau of Finance;
4. Mr. PENG Xiyuan was nominated as a Director by China National Tobacco Corporation Jiangxi Branch.

4.2.10 The Number of Pledged Shares of the Bank Reaching or Exceeding 20% of All Its Shares

None



CHAPTER IV CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

4.2.11 The Number of Shares Pledged by Substantial Domestic Shareholders Reaching or Exceeding 50% of the Total Shares Held by Them in the Bank

None

4.2.12 The Bank's Pledged Shares being Frozen, Judicially Auctioned, Restricted from Voting Right or Other Rights

1. As of the end of the Reporting Period, the Bank had a total of 6,024,276,901 shares, and a total of 485,636,653 shares held by 22 Domestic Shareholders were pledged, accounting for 8.06% of the Bank's total shares. 89,295,649 pledged shares were judicially frozen and 0 pledged shares were judicially auctioned.
2. According to the Articles of Association, when the number of shares pledged by a shareholder reaches or exceeds 50% of the total shares held by him/her in the Bank, the said shareholder is required to issue a commitment letter of giving up his/her voting right at the general meeting. As of the end of the Reporting Period, 21 Shareholders pledged 50% or more of the Domestic Shares held by him/her in the Bank, and voting rights represented by 411,744,653 shares were restricted, accounting for 6.83% of the total shares.

4.2.13 Purchase, Sale or Redemption of Listed Securities

Save as disclosed in the section headed "7.1 BOND ISSUE AND REPURCHASE" in this report, neither the Bank nor its subsidiaries purchased, sold or redeemed any of its listed securities (including selling treasury shares) during the Reporting Period. As of the end of the Reporting Period, no treasury shares were held by the Bank.



CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

5.1.1 Directors

As of the Latest Practicable Date, the Board consists of eleven Directors, including two executive Directors, five non-executive Directors and four independent non-executive Directors. The Directors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an independent non-executive Director shall not exceed six years pursuant to the relevant PRC laws and regulations. The following table sets forth certain information regarding the Directors.

Current Directors

Name	Gender	Date of birth	Commencement of term of office of the third session of the Board ¹	Title
ZENG Hui	Female	September 1970	August 4, 2022	Chairman, Executive Director, secretary to the Party Committee
LUO Xiaolin	Male	March 1971	August 3, 2022	Vice chairman, Executive Director, deputy secretary to the Party Committee, President
YU Minxin	Male	October 1977	June 28, 2022	Non-executive Director
DENG Yonghang	Male	June 1974	September 5, 2022	Non-executive Director
XIONG Jiemin	Female	November 1985	September 5, 2022	Non-executive Director
LI Shuiping	Male	October 1968	September 5, 2022	Non-executive Director
PENG Xiyuan ¹	Male	November 1976	August 9, 2024	Non-executive Director
LIU Xinghua	Male	July 1972	August 25, 2022	Independent non-executive Director
YANG Ailin	Male	May 1969	August 25, 2022	Independent non-executive Director
HE Enliang ¹	Male	June 1964	August 9, 2024	Independent non-executive Director
WANG Feimilan ¹	Female	January 1979	August 13, 2024	Independent non-executive Director

CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

Resigned Directors

Name	Gender	Date of birth	Commencement of term of office of the third session of the Board ¹	Title
ZHUO Liping	Female	December 1972	June 28, 2022	Non-executive Director
WANG Yun	Female	May 1966	June 28, 2022	Independent non-executive Director
WONG Hin Wing	Male	December 1962	June 28, 2022	Independent non-executive Director

Note:

- At the 2023 Annual General Meeting held on May 29, 2024, the Bank elected Mr. PENG Xiyuan as a non-executive director of the Bank and Mr. HE Enliang and Ms. WANG Feimilan as independent non-executive directors of the Bank. The qualifications of Mr. HE Enliang and Mr. PENG Xiyuan as Directors took effect upon approval of the NFRA Jiangxi Office on August 9, 2024; the qualification of Ms. WANG Feimilan as Director took effect upon approval of the NFRA Jiangxi Office on August 13, 2024. Ms. WANG Yun and Mr. WONG Hin Wing ceased to be independent non-executive directors of the Bank since the effective date of appointment of Ms. WANG Feimilan and Mr. HE Enliang, respectively, and Ms. ZHUO Liping ceased to be a non-executive director of the Bank since the effective date of appointment of Mr. PENG Xiyuan.

5.1.2 Supervisors

As of the end of the Reporting Period, the Board of Supervisors currently consists of three Supervisors, including one employee representative Supervisor and two external Supervisors. The Supervisors are elected for a term of three years and may be subject to re-election, provided that the cumulative term of an external Supervisor shall not exceed six years, pursuant to the relevant PRC laws and regulations. The following table sets forth certain information about the Supervisors.

Current Supervisors

Name	Gender	Date of birth	Commencement of term of office of the third session of the Board of Supervisors	Title
LUO Ping	Male	October 1957	June 28, 2022	External Supervisor
LI Xunlei	Male	September 1963	June 28, 2022	External Supervisor
WANG Wei	Male	November 1989	June 28, 2022	Employee representative Supervisor

CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

Resigned Supervisors

Name	Gender	Date of birth	Commencement of term of office of the third session of the Board of Supervisors	Title
LIU Fulin ¹	Male	November 1963	June 28, 2022	Chairman of the Board of Supervisors, employee representative Supervisor
ZHOU Minhui ²	Male	June 1964	June 28, 2022	Shareholder representative Supervisor

Notes:

- On February 2, 2024, Mr. LIU Fulin submitted his resignation letter to the Board of Supervisors of the Bank, as he has reached the retirement age, resigning as the chairman of the Board of Supervisors, the member of the Nomination Committee under the Board of Supervisors and the employee representative Supervisor of the Bank. The resignation of Mr. LIU Fulin as the chairman of the Board of Supervisors was effective from February 2, 2024. Due to his resignation, the proportion of employee representative supervisors of the Bank was less than one-third. According to the relevant laws and regulations, Mr. LIU Fulin continued to perform the duties of employee representative Supervisor after submitting his resignation letter, and ceased to perform the duties of employee representative Supervisor from June 12, 2024.
- On June 12, 2024, Mr. ZHOU Minhui submitted his resignation letter to the Board of Supervisors of the Bank due to work adjustments, resigning as the shareholder representative Supervisor and a member of the Supervision Committee of the Board of Supervisors of the Bank, effective from June 12, 2024.



CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.1.3 Senior Management Members

The following table sets forth certain information regarding the senior management of the Bank.

Name	Gender	Date of birth	Title
LUO Xiaolin	Male	March 1971	President
CHENG Zongli	Male	September 1966	Vice president
CAI Xiaojun	Male	November 1966	Vice president

5.2 CHANGES OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE DURING THE REPORTING PERIOD

5.2.1 Changes of Directors during the Reporting Period

At the 2023 Annual General Meeting held on May 29, 2024, the Bank elected Mr. PENG Xiyuan as a non-executive director of the Bank and Mr. HE Enliang and Ms. WANG Feimilan as independent non-executive directors of the Bank. The qualifications of Mr. HE Enliang and Mr. PENG Xiyuan as Directors took effect upon approval of the NFRA Jiangxi Office on August 9, 2024; the qualification of Ms. WANG Feimilan as Director took effect upon approval of the NFRA Jiangxi Office on August 13, 2024. Ms. WANG Yun and Mr. WONG Hin Wing ceased to be independent non-executive directors of the Bank since the effective date of appointment of Ms. WANG Feimilan and Mr. HE Enliang, respectively, and Ms. ZHUO Liping ceased to be a non-executive director of the Bank since the effective date of appointment of Mr. PENG Xiyuan.

5.2.2 Changes of Supervisors during the Reporting Period

On February 2, 2024, Mr. LIU Fulin submitted his resignation letter to the Board of Supervisors of the Bank, as he has reached the retirement age, resigning as the chairman of the Board of Supervisors, the member of the Nomination Committee under the Board of Supervisors and the employee representative Supervisor of the Bank. The resignation of Mr. LIU Fulin as the chairman of the Board of Supervisors was effective from February 2, 2024. Due to his resignation, the proportion of employee representative supervisors of the Bank was less than one-third. According to the relevant laws and regulations, Mr. LIU Fulin continued to perform the duties of employee representative Supervisor after submitting his resignation letter, and ceased to perform the duties of employee representative Supervisor from June 12, 2024.

On June 12, 2024, Mr. ZHOU Minhui submitted his resignation letter to the Board of Supervisors of the Bank due to work adjustments, resigning as the shareholder representative Supervisor and a member of the Supervision Committee of the Board of Supervisors of the Bank, effective from June 12, 2024.

CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.2.3 Changes of Chief Executive during the Reporting Period

During the Reporting Period, there was no change in the chief executive of the Bank.

5.2.4 Changes in Information of Directors, Supervisors and Chief Executive

Mr. YU Minxin (喻旻昕), a non-executive Director, ceased to serve as the chief financial officer of Jiangxi Provincial Communications Investment Group Co., Ltd., and has served as the chief financial officer and the director of Jiangxi Copper Company Limited since June 7, 2024 and July 10, 2024, respectively.


5.3 DEALING IN SECURITIES BY DIRECTORS AND SUPERVISORS

The Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors and Supervisors. Having been made specific enquiry, all Directors and Supervisors confirmed that they have complied with requirements under the above Model Code during the Reporting Period.

During the Reporting Period, the Directors and Supervisors did not have any dealing in the Bank's shares.

5.4 INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at June 30, 2024, the interests and short positions of the Directors, Supervisors and chief executive of the Bank in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Bank and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Bank and the Stock Exchange pursuant to the Model Code, were as follows:

- 
- I) Directors: Nil
 - II) Supervisors: Nil
 - III) Chief executive: Nil

CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.5 INFORMATION OF EMPLOYEES

5.5.1 Composition of Employees

As of the end of the Reporting Period, the Bank has a total of 5,405 official employees.

1 *By age*

The Bank has 1,607 employees aged 30 or under, accounting for 29.73% of the total number of employees; 2,815 employees aged 31 to 40, accounting for 52.08% of the total number of employees; 732 employees aged 41 to 50, accounting for 13.54% of the total number of employees; and 251 employees aged 51 and above, accounting for 4.65% of the total number of employees.

2 *By education*

The Bank has 5,092 employees with a bachelor's degree and above, accounting for 94.21% of the total number of employees, and 313 employees with a college degree and below, accounting for 5.79% of the total number of employees.

3 *By gender*

The Bank has a relatively balanced gender ratio with 2,500 male employees, accounting for 46.25% of the total number of employees, and 2,905 female employees, accounting for 53.75% of the total number of employees. Adhering to the concept of employee diversity, the Bank insists on gender equality in talent development such as remuneration management and employee training, and strives to create a workplace atmosphere featuring diversity.



CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.5.2 Employee Training Plan

During the Reporting Period, the education and training of all officers of the Bank focused on aligning with core objectives and serving the broader context, strengthening the Party's innovative theoretical martial arts, and enhancing the planning and system construction of the Bank's training system. Efforts were made to improve the relevance of education and training. The Bank organized and managed training for all officers at various levels across the Bank, continually expanding the scope and depth of education and training for officers.

Focusing on the key tasks of the Bank, the Bank adhered to the full coverage of employees at all levels and in all lines of work, strengthened theoretical martial arts and Party education, solidly launched the professional training of talents, focused on enhancing the abilities of officers to promote high-quality development, serve the people and prevent and resolve risks.

5.5.3 Employee Remuneration Policy

1 *Remuneration policy*

In accordance with the Provisions on Wage Payment in Jiangxi Province, Rules for the Implementation of Wage Determination Mechanism in State-owned Financial Enterprises, Supervisory Guidelines on Sound Compensation in Commercial Banks and other relevant systems and regulations, and in line with the remuneration concepts of unified position and salary, salary changes for ranking changes and bonus based on performance, the Bank established a remuneration management system that fits with the “dual-channel” occupational development system. Employee remuneration consists of four parts: basic remuneration, performance-based remuneration, performance incentives and welfare guarantee. Employees enjoy the enterprise annuity, supplementary medical insurance and other welfare, in addition to the basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, housing provident fund and other various legal welfare specified by the state.



CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

2 *Linkage between remuneration policy and risk*

In order to further strengthen risk management, enhance risk awareness, and give full play to the guiding role of remuneration in risk management and control, thereby promoting the stable operation and sustainable development of the Bank, the Bank has established and improved the deferred payment and recourse and deduction mechanism of performance-based remuneration in accordance with the Provisional Regulations on Remuneration Recourse and Deduction for Persons in Charge of Provincial State-owned Enterprises, the Supervisory Guidelines on Sound Compensation in Commercial Banks issued by the former CBRC and the Notice on the Guidance on the Establishment and Improvement of the Recourse and Deduction Mechanism of Performance-based Remuneration of Banking and Insurance Institutions issued by the former CBIRC.

3 *Total amount of unpaid and paid deferred compensation*

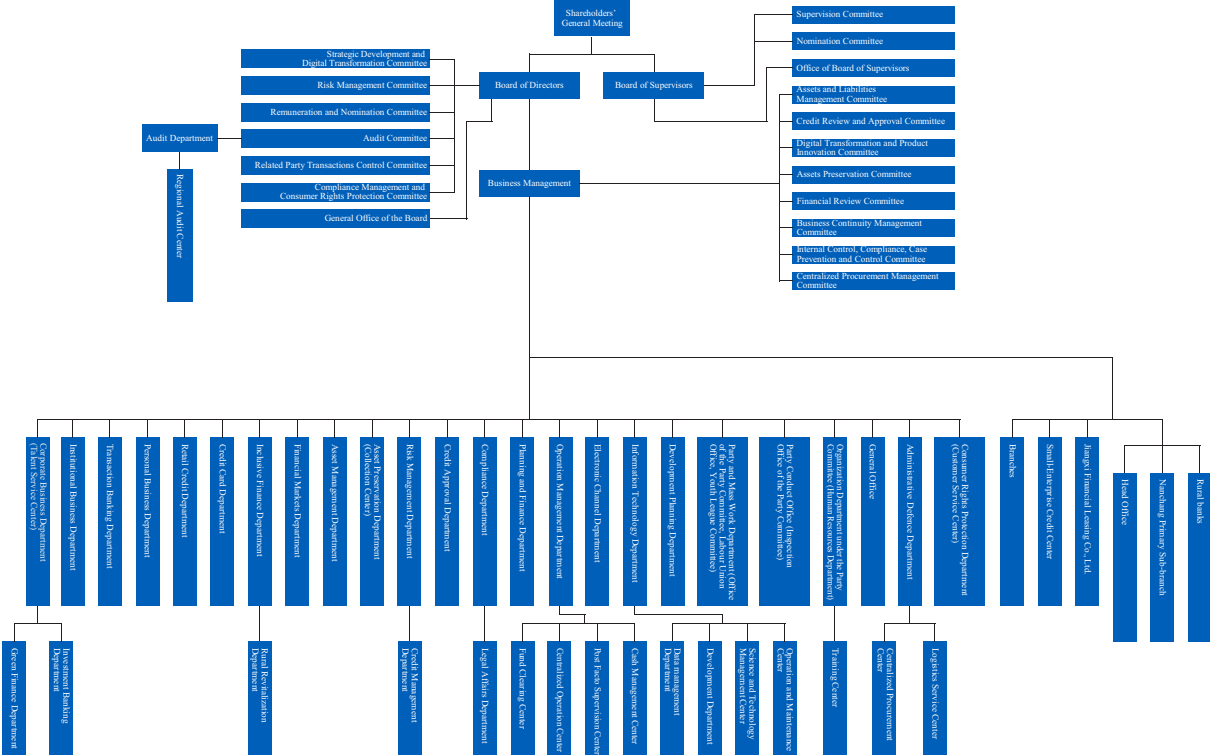
As of the end of the Reporting Period, the Bank had accrued a total of RMB144.5845 million in unpaid deferred compensation. No deferred compensation was paid out by the Bank during the Reporting Period.



CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.6 ORGANIZATIONAL STRUCTURE

Organizational Structure of Jiangxi Bank

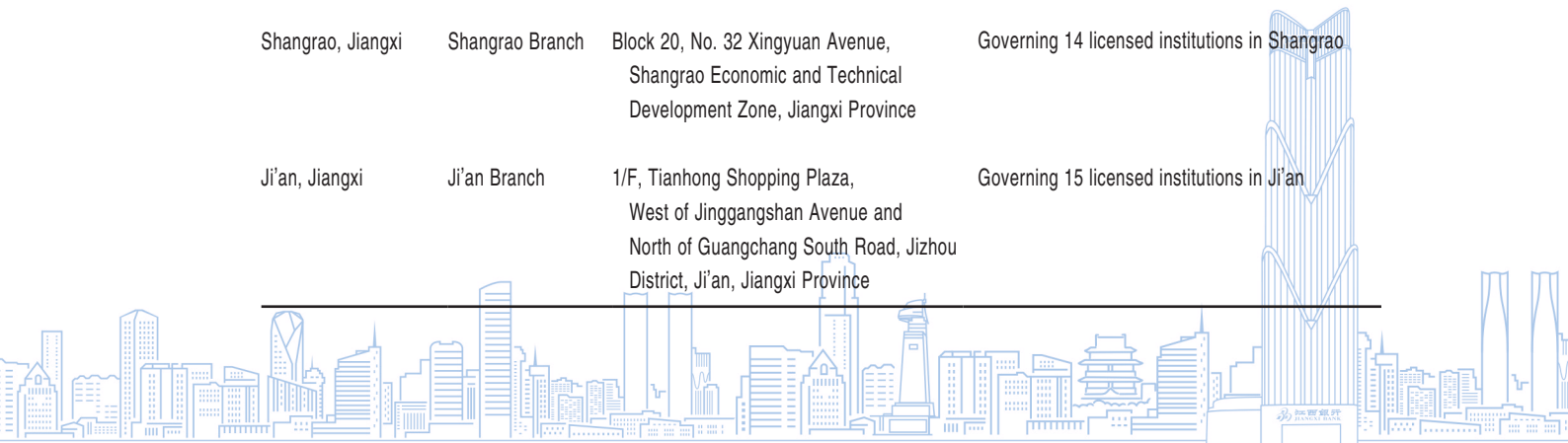


CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

5.7 BASIC INFORMATION OF BRANCHES AND SUB-BRANCHES

As of the end of the Reporting Period, the Bank had a total of 13 branches and 1 small enterprise credit center, of which 12 were located in Jiangxi Province and 2 were located in other provinces. Details of the branches and sub-branches of the Bank are set out below:

Area	Name of institutions	Business address (in China)	Notes
Nanchang, Jiangxi	Head Office	No. 699 Financial Street, Honggutan District, Nanchang, Jiangxi Province	Governing 76 licensed branches and sub-branches in Nanchang (including Ganjiang New District branch and its 4 licensed institutions)
Pingxiang, Jiangxi	Pingxiang Branch	No. 198 Jianshe Middle Road, Anyuan District, Pingxiang, Jiangxi Province	Governing 8 licensed institutions in Pingxiang
Jiujiang, Jiangxi	Jiujiang Branch	No. 248 Changhong Avenue, Lianxi District, Jiujiang, Jiangxi Province	Governing 14 licensed institutions in Jiujiang
Ganzhou, Jiangxi	Ganzhou Branch	Building 8, Shenghui City Center, Ganxian Road, Zhanggong District, Ganzhou, Jiangxi Province	Governing 23 licensed institutions in Ganzhou
Yichun, Jiangxi	Yichun Branch	No. 636 Yichun North Road, Yichun, Jiangxi Province	Governing 14 licensed institutions in Yichun
Xinyu, Jiangxi	Xinyu Branch	No. 69 Zhongshan Road, Yushui District, Xinyu, Jiangxi Province	Governing 4 licensed institutions in Xinyu
Shangrao, Jiangxi	Shangrao Branch	Block 20, No. 32 Xingyuan Avenue, Shangrao Economic and Technical Development Zone, Jiangxi Province	Governing 14 licensed institutions in Shangrao
Ji'an, Jiangxi	Ji'an Branch	1/F, Tianhong Shopping Plaza, West of Jinggangshan Avenue and North of Guangchang South Road, Jizhou District, Ji'an, Jiangxi Province	Governing 15 licensed institutions in Ji'an



CHAPTER V DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, EMPLOYEES AND INSTITUTIONS

Area	Name of institutions	Business address (in China)	Notes
Fuzhou, Jiangxi	Fuzhou Branch	No. 618 Gandong Avenue, Linchuan District, Fuzhou, Jiangxi Province	Governing 12 licensed institutions in Fuzhou
Yingtian, Jiangxi	Yingtian Branch	No. 1 Yuqing Road, Xinjiang New District, Yingtian, Jiangxi Province	Governing 4 licensed institutions in Yingtian
Jingdezhen, Jiangxi	Jingdezhen Branch	Building 1, West Area 1, Crown Shopping Plaza, Guangchang South Road, Zhushan District, Jingdezhen, Jiangxi Province	Governing 16 licensed institutions in Jingdezhen
Guangzhou	Guangzhou Branch	Room 101, 201, 301, No. 38 Machang Road, Tianhe District, Guangzhou City, Guangdong Province	Governing 7 licensed institutions in Guangzhou
Suzhou	Suzhou Branch	Rongsheng Business Center, No. 135 Wangdun Road, Suzhou Industrial Park, Jiangsu Province	Governing 5 licensed institutions in Suzhou
Nanchang, Jiangxi	Small Enterprise Credit Center	No. 96 Zhanqian Road, Xihu District, Nanchang, Jiangxi Province	Governing 8 licensed institutions in Jiangxi



CHAPTER VI CORPORATE GOVERNANCE

6.1 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE CONTAINED IN APPENDIX C1 TO THE LISTING RULES

During the Reporting Period, the Bank continued to improve the transparency of corporate governance to protect the interests of Shareholders and enhance corporate value.

The Bank has established a relatively comprehensive corporate governance structure pursuant to the provisions of the Listing Rules. The Bank clearly defines the responsibilities of the Shareholders' general meeting, the Board, the Board of Supervisors, and senior management. The Shareholders' general meeting is the highest authority of the Bank, and the Board is accountable to the Shareholders' general meeting. The Board has set up several special committees that operate under the leadership of the Board and offer opinions on the Board's decision-making. The Board of Supervisors supervises the performance of duties by the Board and senior management as well as the Bank's financial activities, risk management, and internal control. Under the leadership of the Board, senior management is responsible for implementing the resolutions of the Board and for daily business and management of the Bank, and reports to the Board and the Board of Supervisors on a regular basis. The President of the Bank, appointed by the Board, is responsible for the overall business operation and management of the Bank.

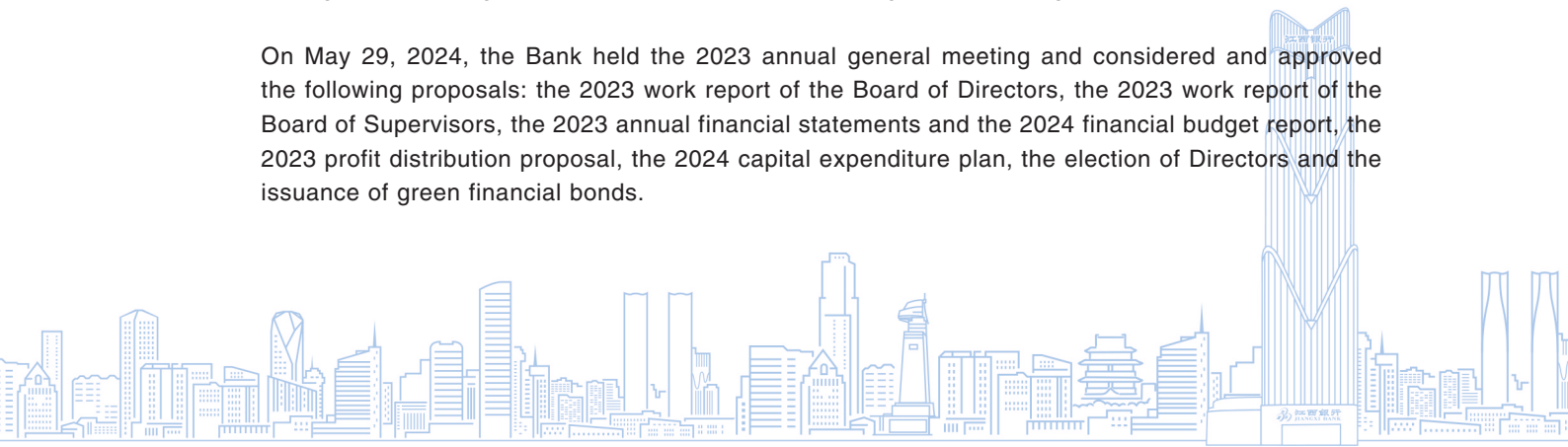
The Bank has adopted Appendix C1 to the Listing Rules headed Corporate Governance Code (the "Code"). The Bank has met the requirements of the measures for the administration of domestic commercial banks and the corporate governance and has established a sound corporate governance system. During the Reporting Period, the Bank has complied with all applicable Code provisions as set forth in Appendix C1 to the Listing Rules.

The Bank commits itself to maintaining high-standard corporate governance. The Bank will continue to strengthen its corporate governance, to ensure compliance with the Code and live up to the expectations of Shareholders and potential investors.

6.2 CONVENING OF GENERAL MEETINGS

During the Reporting Period, the Bank held one annual general meeting.

On May 29, 2024, the Bank held the 2023 annual general meeting and considered and approved the following proposals: the 2023 work report of the Board of Directors, the 2023 work report of the Board of Supervisors, the 2023 annual financial statements and the 2024 financial budget report, the 2023 profit distribution proposal, the 2024 capital expenditure plan, the election of Directors and the issuance of green financial bonds.



CHAPTER VI CORPORATE GOVERNANCE

6.3 MEETINGS CONVENED BY THE BOARD AND ITS SPECIAL COMMITTEES

During the Reporting Period, the Board of the Bank held 4 meetings, considered and approved 57 proposals and reviewed 5 proposals. The 6 special committees under the third session of the Board held 20 meetings, including 3 meetings of the Strategic Development and Digital Transformation Committee, 4 meetings of the Audit Committee, 3 meetings of the Compliance Management and Consumer Rights Protection Committee, 5 meetings of the Risk Management Committee, 2 meetings of the Remuneration and Nomination Committee and 3 meetings of the Related Party Transactions Control Committee, the special committees considered and approved a total of 106 proposals and reviewed 11 proposals.

6.4 MEETINGS CONVENED BY THE BOARD OF SUPERVISORS AND ITS SPECIAL COMMITTEES

During the Reporting Period, the Board of Supervisors of the Bank held 3 meetings, and considered 8 proposals. The Supervision Committee of the Board of Supervisors held 2 meetings and considered and discussed 4 items; the Nomination Committee of the Board of Supervisors held 3 meetings and considered and discussed 4 items.

During the Reporting Period, as required by its duties and responsibilities, the external supervisors attended the general meeting, sat in the Board meetings, participated in the meetings of the Board of Supervisors and its special committees, participated in the supervision and inspection on performance evaluation, and listened to the written reports of special surveys for Planning and Finance Department and Audit Department, and conscientiously performed supervision duties and responsibilities of external supervisors.

6.5 INTERNAL CONTROL AND INTERNAL AUDIT

6.5.1 Internal Control

During the Reporting Period, the Bank continued to improve its internal control management system:

1. Effectively assigning the primary responsibilities of compliance management. The Bank further clarified the responsibility boundaries for compliance management, specified compliance management responsibilities of branches and business lines, consolidated the main responsibilities of anti-money laundering customer management, optimized job responsibilities within the compliance function, and strengthened the initiative and effectiveness of compliance management work.

CHAPTER VI CORPORATE GOVERNANCE

2. Promoting deeply the reform of compliance function. The Bank constantly optimized the “stationed” compliance management system, built the compliance management responsibility chain, and strengthened the guidance and supervision of compliance management work by placing compliance management at the forefront to promote the integration of legal compliance and business. The Bank adhered to the principle of “doing the jobs expertly, centrally and systematically”, comprehensively collected and centrally handled the suspicious anti-money laundering cases in Nanchang area, and improved intensive processing capability of anti-money laundering.
3. Enhancing compliance culture promotion and education. The Bank issued the 2024 Compliance Culture Promotion and Education Plan of Jiangxi Bank. Leveraging the internal control and compliance education exhibition hall, the “Jiangyin Compliance Lecture Room” and the “Jiangyin iLearning (江銀 i 學)” platform, the Bank has established an “online+offline” education platform to normalize and routinize compliance awareness education through organizing specialized training sessions on laws and regulations, carrying out the “515” publicity campaign for fighting and preventing economic crimes and creating long-form “Compliance Comics” and other initiatives.
4. Strengthening the supervision and management of internal control and compliance. In alignment with key issues of regulatory concerns and the requirements of internal control system, the Bank formulated and implemented the Plan for Internal Control and Compliance Inspection for 2024 of Jiangxi Bank. The plan focuses on key business areas and vulnerable points, thoroughly identifying and addressing potential risk issues.
5. Standardizing management of accountability for violations. The Bank continuously revised the Measures for the Handling of Violation and Dereliction of Duty Behaviors for the Staff of Jiangxi Bank, clarifying the standardized procedures for holding staff accountable for violation and dereliction of duty behaviors. The Bank established a management mechanism for accountability for non-compliance interventions, improving the efficiency of accountability processes, and strictly enforcing disciplinary measures and penalties for illegal and non-compliant behaviors.
6. Optimizing the internal control and compliance evaluation mechanism. The Bank issued the Measures for Evaluation and Management of Internal Control of Jiangxi Bank (2024 Revision), which provides a quantitative assessment of the internal control management level based on the five key elements of internal control environment, risk identification and assessment, control activities, information and communication, and monitoring and correction, ensuring effective implementation and impact of internal control and compliance initiatives.



CHAPTER VI CORPORATE GOVERNANCE

6.5.2 Internal Audit

The Group has established an independent internal audit system and the Board assumes ultimate responsibility for the independence and effectiveness of internal audit. The Board has established an Audit Committee to guide and supervise the internal audit work of the Bank. The Board of Supervisors is responsible for supervising the internal audit work. The audit department reports to the Board, Audit Committee and Board of Supervisors on a regular basis and informs the senior management. The audit department prepares the annual audit plan and submits it to the Audit Committee and the Board for approval. In daily audit work, the audit department reviews the Bank's operation, information system, financial reporting and risk management through systematic and standardized internal audit methods, and evaluates the effectiveness of the Bank's internal control and corporate governance. The audit department conducts both on-site and off-site auditing and special targeted audits on various risks faced by the Bank, e.g. credit risk, market risk, operational risk and information technology risk, after which it issues an audit report on the audit results. To urge that the audited department take appropriate corrective actions according to audit suggestions, the audit department keeps track of the results of corrective actions on a regular basis, so as to ensure the rectification effect.



CHAPTER VII IMPORTANT MATTERS

7.1 BOND ISSUE AND REPURCHASE

7.1.1 Bonds issued

1 *Bonds issued*

Approved by the PBOC and the former CBIRC Jiangxi Office, in August 2021, the Bank issued the 5+N-year undated capital bonds with a total principal amount of RMB4 billion (the coupon rate of the bonds will be adjusted in stages, with a coupon rate adjustment period every 5 years from the issue payment deadline. The first 5 years will be calculated at a fixed interest rate of 4.80% per annum, and the interest payment method is annual payment. The Bonds will continue to be outstanding so long as the Issuer's business continues to operate). The Bonds Issuance sets conditional redemption rights for the Issuer. From the fifth anniversary since the issuance of the bonds, the Bank may redeem the Bonds in whole or in part on each distribution payment date (including August 25, 2026). The proceeds from this capital bond issue have been used to replenish other tier-one capital of the Bank according to applicable laws and approvals of regulatory authorities.

Approved by the PBOC and the former CBIRC Jiangxi Office, in September 2022, the Bank issued the 5+N-year undated capital bonds with a total principal amount of RMB2 billion (the coupon rate of the bonds will be adjusted in stages, with a coupon rate adjustment period every 5 years from the issue payment deadline. The first 5 years will be calculated at a fixed interest rate of 3.67% per annum, and the interest payment method is annual payment. The Bonds will continue to be outstanding so long as the Issuer's business continues to operate). The Bonds Issuance sets conditional redemption rights for the Issuer. From the fifth anniversary since the issuance of the bonds, the Bank may redeem the Bonds in whole or in part on each distribution payment date (including September 23, 2027). The proceeds from this capital bond issue have been used to replenish other tier-one capital of the Bank according to applicable laws and approvals of regulatory authorities.

Approved by the PBOC and the former CBIRC Jiangxi Office, in December 2022, the Bank issued the 5+N-year undated capital bonds with a total principal amount of RMB2 billion (the coupon rate of the bonds will be adjusted in stages, with a coupon rate adjustment period every 5 years from the issue payment deadline. The first 5 years will be calculated at a fixed interest rate of 4.79% per annum, and the interest payment method is annual payment. The Bonds will continue to be outstanding so long as the Issuer's business continues to operate). The Bonds Issuance sets conditional redemption rights for the Issuer. From the fifth anniversary since the issuance of the bonds, the Bank may redeem the Bonds in whole or in part on each distribution payment date (including December 19, 2027). The proceeds from this capital bond issue have been used to replenish other tier-one capital of the Bank according to applicable laws and approvals of regulatory authorities.

CHAPTER VII IMPORTANT MATTERS

Detailed information of bonds

Stock name	Variety of bonds	Issue size	Duration	Interest rate of bonds	Interest Payment method
21 Jiangxi Bank Perpetual Bond 01	Floating rate	RMB4.0 billion	5+N years (redemption rights with preconditions at the end of the fifth year)	4.80%	Annual payment
22 Jiangxi Bank Perpetual Bond 01	Floating rate	RMB2.0 billion	5+N years (redemption rights with preconditions at the end of the fifth year)	3.67%	Annual payment
22 Jiangxi Bank Perpetual Bond 02	Floating rate	RMB2.0 billion	5+N years (redemption rights with preconditions at the end of the fifth year)	4.79%	Annual payment

2 *Issue of interbank deposit receipts*

During the Reporting Period, the Bank has successfully issued 89 interbank deposit receipts, totaling book balance of interbank deposit of RMB45.901 billion.

3 *Repurchase*

The Bank or any of its subsidiaries did not repurchase any bonds during the Reporting Period.

7.2 USE OF PROCEEDS

As of the end of the Reporting Period, the Bank issued 1,345.5 million H Shares in total, and the balance of the net proceeds from the global offering amounted to approximately HK\$8.598 billion. All funds raised by the Bank from the global offering were used in accordance with the purposes disclosed in the Prospectus, i.e. reinforcing the Bank's capital base so as to support the sustained growth of the Group's business.

CHAPTER VII IMPORTANT MATTERS

7.3 INTERIM DIVIDENDS

The Board does not recommend the payment of the interim dividends for the six months ended June 30, 2024.

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

During the Reporting Period, there were no litigations and arbitrations which had a significant impact on the Bank's operating activities.

7.5 SIGNIFICANT RELATED PARTY TRANSACTIONS

During the Reporting Period, there were no significant related party transactions of the Bank which adversely affected its operating results and financial position.

7.6 PUNISHMENT AGAINST THE BANK AND THE BANK'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, the Bank and the Bank's Directors, Supervisors and senior management have never been subject to any inspection, administrative penalty, circulation of notice of criticism from the China Securities Regulatory Commission, public punishment from the Hong Kong Stock Exchange and any punishment with significant impact on the Bank's operations from other regulatory agencies.

7.7 MATERIAL CONTRACTS AND THEIR PERFORMANCE

During the Reporting Period, the Bank did not have any material contracts subject to disclosure.

7.8 MAJOR GUARANTEES AND COMMITMENTS

7.8.1 Major Guarantees

The provision of guarantee is the ordinary business of the Bank. During the Reporting Period, the Bank did not have any major guarantees which were required to be disclosed save for the financial guarantees within its business scope as approved by the PBOC and the National Financial Regulatory Administration.

7.8.2 Major Commitments

During the Reporting Period, there was no major commitment of the Bank.



CHAPTER VII IMPORTANT MATTERS

7.9 REVIEW OF THE INTERIM REPORT

The interim financial report disclosed in this interim report has not been audited. BDO LIMITED has, in accordance with the Hong Kong Standards on Review Engagements, reviewed the interim financial report for the six months ended June 30, 2024 prepared by the Group based on the International Accounting Standards issued by the International Accounting Standards Board.

On August 29, 2024, the Audit Committee reviewed and confirmed the Group's interim results announcement for the six months ended June 30, 2024, Interim Report 2024 and the unaudited interim financial report for the six months ended June 30, 2024 prepared in accordance with the International Accounting Standards.

7.10 MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Bank had no material acquisitions and disposals of subsidiaries, associates and joint ventures.

7.11 APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

At the 2023 annual general meeting held on May 29, 2024, the Bank considered and approved to appoint BDO China Shu Lun Pan Certified Public Accountants LLP and BDO LIMITED as domestic and international auditors of the Bank for 2024, respectively, with a term of office until the conclusion of the 2024 annual general meeting of the Bank.

7.12 MAJOR ASSET ACQUISITIONS, SALES AND BUSINESS MERGERS

During the Reporting Period, the Bank had no major asset acquisitions, sales or business mergers.

7.13 PROFIT DISTRIBUTION DURING THE REPORTING PERIOD

1 Profit distribution in 2023

Upon consideration and approval at the 2023 annual general meeting held on May 29, 2024, the Bank decided to distribute cash dividends at RMB0.4 (including tax) per 10 shares to all Shareholders. The 2023 dividend of the Bank has been distributed on July 26, 2024.

2 Interim profit distribution in 2024

The Bank did not distribute nor plan to distribute any interim dividend for the six months ended June 30, 2024.

7.14 SIGNIFICANT INVESTMENTS AND PLANS

During the Reporting Period, the Bank had no significant investments and plans.

CHAPTER VII IMPORTANT MATTERS

7.15 LOAN AGREEMENT

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

7.16 SHARE OPTION SCHEME

During the Reporting Period, the Bank did not implement any share option scheme.

7.17 SUBSEQUENT EVENTS

Save as disclosed in this report, the Bank did not have any material subsequent events.



CHAPTER VIII REVIEW REPORT TO THE BOARD OF DIRECTORS



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TO THE BOARD OF DIRECTORS OF JIANGXI BANK CO., LTD.

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

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 108 to 238 which comprise the condensed consolidated statement of financial position of Jiangxi Bank Co., Ltd. (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, other explanatory notes, including material accounting policy information (the “interim condensed consolidated financial statements”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”), issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with IAS 34.

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

SCOPE OF REVIEW

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

CHAPTER VIII REVIEW REPORT TO THE BOARD OF DIRECTORS

CONCLUSION

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

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate Number P05443

Hong Kong, 30 August 2024



CHAPTER IX UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Interest income		9,588,238	9,922,135
Interest expense		(5,600,920)	(5,440,497)
Net interest income	4	3,987,318	4,481,638
Fee and commission income		294,907	214,152
Fee and commission expense		(61,615)	(47,104)
Net fee and commission income	5	233,292	167,048
Net trading gains	6	95,795	45,725
Net gains arising from financial investments	7	1,350,194	393,604
Other operating income	8	81,696	310,505
Operating income		5,748,295	5,398,520
Operating expenses	9	(1,410,903)	(1,600,052)
Impairment losses on assets	10	(3,673,149)	(2,439,357)
Operating profit		664,243	1,359,111
Share of profits of associates		4,509	3,765
Profit before taxation		668,752	1,362,876
Income tax expense	11	(23,954)	(136,995)
Profit for the period		644,798	1,225,881
Attributable to:			
Equity shareholders of the Bank		623,250	1,201,983
Non-controlling interests		21,548	23,898

The notes on pages 118 to 238 form part of this interim financial report. Details of dividends payable to equity shareholders of the Bank are set out in Note 33.

CHAPTER IX UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Profit for the period		644,798	1,225,881
Basic and diluted earnings per share (in RMB)	12	0.10	0.20
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss:			
– Financial assets at fair value through other comprehensive income:			
net movement in the fair value reserve		506,193	250,572
net movement in impairment losses	32(a)	(140,539)	5,908
less: income tax effect	32(a)	(91,413)	(64,120)
Other comprehensive income for the period, net of tax		274,241	192,360
Total comprehensive income for the period		919,039	1,418,241
Attributable to:			
Equity shareholders of the Bank		897,491	1,394,343
Non-controlling interests		21,548	23,898
Total comprehensive income for the period		919,039	1,418,241

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER X UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Assets			
Cash and deposits with the central bank	13	28,507,527	32,128,146
Deposits with banks and other financial institutions	14	1,558,806	3,691,587
Placements with banks and other financial institutions	15	21,852,953	16,694,986
Loans and advances to customers	16	336,745,498	325,516,872
Financial investments:	17		
– Financial investments at fair value through profit or loss		46,258,577	50,954,029
– Financial investments at fair value through other comprehensive income		35,871,569	28,733,334
– Financial investments at amortised cost		82,261,143	84,085,797
Interest in associates	18	152,341	147,832
Property and equipment	20	1,905,940	1,991,837
Deferred tax assets	21	7,010,186	5,861,054
Other assets	22	2,390,060	2,539,889
Total assets		564,514,600	552,345,363
Liabilities and equity			
Liabilities			
Borrowing from the central bank		25,607,434	26,124,256
Deposits from banks and other financial institutions	23	19,077,065	17,200,603
Placements from banks and other financial institutions	24	4,082,903	4,002,897
Borrowing from other financial institutions	25	2,276,502	1,237,965
Financial assets sold under repurchase agreements	26	31,464,182	25,731,370
Deposits from customers	27	383,244,444	381,212,270
Income tax payable		798,549	42,687
Debt securities issued	28	45,901,426	45,371,276
Other liabilities	29	3,851,510	3,889,522
Total liabilities		516,304,015	504,812,846

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER X UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Equity			
Share capital	30	6,024,277	6,024,277
Other equity instruments			
– Perpetual debt	31	7,997,960	7,997,960
Capital reserve	32	14,219,984	13,945,743
Surplus reserve	32	3,327,023	3,327,023
General reserve	32	7,645,260	7,645,260
Retained earnings	33	8,218,742	7,836,463
<hr/>			
Total equity attributable to equity shareholders of the Bank		47,433,246	46,776,726
Non-controlling interests		777,339	755,791
<hr/>			
Total equity		48,210,585	47,532,517
<hr/>			
Total liabilities and equity		564,514,600	552,345,363

The interim condensed consolidated financial statements have been approved by the Board of Directors on 30 August 2024.

ZENG Hui
Legal Representative

LUO Xiaolin
President

CHENG Zongli
*The Person In Charge of
Accounting Affairs*

PENG Long
*The Head of the Accounting
Department*

Jiangxi Bank Co., Ltd.
(Company stamp)

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XI UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

Note	Attributable to equity shareholders of the Bank									
	Share capital instruments	Other equity instruments			Surplus reserve	General reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		RMB'000	RMB'000	RMB'000						
	6,024,277	7,997,960	13,945,743	3,327,023	7,645,260	7,836,463	46,776,726	755,791	47,532,517	
Balance at 1 January 2024										
Changes in equity for the period:										
Profit for the period	-	-	-	-	-	623,250	623,250	21,548	644,798	
Other comprehensive income	-	-	274,241	-	-	-	274,241	-	274,241	
	-	-	274,241	-	-	623,250	897,491	21,548	919,039	
Total comprehensive income										
Appropriation of profit	-	-	-	-	-	(240,971)	(240,971)	-	(240,971)	
- Appropriation to shareholders	-	-	-	-	-	(240,971)	(240,971)	-	(240,971)	
	6,024,277	7,997,960	14,219,984	3,327,023	7,645,260	8,218,742	47,433,246	777,339	48,210,585	
Balance at 30 June 2024										

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XI UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity shareholders of the Bank							Total RMB'000
	Other equity instruments			Non-controlling interests				
	Share capital RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2023	6,024,277	13,590,739	3,220,431	7,019,104	8,195,440	46,047,952	767,087	46,815,039
Changes in equity for the period:								
Profit for the period	-	-	-	-	1,201,983	1,201,983	23,898	1,225,881
Other comprehensive income	-	192,360	-	-	-	192,360	-	192,360
Total comprehensive income	-	192,360	-	-	1,201,983	1,394,343	23,898	1,418,241
Other	-	-	-	-	-	(1)	-	(1)
Appropriation of profit	33	-	-	-	-	(301,214)	-	(301,214)
- Appropriation to shareholders	-	-	-	-	(301,214)	(301,214)	-	(301,214)
Balance at 30 June 2023	6,024,277	13,783,099	3,220,431	7,019,104	9,096,209	47,141,080	790,985	47,932,065

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XI UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity shareholders of the Bank							Total RMB'000		
	Note	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Retained earnings		Sub-total RMB'000	Non-controlling interests RMB'000
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Balance at 1 January 2023		6,024,277	7,997,961	13,590,739	3,220,431	7,019,104	8,195,440	46,047,952	767,087	46,815,039
Changes in equity for the year										
Profit for the year		-	-	-	-	-	1,036,187	1,036,187	37,704	1,073,891
Other comprehensive income	32(a)(i)	-	-	355,004	-	-	-	355,004	-	355,004
Total other comprehensive income		-	-	355,004	-	-	1,036,187	1,391,191	37,704	1,428,895
Other		-	(1)	-	-	-	-	(1)	-	(1)
Appropriation of profit	33	-	-	-	106,592	-	(106,592)	-	-	-
- Appropriation to surplus reserve		-	-	-	106,592	-	(106,592)	-	-	-
- Appropriation to general reserve		-	-	-	-	626,156	(626,156)	-	-	-
- Appropriation to shareholders		-	-	-	-	-	(301,216)	(301,216)	(49,000)	(350,216)
- Appropriation to perpetual debt interest		-	-	-	-	-	(361,200)	(361,200)	-	(361,200)
Balance at 31 December 2023		6,024,277	7,997,960	13,945,743	3,327,023	7,645,260	7,836,463	46,776,726	755,791	47,532,517

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XII UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Profit before taxation		668,752	1,362,876
<i>Adjustments for:</i>			
Impairment losses on assets		3,673,149	2,439,357
Depreciation and amortisation		214,132	232,153
Interest income on financial investments		(1,803,129)	(2,258,112)
Unrealised foreign exchange gains		(5,983)	(5,861)
Net losses/(gains) on changes in fair value		8,303	(8,783)
Net gains arising from financial investments		(1,350,194)	(393,604)
Share of profits of associates		(4,509)	(3,765)
Interest expense on lease liabilities	34(c)	16,526	17,639
Interest expense on debt securities issued	34(c)	610,564	639,556
Net gains on disposal of non-current assets		(2,949)	(4,575)
Others		(329,101)	(292,217)
		1,695,561	1,724,664
<i>Changes in operating assets</i>			
Net decrease in deposits with the central bank		1,984,641	620,349
Net increase in deposits with banks and other financial institutions		(263,356)	(44,779)
Net increase in placements with banks and other financial institutions		(6,892,536)	(5,900,000)
Net increase in loans and advances to customers		(15,036,492)	(19,315,593)
Net decrease/(increase) in financial investments held for trading purpose		4,391,095	(1,578,221)
Net decrease in other operating assets		762,242	156,948
		(15,054,406)	(26,061,296)

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XII UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities – Continued			
<i>Changes in operating liabilities</i>			
Net (decrease)/increase in borrowing from the central bank		(580,373)	4,168,769
Net increase/(decrease) in deposits from banks and other financial institutions		1,952,869	(301,349)
Net increase/(decrease) in placements from banks and other financial institutions		80,000	(100,000)
Net increase/(decrease) in borrowing from other financial institutions		1,050,000	(2,450,000)
Net increase/(decrease) in financial assets sold under repurchase agreements		5,714,419	(295,114)
Net increase in deposits from customers		1,891,018	17,492,325
Net decrease in other operating liabilities		(337,197)	(335,486)
		9,770,736	18,179,145
Net cash flows used in operating activities before tax			
Income tax paid		(508,638)	(1,259,159)
		(4,096,747)	(7,416,646)
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		23,704,712	44,626,453
Net cash received from investment gains and interest		2,397,000	3,107,892
Proceeds from disposal of property and equipment and other assets		2,196	5,572
Payments on acquisition of investments		(27,375,750)	(49,477,184)
Payments on acquisition of non-current assets		(68,439)	(61,250)
		(1,340,281)	(1,798,517)

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XII UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Cash flows from financing activities			
Proceeds from debt securities issued	34(c)	46,469,778	64,093,483
Repayments of debt securities issued	34(c)	(46,550,192)	(60,930,006)
Payment of lease liabilities	34(c)	(65,421)	(66,647)
Cash received from issuance of perpetual bonds		–	(1)
Dividends paid		(237,165)	(192)
Net cash flows (used in)/generated from financing activities		(383,000)	3,096,637
Effect of foreign exchange rate changes on cash and cash equivalents			
		6,108	32,026
Net decrease in cash and cash equivalents	34(a)	(5,813,920)	(6,086,500)
Cash and cash equivalents as at 1 January	34(a)	13,040,148	19,040,727
Cash and cash equivalents as at 30 June	34(b)	7,226,228	12,954,227
Net cash flows used in operating activities include:			
Interest received		8,273,118	7,803,802
Interest paid		(4,855,121)	(3,897,921)

The notes on pages 118 to 238 form part of this interim financial report.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. BACKGROUND INFORMATION

Jiangxi Bank Co., Ltd. (the “Bank”), formerly known as Nanchang Bank Co., Ltd., headquartered in Nanchang, Jiangxi Province. On 31 December 1997, the Bank was established by Nanchang Municipal Bureau of Finance, several business entities and natural persons, on the basis of formerly 40 urban credit cooperatives located in Nanchang City, with the approval of the People’s Bank of China (“PBOC”). On 18 February 1998, the Bank was registered as Nanchang City Commercial Bank Co., Ltd., with the approval of Jiangxi Province Administration of Industry and Commerce.

On 6 August 2008, the Bank changed its name from Nanchang City Commercial Bank Co., Ltd. to Nanchang Bank Co., Ltd. On 3 December 2015, the former China Banking Regulatory Commission (the “former CBRC”) promulgated Yinjianfu 2015 No.658 <Approval of the Acquisition of Jingdezhen City Commercial Bank by Nanchang Bank>. On 7 December 2015, Jiangxi Province State Council promulgated GanFuzi 2015 No. 85 <Notice on the Issuance of Establishment Plan for Jiangxi Bank Co., Ltd.>, Nanchang Bank Co., Ltd. acquired Jingdezhen City Commercial Bank Co., Ltd. by acquiring its entire equity interest and changed its name to Jiangxi Bank Co., Ltd. on 11 December 2015.

The Bank obtained its finance permit No. B0792H236010001 from the former CBRC. The principal activities of the Bank and its subsidiaries (collectively referred to as the “Group”) are deposit taking; granting of loans; domestic settlement; foreign exchange business, bill acceptances and discounting; issuing financial bonds; acting as agent to issue, settle and underwrite government bonds; trading of government bonds; inter-bank placement; providing guarantee; acting as agent on inward and outward payments, acting as insurance agent; safe-box service; entrusted loans based on local government fund and other business activities approved by the former CBRC. The Bank is regulated by National Financial Regulatory Administration (“NFRA”, the former was China Banking Insurance Regulatory Commission or the “CBIRC”) authorised by the State Council.

In June 2018, the Bank’s H Shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 1916).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard 34 (“IAS 34”), *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). These interim condensed consolidated financial statements were authorised for issue on 30 August 2024.

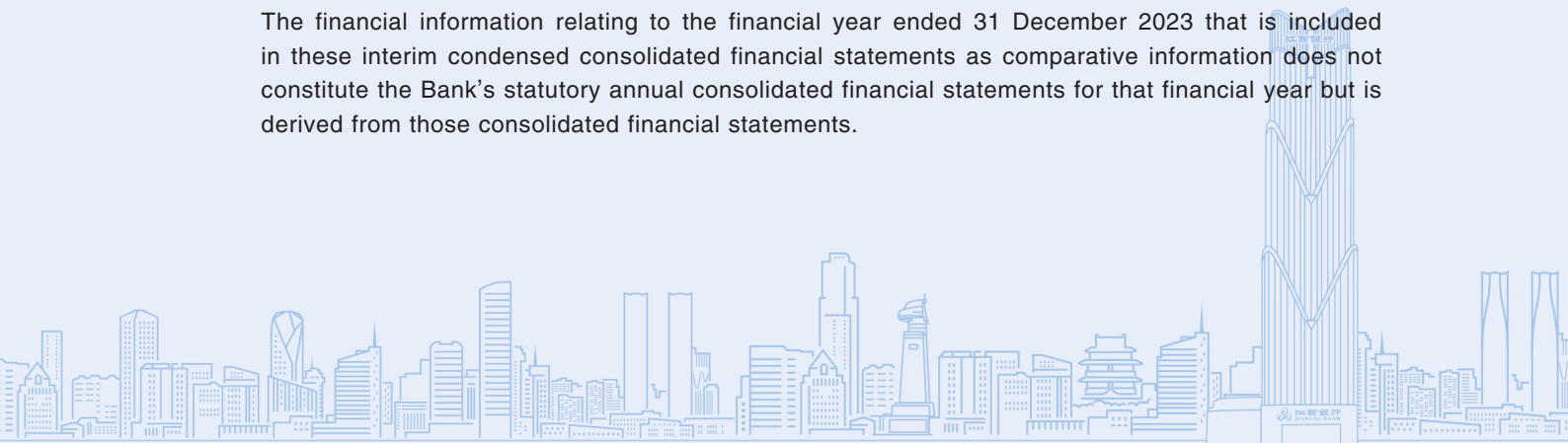
These interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of any changes in accounting policies are set out in Note 3.

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

This interim financial information contains interim condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. These interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) and should be read in conjunction with the 2023 annual consolidated financial statements.

These interim condensed consolidated financial statements are unaudited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2023 that is included in these interim condensed consolidated financial statements as comparative information does not constitute the Bank’s statutory annual consolidated financial statements for that financial year but is derived from those consolidated financial statements.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. NEW ACCOUNTING STANDARDS AND ACCOUNTING CHANGES

A number of new, or amended, standards became applicable for the annual reporting period commencing on 1 January 2024. The Group did not have to change its accounting policies, or make retrospective adjustments, as a result of adopting these standards.

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to IFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to IAS 1, *Non-current Liability with Covenants*
- Amendments to IAS 7 and amendments to IFRS 7, *Supplier Finance Arrangements*

Certain new accounting standards and interpretations have been published that are not mandatory for the financial reporting periods commencing on or after 1 January 2024 and have not been early adopted by the Group in the current period. The Group is in process of assessing the possible impact on the financial statements in the future.

- Amendments to IAS 21, *Lack of Exchangeability*¹
- Amendments to IFRS 9, *Classification and Measurement of Financial Instructions*²
- IFRS 18, *Presentation and Disclosure in Financial Statements*³
- IFRS 19, *Subsidiaries without Public Accountability Disclosure*³
- Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*⁴

¹ Effective for annual periods beginning on or after January 1, 2025.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

4. NET INTEREST INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest income arising from		
Deposits with the central bank	208,745	220,595
Deposits with banks and other financial institutions	10,327	5,378
Placements with banks and other financial institutions	297,167	69,792
Financial assets held under resale agreements	85,324	124,261
Loans and advances to customers		
– Corporate loans and advances	5,157,118	4,843,778
– Personal loans and advances	1,764,776	1,988,258
– Discounted bills	261,652	411,961
Financial investments	1,803,129	2,258,112
Sub-total	9,588,238	9,922,135
Interest expense arising from		
Borrowing from the central bank	(313,756)	(250,343)
Deposits from banks and other financial institutions	(218,680)	(137,430)
Placements from banks and other financial institutions	(44,094)	(53,733)
Borrowing from other financial institutions	(24,239)	(33,315)
Financial assets sold under repurchase agreements	(311,544)	(197,209)
Deposits from customers	(4,078,043)	(4,128,911)
Debt securities issued	(610,564)	(639,556)
Sub-total	(5,600,920)	(5,440,497)
Net interest income	3,987,318	4,481,638



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

5. NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Fee and commission income		
Agency and custody services fees	155,700	87,103
Acceptance and guarantee service fees	41,160	35,381
Bank card service fees	32,657	37,138
Settlement and electronic channel business fees	52,913	46,372
Financial leasing service fees	18	1,309
Advisory and consulting fees	257	10
Others	12,202	6,839
Sub-total	294,907	214,152
Fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading or designated at FVPL	23,205	27,058
Fee and commission expense		
Transaction fees	(36,223)	(29,552)
Settlement and clearing fees	(16,252)	(13,074)
Financial leasing service fees	(326)	(198)
Platform cooperation fees	(8,726)	(3,878)
Others	(88)	(402)
Sub-total	(61,615)	(47,104)
Fee expense, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading or designated at FVPL	(19,262)	(7,808)
Net fee and commission income	233,292	167,048

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6. NET TRADING GAINS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Net trading gains	95,795	45,725

Net trading gains include gains arising from the buying or selling of, the interest income gained from, and changes in fair value of financial assets held for trading.

7. NET GAINS ARISING FROM FINANCIAL INVESTMENTS

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Net gains/(losses) on financial investments at fair value through profit or loss	(i)	1,108,437	(256,867)
Realised gains from investment funds		212,186	628,837
Net gains on financial investments at fair value through other comprehensive income		25,246	15,026
Dividend income		4,325	5,537
Net gains on financial investments at amortised cost		–	1,071
Total		1,350,194	393,604

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

8. OTHER OPERATING INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Government grants	70,415	183,977
Rental income	1,686	1,257
Net gains on disposal of non-current assets	2,949	4,575
Foreign exchange gains	6,249	116,109
Others	397	4,587
Total	81,696	310,505

9. OPERATING EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Staff costs		
– Salaries, bonuses and allowances	410,656	608,616
– Social insurance and supplementary retirement benefits	152,476	137,431
– Housing fund	60,840	60,179
– Staff welfares	36,568	44,477
– Employee education expenses and labour union expenses	24,861	23,084
– Others	26,240	27,771
Sub-total	711,641	901,558
Depreciation and amortisation	214,132	232,153
Tax and surcharges	81,071	75,102
Interest expense on lease liabilities	16,526	17,639
Other general and administrative expenses	387,533	373,600
Total	1,410,903	1,600,052

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

10. IMPAIRMENT LOSSES ON ASSETS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Loans and advances to customers	3,727,527	2,453,303
Financial investments	(118,906)	146,280
Others	64,528	(160,226)
Total	3,673,149	2,439,357

11. INCOME TAX EXPENSE

(a) Income tax expense:

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Current tax		1,264,499	913,038
Changes in deferred income tax	21(b)	(1,240,545)	(776,043)
Total		23,954	136,995



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

11. INCOME TAX EXPENSE (continued)

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

	Note	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Profit before taxation		668,752	1,362,876
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		167,188	340,719
Non-taxable income	(i)	(230,722)	(313,909)
Non-deductible expenses		25,507	103,392
Tax filing differences		61,981	6,793
Income tax expense		23,954	136,995

(i) The non-taxable income mainly represents the interest income arising from the PRC government bonds and realised gains from investment funds.

12. BASIC AND DILUTED EARNINGS PER SHARE

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Net profit attributable to equity shareholders of the Bank	623,250	1,201,983
Weighted average number of ordinary shares (in thousands)	6,024,277	6,024,277
Basic and diluted earnings per share attributable to equity shareholders of the Bank (in RMB)	0.10	0.20

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

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

13. CASH AND DEPOSITS WITH THE CENTRAL BANK

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Cash on hand		792,553	839,171
Deposits with the central bank			
– Statutory deposit reserves	(a)	24,563,075	26,435,350
– Surplus deposit reserves	(b)	3,126,529	4,713,648
– Fiscal deposits		15,153	127,627
Sub-total		28,497,310	32,115,796
Accrued interest		10,217	12,350
Total		28,507,527	32,128,146

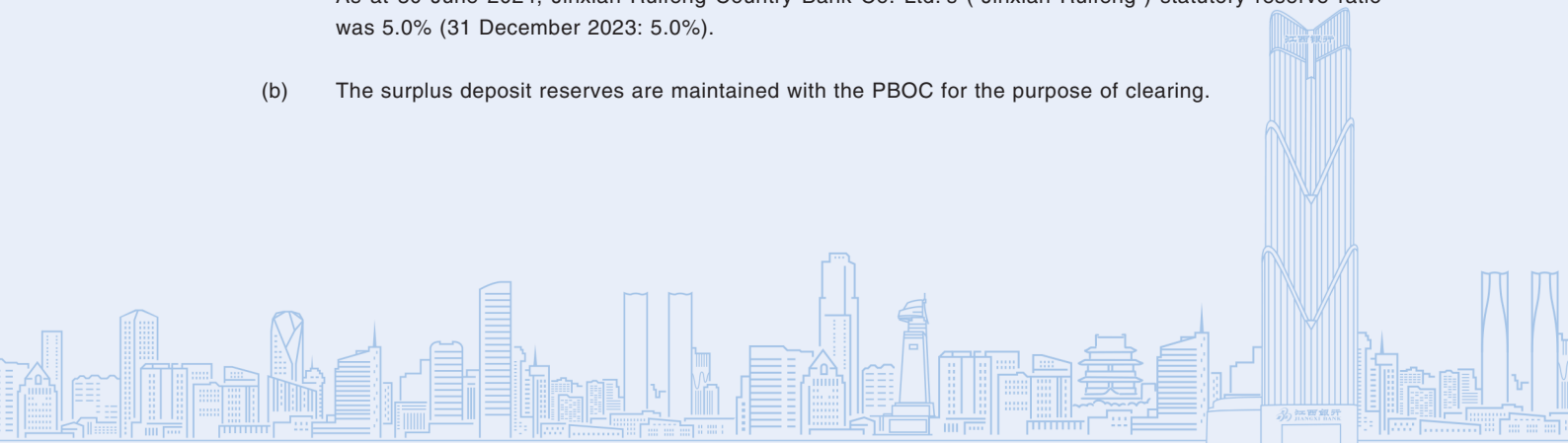
- (a) The Bank places statutory deposit reserves with the PBOC in accordance with relevant regulations. The statutory deposit reserves are not available for the Bank's daily business.

The statutory deposit reserve ratios applicable to the Bank were as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Reserve ratio for RMB deposits	6.5%	7.0%
Reserve ratio for foreign currency deposits	4.0%	4.0%

As at 30 June 2024, Jinxian Ruifeng Country Bank Co. Ltd.'s ("Jinxian Ruifeng") statutory reserve ratio was 5.0% (31 December 2023: 5.0%).

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14. DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	30 June 2024 RMB'000	31 December 2023 RMB'000
In mainland China		
– Banks	1,113,606	2,478,924
– Other financial institutions	146,958	97,063
Outside mainland China		
– Banks	303,902	1,121,342
Gross balance	1,564,466	3,697,329
Accrued interest	3,233	5,189
Less: Allowances for impairment losses	(8,893)	(10,931)
Net balance	1,558,806	3,691,587

15. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	30 June 2024 RMB'000	31 December 2023 RMB'000
In mainland China		
– Other financial institutions	21,655,216	16,550,000
Gross balance	21,655,216	16,550,000
Accrued interest	266,582	184,042
Less: Allowances for impairment losses	(68,845)	(39,056)
Net balance	21,852,953	16,694,986

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

	30 June 2024 RMB'000	31 December 2023 RMB'000
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	231,507,583	211,314,296
Personal loans and advances		
– Residential and commercial housing loans	51,082,463	53,515,401
– Personal business loans	21,120,625	20,292,674
– Personal consumption loans	8,739,688	8,642,778
– Credit cards	3,295,496	3,331,921
Sub-total	84,238,272	85,782,774
Gross loans and advances to customers measured at amortised cost	315,745,855	297,097,070
Accrued interest	686,533	1,001,221
Less: Allowances for impairment losses on loans and advances to customers measured at amortised cost	(14,736,258)	(12,373,851)
Net loans and advances to customers measured at amortised cost	301,696,130	285,724,440
Loans and advances to customers measured at FVOCI		
Corporate loans and advances – Forfeiting	8,594,793	8,582,582
Discounted bills	26,454,575	31,209,850
Total amount of loans and advances to customers measured at FVOCI	35,049,368	39,792,432
Net loans and advances to customers	336,745,498	325,516,872

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) Analysed by industry sector

	30 June 2024		Loans and advances secured by collaterals RMB'000
	Amount RMB'000	Percentage	
Leasing and commercial services	72,905,499	20.78%	8,163,197
Water conservancy, environment and public facility management	35,715,351	10.18%	409,978
Wholesale and retail trade	33,429,069	9.53%	1,753,020
Construction	28,896,241	8.24%	1,918,026
Manufacturing	21,691,150	6.18%	2,165,259
Real estate	10,155,281	2.89%	3,673,624
Transportation, storage and postal services	6,876,712	1.96%	607,562
Agriculture, forestry, animal husbandry and fisheries	5,699,508	1.62%	467,977
Finance	4,881,551	1.39%	129,206
Scientific research and technical services	4,398,351	1.25%	51,021
Others	15,453,663	4.43%	1,939,749
Sub-total of corporate loans and advances	240,102,376	68.45%	21,278,619
Personal loans and advances	84,238,272	24.01%	64,225,398
Discounted bills	26,454,575	7.54%	—
Gross loans and advances to customers	350,795,223	100.00%	85,504,017



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(b) Analysed by industry sector (continued)

	31 December 2023		Loans and advances secured by collaterals RMB'000
	Amount RMB'000	Percentage	
Leasing and commercial services	66,088,548	19.62%	8,643,384
Water conservancy, environment and public facility management	31,901,359	9.47%	2,217,809
Wholesale and retail trade	31,065,037	9.22%	156,462
Construction	25,132,255	7.46%	1,535,657
Manufacturing	21,146,706	6.28%	2,122,925
Real estate	10,473,797	3.11%	4,189,105
Transportation, storage and postal services	7,111,328	2.11%	624,006
Agriculture, forestry, animal husbandry and fisheries	5,322,163	1.58%	543,085
Finance	4,501,029	1.34%	558,600
Scientific research and technical services	4,326,192	1.28%	—
Others	12,828,464	3.81%	1,067,714
Sub-total of corporate loans and advances	219,896,878	65.28%	21,658,747
Personal loans and advances	85,782,774	25.46%	67,541,934
Discounted bills	31,209,850	9.26%	—
Gross loans and advances to customers	336,889,502	100.00%	89,200,681



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(c) Analysed by geographical area

	30 June 2024	
	Amount RMB'000	Percentage
Within Jiangxi Province (apart from Nanchang area)	181,994,471	51.88%
Nanchang area	124,862,820	35.60%
Head office	23,062,865	6.57%
Outside Jiangxi Province	20,875,067	5.95%
Gross loans and advances to customers	350,795,223	100.00%

	31 December 2023	
	Amount RMB'000	Percentage
Within Jiangxi Province (apart from Nanchang area)	160,759,650	47.72%
Nanchang area	129,237,711	38.36%
Head office	26,721,942	7.93%
Outside Jiangxi Province	20,170,199	5.99%
Gross loans and advances to customers	336,889,502	100.00%



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(d) Analysed by type of collateral

	30 June 2024 RMB'000	31 December 2023 RMB'000
Unsecured loans	41,293,940	36,085,572
Guaranteed loans	208,220,564	199,997,725
Collateralised loans	85,504,017	89,200,680
Pledged loans	15,776,702	11,605,525
Gross loans and advances to customers	350,795,223	336,889,502
Accrued interest	686,533	1,001,221
Less: Allowances for impairment losses on loans and advances to customers measured at amortised cost	(14,736,258)	(12,373,851)
Net loans and advances to customers	336,745,498	325,516,872



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(e) Overdue loans analysed by overdue period

	30 June 2024				
	Overdue within three months (inclusive) RMB'000	Overdue more than three months to one year (inclusive) RMB'000	Overdue more than one year to three years (inclusive) RMB'000	Overdue more than three years RMB'000	Total RMB'000
Unsecured loans	202,190	317,068	231,408	12,293	762,959
Guaranteed loans	7,224,879	1,218,366	1,864,545	477,557	10,785,347
Collateralised loans	2,767,192	1,750,488	1,989,067	140,677	6,647,424
Pledged loans	33,510	270,117	409,007	43	712,677
Total	10,227,771	3,556,039	4,494,027	630,570	18,908,407
As a percentage of gross loans and advances to customers	2.92%	1.01%	1.28%	0.18%	5.39%

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(e) Overdue loans analysed by overdue period (continued)

	31 December 2023				Total RMB'000
	Overdue within three months (inclusive) RMB'000	Overdue more than three months to one year (inclusive) RMB'000	Overdue more than one year to three years (inclusive) RMB'000	Overdue more than three years RMB'000	
Unsecured loans	108,798	195,230	217,659	18,459	540,146
Guaranteed loans	1,992,080	747,852	2,001,735	434,925	5,176,592
Collateralised loans	2,680,802	1,144,291	1,775,353	121,026	5,721,472
Pledged loans	425,353	356,650	53,200	43	835,246
Total	5,207,033	2,444,023	4,047,947	574,453	12,273,456
As a percentage of gross loans and advances to customers	1.55%	0.73%	1.20%	0.17%	3.65%

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(f) Loans and advances and allowances for impairment losses

	30 June 2024			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
Total loans and advances to customers measured at amortised cost	283,321,964	14,187,288	18,236,603	315,745,855
Accrued interest	506,225	150,259	30,049	686,533
Less: Allowances for impairment losses on loans and advances to customers measured at amortised cost	(5,215,525)	(1,592,079)	(7,928,654)	(14,736,258)
Carrying amount of loans and advances to customers measured at amortised cost	278,612,664	12,745,468	10,337,998	301,696,130
Carrying amount of loans and advances to customers measured at FVOCI	35,049,368	–	–	35,049,368
Total carrying amount of loans and advances to customers	313,662,032	12,745,468	10,337,998	336,745,498

As at 30 June 2024, the Group adjusted the customer ratings of the loans and advances to customers. The loans and advances to customers transferred from stage 1 to stage 2 and stage 3 amounted to RMB5,351.67 million (31 December 2023: RMB6,133.34 million), the corresponding allowance for impairment losses increased by RMB922.10 million (31 December 2023: RMB1,113.98 million). The loans and advances to customers transferred from stage 2 to stage 3 amounted to RMB2,653.38 million (31 December 2023: RMB1,335.73 million), the corresponding allowance for impairment losses increased by RMB620.43 million (31 December 2023: RMB495.05 million). The loans and advances to customers transferred from stage 2 to stage 1 amounted to RMB1,308.12 million (31 December 2023: RMB886.54 million), the corresponding allowance for impairment losses decreased by RMB180.93 million (31 December 2023: RMB142.00 million). The loans and advances to customers transferred from stage 3 to stage 1 and stage 2 were not significant (31 December 2023: not significant).

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(f) Loans and advances and allowances for impairment losses (continued)

	12-month ECL RMB'000	31 December 2023		Total RMB'000
		Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
Total loans and advances to customers measured at amortised cost	270,642,622	13,651,270	12,803,178	297,097,070
Accrued interest	510,355	118,833	372,033	1,001,221
Less: Allowances for impairment losses on loans and advances to customers measured at amortised cost	(4,546,367)	(1,446,980)	(6,380,504)	(12,373,851)
Carrying amount of loans and advances to customers measured at amortised cost	266,606,610	12,323,123	6,794,707	285,724,440
Carrying amount of loans and advances to customers measured at FVOCI	39,792,432	–	–	39,792,432
Total carrying amount of loans and advances to customers	306,399,042	12,323,123	6,794,707	325,516,872



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(g) Movements of allowances for impairment losses

(i) *Movements of allowances for impairment losses on loans and advances to customers measured at amortised cost:*

	Six months ended 30 June 2024			
	12-month ECL RMB'000	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January	4,546,367	1,446,980	6,380,504	12,373,851
Transferred:				
– to 12-month ECL	214,596	(214,596)	–	–
– to lifetime ECL not credit-impaired	(88,507)	133,944	(45,437)	–
– to lifetime ECL credit-impaired	(46,771)	(303,454)	350,225	–
Charged for the period	589,840	529,205	2,703,238	3,822,283
Transferred out	–	–	–	–
Recoveries	–	–	100,596	100,596
Write-offs	–	–	(1,234,095)	(1,234,095)
Others	–	–	(326,377)	(326,377)
As at 30 June	5,215,525	1,592,079	7,928,654	14,736,258



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(g) Movements of allowances for impairment losses (continued)

(i) *Movements of allowances for impairment losses on loans and advances to customers measured at amortised cost: (continued)*

	Year ended 31 December 2023			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	2,250,464	1,877,003	7,857,146	11,984,613
Transferred:				
– to 12-month ECL	178,731	(151,734)	(26,997)	–
– to lifetime ECL not credit-impaired	(70,243)	82,884	(12,641)	–
– to lifetime ECL credit-impaired	(7,686)	(113,441)	121,127	–
Charged/(Reversal) for the year	2,195,101	(247,732)	4,622,207	6,569,576
Transferred out	–	–	–	–
Recoveries	–	–	430,174	430,174
Write-offs	–	–	(6,059,192)	(6,059,192)
Others	–	–	(551,320)	(551,320)
As at 31 December	4,546,367	1,446,980	6,380,504	12,373,851



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. LOANS AND ADVANCES TO CUSTOMERS (continued)

(g) Movements of allowances for impairment losses (continued)

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

	Six months ended 30 June 2024			
	12-month ECL RMB'000	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January	556,953	–	–	556,953
Released for the period	(94,756)	–	–	(94,756)
As at 30 June	462,197	–	–	462,197

	Year ended 31 December 2023			
	12-month ECL RMB'000	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January	89,126	–	–	89,126
Charged for the year	467,827	–	–	467,827
As at 31 December	556,953	–	–	556,953

(h) Disposal of loans and advances to customers

For the six months ended 30 June 2024, the Group disposed certain loans with gross amount of RMB144.80 million (2023: RMB224.85 million) to asset management companies at a consideration of RMB145.60 million. (2023: RMB55.00 million)

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Financial investments at fair value through profit or loss	(a)	46,258,577	50,954,029
Financial investments at fair value through other comprehensive income	(b)	35,871,569	28,733,334
Financial investments at amortised cost	(c)	82,261,143	84,085,797
Total		164,391,289	163,773,160

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

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities issued by the following institutions in mainland China	(i)		
– Government		81,159	748,842
– Policy banks		3,805,905	7,167,224
– Commercial banks and other financial institutions		5,286,587	5,969,918
– Corporate		3,473,246	3,971,770
Sub-total		12,646,897	17,857,754
Equity instruments	(ii)	1,071,629	1,025,149
Fund investments	(iii)	29,623,864	29,731,958
Other financial investments	(iv)	2,916,187	2,339,168
Total		46,258,577	50,954,029
Listed		659,081	614,246
Unlisted		45,599,496	50,339,783
Total		46,258,577	50,954,029

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

- (i) Certain debt securities were pledged for repurchase agreements (Note 38 (e)). No other investment was subject to material restrictions in the realisation.
- (ii) Equity instruments are acquired by the Group through debt repayments. The Group intends to dispose of them at appropriate opportunity.
- (iii) The fund investments held by the Group are monetary market funds and bond funds issued by financial institutions.
- (iv) Other financial investments held by the Group at FVTPL include wealth management products issued by financial institutions and investment management products managed by securities companies and trust plans.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities issued by the following institutions in mainland China	(i)		
– Government		8,808,660	7,713,414
– Policy banks		19,765,447	16,364,013
– Commercial banks and other financial institution		4,698,287	1,205,803
– Corporate		1,613,784	1,817,109
Sub-total		34,886,178	27,100,339
Equity instruments	(ii)	10,250	10,250
Investment management products managed by securities companies and trust plans		591,425	1,213,070
Accrued interest		383,716	409,675
Total		35,871,569	28,733,334
Unlisted		35,871,569	28,733,334
Allowances for impairment losses recognised in OCI	(iii)	(695,429)	(741,212)



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

- (i) Certain debt securities were pledged for repurchase agreements (Note 38(e)). No other investment was subject to material restrictions in the realisation.
- (ii) The Group designated the investments shown in the table below as equity instruments that are measured at FVOCI, as the Group intended to hold the equity instruments for a long term. The details are as follows:

	30 June 2024 RMB'000	Dividend income recognised for the six months ended 30 June 2024 RMB'000	31 December 2023 RMB'000	Dividend income recognised for the year ended 31 December 2023 RMB'000
Clearing Centre for City Commercial Banks	250	–	250	–
China UnionPay	10,000	–	10,000	5,800
Total	10,250	–	10,250	5,800
Unlisted	10,250		10,250	

The Group did not sell the above equity instruments in 2023 and during the six months ended 30 June 2024.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

(iii) The movements in the gross carrying amount of financial investments at FVOCI are summarised as follows:

	Six months ended 30 June 2024			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January	27,615,278	272,317	835,489	28,723,084
New financial assets originated or purchased	9,670,382	–	–	9,670,382
Financial assets derecognised during the period	(2,646,919)	(288,000)	(50,000)	(2,984,919)
Transfers:				
– to 12-month ECL	–	–	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Changes in accrual interest	(25,959)	–	–	(25,959)
Exchange differences	–	–	–	–
Changes in fair value	416,037	15,683	47,011	478,731
As at 30 June	35,028,819	–	832,500	35,861,319



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

(iii) The movements in the gross carrying amount of financial investments at FVOCI are summarised as follows: (continued)

	Year ended 31 December 2023			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	21,589,508	984,038	901,091	23,474,637
New financial assets originated or purchased	15,320,341	–	–	15,320,341
Financial assets derecognised during the year	(9,220,575)	(999,000)	(279,000)	(10,498,575)
Transfers:				
– to 12-month ECL	(288,000)	288,000	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Changes in accrual interest	49,048	(1,545)	–	47,503
Exchange differences	–	–	–	–
Changes in fair value	164,956	824	213,398	379,178
As at 31 December	27,615,278	272,317	835,489	28,723,084

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

- (iv) The movements of allowance for impairment of financial investments at FVOCI are summarised as follows:

	Six months ended 30 June 2024			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	38,218	15,494	687,500	741,212
Reversal, net	(10,289)	(15,494)	(20,000)	(45,783)
Transfer out	–	–	–	–
Written-offs	–	–	–	–
Recovery after written-offs	–	–	–	–
Transfers:				
– to 12-month ECL	–	–	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Remeasurement	–	–	–	–
Exchange differences	–	–	–	–
As at 30 June	27,929	–	667,500	695,429



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

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

- (iv) The movements of allowance for impairment of financial investments at FVOCI are summarised as follows: (continued)

	Year ended 31 December 2023			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	22,513	256,461	894,900	1,173,874
Addition/(Reversal), net	30,967	(256,229)	(207,400)	(432,662)
Transfer out	–	–	–	–
Written-offs	–	–	–	–
Recovery after written-offs	–	–	–	–
Transfers:				
– to 12-month ECL	(15,262)	15,262	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Remeasurement	–	–	–	–
Exchange differences	–	–	–	–
As at 31 December	38,218	15,494	687,500	741,212

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

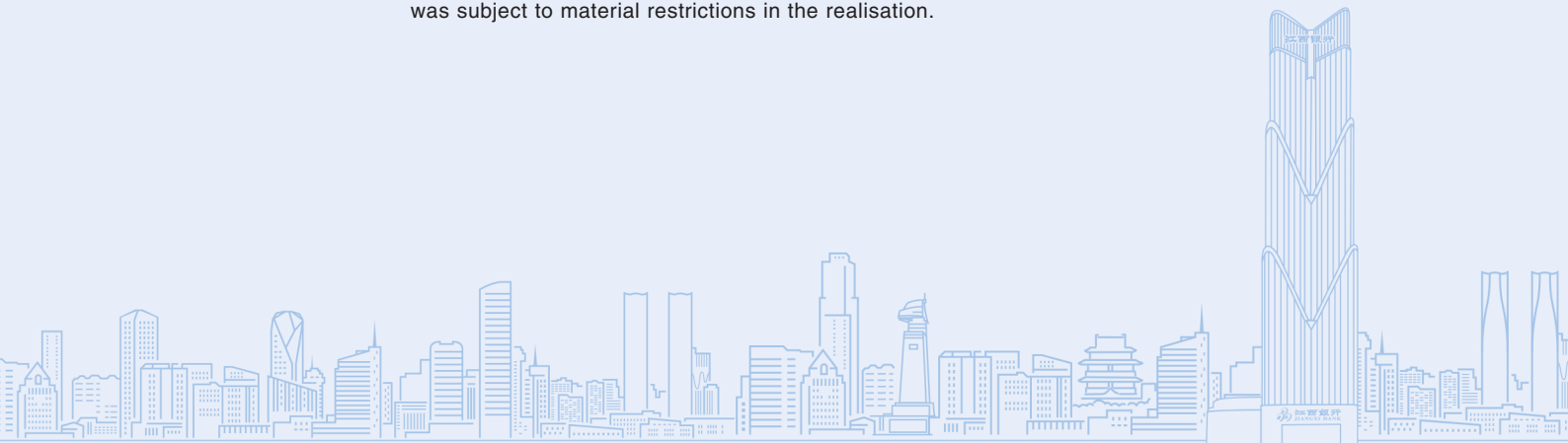
FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

(c) Financial investments at amortised cost

Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities issued by the following institutions in mainland China	(i)	
– Government	36,897,374	36,644,715
– Policy banks	26,606,603	24,294,195
– Commercial banks and other financial institutions	2,401,569	2,401,920
– Corporate	3,461,963	4,219,532
Sub-total	69,367,509	67,560,362
Investment management products managed by securities companies and trust plans	14,851,131	18,482,550
Accrued interest	1,244,383	1,270,848
Less: Allowances for impairment losses	(ii)	(3,227,963)
Net carrying amount	82,261,143	84,085,797
Unlisted	82,261,143	84,085,797

(i) Certain debt securities were pledged for repurchase agreements (Note 38(e)). No other investment was subject to material restrictions in the realisation.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

(c) Financial investments at amortised cost (continued)

- (ii) The movements in the gross carrying amount of financial investments at amortised cost are summarised as follows:

	Six months ended 30 June 2024			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January	77,389,290	4,470,377	5,454,093	87,313,760
New financial assets originated or purchased	7,935,170	–	4,176	7,939,346
Financial assets derecognised during the period	(8,582,432)	(1,181,392)	–	(9,763,824)
Transfers:				
– to 12-month ECL	–	–	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Changes in accrual interest	(76,037)	29,956	19,822	(26,259)
Exchange differences	–	–	–	–
As at 30 June	76,665,991	3,318,941	5,478,091	85,463,023

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

(c) Financial investments at amortised cost (continued)

- (ii) The movements in the gross carrying amount of financial investments at amortised cost are summarised as follows: (continued)

	Year ended 31 December 2023			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	82,965,453	4,684,086	6,426,137	94,075,676
New financial assets originated or purchased	14,750,890	–	26,054	14,776,944
Financial assets derecognised during the year	(19,510,455)	(1,274,815)	(1,059,332)	(21,844,602)
Transfers:				
– to 12-month ECL	(1,024,629)	1,024,629	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Changes in accrual interest	208,031	36,477	61,234	305,742
Exchange differences	–	–	–	–
As at 31 December	77,389,290	4,470,377	5,454,093	87,313,760



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

(c) Financial investments at amortised cost (continued)

- (iii) The movements of allowance for impairment of financial investments at amortised cost are summarised as follows:

	Six months ended 30 June 2024			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	209,715	82,623	2,935,625	3,227,963
(Reversal)/Addition, net	(66,019)	26,950	(34,054)	(73,123)
Transfer out	–	–	–	–
Written-offs	–	–	–	–
Recovery after written-offs	–	–	47,040	47,040
Transfers:				
– to 12-month ECL	–	–	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Remeasurement	–	–	–	–
Exchange differences	–	–	–	–
As at 30 June	143,696	109,573	2,948,611	3,201,880

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. FINANCIAL INVESTMENTS (continued)

(c) Financial investments at amortised cost (continued)

(iii) The movements of allowance for impairment of financial investments at amortised cost are summarised as follows: (continued)

	Year ended 31 December 2023			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	228,511	350,717	3,430,587	4,009,815
(Reversal)/Addition, net	(204,705)	(82,185)	222,929	(63,961)
Transfer out	–	–	–	–
Written-offs	–	–	(751,272)	(751,272)
Recovery after written-offs	–	–	33,381	33,381
Transfers:				
– to 12-month ECL	185,909	(185,909)	–	–
– to lifetime ECL not credit-impaired	–	–	–	–
– to lifetime ECL credit-impaired	–	–	–	–
Remeasurement	–	–	–	–
Exchange differences	–	–	–	–
As at 31 December	209,715	82,623	2,935,625	3,227,963



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. INTEREST IN ASSOCIATES

The following list contains the Group's associates, all of which are individually immaterial to the Group and are unlisted corporate entities whose quoted market price are not available:

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Nanchang Dafeng County Bank Co., Ltd. ("南昌大豐村鎮銀行有限責任公司")		77,910	76,335
Nanfeng Judu County Bank Co., Ltd. ("南豐桔都村鎮銀行有限責任公司")		33,032	31,635
Si Ping Tie Dong De Feng County Bank Co., Ltd. ("四平鐵東德豐村鎮銀行股份有限公司")		24,775	24,069
Guangchang Nanyin County Bank Co., Ltd. ("廣昌南銀村鎮銀行股份有限公司")		16,624	15,793
Total	(a)/(b)	152,341	147,832

(a) The following table illustrates the aggregate information of the Group's associates that are not individually material:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Aggregate carrying amount of the individually immaterial associates in the consolidated statements of financial position of the Group	152,341	147,832
Aggregate amounts of the Group's share of results of the associates		
– Profit from continuing operations	4,509	9,049
– Total comprehensive income	4,509	9,049

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. INTEREST IN ASSOCIATES (continued)

- (b) Detailed information of the Group's associates that are not individually material is as follows:
- (i) Nanchang Dafeng County Bank Co., Ltd. ("Nanchang Dafeng") was incorporated on 30 September 2010 at Nanchang County, Jiangxi Province, with registered capital of RMB220.00 million. The principal activities of Nanchang Dafeng are the provision of retail banking services. On 3 November 2023, the Bank subscribed for RMB5.50 million shares at the price of RMB1.00 per share in Nanchang Dafeng, obtained the approval of National Financial Regulatory Administration ("NFRA") on 18 March 2024. Upon the completion of the capital increase, the Bank acquired 30.68% of the shares and voting interest in Nanchang Dafeng, whereas before the percentage was 28.18%. As at 30 June 2024, the Bank holds 30.68% of equity interest of Nanchang Dafeng (31 December 2023: 30.68%).
 - (ii) Nanfeng Judu County Bank Co., Ltd. ("Nanfeng Judu") was incorporated on 20 December 2011 at Nanfeng County, Fuzhou City, Jiangxi Province, with registered capital of RMB55.11 million. The principal activities of Nanfeng Judu are the provision of corporate and retail banking services. As at 30 June 2024, the Bank holds 40.00% of equity interest of Nanfeng Judu (31 December 2023: 40.00%).
 - (iii) Si Ping Tie Dong De Feng County Bank Co., Ltd. ("Si Ping De Feng") was incorporated on 22 July 2011 at Si Ping City, Jilin Province, with registered capital of RMB30.00 million. The principal activities of Si Ping De Feng are the provision of corporate and retail banking services. As at 30 June 2024, the Bank holds 20.00% of equity interest of Si Ping De Feng (31 December 2023: 20.00%).
 - (iv) Guangchang Nanyin County Bank Co., Ltd. ("Guangchang Nanyin") was incorporated on 30 December 2013 at Fuzhou City, Jiangxi Province, with registered capital of RMB50.00 million. The principal activities of Guangchang Nanyin are the provision of corporate and retail banking services. As at 30 June 2024, the Bank holds 30.00% of equity interest of Guangchang Nanyin (31 December 2023: 30.00%).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

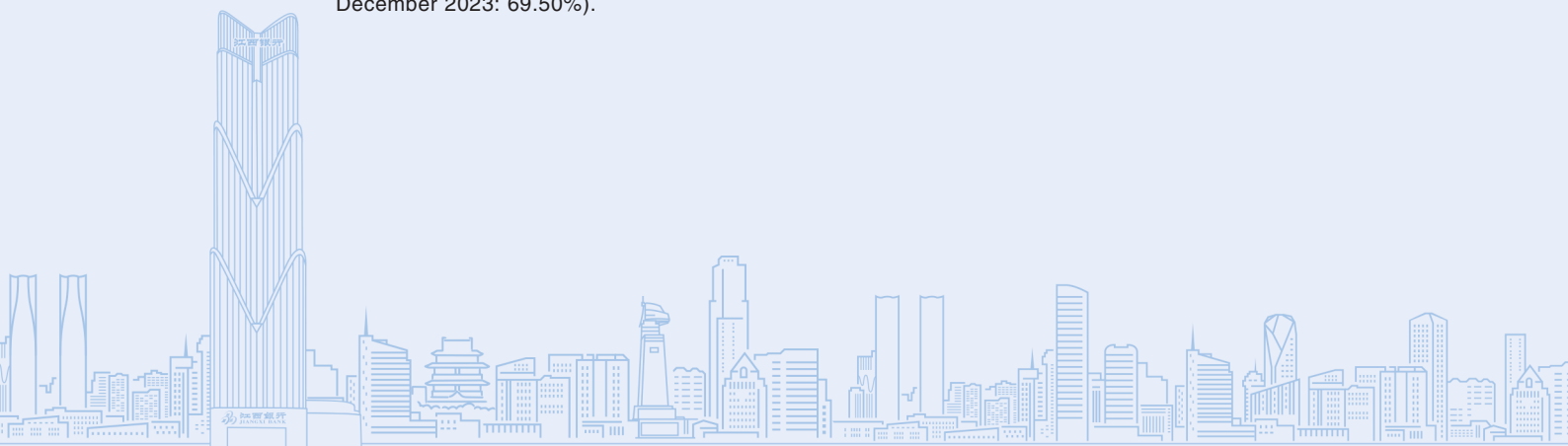
19. INVESTMENTS IN SUBSIDIARIES

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Jiangxi Financial Leasing Co., Ltd. ("江西金融租賃股份有限公司")	(i)	1,734,000	1,734,000
Jinxian Ruifeng County Bank Co., Ltd. ("進賢瑞豐村鎮銀行有限責任公司")	(ii)	59,916	59,916
Total		1,793,916	1,793,916

- (i) Jiangxi Financial Leasing Co., Ltd. ("JXFL") was incorporated on 24 November 2015 at Nanchang City, Jiangxi Province, China. As at 30 June 2024, the registered capital of JXFL was RMB2.02 billion (31 December 2023: RMB2.02 billion). The principal activities of JXFL are financial leasing services in China, and it is a corporate legal entity. As at 30 June 2024, the Bank holds 75.74% of equity interest of JXFL (31 December 2023: 75.74%).
- (ii) Jinxian Ruifeng County Bank Co., Ltd. ("Jinxian Ruifeng") was incorporated on 15 June 2012 at Jinxian County, Jiangxi Province, with registered capital of RMB100.00 million. The principal activities of Jinxian Ruifeng are the provision of corporate and retail banking services, and it is a corporate legal entity in China and a non-wholly-owned subsidiary of the Bank.

On 15 July 2020, the Bank acquired 4.50 million shares in Jinxian Ruifeng at the price of RMB1.395 million from Nanchang Jinyu Stainless Steel Products Co., Ltd., a shareholder of Jinxian Ruifeng. After the acquisition, the Bank held 39.00% of equity interest of Jinxian Ruifeng.

On 25 December 2020, the Bank subscribed for 50.00 million shares at the price of RMB1.00 per share in Jinxian Ruifeng, with the approval of the former CBIRC Jiangxi Office. Upon the completion of the capital injection, the Bank held 69.50% of the shares and voting interest in Jinxian Ruifeng and obtained the control of Jinxian Ruifeng. As at 30 June 2024, the Bank holds 69.50% of equity interest of Jinxian Ruifeng (31 December 2023: 69.50%).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

20. PROPERTY AND EQUIPMENT

	Premises RMB'000	Construction in progress RMB'000	Electronic equipments RMB'000	Fixtures RMB'000	Others RMB'000	Total RMB'000
Cost:						
As at 1 January 2023	2,905,607	52,866	762,684	301,288	356,111	4,378,556
Additions	1,232	53,789	55,332	8,343	13,123	131,819
Transfers (out of)/from construction in progress	–	(39,445)	4,554	2,575	1,671	(30,645)
Disposals	(3,155)	(2,106)	(67,103)	–	(6,801)	(79,165)
As at 31 December 2023	2,903,684	65,104	755,467	312,206	364,104	4,400,565
As at 1 January 2024	2,903,684	65,104	755,467	312,206	364,104	4,400,565
Additions	–	24,742	8,960	14,740	7,607	56,049
Transfers out of construction in progress	–	(24,690)	–	–	–	(24,690)
Disposals	–	(16)	(16,960)	–	(12,167)	(29,143)
As at 30 June 2024	2,903,684	65,140	747,467	326,946	359,544	4,402,781
Accumulated depreciation:						
As at 1 January 2023	(1,069,566)	–	(645,410)	(238,151)	(270,241)	(2,223,368)
Charged for the year	(134,129)	–	(52,450)	(37,701)	(32,250)	(256,530)
Disposals	1,301	–	63,734	(65)	6,200	71,170
As at 31 December 2023	(1,202,394)	–	(634,126)	(275,917)	(296,291)	(2,408,728)
As at 1 January 2024	(1,202,394)	–	(634,126)	(275,917)	(296,291)	(2,408,728)
Charged for the period	(67,008)	–	(25,417)	(9,019)	(13,019)	(114,463)
Disposals	–	–	15,043	(236)	11,543	26,350
As at 30 June 2024	(1,269,402)	–	(644,500)	(285,172)	(297,767)	(2,496,841)
Net book value:						
As at 31 December 2023	1,701,290	65,104	121,341	36,289	67,813	1,991,837
As at 30 June 2024	1,634,282	65,140	102,967	41,774	61,777	1,905,940

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

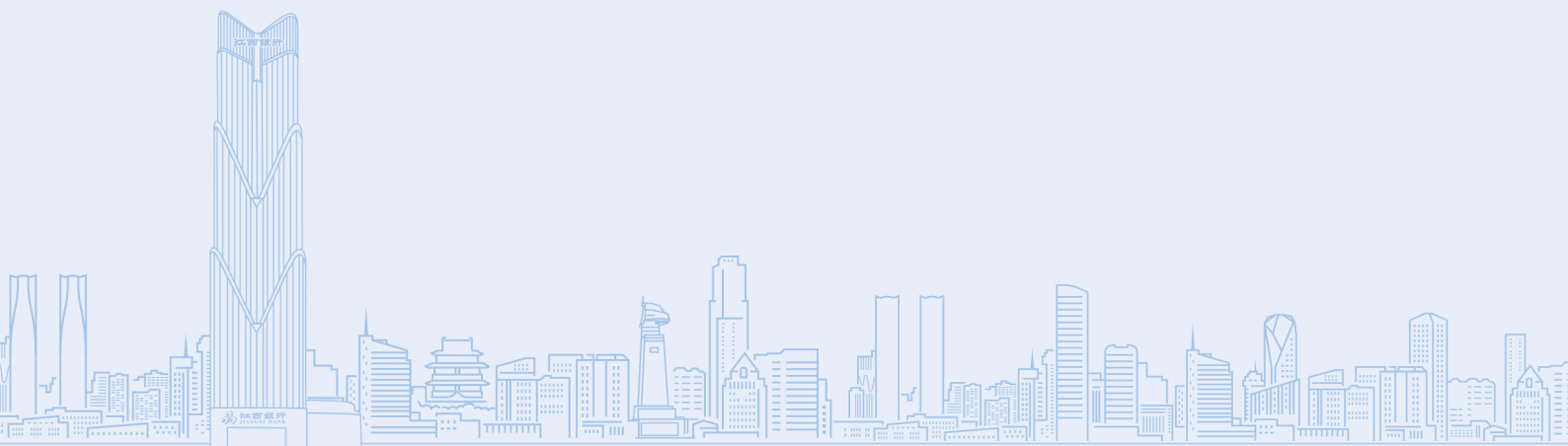
FOR THE SIX MONTHS ENDED 30 JUNE 2024

20. PROPERTY AND EQUIPMENT (continued)

As at 30 June 2024, the net book values of premises of which title deeds were not yet finalised was RMB0.54 million. (31 December 2023: RMB0.54 million).

The net book values of premises as at the report dates are analysed by the remaining terms of the leases as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Held in mainland China – Medium-term leases (10 – 50 years)	1,634,282	1,701,289



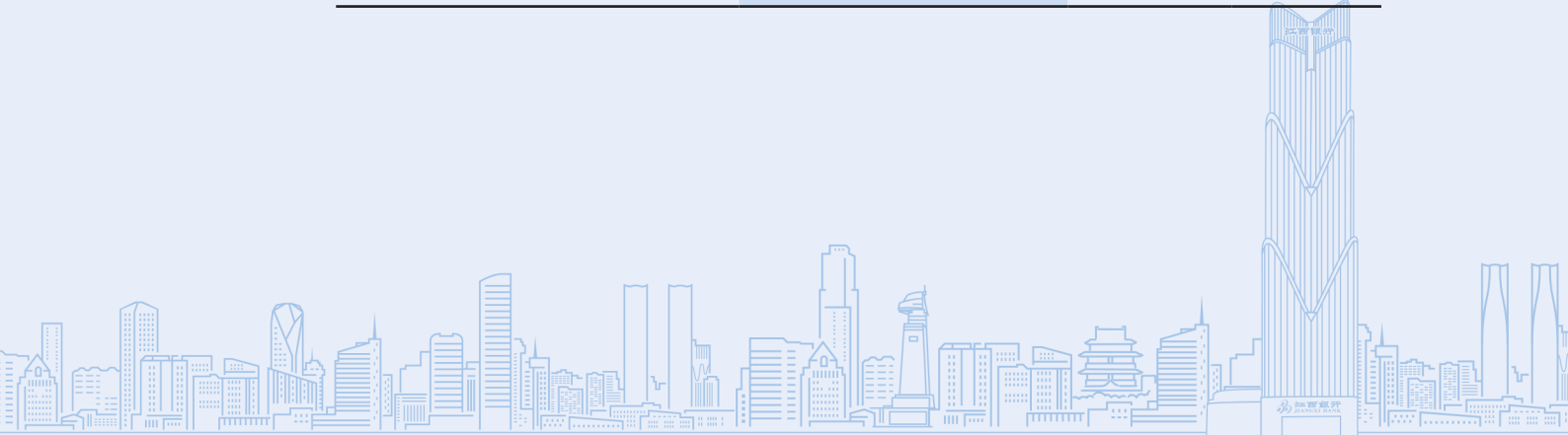
CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

21. DEFERRED TAX ASSETS AND LIABILITIES

(a) Analysed by nature

	30 June 2024		31 December 2023	
	Deductible/ (taxable) temporary differences RMB'000	Deferred income tax assets/ (liabilities) RMB'000	Deductible/ (taxable) temporary differences RMB'000	Deferred income tax assets/ (liabilities) RMB'000
Deferred income tax assets				
– Allowance for impairment losses	26,779,864	6,694,966	20,931,868	5,232,968
– Fair value changes in financial instruments	4,106	1,026	737,017	184,254
– Accrued staff cost	1,148,728	287,182	1,162,906	290,727
– Deferred income	624,308	156,077	502,793	125,698
– Lease liabilities	814,368	203,592	834,862	208,715
– Others	131,620	32,905	19,907	4,977
Subtotal	29,502,994	7,375,748	24,189,353	6,047,339
Deferred income tax liabilities				
– Fair value changes in financial instruments	(634,137)	(158,534)	–	–
– Right of use assets	(710,969)	(177,742)	(745,139)	(186,285)
– Others	(117,145)	(29,286)	–	–
Subtotal	(1,462,251)	(365,562)	(745,139)	(186,285)
Net amount	28,040,743	7,010,186	23,444,214	5,861,054



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

21. DEFERRED TAX ASSETS AND LIABILITIES (continued)

(b) Movements of deferred tax

	Net balance of deferred tax assets RMB'000
As at 1 January 2023	5,463,885
Recognised in profit or loss	515,504
Recognised in other comprehensive income	(118,335)
As at 31 December 2023	5,861,054
As at 1 January 2024	5,861,054
Recognised in profit or loss	1,240,545
Recognised in other comprehensive income	(91,413)
As at 30 June 2024	7,010,186

(i) Net gains or losses on fair value changes of financial instruments are subject to tax when realised.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22. OTHER ASSETS

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Right-of-use assets	(a)	713,136	747,615
Prepayments for acquisition of property and equipment		626,139	660,798
Interests receivable	(b)	450,887	456,237
Land use rights	(c)	181,234	185,706
Repossessed assets	(d)	177,031	173,662
Intangible assets	(e)	149,204	151,431
Settlement and clearing accounts		67,544	11,354
Long-term deferred expenses		56,196	60,393
Deferred expenses		40,585	51,730
Receivables from disposal of financial assets		10,734	10,734
Goodwill		7,126	7,126
Investment property		1,722	1,799
Others		307,977	355,258
Gross balance		2,789,515	2,873,843
Less: Allowances for impairment losses		(399,455)	(333,954)
Net balance		2,390,060	2,539,889



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22. OTHER ASSETS (continued)

(a) Right-of-use assets

	RMB'000
Cost:	
As at 1 January 2023	1,203,295
Additions	109,304
Disposals	(106,166)
As at 31 December 2023	1,206,433
Additions	50,253
Disposals	(64,763)
As at 30 June 2024	1,191,923
Accumulated depreciation:	
As at 1 January 2023	(404,521)
Charged for the year	(132,245)
Disposals	77,948
As at 31 December 2023	(458,818)
Charged for the period	(66,972)
Disposals	47,003
As at 30 June 2024	(478,787)
Net book value:	
As at 31 December 2023	747,615
As at 30 June 2024	713,136

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22. OTHER ASSETS (continued)

(b) Interests receivable

	30 June 2024 RMB'000	31 December 2023 RMB'000
Interests receivable arising from:		
Financial investments	354,053	409,602
Loans and advances to customers	96,834	46,635
Total	450,887	456,237

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

(c) Land use rights

	30 June 2024 RMB'000	31 December 2023 RMB'000
Located in Mainland China		
– Over 50 years	22,018	22,206
– 10 – 50 years	159,216	163,500
Total	181,234	185,706

(d) Repossessed assets

	30 June 2024 RMB'000	31 December 2023 RMB'000
Land use rights and buildings	177,031	171,412
Others	–	2,250
Less: Impairment allowances	(39,615)	(33,866)
Net repossessed assets	137,416	139,796

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22. OTHER ASSETS (continued)

(e) Intangible assets

	RMB'000
Cost:	
As at 1 January 2023	274,274
Additions	29,623
Disposals	(300)
As at 31 December 2023	303,597
As at 1 January 2024	303,597
Additions	11,514
Disposals	—
As at 30 June 2024	315,111
Accumulated depreciation:	
As at 1 January 2023	(128,053)
Charged for the year	(24,268)
Disposals	155
As at 31 December 2023	(152,166)
As at 1 January 2024	(152,166)
Charged for the period	(13,741)
Disposals	—
As at 30 June 2024	(165,907)
Net book value:	
As at 31 December 2023	151,431
As at 30 June 2024	149,204

Intangible assets include core deposit, real estate use rights, computer software, etc. Core deposits are accounts that a financial institution expects to maintain for an extended period of time due to ongoing business relationships. The core deposit intangibles reflect the present value of the additional cash flow resulting from the use of the account deposit at a lower alternative financing cost in the future period.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

23. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	30 June 2024 RMB'000	31 December 2023 RMB'000
In mainland China		
– Banks	10,040,689	6,265,271
– Other financial institutions	8,867,598	10,690,147
Gross Balance	18,908,287	16,955,418
Accrued interest	168,778	245,185
Total	19,077,065	17,200,603

24. PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	30 June 2024 RMB'000	31 December 2023 RMB'000
In mainland China		
– Banks	4,080,000	4,000,000
Gross Balance	4,080,000	4,000,000
Accrued interest	2,903	2,897
Total	4,082,903	4,002,897



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

25. BORROWING FROM OTHER FINANCIAL INSTITUTIONS

Analysed by type and location of counterparty

	30 June 2024 RMB'000	31 December 2023 RMB'000
In mainland China – Other financial institutions	2,268,000	1,218,000
Gross Balance	2,268,000	1,218,000
Accrued interest	8,502	19,965
Total	2,276,502	1,237,965

26. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparty

	30 June 2024 RMB'000	31 December 2023 RMB'000
In mainland China – Banks	31,441,648	25,727,229
Gross Balance	31,441,648	25,727,229
Accrued interest	22,534	4,141
Total	31,464,182	25,731,370

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

26. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(continued)

(b) Analysed by type of collateral

	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities		
– Government	6,300,000	3,400,000
– Policy banks	14,699,700	18,200,000
Sub-total	20,999,700	21,600,000
Acceptance Bill		
– Banks	10,441,948	4,127,229
Gross Balance	31,441,648	25,727,229
Accrued interest	22,534	4,141
Total	31,464,182	25,731,370



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27. DEPOSITS FROM CUSTOMERS

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Demand deposits			
– Corporate customers		80,985,997	93,778,957
– Individual customers		23,291,491	24,403,087
Sub-total		104,277,488	118,182,044
Time deposits			
– Corporate customers		60,338,834	67,482,862
– Individual customers		179,084,009	161,172,774
Sub-total		239,422,843	228,655,636
Pledged deposits			
– Acceptances		23,339,564	18,331,129
– Letters of guarantees		1,493,818	1,599,201
– Letters of credit		2,725,342	2,560,109
– Others		48,493	22,005
Sub-total		27,607,217	22,512,444
Inward and outward remittances		69,209	135,615
Convertible negotiated deposit	(a)	3,900,000	3,900,000
Accrued interest		7,967,687	7,826,531
Total		383,244,444	381,212,270

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27. DEPOSITS FROM CUSTOMERS (continued)

(a) Convertible negotiated deposit

Jiangxi Provincial Department of Finance has saved funds of negotiated deposit raised from local government special bond into deposit account of Jiangxi Provincial Department of Finance in the Bank of Jiangxi. The deposit can be converted into ordinary shares to replenish other tier-one capital of the Bank. The maturity of the deposit shall be set in accordance with the maturity requirements of the convertible negotiated deposit in batches. Among them, RMB0.8 billion is for the six-year maturity, RMB0.8 billion for the seven-year maturity, RMB0.8 billion for the eight-year maturity, RMB0.8 billion for the nine-year maturity and RMB0.7 billion for the ten-year maturity. The interest is paid semi-annually on the convertible negotiated deposit, and the interest rate shall match with the corresponding local government special bond issuance interest rate. The conversion for convertible negotiated deposit into ordinary shares of the Bank shall satisfy the following conditions at the same time: (i) the core tier-one capital adequacy ratio of the Bank is lower than 5.125%; (ii) Jiangxi Provincial Department of Finance consent to the conversion; and (iii) the class and number of the converted ordinary shares and the shareholding structure of the Bank after the conversion shall satisfy the particular requirement of the Hong Kong Stock Exchange for the minimum public float. When the conditions are met, the negotiated deposits will be converted into ordinary shares periodically and included in the core tier-one capital.

28. DEBT SECURITIES ISSUED

Note	30 June 2024 RMB'000	31 December 2023 RMB'000
(a)	45,901,426	45,371,276
Total	45,901,426	45,371,276

(a) Certificates of interbank deposits issued

During the six months ended 30 June 2024, the Group issued a number of certificates of interbank deposit with total nominal amount of RMB47,030.00 million (31 December 2023: RMB110,200.00 million) and duration between 1-12 months (31 December 2023: 1-12 months). The effective interest rates range from 1.90% to 2.46% per annum (31 December 2023: 1.80% to 2.85% per annum).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

29. OTHER LIABILITIES

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Accrued staff costs	(a)	1,112,585	1,441,839
Lease liabilities		816,787	837,235
Guarantee deposits from leases		452,842	504,775
Settlement and clearing accounts		338,167	58,796
Provisions	(b)	293,830	322,717
Dividend payable		258,421	17,535
Other tax payables		236,459	291,361
Deferred income		120,158	131,873
Receipt in advance		26,194	24,371
Non-performing assets collection		20,413	39,275
Payables for purchase of fixed assets		19,036	15,882
Others		156,618	203,863
Total		3,851,510	3,889,522

(a) Accrued staff costs

	30 June 2024 RMB'000	31 December 2023 RMB'000
Salaries, bonuses and allowances	994,744	1,307,879
Social insurance	1,671	2,924
Housing fund	1,494	296
Employee education costs and labor union expenditure	6,586	16,663
Supplementary retirement benefits	108,090	114,077
Total	1,112,585	1,441,839

Contributions to the defined contribution retirement plan, are recognised as expenses when incurred, and there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

29. OTHER LIABILITIES (continued)

(b) Provisions

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Credit commitments provision	(i)	258,441	293,091
Litigations and disputes provision		35,389	29,626
Total		293,830	322,717

(i) Movements of credit commitments provision is as follows:

	Six months ended 30 June 2024			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January	250,045	252	42,794	293,091
Transferred:				
– to 12-month ECL	130	(130)	–	–
– to lifetime ECL not credit- impaired	(3)	3	–	–
– to lifetime ECL credit- impaired	(2)	(74)	76	–
Charged/(Reversal) for the period	8,074	146	(42,870)	(34,650)
As at 30 June	258,244	197	–	258,441

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

29. OTHER LIABILITIES (continued)

(b) Provisions (continued)

(i) Movements of credit commitments provision is as follows: (continued)

	Year ended 31 December 2023			Total RMB'000
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	
As at 1 January	220,823	279	373,438	594,540
Transferred:				
– to 12-month ECL	151	(151)	–	–
– to lifetime ECL not credit-impaired	(8)	8	–	–
– to lifetime ECL credit-impaired	(8)	(30)	38	–
Charged/(Reversal) for the year	29,087	146	(330,682)	(301,449)
As at 31 December	250,045	252	42,794	293,091

30. SHARE CAPITAL

	30 June 2024	31 December 2023
Number of shares in Mainland China (in thousands)	4,678,777	4,678,777
Ordinary shares in Mainland China (RMB'000)	4,678,777	4,678,777
Number of H-shares in Hong Kong (in thousands)	1,345,500	1,345,500
Ordinary shares listed in Hong Kong (H-share) (RMB'000)	1,345,500	1,345,500
Total	6,024,277	6,024,277

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

31. OTHER EQUITY INSTRUMENTS

(a) Perpetual debt outstanding at the end of the period

Financial Instrument outstanding	Time issued	Accounting Classifications	Initial Interest rate	Issue price	Quantities	In RMB thousand	Maturity
Perpetual Debts	23 August 2021	Equity	4.80%	RMB100/bond	40,000,000	4,000,000	None
Perpetual Debts	21 September 2022	Equity	3.67%	RMB100/bond	20,000,000	2,000,000	None
Perpetual Debts	15 December 2022	Equity	4.79%	RMB100/bond	20,000,000	2,000,000	None
Less: issuing cost						(2,040)	
Book Value						7,997,960	

(b) Main clause

Perpetual debts presented in the balance sheet represent the undated capital bonds issued by the Bank. With the authorisation of the annual general meeting and the approval from regulatory authorities, the Bank was permitted to issue undated capital bonds of an amount no more than RMB8.0 billion in 2021.

With the approval of Jiangxi Banking and Insurance Regulatory Bureau on Jiangxi Bank's Issuance of undated capital bonds (Jiangxi Banking and Insurance Regulatory Bureau [2020] No. 362) and the Decision of the People's Bank of China on Granting Administrative License (Bank Approval Word [2021] No. 22), the Bank issued the "2021 Capital Bond with No Fixed Maturity (First Tranche)" for a total of RMB4.0 billion on 23 August 2021. The unit par value of the bond is RMB100.0, the interest rate for the first 5 years is 4.80%, and the coupon rate adjusted period will be every 5 years from the issuance of the Bonds. In any coupon rate adjusted period, the coupon rate of the Bonds will be made at a prescribed fixed coupon rate.

The Bank issued the "2022 Capital Bond with No Fixed Maturity (First Tranche)" for a total of RMB2.0 billion on 21 September 2022. The unit par value of the bond is RMB100.0, the interest rate for the first 5 years is 3.67%, and the coupon rate adjusted period will be every 5 years from the issuance of the Bonds. In any coupon rate adjusted period, the coupon rate of the Bonds will be made at a prescribed fixed coupon rate. The book value of the instruments was RMB1,999.5 million which was the result of purchase price deduct the issuance cost of RMB0.5 million.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

31. OTHER EQUITY INSTRUMENTS (continued)

(b) Main clause (continued)

The Bank issued the “2022 Capital Bond with No Fixed Maturity (Second Tranche)” for a total of RMB2.0 billion on 15 December 2022. The unit par value of the bond is RMB100.0, the interest rate for the first 5 years is 4.79%, and the coupon rate adjusted period will be every 5 years from the issuance of the Bonds. In any coupon rate adjusted period, the coupon rate of the Bonds will be made at a prescribed fixed coupon rate. The book value of the instruments was RMB1,999.5 million which was the result of purchase price deduct the issuance cost of RMB0.5 million.

The Bonds will continue to be outstanding so long as the Bank’s business continues to operate. This bond issuance is subject to the Bank’s conditional redemption clause. The Issuer shall have the right to redeem the current Bonds in whole or in part on the annual coupon payment date (including the coupon payment date of the fifth year after the issuance date) five years after the issuance date. The issuer has the right to redeem the Bonds in whole, but not in part, in the event of an unpredictable regulatory change that prevents the current issuance from being counted as other Tier 1 capital. The issuer shall exercise the right of redemption upon the approval of the NFRA (the former was the “CBIRC”) and upon meeting the following conditions: (1) replace the redeemed bond with a capital instrument of the same or higher class, and the replacement of the capital instrument shall be implemented only if the profitability of the Bank remains sustainable; (2) or the capital adequacy ratio remains significantly higher than the regulatory after the exercise of the right.

The Bank has the right to cancel, in whole or in part, distributions on the Bonds and any such cancellation does not constitute an event of default. The Bank will fully consider the interests of bondholders when exercising this right. The Bank is free to use the interest of the cancelled bond for other due debts. Cancellation of any distributions to the Bonds, no matter in whole or in part, will not impose any other restriction on the Bank, except in relation to dividend distributions to ordinary shares. The dividend is paid on a non-cumulative basis, that is, the dividend not paid in full to the shareholder previously will not be accumulated to the next interest-bearing year.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

32. RESERVES

(a) Capital reserve

	Note	30 June 2024 RMB'000	31 December 2023 RMB'000
Share premium		13,291,249	13,291,249
Other comprehensive income	(i)	928,735	654,494
Total		14,219,984	13,945,743

(i) Other comprehensive income

	30 June 2024 RMB'000	31 December 2023 RMB'000
As at 1 January	654,494	299,490
Changes in fair value recognised in other comprehensive income	531,416	469,975
Transfer to profit or loss upon disposal	(25,223)	(31,801)
Changes in impairment losses recognised in other comprehensive income	(140,539)	35,165
Less: Income tax effect	(91,413)	(118,335)
As at 30 June/31 December	928,735	654,494



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

32. RESERVES (continued)

(b) Surplus reserve

The surplus reserve at the end of each of the reporting period represented statutory surplus reserve fund and discretionary surplus reserve fund. Pursuant to the Company Law of the PRC and the Article of Association of the Bank, the Bank is required to appropriate 10% of its net profit as on an annual basis determined under the People's Republic of China Generally Accepted Accounting Principles ("PRC GAAP") after making good prior year's accumulated loss, to statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital.

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

(c) General reserve

Pursuant to the "Measures on Impairment Allowances for Financial Enterprises (Cai Jin [2012] No. 20)" issued by the Ministry of Finance ("MOF"), the Bank is required to set aside a general reserve through net profit appropriation which should not be lower than 1.5% of the ending balance of its gross risk-bearing assets on an annual basis. The balance of the general reserve amounted to RMB7,645.26 million as at 30 June 2024 (31 December 2023: RMB7,645.26 million).

33. PROFIT DISTRIBUTION

In accordance with the resolution at the Bank's Annual General Meeting on 29 May 2024, the shareholders approved the following profit appropriations for the year ended 31 December 2023:

- Appropriation of statutory surplus reserve amounted to RMB106.59 million;
- Appropriation of general reserve amounted to RMB626.16 million; and

Declaration of cash dividend of RMB0.4 per 10 shares before tax and in an aggregation amount of RMB240.97 million to all existing shareholders of record on 18 June 2024.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

33. PROFIT DISTRIBUTION (continued)

On August 25, 2023, the Group distributed the interest of 2021 capital bonds with no fixed term (first tranche) of RMB192.00 million; on September 25, 2023, the Group distributed the interest of 2022 capital bonds with no fixed term (first tranche) of RMB73.40 million; and on December 19, 2023, the Group distributed the interest of 2022 capital bonds with no fixed term (second tranche) of RMB95.80 million.

In accordance with the resolution at the Bank's Annual General Meeting on 30 May 2023, the shareholders approved the following profit appropriations for the year ended 31 December 2022:

- Appropriation of statutory surplus reserve amounted to RMB138.54 million;
- Appropriation of general reserve amounted to RMB330.00 million; and
- Declaration of cash dividend of RMB0.50 per 10 shares before tax and in an aggregation amount of RMB301.21 million to all existing shareholders of record on 8 June 2023.

As at 30 June 2024, the consolidated retained profits attributable to equity shareholders of the Bank included an appropriation of RMB135.92 million to surplus reserve made by subsidiaries (31 December 2023: RMB135.92 million).

34. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS

(a) Net decrease in cash and cash equivalents

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents as at 30 June	7,226,228	12,954,227
Less: Cash and cash equivalents as at 1 January	(13,040,148)	(19,040,727)
Net decrease in cash and cash equivalents as at 30 June	(5,813,920)	(6,086,500)

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

34. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS (continued)

(b) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following balances with maturities of less than or equal to 90 days from date of purchase and used for purpose of meeting short-term cash commitments:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Cash on hand	792,553	839,171
Deposits with the central bank	3,126,529	4,713,648
Deposits with banks and other financial institutions	1,194,466	3,587,329
Placements with banks and other financial institutions	2,112,680	3,900,000
Total	7,226,228	13,040,148



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

34. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS (continued)

(c) Reconciliation of liabilities arising from financing activities

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

	Debt securities issued RMB'000	Lease liabilities RMB'000	Total RMB'000
Balance at 1 January 2024	45,371,276	837,235	46,208,511
Changes from financing cash flows:			
– Proceeds from debt securities issued	46,469,778	–	46,469,778
– Repayments of debt securities issued	(46,550,192)	–	(46,550,192)
– Capital element of lease rentals paid	–	(65,421)	(65,421)
Total changes from financing cash flows	45,290,862	771,814	46,062,676
Other changes:			
– Net Increase of lease liabilities	–	28,447	28,447
– Interest expense	610,564	16,526	627,090
Balance at 30 June 2024	45,901,426	816,787	46,718,213



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

34. NOTES TO CONSOLIDATED CASH FLOW STATEMENTS (continued)

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

	Debt securities issued RMB'000	Lease Liabilities RMB'000	Total RMB'000
Balance at 1 January 2023	52,161,884	883,087	53,044,971
Changes from financing cash flows:			
– Proceeds from debt securities issued	108,910,445	–	108,910,445
– Repayment of debt securities issued	(116,923,093)	–	(116,923,093)
– Capital element of lease rentals paid	–	(156,647)	(156,647)
Total changes from financing cash flows	44,149,236	726,440	44,875,676
Other changes:			
– Net decrease of lease liabilities	–	76,577	76,577
– Interest expense	1,222,040	34,218	1,256,258
Balance at 31 December 2023	45,371,276	837,235	46,208,511



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related parties of the Group

(i) Major shareholders

Major shareholders include shareholders of the Bank with direct or indirect 5% or above shareholding, or appointed a director or member of the Board of Supervisors in the Bank.

Shareholding in the Bank:

	30 June 2024	31 December 2023
Jiangxi Provincial Communications Investment Group Co., Ltd. ("江西省交通投資集團有限責任公司")	15.56%	15.56%
Jiangxi Financial Holding Group Co., Ltd. ("江西省金融控股集團有限公司")	6.11%	6.11%
Nanchang Traffic Investment Group Co., Ltd. ("南昌市產業投資集團有限公司")	5.46%	5.46%
China National Tobacco Corporation Jiangxi Branch ("中國煙草總公司江西省公司")	4.37%	4.37%

Jiangxi Copper Company Limited ("江西銅業股份有限公司" or "江銅") with 2.32% voting rights of Group (2023: 2.32%) has appointed a supervisor, Zhou Minhui, in prior years. Mr. Zhou has resigned on 12 June 2024 and 江銅 has no further appointment as at 30 June 2024 and after.

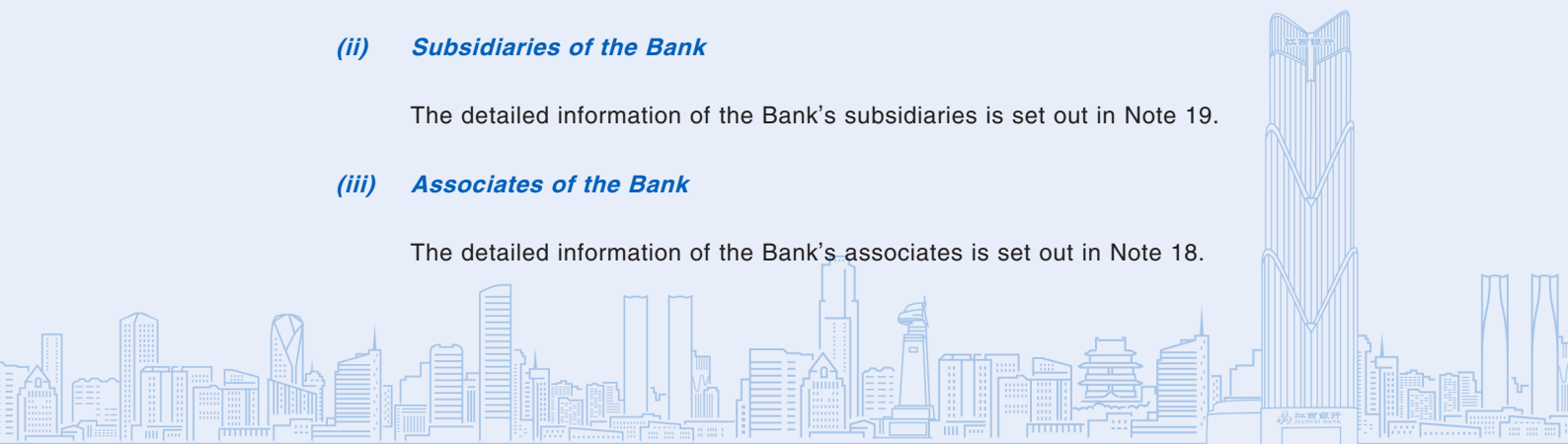
The official names of these related parties are in Chinese. The English translation is for reference only.

(ii) Subsidiaries of the Bank

The detailed information of the Bank's subsidiaries is set out in Note 19.

(iii) Associates of the Bank

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

(a) Related parties of the Group (continued)

(iv) Other related parties

Other related parties can be individuals or enterprises, including members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals; and entities controlled or jointly controlled by the major shareholders of the Bank as set out in Note 35(a) or their controlling shareholders.

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

(i) Transactions between the Group and major shareholders

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Transactions during the period:		
Interest income	59,991	48,500
Interest expense	2,976	6,094
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Balances at the end of the period/year:		
Loans and advances to customers	4,176,293	3,464,620
Deposits from customers	265,932	416,439
Financial investments	–	190,593

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

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

(ii) Transactions between the Bank and subsidiaries

The subsidiaries of the Bank are its related parties. The transactions between the Bank and its subsidiaries are eliminated on consolidation.

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Transactions during the period:		
Interest income	22,561	23,372
Interest expense	4,433	10,433
Operating expense	5,815	8,012
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Balances at the end of the period/year:		
Placements with banks and other financial institutions	2,154,454	1,804,407
Deposits from banks and other financial institutions	1,384,382	545,123



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

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

(iii) Transactions between the Bank and associates

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Transactions during the period:		
Interest expense	2,024	3,386
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Balances at the end of the period/year:		
Deposits with banks and other financial institutions	156,551	154,126

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

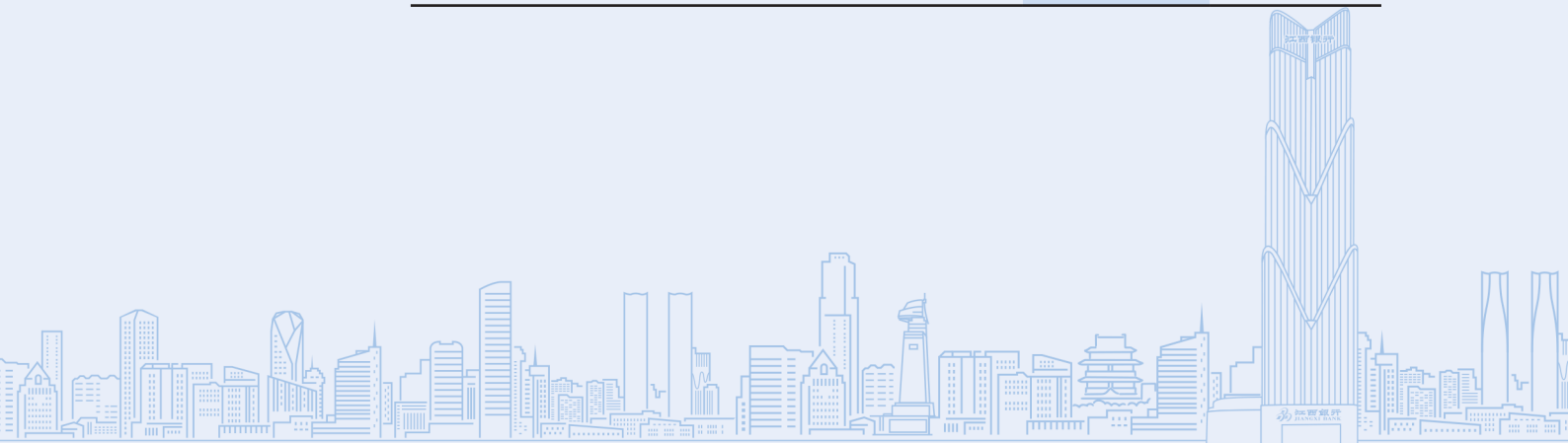
FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

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

(iv) Transactions between the Bank and other related parties

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Transactions during the period:		
Interest income	87,172	39,342
Interest expense	36,177	90,289
Fee and commission income	13,648	1,665
	<hr/>	<hr/>
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Balances at the end of the period/year:		
Loans and advances to customers	3,357,944	3,009,413
Deposits from customers	2,722,144	5,692,701
Deposits from banks and other financial institutions	285,400	369
Financial investments	1,217,315	66,323
Bank acceptances	1,635,133	1,397,598
Letters of guarantees	5,341	3,346
Letters of credit	3,704	38,526
Deposits with banks and other financial institutions	52	—
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CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

(c) Key management personnel

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, directly or indirectly, including members of the Board of Directors, the Board of Supervisors and executive officers.

(i) Transactions between the Bank and key management personnel

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Transactions during the period:		
Interest income	21	22
Interest expense	22	9
	30 June	31 December
	2024	2023
	RMB'000	RMB'000
Balances as at the end of period/year:		
Loans and advances to customers	1,001	1,001
Deposits from customers	3,114	3,029

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

(c) Key management personnel (continued)

(ii) Key management personnel compensation

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Salaries and other emoluments	2,404	2,622
Contributions by the employer to social insurance and staff welfares, housing fund, etc.	555	346
Other welfare	147	124
Total	3,106	3,092

36. FAIR VALUE

(a) Methods and assumptions for measurement of fair value

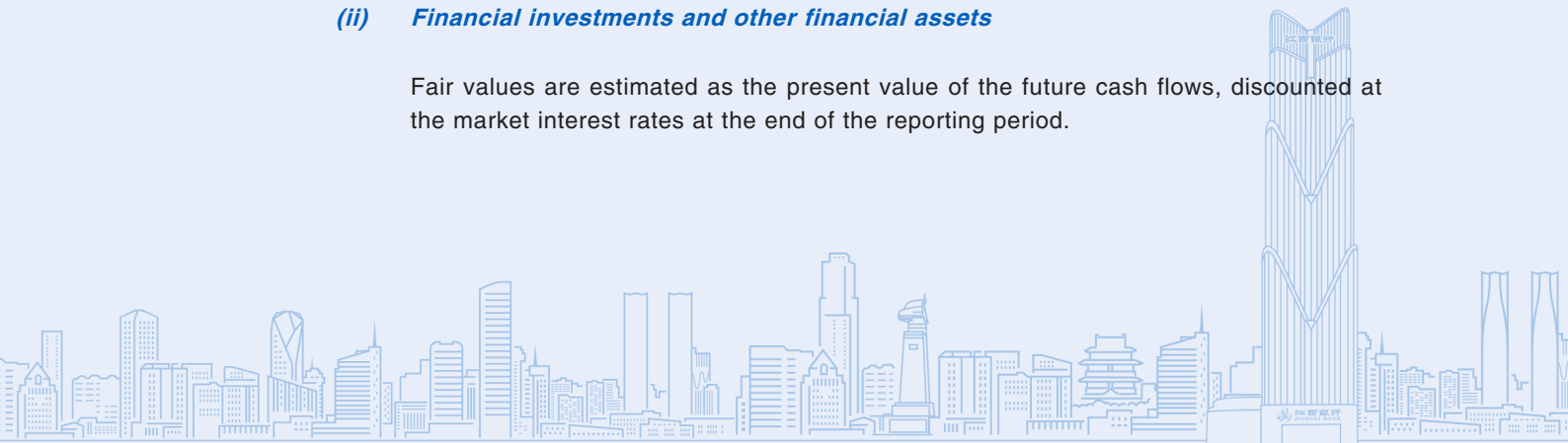
The Group adopts the following methods and assumptions when evaluating fair values:

(i) Debt securities and equity investments

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of the reporting period.

(ii) Financial investments and other financial assets

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

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

(iii) Debt securities issued and other financial liabilities

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

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

(b) Fair value measurement

(i) Financial assets

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

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

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

Financial investments at fair value through other comprehensive income and financial investments at fair value through profit or loss are stated at fair value. The carrying amounts of financial investments at amortised cost are the reasonable approximations of their fair values because, for example, they are short-term in nature or repriced at current market rates frequently.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(b) Fair value measurement (continued)

(ii) *Financial liabilities*

The Group's financial liabilities mainly include payables to banks and other financial institutions, deposits from customers and debt securities issued.

The book value and the fair value of debt securities issued are presented in Note 36(d). The carrying amounts of other financial liabilities approximate their fair values.

(c) Fair value hierarchy

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

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

Financial investments

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

Loans and advances to customers

Discounted bills and forfeiting in loans and advances to customers are valued by using a discounted cash flow model, the discounted rate is established based on the interbank offered rates and spreads adjusted by credit risk and liquidity.

	30 June 2024			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements assets				
<i>Loans and advances to customers measured at FVOCI</i>				
– Corporate loans and advances	–	–	8,594,793	8,594,793
– Discounted bills	–	–	26,454,575	26,454,575
Sub-total	–	–	35,049,368	35,049,368
<i>Financial investments at fair value through profit or loss</i>				
– Debt securities	–	11,250,269	1,396,628	12,646,897
– Equity instruments	659,081	–	412,548	1,071,629
– Fund investments	29,623,864	–	–	29,623,864
– Other financial investments	–	–	2,916,187	2,916,187
Sub-total	30,282,945	11,250,269	4,725,363	46,258,577
<i>Financial investments at fair value through other comprehensive income</i>				
– Debt securities	–	35,253,161	–	35,253,161
– Equity instruments	–	–	10,250	10,250
– Investment management products managed by securities companies and trust plans	–	–	608,158	608,158
Sub-total	–	35,253,161	618,408	35,871,569
Total	30,282,945	46,503,430	40,393,139	117,179,514

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

	31 December 2023			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Recurring fair value measurements assets				
<i>Loans and advances to customers measured at FVOCI</i>				
– Corporate loans and advances	–	–	8,582,582	8,582,582
– Discounted bills	–	–	31,209,850	31,209,850
Sub-total	–	–	39,792,432	39,792,432
<i>Financial investments at fair value through profit or loss</i>				
– Debt securities	–	16,350,621	1,507,133	17,857,754
– Equity instruments	614,246	–	410,903	1,025,149
– Fund investments	29,731,958	–	–	29,731,958
– Other financial investments	–	–	2,339,168	2,339,168
Sub-total	30,346,204	16,350,621	4,257,204	50,954,029
<i>Financial investments at fair value through other comprehensive income</i>				
– Debt securities	–	27,508,364	–	27,508,364
– Equity instruments	–	–	10,250	10,250
– Investment management products managed by securities companies and trust plans	–	–	1,214,720	1,214,720
Sub-total	–	27,508,364	1,224,970	28,733,334
Total	30,346,204	43,858,985	45,274,606	119,479,795

During the reporting period, the Group had no significant transfers among instruments in Level 1, Level 2 and Level 3.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

A reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy on an on-going basis is as below:

	Six months ended 30 June 2024	
	Loans and advances to customers RMB'000	Financial investments RMB'000
As at 1 January 2024	39,792,432	5,482,174
Total gains/(losses)		
– In profit or loss for the current period	259,397	443,591
– In other comprehensive income for the current period	(1,623)	59,685
Purchases	45,484,313	–
Settlements	(50,485,151)	(641,679)
As at 30 June 2024	35,049,368	5,343,771
Total unrealised gains for the period included in profit or loss for assets and liabilities held at the end of the period	94,756	487,982



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

	Year ended 31 December 2023	
	Loans and advances to customers RMB'000	Financial investments RMB'000
As at 1 January 2023	44,151,078	10,426,798
Total gains/(losses)		
– In profit or loss for the current year	615,857	(12,038)
– In other comprehensive income for the current year	(47,415)	379,178
Purchases	73,168,623	–
Settlements	(78,095,711)	(5,311,764)
As at 31 December 2023	39,792,432	5,482,174
Total unrealised losses for the year included in profit or loss for assets and liabilities held at the end of the year	(467,826)	(747,299)

During the six months ended 30 June 2024, there were no significant transfers into or out of Level 3 (year ended 31 December 2023: nil).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

The valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3. Quantitative information of Level 3 fair value measurement is as below:

	Fair value as at 30 June 2024 RMB'000	Valuation techniques	Unobservable input
Loans and advances to customers measured at FVOCI			
– Corporate loans and advances	8,594,793	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Discounted bills	26,454,575	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through profit or loss			
– Debt securities	1,396,628	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Equity instruments	412,548	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Other financial investments	2,916,187	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through other comprehensive income			
– Equity instruments	10,250	Market comparison technique	Adjusted market multiple
– Investment management products managed by securities companies and trust plans	608,158	Discounted cash flow	Risk-adjusted discount rate, cash flow

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

	Fair value as at 31 December 2023 RMB'000	Valuation techniques	Unobservable input
Loans and advances to customers measured at FVOCI			
– Corporate loans and advances	8,582,582	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Discounted bills	31,209,850	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through profit or loss			
– Debt securities	1,507,133	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Equity instruments	410,903	Discounted cash flow	Risk-adjusted discount rate, cash flow
– Other financial investments	2,339,168	Discounted cash flow	Risk-adjusted discount rate, cash flow
Financial investments at fair value through other comprehensive income			
– Equity instruments	10,250	Market comparison technique	Adjusted market multiple
– Investment management products managed by securities companies and trust plans	1,214,720	Discounted cash flow	Risk-adjusted discount rate, cash flow

During the six months ended 30 June 2024, there were no significant change in the valuation techniques (year ended 31 December 2023: nil).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(c) Fair value hierarchy (continued)

As at 30 June 2024, unobservable inputs such as risk-adjusted discount rate and cash flow were used in the valuation of financial investments at fair value classified as Level 3, which were mainly discounted bills and forfeiting in loans and advances to customers and investment management products managed by securities companies and trust plans. The fair value of these financial investments fluctuates according to the changes in the unobservable inputs.

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

(d) Financial instruments carried at other than fair value

At the end of the reporting period, the carrying amounts and the fair value of the financial assets and the financial liabilities of the Group have no significant difference except following items.

	30 June 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets					
– Financial investments at amortised cost – debt securities	70,028,206	71,050,116	–	71,050,116	–
Financial liabilities					
– Certificates of interbank deposits issued	45,901,426	45,952,389	–	45,952,389	–

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

36. FAIR VALUE (continued)

(d) Financial instruments carried at other than fair value (continued)

	31 December 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets					
– Financial investments at amortised cost – debt securities	68,294,204	68,407,493	–	68,407,493	–
Financial liabilities					
– Certificates of interbank deposits issued	45,371,276	45,414,704	–	45,414,704	–

37. ENTRUSTED LENDING BUSINESS

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

As at the end of reporting period, the entrusted assets and liabilities were as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Entrusted loans	17,145,532	16,678,381
Entrusted funds	(17,145,532)	(16,678,381)



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

38. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Credit commitments

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

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Loan commitments		
– Original contractual maturity within one year	978	–
– Original contractual maturity more than one year (inclusive)	–	–
Sub-total	978	–
Unused credit card commitments		
– Original contractual maturity within one year	8,695,094	8,258,253
Sub-total	8,695,094	8,258,253
Bank acceptances	31,590,383	36,790,557
Letters of guarantees	6,543,042	5,693,682
Letters of credit	9,600,471	10,617,460
Total	56,429,968	61,359,952

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

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

38. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(b) Credit risk-weighted amount

	30 June 2024 RMB'000	31 December 2023 RMB'000
Credit risk-weighted amount	11,074,828	11,464,468

The credit risk-weighted amount represents the amount calculated with reference to the guidelines issued by the NFRA (the former was the “CBIRC”).

(c) Capital commitments

As at the end of reporting period, the Group’s authorised capital commitments are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Contracted but not paid for	189,778	7,576
Authorised but not contracted	2,011	–

(d) Outstanding litigations and disputes

As at 30 June 2024, there was no outstanding legal proceedings that had a significant impact on the financial statements against the Group (31 December 2023: nil).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

38. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(e) Pledged assets

(i) Assets pledged as collaterals

Analysed by type of collateral

	30 June 2024 RMB'000	31 December 2023 RMB'000
Debt securities		
– Government	6,764,368	5,207,286
– Policy banks	16,091,159	17,584,321
Subtotal	22,855,527	22,791,607
Banks acceptances	10,442,183	4,130,971
Total	33,297,710	26,922,578

Analysed by type of asset

	30 June 2024 RMB'000	31 December 2023 RMB'000
Financial investment		
– Financial assets at fair value through other comprehensive income	7,083,199	5,037,297
– Financial assets at amortised cost	15,772,328	17,754,310
Loans and advances from customers		
– Loans and advances to customers at fair value through other comprehensive income	10,442,183	4,130,971
Total	33,297,710	26,922,578

Financial assets pledged by the Group as collaterals for liabilities are for repurchase agreements.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

38. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(e) Pledged assets (continued)

(ii) Received pledged assets

As part of the reverse repurchase agreements, the Group has received securities as collateral that allowed to sell or repledge in the absence of default by their owners; the fair value of such collateral accepted by the Group was nil as at 30 June 2024 (31 December 2023: nil).

(f) Redemption obligations

As an underwriting agent of PRC government bonds, the Group has the responsibility to buy back its bonds if the holders decide to early redeem the bonds held. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interest payable to the bond holders are calculated in accordance with relevant rules of the MOF and the PBOC. The redemption price may be different from the fair value of similar instruments traded in the markets at the redemption date. The redemption obligations below represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured at the end of the reporting period:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Redemption obligations	3,049	2,360

The Group expects that the amount of redemption before the maturity date of these government bonds through the Group will not be material.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

39. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

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

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

The following table sets out an analysis of the carrying amounts of interests held by the Group in unconsolidated structured entities, as well as an analysis of the line items in the consolidated statement of financial position in which relevant assets are recognised:

	30 June 2024	
	Carrying amount RMB'000	Maximum exposure RMB'000
Financial investments at fair value through profit or loss	32,540,051	32,540,051
Financial investments at fair value through other comprehensive income	591,425	591,425
Financial investments at amortised cost	12,004,824	12,004,824
Total	45,136,300	45,136,300

	31 December 2023	
	Carrying amount RMB'000	Maximum exposure RMB'000
Financial investments at fair value through profit or loss	33,587,316	33,587,316
Financial investments at fair value through other comprehensive income	1,214,721	1,214,721
Financial investments at amortised cost	21,366,731	21,366,731
Total	56,168,768	56,168,768

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

39. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

(continued)

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

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Group includes investments in units issued by these structured entities and fees charged by providing management services.

At 30 June 2024, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Group, was RMB29,349.06 million (31 December 2023: RMB29,944.17 million). During the six months ended 30 June 2024, the Group recorded commission income as the manager of these wealth management products amounting to RMB122.76 million (six months ended 30 June 2023: RMB55.51 million).

(c) Unconsolidated structure entities sponsored by the Group during the six months which the Group does not consolidate and does not have an interest in

During the six months ended 30 June 2024, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Group after 1 January but matured before 30 June amounted to nil (six months ended 30 June 2023: nil).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

40. CAPITAL MANAGEMENT

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

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

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

Since the "Regulation Governing Capital of Commercial Banks" ("商業銀行資本管理辦法") has come into force on 1 January 2024, the Group calculated its capital adequacy ratio as of 30 June 2024 in accordance with this measure. While the Group's capital adequacy ratio as of 31 December 2023 was calculated in accordance with "Regulation Governing Capital of Commercial Banks (Provisional)" ("商業銀行資本管理辦法 (試行)") issued by the China Banking and Insurance Regulatory Commission on 7 June 2012.

The NFRA requires commercial banks to meet the requirements of capital adequacy ratios from 1 January 2024 in accordance with "Regulation Governing Capital of Commercial Banks". For non-systemically important banks, the minimum ratios for core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio are 7.50%, 8.50% and 10.50%, respectively.

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

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

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

40. CAPITAL MANAGEMENT (continued)

The Group's capital adequacy ratios calculated in accordance with "Regulation Governing Capital of Commercial Banks" and relevant requirements promulgated by the NFRA are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Total core tier-one capital	39,580,775	39,044,912
– Share capital	6,024,277	6,024,277
– Qualifying portion of capital reserve	14,219,984	13,945,743
– Surplus reserve	3,327,023	3,327,023
– General reserve	7,645,260	7,645,260
– Retained earnings	8,218,742	7,836,463
– Qualifying portions of non-controlling interests	145,489	266,146
Core tier-one capital deductions	(3,383,808)	(1,817,656)
Net core tier-one capital	36,196,967	37,227,256
Other tier-one capital	11,917,358	11,933,446
Net tier-one capital	48,114,325	49,160,702
Tier-two capital	4,683,989	4,669,438
– Surplus allowances for loan impairment	4,645,192	4,598,466
– Qualifying portions of non-controlling interests	38,797	70,972
Net capital base	52,798,314	53,830,140
Total risk weighted assets	399,278,471	397,301,595
Core tier-one capital adequacy ratio	9.07%	9.37%
Tier-one capital adequacy ratio	12.05%	12.37%
Capital adequacy ratio	13.22%	13.55%

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

41. SEGMENT REPORTING

(a) Operating segments

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

Corporate banking

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

Retail banking and credit card

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

Financial markets business

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

Others

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

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

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

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

41. SEGMENT REPORTING (continued)

(a) Operating segments (continued)

Others (continued)

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

	Six months ended 30 June 2024				
	Corporate banking RMB'000	Retail banking and credit card RMB'000	Financial markets business RMB'000	Others RMB'000	Total RMB'000
External net interest income/(expense)	3,733,075	(805,840)	1,060,083	–	3,987,318
Internal net interest (expense)/income	(1,215,424)	2,105,614	(908,680)	18,490	–
Net interest income	2,517,651	1,299,774	151,403	18,490	3,987,318
Net fee and commission income	90,519	5,890	134,793	2,090	233,292
Net trading gains	–	–	95,795	–	95,795
Net gains/(losses) arising from financial investments	2,389	(5,249)	1,353,054	–	1,350,194
Other operating income/(expenses)	37,130	44,589	17,262	(17,285)	81,696
Operating income	2,647,689	1,345,004	1,752,307	3,295	5,748,295
Operating expenses	(250,881)	(516,375)	(643,265)	(382)	(1,410,903)
Impairment losses on assets	(3,694,220)	(77,610)	162,653	(63,972)	(3,673,149)
Share of profits of associates	–	–	–	4,509	4,509
(Loss)/profit before taxation	(1,297,412)	751,019	1,271,695	(56,550)	668,752
Segment assets	231,619,471	94,463,671	237,586,312	845,146	564,514,600
Segment liabilities	(175,743,132)	(209,533,527)	(130,539,780)	(487,576)	(516,304,015)
Other segment information					
– Credit commitments	47,734,874	8,695,094	–	–	56,429,968
– Depreciation and amortisation	12,988	61,575	139,569	–	214,132
– Capital expenditure	2,552	35,285	79,979	–	117,816

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

41. SEGMENT REPORTING (continued)

(a) Operating segments (continued)

Others (continued)

	Six months ended 30 June 2023				
	Corporate banking RMB'000	Retail banking and credit card RMB'000	Financial markets business RMB'000	Others RMB'000	Total RMB'000
External net interest income/(expense)	3,320,435	(553,293)	1,694,869	19,627	4,481,638
Internal net interest (expense)/income	(739,038)	1,705,475	(983,334)	16,897	–
Net interest income	2,581,397	1,152,182	711,535	36,524	4,481,638
Net fee and commission income/(expense)	80,259	19,664	75,754	(8,629)	167,048
Net trading gains	–	–	45,725	–	45,725
Net gains arising from financial investments	9,500	1,492	382,612	–	393,604
Other operating income/(expenses)	129,452	135,416	70,721	(25,084)	310,505
Operating income	2,800,608	1,308,754	1,286,347	2,811	5,398,520
Operating expenses	(490,202)	(531,463)	(578,230)	(157)	(1,600,052)
Impairment losses on assets	(1,618,625)	(467,831)	(294,505)	(58,396)	(2,439,357)
Share of profits of associates	–	–	–	3,765	3,765
Profit/(loss) before taxation	691,781	309,460	413,612	(51,977)	1,362,876
Segment assets	218,284,519	96,459,784	222,674,465	1,225,295	538,644,063
Segment liabilities	(188,978,936)	(183,971,270)	(116,577,072)	(1,184,720)	(490,711,998)
Other segment information					
– Credit commitments	43,385,096	8,077,305	–	–	51,462,401
– Depreciation and amortisation	59,624	62,646	109,883	–	232,153
– Capital expenditure	21,162	26,454	46,402	–	94,018

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

41. SEGMENT REPORTING (continued)

(b) Geographical information

Geographically, the Group mainly conducts its business in Jiangxi Province of the PRC and majority of its customers and assets are located in Jiangxi Province of the PRC.

42. RISK MANAGEMENT

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

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

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and minimise potential adverse effects.

The Board of Directors is the highest decision-making authority within the Group in terms of risk management and oversees the Group's risk management functions through the Risk Management Committee. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Senior management is the highest execution level in the risk management structure and reports directly to the Risk Management Committee of the Board of Directors. Based on the risk management strategies determined by the Board of Directors, senior management is responsible for formulating and implementing risk management policies and systems, as well as supervising, identifying and controlling the risks that various businesses are exposed to.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk

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

Credit business

The Board of Directors is responsible for setting the Group's risk management strategy and the overall risk tolerance level. The Board of Directors also monitors the Group's risk management process and regularly assesses the Group's risk position and risk management strategies. The Board of Directors gives advice on internal controls relating to risk management. The responsible departments for credit risk management include the Credit Approval Department and Risk Management Department. The Risk Management Department is responsible for implementing the Group's overall risk management system. Besides risk monitoring and control, the Risk Management Department is also responsible for formulating risk management policies. To ensure the independence of credit approval, the Credit Approval Department is independent from customer relationship and product management departments. Front office departments of branches carry out credit businesses according to the Group's risk management policies and procedures.

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

For corporate and institutional businesses, the Group has established industry-specific limits for credit approval. It has put in place continuous monitoring mechanism, with regular reporting of credit exposures to the Board of Directors. The Group's credit risk management covers key operational phases, including pre-lending evaluations, credit approval and post-lending monitoring. With respect to pre-lending evaluations, the Group assesses customer credit ratings and performs integrated analysis on the risk and return of the loan. In the credit approval phase, all credit applications are approved by designated credit officers. During the post-lending monitoring, the Group continually monitors outstanding loans and other credit related businesses. Any adverse events that may significantly affect a borrower's repayment ability are reported immediately and actions are taken to mitigate the risks.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit business (continued)

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

Treasury Business

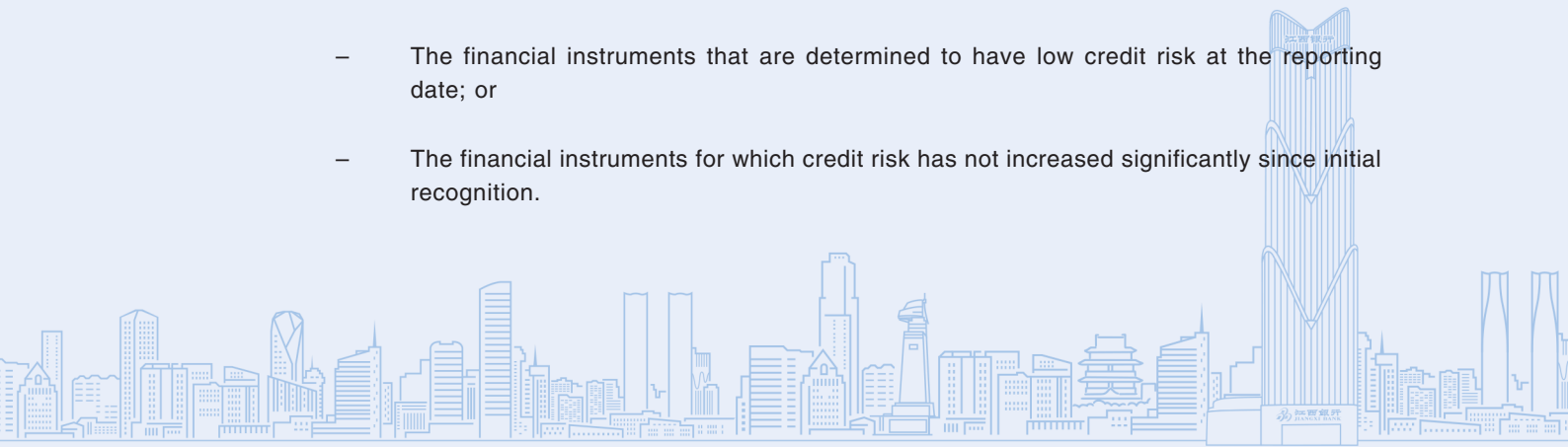
The Group's treasury business are exposed to the credit risk associated with the investment business and interbank business. The Group manages the credit risk exposures by setting up credit on its treasury business and interbank business. Credit risk exposure is closely monitored on a systematic and real-time basis. Credit risk limits are reviewed and updated regularly.

Measurement of ECL

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.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(i) *Significant increase in credit risk*

When one or more quantitative and qualitative standards or upper limits are triggered, the Group assumes that credit risk on 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;
- Less value of the collaterals (for the collateralised loans and pledged loans only);
- Early indicators of problems of cash flow/liquidity, such as late payment of accounts payable/repayment of loans; and
- The payment is more than 30 days past due.

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

As at 30 June 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 (31 December 2023: nil).

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(ii) *Definition 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 financial asset is more than 90 days past due.

(b) Qualitative criterion

The counterparty meets the criterion of “having difficulty in repayment”, which indicates that the counterparty has significant financial difficulty, including:

- the counterparty has been in the grace period for a long time;
- the death of the counterparty;
- the counterparty enters bankruptcy;
- the counterparty 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 faced by the counterparty;
- the creditor makes concessions due to the financial difficulties faced by the counterparty;
- it becomes probable that the counterparty will enter bankruptcy; and
- a higher discount was obtained during the acquisition of assets and the assets has incurred credit loss when they are acquired.

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

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) 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 loan;
- 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 loan;
- LGD refers to the expected degree of loss arising from the exposure at default which is predicted by the Group. LGD varies according to different types of counterparties, methods and priority of recovering debts, and the availability of collaterals 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 from using the maturity model or 12-month probability of default. The maturity model describes the development rule of the defaults of the asset portfolio over its lifetime. The model is developed based on historical observational data and applicable to all assets in the same portfolio with the same credit rating. The above method is supported by empirical analysis.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) Notes to the parameters, assumptions and valuation techniques (continued)

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

- In respect of the loans with instalment repayments and bullet repayment, the Group determines 12-month or lifetime EAD according to the repayment schedule agreed in the contract and makes adjustment based on prediction of over-limit repayment and prepayments/refinancing made by the counterparty;
- In respect of the products of revolving credit agreement, the Group estimates the remaining withdrawal within the limits by using the balance of the loan after previous withdrawals and the “credit conversion factor,” so as to predict the exposure at default. Based on the Group’s analysis on recent default data, these assumptions vary based on differences in product type and utilisation rate of the limits;
- The Group determines the 12-month LGD and lifetime LGD based on the factors that affects post-default recovery. LGD for different product types are different;
- As to loans classified as guarantees, the Group determines the LGD according to the types of collaterals and their expected value, the discount rate at the compulsory sale, the recovery time and the estimated recovery cost;
- As to fiduciary loans, the Group usually determines LGD in the product level due to the limited differences in recoverable amounts from different counterparties. The LGD is affected by the recovery strategies, which include the transfer plan and pricing of loans;
- Forward-looking economic information should be considered when determining the 12-month and lifetime PD, EAD and LGD.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) Notes to the parameters, assumptions and valuation techniques (continued)

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

Both the assessment of the significant increase in credit risk and the measurement of expected credit losses involve forward-looking information. Based on the analysis on historical data, the Group identified critical economic indicators that affect the credit risk and expected credit losses of all asset portfolios, including GDP, increase in RMB loans, PPI, etc.

There has been no significant changes in the valuation techniques and key assumptions during the reporting period.

The Group adopts three economic scenarios in the ECL measurement to meet the requirements of IFRS 9. The “Baseline” scenario represents a most likely outcome and the other two scenarios, referred to as “Good” scenario and “Bad” scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to Baseline scenario.

The Baseline scenario is prepared by our Risk Management Committee Department. Historical data, economic trend, external forecast from governmental and nongovernmental organisation, etc. are also used as benchmarks to ensure the forecasts are reasonable and supportable. For the Good and Bad scenarios, the Group makes reference to the historical macroeconomics data.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) Notes to the parameters, assumptions and valuation techniques (continued)

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each asset portfolio such as Gross Domestic Product Growth, Consumer Price Index, Property Price Index and Unemployment Rate. The Group evaluates and forecasts these economic indicators at least annually and applied them in the impairment model.

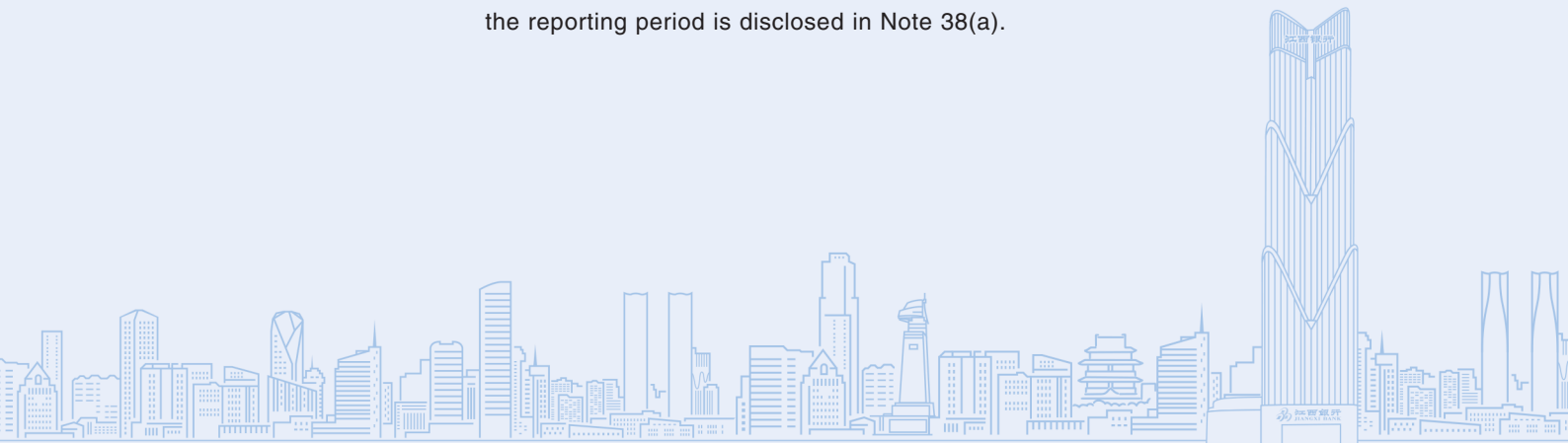
The probability weight assigned for each scenario reflects the Group's view for the economic environment, which implements the Group's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance.

As at 30 June 2024, the Group assigned a higher probability weight to the baseline scenario, weights greater than the bad and good scenario models to reflect accurate forward-looking forecasts for the period. (31 December 2023: the baseline scenario is weighted higher than the bad and good scenario).

The calculation of ECL is affected by macroeconomic factors and economic scenarios. If more pessimistic macroeconomic factors are applied in ECL assessment or a higher probability weight is assigned to the Bad scenario, it would result in an increase in ECL.

(1) Maximum credit risk exposure

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets at the end of the reporting period. The maximum exposure to credit risk in respect of those off-balance sheet items at the end of the reporting period is disclosed in Note 38(a).



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (continued)*

(2) The credit quality of financial assets is analysed as follows:

	30 June 2024		
	Loans and advances to customers RMB'000	Deposits/placements with banks and other financial institutions RMB'000	Financial investments (Note (a)) RMB'000
Balance of financial assets that are assessed for expected credit losses over the next 12 months			
– Overdue but not credit-impaired	13,531	–	–
– Neither overdue nor credit-impaired	318,864,025	23,489,497	111,694,811
Sub-total	318,877,556	23,489,497	111,694,811
Balance of financial assets that are not credit impaired and assessed for lifetime expected credit losses			
– Overdue but not credit-impaired	6,494,286	–	3,318,940
– Neither overdue nor credit-impaired	7,843,261	–	–
Sub-total	14,337,547	–	3,318,940
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses			
– Overdue and credit-impaired	12,400,590	–	5,465,336
– Credit-impaired but not overdue	5,866,063	–	845,255
Sub-total	18,266,653	–	6,310,591
Less: Allowances for impairment losses	(14,736,258)	(77,738)	(3,201,880)
Total	336,745,498	23,411,759	118,122,462

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (continued)*

(2) The credit quality of financial assets is analysed as follows: (continued)

	31 December 2023		
	Loans and advances to customers RMB'000	Deposits/ placements with banks and other financial institutions RMB'000	Financial investments (Note (a)) RMB'000
Balance of financial assets that are assessed for expected credit losses over the next 12 months			
– Overdue but not credit-impaired	2,315	–	–
– Neither overdue nor credit-impaired	310,943,094	20,436,560	105,004,566
Sub-total	310,945,409	20,436,560	105,004,566
Balance of financial assets that are not credit impaired and assessed for lifetime expected credit losses			
– Overdue but not credit-impaired	4,942,627	–	4,742,695
– Neither overdue nor credit-impaired	8,827,476	–	–
Sub-total	13,770,103	–	4,742,695
Balance of credit-impaired financial assets that are assessed for lifetime expected credit losses			
– Overdue and credit-impaired	7,328,514	–	5,554,214
– Credit-impaired but not overdue	5,846,697	–	735,369
Sub-total	13,175,211	–	6,289,583
Less: Allowances for impairment losses	(12,373,851)	(49,987)	(3,227,963)
Total	325,516,872	20,386,573	112,808,881

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (continued)*

(2) The credit quality of financial assets is analysed as follows: (continued)

- (a) Financial investments comprise financial investments at amortised cost and financial investments at fair value through other comprehensive income (excluding equity instruments).

The fair value of collaterals held against loans and advances overdue but not credit-impaired as at 30 June 2024 amounted to RMB4,898.45 million (31 December 2023: RMB4,294.42 million).

The fair value of collaterals held against loans and advances that are credit-impaired as at 30 June 2024 amounted to RMB22,561.82 million (31 December 2023: RMB21,163.14 million). The collaterals mainly include land use rights, buildings, machinery and equipment, etc. The fair value of collaterals were estimated by the Bank based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

(3) Rescheduled loans and advances to customers

The Group has formulated a set of loan restructuring policies to reschedule the contractual terms with customers, to maximise the collectability of loans and to manage customer relationships.

The carrying amount of rescheduled loans and advances to customers is as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Rescheduled loans and advances to customers	465,515	485,479
Credit-impaired loans and advances to customers included in above	263,953	357,217

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Measurement of ECL (continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (continued)*

(4) Credit rating of debt securities

The Group adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at the end of the reporting period are as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Impaired debt securities	825,000	856,515
Sub-total	825,000	856,515
Neither overdue nor credit-impaired		
<i>Ratings</i>		
– AAA	107,358,655	103,363,880
– AA – to AA+	7,988,575	7,562,203
– A – to A+	359,407	370,591
Sub-total	115,706,637	111,296,674
<i>Unrated</i>	1,396,628	1,507,133
Sub-total	1,396,628	1,507,133
Total	117,928,265	113,660,322

The above financial investments include debt securities issued by the government and policy banks, which amounted to RMB97.101 billion as at 30 June 2024 (31 December 2023: RMB94.127 billion).

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk

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

The Board of Directors is ultimately responsible for monitoring the Group's market risk to ensure that the Group has effectively identified, measured and monitored all types of market risk. The Risk Management Committee monitors the market risk management process within the scope authorised by the Board of Directors, which include review and approval of market risk management strategies, policies and procedures. The Group is primarily exposed to market risk in its financial markets business. The Financial Market Department is responsible for carrying out capital investments and transactions. The Planning and Finance Department and Transaction Banking Department are responsible for monitoring and managing the interest rate risk and foreign exchange risk on a daily basis. The Risk Management Department is responsible for formulating the market risk management policies and procedures, as well as identifying, measuring and monitoring the Group's market risk.

Sensitivity analysis is a technique which assesses the sensitivity of the Group's overall risk profile and its risk profile for each period with reference to the interest rate risks for different maturities.

Scenario analysis is a multi-factor analysis method which assesses the impact of multiple factors interacting simultaneously, taking into consideration of the probabilities of various scenarios.

Foreign currency gap analysis is a technique which estimates the impact of foreign exchange rate movements on the Group's current profit or loss. The foreign currency gap mainly arises from the currency mismatch in the Group's on/off-balance sheet items.

Sensitivity gap analysis is a technique which estimates the impact of interest rate movements on the Group's current profit or loss. It is used to work out the gap between future cash inflows and outflows by categorising each of the Group's interest-bearing assets and interest-taking liabilities into different periods based on repricing dates.

The results of stress testing are assessed against a set of forward-looking scenarios using stress moves in market variables. The results are used to estimate the impact on profit or loss.

Effective duration analysis is a technique which estimates the impact of interest rate movements by giving a weight to each period's exposure according to its sensitivity, calculating the weighted exposure, and summarising all periods' weighted exposures to estimate the non-linear impact of a change in interest rates on the Group's economic value.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Interest rate risk

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

Repricing risk

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

The Planning and Finance Department is responsible for measuring, monitoring and managing interest rate risk. The Group regularly performs assessment on the interest rate repricing gap between the assets and liabilities that are sensitive to changes in interest rates and sensitivity analysis on the net interest income as a result of changes in interest rates. The primary objective of interest rate risk management is to minimise potential adverse effects on its net interest income or its inherent economic value caused by interest rate volatility.

Trading interest rate risk

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Interest rate risk (continued)

- (i) The following tables indicate the assets and liabilities at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier:

	30 June 2024					
	Total RMB'000	Non-interest bearing RMB'000	Less than three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000
Assets						
Cash and deposits with the central bank	28,507,527	827,961	27,679,566	-	-	-
Deposits with banks and other financial institutions	1,558,806	306,881	882,729	329,213	39,983	-
Placements with banks and other financial institutions	21,852,953	266,582	7,197,040	14,389,331	-	-
Loans and advances to customers (Note (a))	336,745,498	633,376	54,723,853	117,371,440	74,726,816	89,290,013
Financial investments (Note (b))	164,391,289	33,777,478	9,843,620	9,934,792	72,112,110	38,723,289
Others	11,458,527	11,458,527	-	-	-	-
Total assets	564,514,600	47,270,805	100,326,808	142,024,776	146,878,909	128,013,302
Liabilities						
Borrowing from the central bank	25,607,434	249,759	5,562,456	19,795,219	-	-
Deposits from banks and other financial institutions	19,077,065	168,778	9,751,287	7,981,000	1,176,000	-
Placements from banks and other financial institutions	4,082,903	2,903	2,880,000	1,200,000	-	-
Borrowing from other financial institutions	2,276,502	8,502	100,000	2,168,000	-	-
Financial assets sold under repurchase agreements	31,464,182	22,534	29,487,261	1,954,387	-	-
Deposits from customers	383,244,444	7,967,687	147,497,776	90,797,763	134,682,149	2,299,069
Debt securities issued	45,901,426	-	17,617,342	28,284,084	-	-
Others	4,650,059	3,833,272	47,139	89,125	372,435	308,088
Total liabilities	516,304,015	12,253,435	212,943,261	152,269,578	136,230,584	2,607,157
Asset-liability gap	48,210,585	35,017,370	(112,616,453)	(10,244,802)	10,648,325	125,406,145

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Interest rate risk (continued)

- (i) The following tables indicate the assets and liabilities at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier: (continued)

	31 December 2023					
	Total RMB'000	Non-interest bearing RMB'000	Less than three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000
Assets						
Cash and deposits with the central bank	32,128,146	979,147	31,148,999	-	-	-
Deposits with banks and other financial institutions	3,691,587	1,125,277	2,466,873	99,437	-	-
Placements with banks and other financial institutions	16,694,986	184,042	3,893,825	12,617,119	-	-
Loans and advances to customers (Note (a))	325,516,872	1,002,103	53,937,065	112,551,395	71,043,046	86,983,263
Financial investments (Note (b))	163,773,160	34,004,484	12,998,756	15,627,109	61,686,734	39,456,077
Others	10,540,612	10,540,612	-	-	-	-
Total assets	552,345,363	47,835,665	104,445,518	140,895,060	132,729,780	126,439,340
Liabilities						
Borrowing from the central bank	26,124,256	186,207	4,222,907	21,715,142	-	-
Deposits from banks and other financial institutions	17,200,603	245,185	8,185,418	7,498,000	1,272,000	-
Placements from banks and other financial institutions	4,002,897	2,897	1,500,000	2,500,000	-	-
Borrowing from other financial institutions	1,237,965	19,965	700,000	518,000	-	-
Financial assets sold under repurchase agreements	25,731,370	4,141	25,727,229	-	-	-
Deposits from customers	381,212,270	7,826,531	174,426,736	79,790,373	116,064,054	3,104,576
Debt securities issued	45,371,276	-	16,608,434	28,762,842	-	-
Others	3,932,209	3,094,974	35,521	75,699	408,814	317,201
Total liabilities	504,812,846	11,379,900	231,406,245	140,860,056	117,744,868	3,421,777
Asset-liability gap	47,532,517	36,455,765	(126,960,727)	35,004	14,984,912	123,017,563

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Interest rate risk (continued)

(i) The following tables indicate the assets and liabilities at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier: (continued)

(a) As at 30 June 2024, for loans and advances to customers, the category “Less than three months” of the Group includes overdue amounts (net of allowances for impairment losses) of RMB10,725.80 million (31 December 2023: RMB6,593.40 million).

(b) As at 30 June 2024, for financial investments, the category “Less than three months” of the Group includes overdue amounts (net of allowances for impairment losses) of RMB7,677.39 million (31 December 2023: RMB4,330.61 million).

(ii) Interest rate sensitivity analysis

The Group uses sensitivity analysis to measure the impact of changes in interest rate on the Group’s net profit and equity. The following table sets forth the results of the Group’s interest rate sensitivity analysis on net profit and equity with an assumption that all other variables held constant.

	30 June 2024 (decrease)/ increase RMB’000	31 December 2023 (decrease)/ increase RMB’000
Changes in net profit		
Up 100 bps parallel shift in yield curves	(942,841)	(1,179,692)
Down 100 bps parallel shift in yield curves	911,468	1,143,761

	30 June 2024 (decrease)/ increase RMB’000	31 December 2023 (decrease)/ increase RMB’000
Changes in equity		
Up 100 bps parallel shift in yield curves	(711,362)	(620,955)
Down 100 bps parallel shift in yield curves	763,071	669,863

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FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

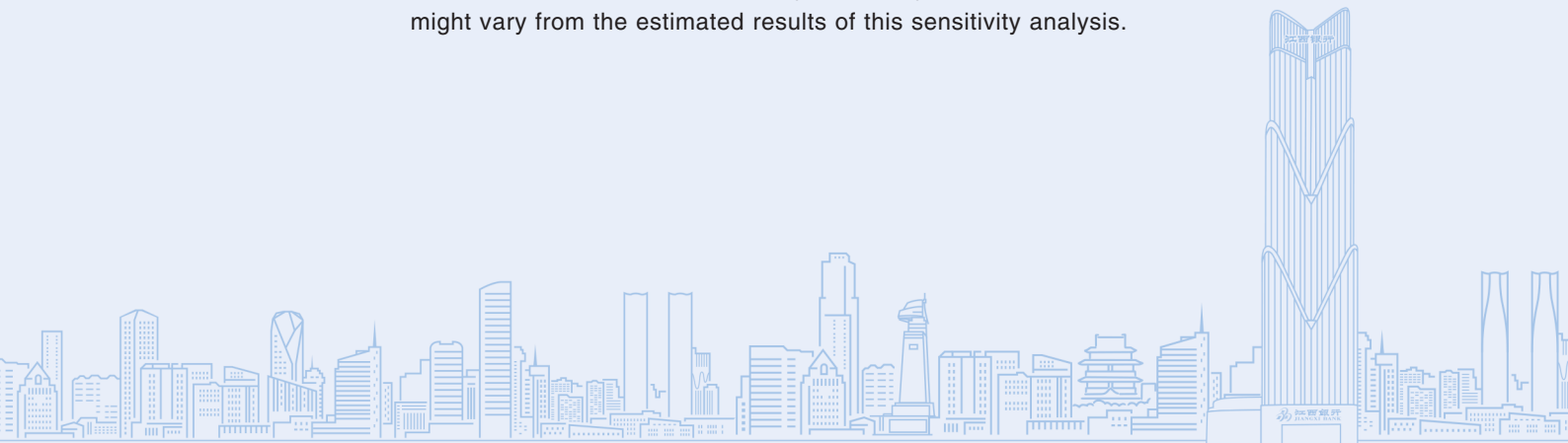
Interest rate risk (continued)

(ii) Interest rate sensitivity analysis (continued)

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

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

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



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Foreign exchange risk

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

- (i) The Group's currency exposures at the end of the reporting period are as follows (The numbers are presented in RMB equivalent):

	30 June 2024				
	RMB (RMB'000)	USD (RMB'000)	HKD (RMB'000)	Others (RMB'000)	Total (RMB'000)
Assets					
Cash and deposits with the central bank	28,486,853	16,216	2,665	1,793	28,507,527
Deposits with banks and other financial institutions	1,019,449	518,280	7,768	13,309	1,558,806
Placements with banks and other financial institutions	20,992,814	860,139	-	-	21,852,953
Loans and advances to customers	335,948,002	797,496	-	-	336,745,498
Financial investments	164,391,289	-	-	-	164,391,289
Others	11,458,527	-	-	-	11,458,527
Total assets	562,296,934	2,192,131	10,433	15,102	564,514,600
Liabilities					
Borrowing from the central bank	25,607,434	-	-	-	25,607,434
Deposits from banks and other financial institutions	19,077,065	-	-	-	19,077,065
Placements from banks and other financial institutions	4,082,903	-	-	-	4,082,903
Borrowing from other financial institutions	2,276,502	-	-	-	2,276,502
Financial assets sold under repurchase agreements	31,464,182	-	-	-	31,464,182
Deposits from customers	382,987,111	247,002	9,680	651	383,244,444
Debt securities issued	45,901,426	-	-	-	45,901,426
Others	4,575,175	74,884	-	-	4,650,059
Total liabilities	515,971,798	321,886	9,680	651	516,304,015
Net position	46,325,136	1,870,245	753	14,451	48,210,585
Credit commitments	53,500,784	2,929,184	-	-	56,429,968

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Foreign exchange risk (continued)

- (i) The Group's currency exposures at the end of the reporting period are as follows (The numbers are presented in RMB equivalent): (continued)

	31 December 2023				
	RMB (RMB'000)	USD (RMB'000)	HKD (RMB'000)	Others (RMB'000)	Total (RMB'000)
Assets					
Cash and deposits with the central bank	32,114,698	10,730	1,834	884	32,128,146
Deposits with banks and other financial institutions	2,459,224	1,201,385	9,548	21,430	3,691,587
Placements with banks and other financial institutions	16,694,986	-	-	-	16,694,986
Loans and advances to customers	324,896,601	620,271	-	-	325,516,872
Financial investments	163,773,160	-	-	-	163,773,160
Others	10,540,612	-	-	-	10,540,612
Total assets	550,479,281	1,832,386	11,382	22,314	552,345,363
Liabilities					
Borrowing from the central bank	26,124,256	-	-	-	26,124,256
Deposits from banks and other financial institutions	17,200,603	-	-	-	17,200,603
Placements from banks and other financial institutions	4,002,897	-	-	-	4,002,897
Borrowing from other financial institutions	1,237,965	-	-	-	1,237,965
Financial assets sold under repurchase agreements	25,731,370	-	-	-	25,731,370
Deposits from customers	381,013,898	188,144	9,657	571	381,212,270
Debt securities issued	45,371,276	-	-	-	45,371,276
Others	3,914,480	17,729	-	-	3,932,209
Total liabilities	504,596,745	205,873	9,657	571	504,812,846
Net position	45,882,536	1,626,513	1,725	21,743	47,532,517
Credit commitments	59,369,505	1,990,447	-	-	61,359,952

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(b) Market risk (continued)

Foreign exchange risk (continued)

(ii) Exchange rate sensitivity analysis

	30 June 2024 (decrease)/ increase RMB'000	31 December 2023 (decrease)/ increase RMB'000
Changes in net profit		
Foreign exchange rates decreases by 100 bps	(14,141)	(12,375)
Foreign exchange rates increases by 100 bps	14,141	12,375

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

- The foreign exchange sensitivity is the gain and loss recognised as a result of 100 basis points fluctuation in the foreign currency exchange rates against RMB;
- The fluctuation of exchange rates by 100 basis points is based on the assumption of exchange rates movement over the next 12 months;
- The exchange rates against RMB for the US dollars and other foreign currencies change in the same direction simultaneously, and thus other foreign currencies are converted into US dollars for the sensitivity analysis mentioned above to show how net profit or loss would have been affected; and
- Other variables (including interest rates) remain unchanged.

The analysis does not take into account the effect of risk management measures taken by the Group.

Due to the assumptions adopted, actual changes in the Group's profit or loss resulting from the increase or decrease in foreign exchange rates may vary from the estimated results of this sensitivity analysis.

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk

Liquidity risk is the risk that a commercial bank is unable to obtain funds on a timely basis or obtain funds at a reasonable cost to sustain its asset business or meet repayment obligations. This risk exists even if a bank's solvency remains strong. In accordance with liquidity policies, the Group monitors the future cash flows and maintains an appropriate level of highly liquid assets.

The Asset and Liability Management Committee ("ALMC") is responsible for managing the Group's overall liquidity risk. The ALMC is responsible for the formulation of the liquidity policies in accordance with regulatory requirements and prudential principles. Such policies include:

- Maintaining liquidity at a stable and sufficient level; establishing integrated liquidity risk management system; ensuring the meeting on a timely basis of liquidity requirements and the payment of assets, liabilities and off-balance sheet business, whether under a normal operating environment or a state of stress; balancing the effectiveness and security of funds in an efficient manner; and
- Making timely and reasonable adjustments to capital structure and scale in response to market changes and business developments; pursuing profit maximisation and cost minimisation to a modest extent while ensuring appropriate liquidity; achieving the integration of the security, liquidity and effectiveness of the Bank's funds.

The Planning and Finance Department takes the lead to execute liquidity management policies and is responsible for formulating and revising the liquidity management strategies, and for identifying, measuring, monitoring and releasing the liquidity risk of the Bank. It is also responsible for managing and forecasting the working capital on a regular basis together with the Finance Market Department, and ensuring the liquidity of working capital meets management requirements based on the liquidity strategies. The Finance Market Department is responsible for performing the operation following the instructions of the Planning and Finance Department. Significant disbursement or portfolio changes must be reported to the ALMC on a timely basis.

A substantial portion of the Group's assets are funded by deposits from customers. These deposits from customers, which have been growing in recent years, are widely diversified in terms of type and duration and represent a stable source of funds.

The Group principally uses liquidity gap analysis to measure liquidity risk. Scenario analysis and stress testing are also adopted to assess the impact of liquidity risk.



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The following tables provide an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period:

	Indefinite (Note (a)/(b)/(c)) RMB'000	Repayable on demand RMB'000	Within one month RMB'000	30 June 2024				Total RMB'000
				Between one month and three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000	
Assets								
Cash and deposits with the central bank	24,578,228	3,929,299	-	-	-	-	-	28,507,527
Deposits with banks and other financial institutions	-	1,188,561	-	-	330,262	39,983	-	1,558,806
Placements with banks and other financial institutions	-	-	3,093,155	4,219,211	14,540,587	-	-	21,852,953
Loans and advances to customers	8,116,081	4,654,422	15,798,816	26,787,910	117,371,440	74,726,816	89,290,013	336,745,498
Financial investments	4,442,771	31,949,783	1,398,904	3,400,639	10,018,477	74,115,218	39,065,497	164,391,289
Others	4,351,745	7,011,900	55	3,857	34,029	52,861	4,080	11,458,527
Total assets	41,488,825	48,733,965	20,290,930	34,411,617	142,294,795	148,934,878	128,359,590	564,514,600

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Indefinite (Note (a))/(b)/(c))	Repayable on demand	Within one month	30 June 2024				Total
				Between		Between one year and five years	More than five years	
				one month and three months	three months and one year			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Liabilities								
Borrowing from the central bank	-	-	2,710,126	2,916,754	19,980,554	-	-	25,607,434
Deposits from banks and other financial institutions	-	356,402	5,910,735	3,504,036	8,080,307	1,225,585	-	19,077,065
Placements from banks and other financial institutions	-	-	1,581,619	1,300,809	1,200,475	-	-	4,082,903
Borrowing from other financial institutions	-	-	-	100,075	2,176,427	-	-	2,276,502
Financial assets sold under repurchase agreements	-	-	22,945,414	6,564,381	1,954,387	-	-	31,464,182
Deposits from customers	-	109,490,560	16,054,589	25,084,205	92,725,569	137,541,640	2,347,881	383,244,444
Debt securities issued	-	-	3,716,394	13,900,948	28,284,084	-	-	45,901,426
Others	316,810	3,067,857	30,249	44,146	169,127	713,782	308,088	4,650,059
Total liabilities	316,810	112,914,819	52,949,126	53,415,354	154,570,930	139,481,007	2,655,969	516,304,015
Long/(short) position	41,172,015	(64,180,854)	(32,658,196)	(19,003,737)	(12,276,135)	9,453,871	125,703,621	48,210,585



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Indefinite (Note (a)/(b)/(c)) RMB'000	Repayable on demand RMB'000	Within one month RMB'000	31 December 2023				Total RMB'000
				Between one month and three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000	
Assets								
Cash and deposits with the central bank	26,567,719	5,560,427	-	-	-	-	-	32,128,146
Deposits with banks and other financial institutions	-	1,796,586	1,298,119	487,192	109,690	-	-	3,691,587
Placements with banks and other financial institutions	-	-	1,895,777	2,041,106	12,758,103	-	-	16,694,986
Loans and advances to customers	5,271,241	3,029,211	15,262,007	31,376,716	112,551,388	71,043,046	86,983,263	325,516,872
Financial investments	4,377,674	32,015,819	2,320,451	6,546,314	15,753,488	62,762,515	39,996,899	163,773,160
Others	4,468,854	5,963,985	306	3,412	42,391	57,428	4,236	10,540,612
Total assets	40,685,488	48,366,028	20,776,660	40,454,740	141,215,060	133,862,989	126,984,398	552,345,363

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Indefinite (Note (a)/(b)/(c)) RMB'000	Repayable on demand RMB'000	Within one month RMB'000	31 December 2023				Total RMB'000
				Between one month and three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000	
Liabilities								
Borrowing from the central bank	-	4,047	1,119,466	3,187,011	21,813,732	-	-	26,124,256
Deposits from banks and other financial institutions	-	835,559	4,688,238	2,760,615	7,596,156	1,320,035	-	17,200,603
Placements from banks and other financial institutions	-	-	-	1,501,100	2,501,797	-	-	4,002,897
Borrowing from other financial institutions	-	-	-	717,033	520,932	-	-	1,237,965
Financial assets sold under repurchase agreements	-	-	21,733,811	3,997,559	-	-	-	25,731,370
Deposits from customers	-	113,933,871	30,465,088	33,683,943	81,462,851	118,528,910	3,137,607	381,212,270
Debt securities issued	-	-	1,728,089	14,880,345	28,762,842	-	-	45,371,276
Others	383,102	2,211,157	34,954	65,449	262,038	606,628	368,881	3,932,209
Total liabilities	383,102	116,984,634	59,769,646	60,793,055	142,920,348	120,455,573	3,506,488	504,812,846
Long/(short) position	40,302,386	(68,618,606)	(38,992,986)	(20,338,315)	(1,705,288)	13,407,416	123,477,910	47,532,517

(a) Indefinite amount of cash and deposits with the central bank represents the statutory deposit reserves and fiscal deposits with the central bank.

(b) Indefinite amount of loans and advances to customers includes all the credit-impaired loans as well as those overdue more than one month. Loans and advances to customers with no credit-impairment but overdue within one month are classified into the category of "Repayable on demand".

(c) Financial investments comprise financial investments at amortised cost, financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income. Indefinite amount of financial investments represent credit-impaired investments or those overdue more than one month. Equity investments is listed in the category of "Indefinite".

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The following tables provide an analysis of the Group's contractual undiscounted cash flow and credit commitments at the end of the reporting period:

	30 June 2024								
	Carrying amount RMB'000	Contractual undiscounted cash flow RMB'000	Indefinite RMB'000	Repayable on demand RMB'000	Within one month RMB'000	Between one month and three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000
Financial liabilities									
Borrowing from the central bank	25,607,434	25,891,045	-	-	2,713,654	2,928,778	20,248,613	-	-
Deposits from banks and other financial institutions	19,077,065	19,437,715	-	356,402	5,925,065	3,526,258	8,279,651	1,350,339	-
Placements from banks and other financial institutions	4,082,903	4,104,193	-	-	1,589,557	1,308,086	1,206,550	-	-
Borrowing from other financial institutions	2,276,502	2,322,900	-	-	-	100,628	2,222,272	-	-
Financial assets sold under repurchase agreements	31,464,182	31,517,792	-	-	22,951,906	6,598,709	1,967,177	-	-
Deposits from customers	383,244,444	395,451,654	-	107,213,743	16,149,081	25,252,951	95,123,244	148,763,995	2,948,640
Debt securities issued	45,901,426	46,320,000	-	-	3,720,000	13,950,000	28,650,000	-	-
Lease liabilities	816,787	983,413	-	-	16,779	30,644	91,175	414,535	430,280
Total financial liabilities	512,470,743	526,028,712	-	107,570,145	53,066,042	53,696,054	157,788,662	150,528,869	3,378,920
Credit commitments	56,429,968	56,429,968	1,390,266	195,414	13,098,699	14,787,046	24,295,404	2,115,888	547,251

CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	31 December 2023								
	Carrying amount RMB'000	Contractual undiscounted cash flow RMB'000	Indefinite RMB'000	Repayable on demand RMB'000	Within one month RMB'000	Between one month and three months RMB'000	Between three months and one year RMB'000	Between one year and five years RMB'000	More than five years RMB'000
Financial liabilities									
Borrowing from the central bank	26,124,256	26,499,089	-	4,047	1,120,805	3,202,265	22,171,972	-	-
Deposits from banks and other financial institutions	17,200,603	17,660,597	-	835,559	4,761,877	2,804,485	7,790,148	1,488,528	-
Placements from banks and other financial institutions	4,002,897	4,026,599	-	-	-	1,510,100	2,516,499	-	-
Borrowing from other financial institutions	1,237,965	1,238,122	-	-	-	717,080	521,042	-	-
Financial assets sold under repurchase agreements	25,731,370	25,749,209	-	-	21,735,434	4,013,775	-	-	-
Deposits from customers	381,212,270	385,053,878	-	111,594,740	29,866,844	33,134,306	80,941,781	126,174,623	3,341,584
Debt securities issued	45,371,276	45,840,000	-	-	1,730,000	14,940,000	29,170,000	-	-
Lease liabilities	837,235	1,017,689	-	-	24,275	11,412	137,115	415,035	429,852
Total financial liabilities	501,717,872	507,085,183	-	112,434,346	59,239,235	60,333,423	143,248,557	128,058,186	3,771,436
Credit commitments	61,359,952	61,359,952	-	16,423,607	11,480,953	10,305,588	21,734,970	868,101	546,733



CHAPTER XIII NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

42. RISK MANAGEMENT (continued)

(d) Operational risk

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

The Group establishes a framework of policies and procedures to identify, assess, control, manage and report operational risk. The framework covers all business functions ranging from corporate banking, retail banking, trading, corporate finance, settlement, intermediary business, asset management and all supporting functions, including human resource management, financial management, legal affairs, anti-money laundering and administration management. The key elements of the framework are listed as below:

- A multi-level operational risk management framework with segregation of duties between front and back offices under the leadership of senior management;
- A series of operational risk management policies covering all businesses on the basis of core operational risk management policy;
- An emergency plan and a business continuity system designed to deal with emergent and adverse circumstances, including public relation issues, natural disasters, IT system errors, bank runs, robberies, etc.;
- An evaluation system on the operational risk management as well as an inquiry and disciplinary system on the non-compliance issues; and
- An independent risk assessment framework based on the internal audit and the compliance review.

43. SUBSEQUENT EVENTS

The Group has no material events for disclosure subsequent to the end of the reporting period.

CHAPTER XIV UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

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

1. LIQUIDITY COVERAGE RATIO AND LEVERAGE RATIO

Liquidity coverage ratio

	30 June 2024	Average for the six months ended 30 June 2024
Liquidity coverage ratio (RMB and foreign currency)	301.62%	330.41%

	31 December 2023	Average for the year ended 31 December 2023
Liquidity coverage ratio (RMB and foreign currency)	333.14%	364.22%

Pursuant to the Administrative Measures for Liquidity Risk Management of Commercial Banks, the liquidity coverage ratio of commercial banks shall reach 100% by the end of 2019.

Leverage Ratio

	30 June 2024	31 December 2023
Leverage Ratio	7.81%	8.25%

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

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

CHAPTER XIV UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

2. CURRENCY CONCENTRATIONS

The amounts are presented in RMB equivalent.

	30 June 2024			
	USD (RMB'000)	HKD (RMB'000)	Others (RMB'000)	Total (RMB'000)
Spot assets	2,608,997	10,509	15,232	2,634,738
Spot liabilities	(3,238,181)	(10,442)	(15,057)	(3,263,680)
Net position	(629,184)	67	175	(628,942)

	31 December 2023			
	USD (RMB'000)	HKD (RMB'000)	Others (RMB'000)	Total (RMB'000)
Spot assets	2,245,997	11,480	19,276	2,276,753
Spot liabilities	(2,844,975)	(11,381)	(19,088)	(2,875,444)
Net position	(598,978)	99	188	(598,691)

The Group has no structural position at the end of the reporting period.

3. INTERNATIONAL CLAIMS

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

International claims include loans and advances to customers, balances with the central bank, amounts due from banks and other financial institutions.

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

CHAPTER XIV UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. INTERNATIONAL CLAIMS (continued)

	30 June 2024			
	Banks and other financial institutions (RMB'000)	Public sector entities (RMB'000)	Others (RMB'000)	Total (RMB'000)
All regions outside Mainland China	303,902	–	2,049	305,951

	31 December 2023			
	Banks and other financial institutions (RMB'000)	Public sector entities (RMB'000)	Others (RMB'000)	Total (RMB'000)
All regions outside Mainland China	1,121,343	–	270,965	1,392,308

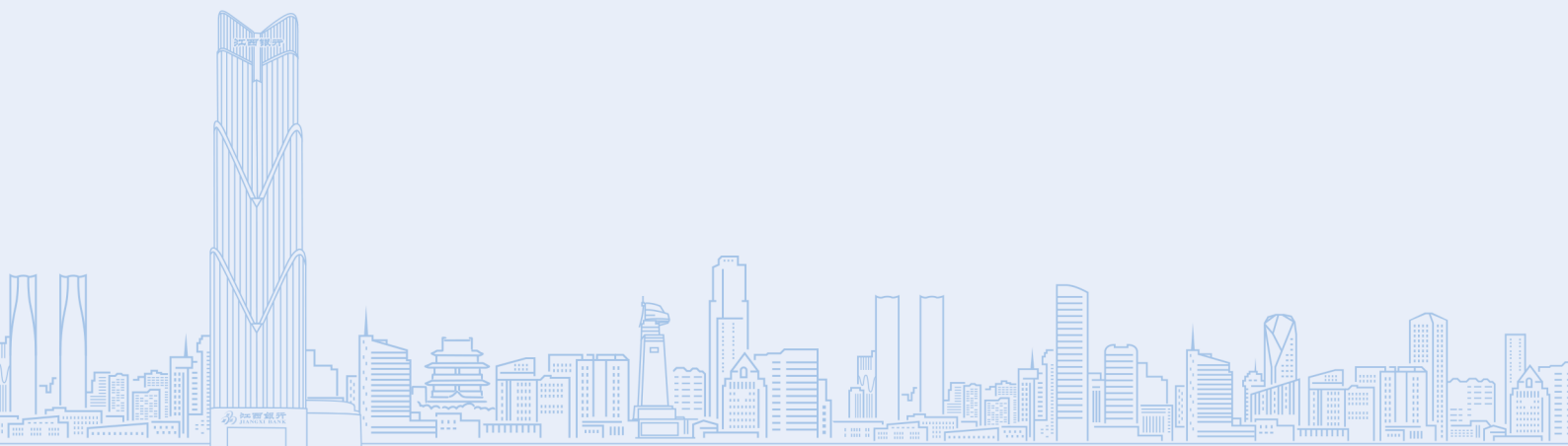


CHAPTER XIV UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

4. GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES

	30 June 2024 (RMB'000)	31 December 2023 (RMB'000)
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– Between 3 and 6 months (inclusive)	1,451,733	489,223
– Between 6 months and 1 year (inclusive)	2,104,308	1,954,800
– Over 1 year	5,124,595	4,622,400
Total	8,680,636	7,066,423
As a percentage of gross loans and advances		
– Between 3 and 6 months (inclusive)	0.41%	0.15%
– Between 6 months and 1 year (inclusive)	0.60%	0.58%
– Over 1 year	1.46%	1.37%
Total	2.47%	2.10%



DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Articles of Association”	articles of association of the Bank (as modified from time to time)
“Bank”, “Company” or “Jiangxi Bank”	Jiangxi Bank Co., Ltd.
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“former CBRC”	the former China Banking Regulatory Commission
“former CBIRC”	the former China Banking and Insurance Regulatory Commission, currently “National Financial Regulatory Administration”
“former CBRC Jiangxi Office”	the former China Banking Regulatory Commission Jiangxi Office
“former CBIRC Jiangxi Office”	the former China Banking and Insurance Regulatory Commission Jiangxi Office, currently “National Financial Regulatory Administration Jiangxi Office”
“Corporate Governance Code”	Corporate Governance Code in Appendix C1 of the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report only, excluding the Hong Kong and Macau Special Administrative Regions and Taiwan
“Director(s)”	director(s) of the Bank
“Domestic Share(s)”	ordinary share(s), with a nominal value of RMB1.00 each in the Bank’s share capital, which are subscribed for or credited as paid up in Renminbi
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Group”	Jiangxi Bank and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“NFRA Jiangxi Office”	National Financial Regulatory Administration Jiangxi Office
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB1.00 each in the Bank’s share capital, which are listed on the Main Board of the Hong Kong Stock Exchange
“Latest Practicable Date”	August 30, 2024, being the Latest Practicable Date prior to the printing of this interim report for ascertaining certain information contained herein
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PBOC” or “Central Bank”	the People’s Bank of China
“Prospectus”	the prospectus issued by the Bank on June 13, 2018 for the global public offering
“Reporting Period”	the six months from January 1, 2024 to June 30, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shareholders”	shareholders of the Bank
“Supervisors”	supervisors of the Bank
“USD”	United States dollars, the lawful currency of the United States
“1269 Action Plan”	The “1269” Action Plan for the Modernization of Key Manufacturing Industry Chains in Jiangxi Province (2023-2026), the core principle of which is to make effort to strengthen and expand 12 key manufacturing industry chains and build 6 advanced manufacturing clusters through unremitting efforts in the next few years, so as to achieve an average annual growth of approximately 9% in industrial revenue above designated size, and write a new chapter in the modernization of industrial chains in Jiangxi Province