Bangkok Bank（China）Company Limited

2024 Annual Report

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【Note】: The annual report of year 2024 hereby (including independent audit report) is published in accordance with the requirements of former China Banking and Insurance Regulatory Commission and <Measures for the Information Disclosure of Commercial Banks> and shall not be for any other use in any manner without the consent of Bangkok Bank (China) Company Limited. **All amounts expressed in RMB Yuan unless otherwise specified.**

Part I Bank Introduction

The basic information of Bangkok Bank (China) Company Limited (hereinafter “BBC” or “the Bank”)

English full name:	Bangkok Bank (China) Company Limited
The registered capital:	Renminbi 4,000,000,000 or equivalent in freely convertible currencies
The registered address:	Floor 2 (B-C), Floor 3 and Floor 4, No. 7 Zhongshan East-1 Road, Huangpu District, Shanghai
Establishment date:	December, 2009
Business scope:	All kinds of foreign exchange services and Renminbi services to all types of customers within the following business scope of the Bank: taking deposits from the public; extending short-term, medium-term and long-term loans; acceptance and discounting of negotiable instruments; trading of treasury bonds, financial bonds and other foreign currency denominated securities (other than stocks); provision of letter of credit services and guarantees; domestic or international settlements; sales and purchase of foreign exchange and acting as an agent for selling and purchasing foreign exchange; insurance agency; inter-bank lending; bank card business; safety box services; creditability investigations and consultancy services; and such other businesses as approved by the regulator, and the settlement and sales of foreign exchange against Renminbi as approved by the People’s Bank of China.
Legal representative:	Mr. Chartsiri Sophonpanich
The shareholder:	Bangkok Bank Public Company Limited, it lawfully holds 100% of the Shareholding Interest in the Bank

Part II Financial Report

2.1 Financial Highlights

Income Statement Item	Y2024	Y2023
Operating Income	400,629,540	433,034,543
Operating Expenses	(368,395,164)	(360,965,593)
Profit Before Taxation	32,199,390	72,045,738
Net Profit for the year	45,893,552	78,121,698
Balance Sheet Item	**12/31/2024**	**12/31/2023**
Loans and Advances to Customers	6,685,981,791	7,314,188,713
Total Assets	14,810,737,441	15,898,533,453
Deposits from Customers	8,449,675,522	9,677,139,542
Total Liabilities	9,585,275,740	10,746,252,147
Paid-in Capital	4,000,000,000	4,000,000,000
Total Owners' Equity	5,225,461,701	5,152,281,306

Part III Risk Management and Capital Adequacy Ratio

Risk management

The Bank's risk management is an integral part of the Bank business strategy. The Bank risk management approach focuses on ensuring continued financial soundness and safeguarding the interest of our shareholder, while remaining nimble to seize value-creating business opportunities in a fast-changing environment. The Bank is committed to maintaining high standards of corporate governance, sound risk management principles and business practices to achieve sustainable long-term business expansion or growth. The Bank continuously strive towards best risk management practices to support the Bank's strategic objectives.

The Bank has put in placed a framework of policies, methodologies, tools and processes that will help the Bank to identify, measure, monitor and manage material risks faced by the Bank.

The Bank's responsibility for risk management starts at the top with the Board of Directors ("the Board") overseeing a governance structure that is designed to ensure that the Bank's business activities are:

- Conducted in a safe and sound manner and in-line with established risk management policies;
- Consistent with the Bank's overall business strategy and risk appetite;
- Adequate risk management and internal controls.

The Board of Directors is assisted by the Risk Management Committee in the oversight of risks namely; credit risk, market risk, liquidity risk and operational risk. The Bank has developed a comprehensive risk management policy to establish a comprehensive risk management system. In addition to the above-mentioned risks, risk management system also includes reputational risks, strategic risks, information technology risks, money laundering risks and other risks. The Risk Management Committee is responsible to ensure risk reports are regularly submitted to the Board of Directors to keep the Board of Directors posted of the Bank's risk profile. And related risk strategy or policies are appropriate approved by the Board of Directors for implementation. The Bank's senior management is responsible for establishing risk management policies and procedures, according to the risk management strategy approved by the Board of Directors and the Risk Management Committee. These risk management policies are implemented by different departments of the Bank upon approval from the Board of Directors.

3.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk mainly arises from credit business. In treasury transactions, credit risk refers to that the issuer fails to repay the matured principal or interest.

3.1.1 Credit business

Considering the market and economic environment, business development strategy and the requirements of customers, within the Bank's risk control scope, the Bank provides various direct credit businesses and direct credit substitute businesses to foreign-invested companies set up in the PRC mainly by Southeast Asian companies and domestic companies with good credit standing.

The Bank has established a strict credit management system, including credit approval, daily credit monitoring, credit classification monitoring, problem loan management, policies for expected credit loss provisioning and write-off, debt restructuring, etc.

The Bank adopts the internal five-tier grading loan classification approach (the "Internal Credit Grading") to evaluate credit quality. The credit quality rating system comprehensively analyzes the debtor's primary source of repayment, focuses on the debtor's financial status, willingness to repay, repayment record, and considers factors such as the number of overdue days of financial assets, the guarantee situation, etc., to assess the quality of the debtor's credit, so as to implement the monitoring of the quality of credit assets.

If the counterparties are concentrated in a few industries or a few geographical areas, or have similar economic characteristics, the credit risk is normally higher. In addition, different industries and geographical areas may have different characteristics; hence the respective credit risk is not similar. The Bank has set

specific limits for large exposure credit concentration, industry concentration and country concentration to improve the credit risk structure. The Bank prepares the exposure report of concentration risk quarterly and performs periodical review on it.

Country risk refers to the possibility that obligors of a particular foreign country (or region) may be unable or unwilling to fulfill their foreign obligations for reasons beyond the usual commercial risks which arise in relation to all types of credits and investment. The risk could be caused by a deteriorating economic conditions, political and social unrest, nationalization or expropriation of assets, government repudiation of external debts, foreign exchange control, currency depreciation, etc. in a country or region. The Bank has established <Country Risk Management Standards> to manage exposure to country risks within a reasonable limit. The country risk is regularly reviewed by senior management, Credit Committee and the Board of Directors. The Bank's country risk exposures are mainly in low risk countries/areas.

The Bank mitigates credit risk by obtaining mortgage, cash margin, pledged deposits, and guarantees from companies or individuals. The Bank has specified amounts and categories of collateral required according to the assessment result of credit risk of the counterparty. The Bank has established underwriting standards on collateral types and assessment methods. The Bank has specified categories of acceptable collateral, including deposit pledge, land use rights, buildings, and machines and equipment. To reduce the credit risk, the Bank has stipulated discount rates for different collaterals to reflect the cash realizable value. The business units will monitor the market value of the collaterals regularly and may require the obligors to increase the collaterals based on the related agreements. When performing assessment of the adequacy of loss provision, changes in the market value of the collaterals will be considered. For a loan guaranteed by a third party, the Bank assesses the guarantor's financial condition, historical credit record and its capacity to settle the debts on behalf of the obligor.

Except for loans, collaterals or guarantees needed for other financial assets shall be determined by the nature of the instruments.

3.1.1.1 Loans and advances to customers

Analyzed by security type

	2024	2023
Unsecured loans	975,921,243	954,846,543
Guaranteed loans	2,037,166,778	2,374,920,455
Secured loans	4,506,172,489	4,747,019,733
- mortgaged	3,826,172,489	4,217,019,733
- pledged	680,000,000	530,000,000
Total loans and advances	7,519,260,510	8,076,786,731
Add: Interest accrued	31,815,253	15,482,872
Subtotal	7,551,075,763	8,092,269,603
Less: Allowances for impairment losses	(865,093,972)	(778,080,890)
Net book value of loans and advances to customers	6,685,981,791	7,314,188,713

Overdue loans analyzed by overdue period

	2024				
	Overdue within 3 months (inclusive)	Overdue 3 months to 1 year (inclusive)	Overdue 1 year to 3 years (inclusive)	Overdue 3 years above	Total
Guaranteed loans	-	52,707,511	-	-	52,707,511
Secured by mortgages	431,548,791	-	-	-	431,548,791
Total	431,548,791	52,707,511	-	-	484,256,302

	2023				
	Overdue within 3 months (inclusive)	Overdue 3 months to 1 year (inclusive)	Overdue 1 year to 3 years (inclusive)	Overdue 3 years above	Total
Secured by mortgages	377,359,292	-	-	-	377,359,292

Overdue loans are loans of which the principals or related interests are overdue for one day or above.

3.1.1.2 Expected credit loss provisions

In accordance with the Bank's policies on Asset Classifications and Provisions Standards, as at 31 December 2024, BBC provided loan impairment loss of RMB 865 million for on-balance-sheet credit business balance, the details are as follows: (RMB'000)

	As at 31 December 2024
Allowance for expected credit loss:	
Stage 1	513,272
Stage 2	282,925
Stage 3	68,897
Total	865,094

On 29 January 2024, the National Financial Regulatory Administration Shanghai Office ("the NFRA SH") issued the Notice of the NFRA SH on the Regulatory Requirements for Loan Provision in 2024 of Bangkok Bank (China) Company Limited to the Bank. According to the Notice, the NFRA SH decided to set the Bank's minimum regulatory requirement of provision coverage ratio and loan provision ratio as 120% and 1.5% respectively by taking into account the Bank's accuracy of loan classification, initiative taken to dispose non-performing loans and capital adequacy.

As at 31 December 2024, the loan provision ratio of the Bank was 11.51% (31 December 2023: 9.63%), nonperforming loan ratio was 0.92% and the provision coverage ratio was 1,256% (31 December 2023: no nonperforming loan). As at 31 December 2024, the Bank's loan loss provision has met the relevant regulatory requirements.

3.2 Liquidity risk

Liquidity risk means the risk that a commercial bank is unable to acquire adequate funds in a timely manner

at a reasonable cost to repay mature debts, fulfill other payment obligations and meet other capital needs for normal business activities.

The liquidity risk management is to ensure that the Bank has sufficient liquidity/cash to meet its obligations related to financial liabilities and its demand on business development. These include that the Bank can meet withdrawal request from customers on demand or when contracts mature; the Bank has sufficient funds for repayment when borrowings mature; the Bank needs to maintain sufficient liquidity to meet the regulatory requirements of liquidity risk supervisory indicators; and the Bank has sufficient funds for new investment opportunity.

The liquidity risk management measure adopted by the Bank is primarily to match the maturity structures between assets and liabilities. Due to differences between various businesses and maturity tenors, it is impractical to maintain a perfect match between assets and liabilities. The Bank has established a set of procedures for identifying, measuring, monitoring and reporting liquidity risk, including limits for cash flow, liquidity ratio, liquidity matching ratio and, High-quality Liquidity Asset Adequacy Ratio. The Bank has established liquidity contingency plan to monitor any potential liquidity crisis, take proactive measures timely to avoid disruption to the Bank's business operation. The Bank conducts regular liquidity risk stress testing to analyze the Banks' ability to withstand stressful risk event, and prevent possible liquidity crises in the future so as to improve its payment capacity under the liquidity stress.

On 23 May 2018, the Former CBIRC issued the Administrative Measures on Liquidity Risk of Commercial Banks (CBIRC Order [2018] No. 3), which revised the previous liquidity management measures for commercial banks. According to the requirements of the Measures, commercial banks with asset scale below RMB 200 billion shall attain the minimum regulatory standards for high-quality liquid asset adequacy ratio, liquidity ratio and liquidity matching rate continuously. As at 31 December 2024, the Bank's high-quality liquid asset adequacy ratio was 164.71%, the liquidity ratio was 198.49%, and the liquidity matching ratio was 120.70%, all of which met regulatory requirements.

The following tables provide the analysis of the Bank's financial assets and liabilities based on remaining due dates of cash flow of undiscounted contracts at the balance sheet dates. Interest receivable and payable of financial assets and liabilities with fixed terms are presented according to the due dates of interest stipulated in the contracts; current financial assets and liabilities (including interest receivable and payable as at the balance sheet dates) are presented under the item "repayable on demand".

	2024								
	Carrying amount	*Contractual undiscounted cash flows*	*Past due / terms undated*	*Repayable on demand*	*Within 1 month*	*Between 1 month and 3 months*	*Between 3 months and 1 year*	*Between 1 year and 5 years*	*More than 5 years*
Financial assets									
Cash on hand and deposits with central bank	775,334,942	775,334,942	503,503,760	271,812,492	-	-	18,690	-	-
Deposits and placements with inter-banks and non-bank financial institutions	2,235,522,295	2,272,132,464	-	511,249,157	466,784,287	605,759,785	394,295,757	294,043,478	-
Derivative financial assets	21,299,724	21,299,724	-	21,299,724	-	-	-	-	-
Loans and advances to customers	6,685,981,791	7,423,290,204	300,955,632	-	618,601,281	1,307,539,413	2,514,143,860	1,351,376,287	1,330,673,731
Other debt investment	4,573,662,320	4,626,755,500	-	-	103,217,500	566,446,000	1,874,040,000	2,083,052,000	-
Other financial assets	16,972,485	16,972,485	-	16,972,485	-	-	-	-	-
Total	**14,308,773,557**	**15,135,785,319**	**804,459,392**	**821,333,858**	**1,188,603,068**	**2,479,745,198**	**4,782,498,307**	**3,728,471,765**	**1,330,673,731**
Financial liabilities									
Deposits and placements from inter-banks	(696,342,350)	(696,627,793)	-	(423,860)	(696,203,933)	-	-	-	-
Derivative financial liabilities	(20,605,398)	(20,605,398)	-	(20,605,398)	-	-	-	-	-
Deposits from customers	(8,449,675,522)	(8,618,074,832)	-	(2,462,675,999)	(290,314,436)	(276,234,773)	(2,867,198,743)	(2,721,650,881)	-
Lease liability	(227,723,565)	(263,782,119)	-	-	(853,554)	(2,464,416)	(34,668,316)	(124,481,593)	(101,314,240)
Other financial liabilities	(4,800,312)	(4,800,312)	-	(4,800,312)	-	-	-	-	-
Total	**(9,399,147,147)**	**(9,603,890,454)**	**-**	**(2,488,505,569)**	**(987,371,923)**	**(278,699,189)**	**(2,901,867,059)**	**(2,846,132,474)**	**(101,314,240)**
Net position	**4,909,626,410**	**5,531,894,865**	**804,459,392**	**(1,667,171,711)**	**201,231,145**	**2,201,046,009**	**1,880,631,248**	**882,339,291**	**1,229,359,491**

	2023								
	Carrying amount	*Contractual undiscounted cash flows*	*Past due / terms undated*	*Repayable on demand*	*Within 1 month*	*Between 1 month and 3 months*	*Between 3 months and 1 year*	*Between 1 year and 5 years*	*More than 5 years*
Financial assets									
Cash on hand and deposits with central bank	856,847,646	856,847,646	638,686,149	218,149,794	-	-	11,703	-	-
Deposits and placements with inter-banks and non-bank financial institutions	2,723,883,111	2,793,197,147	-	367,669,258	735,872,621	143,590,653	1,215,499,948	330,564,667	-
Derivative financial assets	18,082,755	18,082,755	-	18,082,755	-	-	-	-	-
Loans and advances to customers	7,314,188,713	8,298,719,219	414,608,895	-	613,587,328	1,639,976,820	2,012,091,950	2,056,346,728	1,562,107,498
Other debt investment	4,443,934,633	4,533,848,000	-	-	567,236,000	317,500,000	2,054,072,000	1,595,040,000	-
Other financial assets	6,336,207	6,336,207	-	6,336,207	-	-	-	-	-
Total	**15,363,273,065**	**16,507,030,974**	**1,053,295,044**	**610,238,014**	**1,916,695,949**	**2,101,067,473**	**5,281,675,601**	**3,981,951,395**	**1,562,107,498**
Financial liabilities									
Deposits and placements from inter-banks	(608,379,845)	(614,375,195)	-	(1,002,545)	(100,019,678)	-	(513,352,972)	-	-
Derivative financial liabilities	(16,123,084)	(16,123,084)	-	(16,123,084)	-	-		-	-
Deposits from customers	(9,677,139,542)	(9,924,868,652)	-	(2,522,908,743)	(901,393,783)	(344,394,931)	(3,448,398,710)	(2,707,772,485)	-
Lease liability	(260,448,804)	(305,182,735)	-	-	(853,554)	(2,464,416)	(38,648,513)	(132,955,086)	(130,261,166)
Other financial liabilities	(3,499,549)	(3,499,549)	-	(3,499,549)	-	-	-	-	-
Total	**(10,565,590,824)**	**(10,864,049,215)**	**-**	**(2,543,533,921)**	**(1,002,267,015)**	**(346,859,347)**	**(4,000,400,195)**	**(2,840,727,571)**	**(130,261,166)**
Net position	**4,797,682,241**	**5,642,981,759**	**1,053,295,044**	**(1,933,295,907)**	**914,428,934**	**1,754,208,126**	**1,281,275,406**	**1,141,223,824**	**1,431,846,332**

3.3 Market risk

Market risk management is the total process of identifying, measuring, monitoring and controlling market risks. Market risk refers to the risk arising from financial instruments' fair value or future cash flow fluctuations due to changes in market prices, including interest rate risk and foreign currency risk. Interest rate risk arises when the change in interest rates affect fair value of interest rate related product; foreign currency risk arises when the change in foreign exchange rates affect the value of the net assets/liabilities or when the Bank has spot/forward FX positions. Market risk of the Bank exists in trading book and banking book.

The Bank's interest rate risk mainly includes the mismatching risk of the maturity structure of assets and liabilities from banking books and the risk of positions held in trading books used for trading purposes.

The Bank's management tools of interest rate risk includes Cumulative NII Impact limit, Interest rate gapping limit for the balance sheet, EVE Impact limit, and conduct regular stress test. Meanwhile, by closely observing interest rate trends (both in Renminbi and foreign currency) and market interest rate changes, the Bank conducts proper scenario analysis and makes timely adjustments to the loan and deposit interest rates (both in Renminbi and foreign currency) in line with the benchmark interest rates to reduce its interest rate risk. Meanwhile, the Bank set the PV01 limit to monitor and control the interest risk in trading book.

The Bank's foreign currency risk exposures mainly arise from net on-balance-sheet assets and liabilities designated in foreign of which values are exposed to foreign exchange rates. The Bank's main principle of foreign currency risk control is to match the assets and liabilities of the respective individual currency to minimize the foreign currency risk and to control the currency risk exposure within limits set by the Bank. The Bank, based on the guiding principles from Risk Management Committee, relevant laws and regulations and the management's evaluation of the current environment, has set risk tolerance limits, and avoids risk via reasonable arrangements of assets and liabilities in different currencies.

The Bank classifies financial instruments into investment portfolios in the banking book and trading book to effectively monitor market risk. According to the Market Risk Management Guidelines for Commercial Banks, the Bank has established market risk management policy and procedures to set related limits on all market risk exposures. These policies and procedures illustrate the structure and approval mechanism of market risk limits. Market risk limits mainly include product limits, foreign exchange position limits, cut-loss limits, PV01 limit and FX gapping limits.

3.3.1 Interest rate risk

The Bank's interest rate risk is monitored by Market and Operational Risk Management Division. Market and Operational Risk Management Division has established relevant policies and monitoring procedures to regularly report risk condition to Assets/Liabilities Committee. The monitoring on interest rate risk mainly includes gap analysis on interest rate re-pricing schedule and stress test.

3.3.1.1 Exposure to interest rate risk

The Bank's interest rate risk mainly includes the risks arising from when the repricing and / or maturity schedule of assets and liabilities are not matched, causing the uncertainty of net interest income in banking book.

The following tables indicate the distribution by expected next re-pricing dates (or maturity dates, whichever are earlier) of financial assets and liabilities at the balance sheet dates.

	2024					
	Non-accrual	**Within 3 months**	**Between 3 months and 1 year**	**Between 1 year and 5 years**	**More than 5 years**	**Total**
Financial assets						
Cash on hand and deposits with central bank	6,316,462	769,018,480	-	-	-	775,334,942
Deposits and placements with inter-banks and non-bank financial institutions	12,878,327	1,570,088,714	376,040,391	276,514,863	-	2,235,522,295
Derivative financial assets	21,299,724	-	-	-	-	21,299,724
Loans and advances to customers	31,815,253	3,538,906,516	3,115,260,022	-	-	6,685,981,791
Other debt investment	44,375,390	649,707,750	1,813,959,950	2,065,619,230	-	4,573,662,320
Other assets	16,972,485	-	-	-	-	16,972,485
Total	**133,657,641**	**6,527,721,460**	**5,305,260,363**	**2,342,134,093**	**-**	**14,308,773,557**
Financial liabilities						
Deposits and placements from inter-banks	(150,535)	(696,191,815)	-	-	-	(696,342,350)
Derivative financial liabilities	(20,605,398)	-	-	-	-	(20,605,398)
Deposits from customers	(170,600,108)	(3,005,649,099)	(2,774,688,684)	(2,498,737,631)	-	(8,449,675,522)
Lease liability	-	(1,343,358)	(29,023,181)	(102,902,783)	(94,454,243)	(227,723,565)
Other liabilities	(4,800,312)	-	-	-	-	(4,800,312)
Total	**(196,156,353)**	**(3,703,184,272)**	**(2,803,711,865)**	**(2,601,640,414)**	**(94,454,243)**	**(9,399,147,147)**
Net position	**(62,498,712)**	**2,824,537,188**	**2,501,548,498**	**(259,506,321)**	**(94,454,243)**	**4,909,626,410**

	2023					
	Non-accrual	**Within 3 months**	**Between 3 months and 1 year**	**Between 1 year and 5 years**	**More than 5 years**	**Total**
Financial assets						
Cash on hand and deposits with central bank	5,514,143	851,333,503		-	-	856,847,646
Deposits and placements with inter-banks and non-bank financial institutions	5,818,622	1,243,562,643	1,174,931,372	299,570,474	-	2,723,883,111
Derivative financial assets	18,082,755		-	-	-	18,082,755
Loans and advances to customers	15,482,872	4,162,082,556	3,136,623,285	-	-	7,314,188,713
Other debt investment	48,948,050	859,759,390	1,981,957,593	1,553,269,600	-	4,443,934,633
Other assets	6,336,207		-	-	-	6,336,207
Total	**100,182,649**	**7,116,738,092**	**6,293,512,250**	**1,852,840,074**		**15,363,273,065**
Financial liabilities						
Deposits and placements from inter-banks	(7,377,420)	(101,002,425)	(500,000,000)	-	-	(608,379,845)
Derivative financial liabilities	(16,123,084)	-	-	-	-	(16,123,084)
Deposits from customers	(128,096,650)	(3,729,621,696)	(3,357,966,896)	(2,461,454,300)	-	(9,677,139,542)
Lease liability	-	(1,069,145)	(32,212,938)	(107,827,467)	(119,339,254)	(260,448,804)
Other liabilities	(3,499,549)	-	-	-	-	(3,499,549)
Total	**(155,096,703)**	**(3,831,693,266)**	**(3,890,179,834)**	**(2,569,281,767)**	**(119,339,254)**	**(10,565,590,824)**
Net position	**(54,914,054)**	**3,285,044,826**	**2,403,332,416**	**(716,441,693)**	**(119,339,254)**	**4,797,682,241**

3.3.1.2 Sensitivity analysis

The Bank adopts sensitivity analysis to measure the probable impacts on the Bank's net profit and owners' equity caused by interest rate change.

With all other variables held constant, the following table shows the impact on net profit and owners' equity caused by reasonable change in interest rate.

	2024		*2023*	
	Impact on net profit Increase/ (decrease)	*Impact on equity Increase/ (decrease)*	*Impact on net profit Increase/ (decrease)*	*Impact on equity Increase/ (decrease)*
Increase 100 basis points	25,571,630	16,923,675	28,317,479	16,593,760
Decrease 100 basis points	(32,643,856)	(20,552,663)	(31,491,919)	(19,587,517)

This sensitivity analysis is based on a static interest risk profile of assets and liabilities. The analysis only evaluates the interest fluctuation within one year and reflects the impact, rising from the re-pricing on assets and liabilities of the Bank within one year, on interest income and expense calculated per annum. The analysis is based on the following assumptions:

- All of the assets and liabilities that will be re-priced or mature within one year will be re-priced or mature at the beginning of certain period;

- Yield curve moves along with interest change parallel; and

- There is no other change in the portfolio of assets and liabilities.

As a result of the hypothesis above, the actual changes in the Bank's net interest income caused by fluctuation of interest rate may be different from the result of the sensitivity analysis above.

3.3.2 Foreign exchange risk

3.3.2.1 Exposure to foreign exchange risk

The Bank's foreign currency risk includes exposure of on-balance-sheet assets and liabilities denominated in foreign currency and off-balance-sheet derivatives denominated in foreign currency. The Market and Operational Risk Management Division of the Bank manages foreign currency risk exposure in various ways, including limiting foreign currency net position and conducting stress test regularly.

The foreign currency exposures of the Bank's financial assets and liabilities at the balance sheet dates are as follows. Under the consideration of presentation, the amount of foreign currency risk exposures is expressed in Renminbi and is converted by the rates at the balance sheet dates.

	2024			
	RMB	*USD (RMB equivalent)*	*Other currency (RMB equivalent)*	*Total (RMB equivalent)*
Financial assets				
Cash on hand and deposits with central bank	769,564,209	5,766,319	4,414	775,334,942
Deposits and placements with inter-banks and non-bank financial institutions	963,174,681	1,260,217,441	12,130,173	2,235,522,295
Derivative financial assets	21,299,724	-	-	21,299,724
Loans and advances to customers	6,609,161,635	76,820,156	-	6,685,981,791
Other debt investment	4,573,662,320	-	-	4,573,662,320
Other assets	15,970,237	-	1,002,248	16,972,485
Total	**12,952,832,806**	**1,342,803,916**	**13,136,835**	**14,308,773,557**
Financial liabilities				
Deposits and placements from inter-banks	(552,538,009)	(143,768,000)	(36,341)	(696,342,350)
Derivative financial liabilities	(20,605,398)	-	-	(20,605,398)
Deposits from customers	(8,279,721,527)	(167,818,434)	(2,135,561)	(8,449,675,522)
Lease liability	(229,448,830)	1,725,265	-	(227,723,565)
Other liabilities	(3,753,725)	(1,046,587)	-	(4,800,312)
Total	**(9,086,067,489)**	**(310,907,756)**	**(2,171,902)**	**(9,399,147,147)**
Net position	**3,866,765,317**	**1,031,896,160**	**10,964,933**	**4,909,626,410**

	2023			
	RMB	*USD (RMB equivalent)*	*Other currency (RMB equivalent)*	*Total (RMB equivalent)*
Financial assets				
Cash on hand and deposits with central bank	851,916,226	4,927,075	4,345	856,847,646
Deposits and placements with inter-banks and non-bank financial institutions	1,796,440,877	920,448,610	6,993,624	2,723,883,111
Derivative financial assets	18,082,755	-	-	18,082,755
Loans and advances to customers	7,102,741,036	211,447,677	-	7,314,188,713
Other debt investment	4,376,787,450	67,147,183	-	4,443,934,633
Other assets	5,766,859	-	569,348	6,336,207
Total	**14,151,735,203**	**1,203,970,545**	**7,567,317**	**15,363,273,065**
Financial liabilities				
Deposits and placements from inter-banks	(608,379,845)	-	-	(608,379,845)
Derivative financial liabilities	(16,123,084)	-	-	(16,123,084)
Deposits from customers	(9,433,255,080)	(237,428,408)	(6,456,054)	(9,677,139,542)
Lease liability	(261,764,213)	1,315,409	-	(260,448,804)
Other liabilities	(3,492,840)	(6,709)	-	(3,499,549)
Total	**(10,323,015,062)**	**(236,119,708)**	**(6,456,054)**	**(10,565,590,824)**
Net position	**3,828,720,141**	**967,850,837**	**1,111,263**	**4,797,682,241**

3.3.2.2 Sensitivity analysis

With all other variables held constant, the following table shows the impact on net profit and owners' equity when foreign currency changes against the functional currency.

	2024		*2023*	
	Impact on net profit Increase/ (decrease)	*Impact on equity Increase/ (decrease)*	*Impact on net profit Increase/ (decrease)*	*Impact on equity Increase/ (decrease)*
Appreciation against RMB by 100 bps	7,821,458	7,821,458	7,267,216	7,267,216
Depreciation against RMB by 100 bps	(7,821,458)	(7,821,458)	(7,267,216)	(7,267,216)

This sensitivity analysis is based on a static foreign exchange exposure profile of assets and liabilities. The analysis estimates the impact on net profit and owners' equity due to the probable fluctuation of foreign exchanges rates under the assumption that the other factors remain stable. The analysis is based on the following assumptions:

- the foreign exchange sensitivity is the gains and losses recognized as a result of 1% fluctuation in the foreign currency exchange rates;

- the exchange rates for all foreign currencies change in the same direction simultaneously; and

- Off-balance-sheet items have not been included in the currency risk exposure.

As a result of the hypothesis above, actual fluctuation of net foreign currency exchange from changes in exchange rates may differ from the estimation of the sensitivity analysis above.

3.4 Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It is involved in every process of the Bank's daily operation. The Bank has established Market and Operational Risk Management Division, which is independent of other divisions, to be responsible for operational risk management. Market and Operational Risk Management Division regularly monitors KRI as well as loss data/near miss data and report to the Board of Directors via Risk Management Committee.

3.5 Compliance risk

The Board of Directors takes the ultimate responsibility for the Bank's compliance operation. Compliance and Legal Division manages and coordinates compliance work with the compliance officer of each branch. Branch manager is responsible for compliance operation within the branch while division manager is responsible for compliance operation within the division. Branch compliance officer performs duty within the branch and report to Compliance and Legal Division manager and branch manager at the same time.

Compliance and Legal Division set detailed contents for compliance risk review and branch compliance officer conducts regular compliance risk review of branch business divisions. These reviews include assessing the implementation of local Chinese laws and regulations by each business division. Branch compliance officer reports compliance review result to both branch manager and Compliance and Legal Division.

3.6 Reputation Risk

Reputational Risk is the risk which may result in receiving negative comments from interested parties with respect to a commercial bank's operation, management or any other act or any external event.

The Bank's Reputational Risk Management Policy and Procedure has been revised with the Board's approval according to the requirement of the Notice issued by CBIRC on Measures on Reputational Risk Management for Banking and Insurance Institutions (for trial implementation) ([2021] No.4). The reputational risk management related status is reported to CEO via CRO, as well as report to the Board via RMC at least on a quarterly basis.

3.7 Related party transactions management

In accordance with relevant provisions of the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (Order No. 1 of the China Banking and Insurance Regulatory Commission 2022), related party transactions of commercial banks refer to interest transfers between commercial banks and related parties, including related party transactions of credit granting type, asset transfer type, service type, deposit and other types.

The pricing of the Bank's related party transactions is made according to commercial principles and on the conditions not superior to those for a non-related party's transactions of the same type. In 2024, the Bank's related party transactions were mainly with banks within Parent Bank Group. Aside from that, excluding matters that are allowed to be exempted from review and disclosure in accordance with related party transactions, the Bank has no other related party transactions in 2024. The transactions with Parent Bank Group are detailed in Note 36 to the 2024 Annual Audit report.

The Bank had no major related party transactions in the whole year of 2024, and general related party transactions were consolidated and disclosed on the Bank's website on a quarterly basis in accordance with the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions.

Capital Adequacy Ratio

The capital management of the Bank covers the calculation and reporting of capital adequacy ratio (CAR), capital assessment and capital planning. The CAR of the Bank represents its abilities of stable operations and risk resistance. The CAR management of the Bank aims to ensure the Bank holds adequate capital, which is appropriate to risk exposure and consistent with risk assessment results of the Bank, to meet the demand of business operation and the regulatory requirements with the development of business strategies. The capital planning aims to set a target CAR which satisfies the Bank with the demand of future business development strategy, risk appetite, risk management, external business environment and long-term sustainability of various capital sources.

The prudent and solid concept of capital management ensures the Bank to retain its capital at an adequate level to support business development under all conditions and to adjust CAR to a reasonable level timely and effectively, if necessary.

The Bank calculates CAR according to the *Administrative* Measures *on Capitals of Commercial Bank* and other relevant regulations. The capital of the Bank is composed of core tier one capital, other tier one capital and tier two capital. The risk weighted assets of on-balance-sheet assets are calculated based on various risk weights. The risk weights are determined in consideration of the risk factors of various assets, counterparties, markets and other relevant aspects, as well as qualified collateral and guarantee. The off-balance-sheet exposures are calculated by the same methodology with adjustments of contingent losses. The credit risk weighted assets for counterparties in terms of over-the-counter derivative transactions are the summation of defaulted risk weighted assets and credit valuation adjustment risk weighted assets. The market risk weighted assets are measured by simplified standard method. The operational risk weighted assets are measured by basic indicator method.

The Bank's management regularly monitors the utilization of CAR and regulatory capital. The Bank reported relevant information to the National Financial Regulatory Administration on a quarterly basis. The calculation scope of the Bank's capital adequacy ratio includes all domestic branches of the Bank, and the Bank currently has no overseas branches.

As at 31 December 2024, the CAR of the Bank has been calculated in accordance with Administrative Measures on Capitals of Commercial Bank and other relevant regulations, and the calculation result was in compliant with the relevant regulatory requirements.

The capital adequacy ratio and relevant data of the Bank are calculated on the bases of the financial statements prepared in accordance with the Chinese Accounting Standards. The Bank is in compliant with the regulatory capital requirements during the year.

The adequacy ratio of core tier one capital, the adequacy ratio of tier one capital and the capital adequacy ratio calculated in accordance with the Administrative Measures on Capitals of Commercial Bank and other relevant regulations are as follows:

	2024	*2023*
Net core tier one capital	5,220,338,742	5,146,529,429
Net tier one capital	5,220,338,742	5,146,529,429
Tier two capital		
Excess loan impairment provision	118,650,610	132,428,368
Net capital	5,338,989,352	5,278,957,797
Credit risk weighted assets	9,610,699,374	10,726,697,816
Market risk weighted assets	1,456,223,875	73,742,500
Operational risk weighted assets	823,965,313	774,106,300
Total risk weighted assets	11,890,888,562	11,574,546,616
Adequacy ratio of core tier one capital	43.90%	44.46%
Adequacy ratio of tier one capital	43.90%	44.46%
Capital adequacy ratio	44.90%	45.61%

Note: On December 31, 2023, the Bank calculated the above data in accordance with the Administrative Measures on Capitals of Commercial Banks (For Trial Implementation).

Leverage Ratio

As end of December 31, 2024, the Leverage Ratio of the bank calculated in accordance with Administrative Measures on Capitals of Commercial Bank was 30.70% and met the minimum requirement of 4%. (As end of December 31, 2023, the Leverage Ratio of the bank was 26.18%)

Liability Quality Management

The Board of Directors is responsible for the overall management and operation of the bank and supervises the quality of the bank's liabilities. The Asset-Liability Management Committee, as the decision-making and actual management unit for liability quality management, is responsible for organizing relevant departments to formulate specific management measures for liability quality management, such as systems, processes, limits, and emergency plans, and to review them regularly. It is also responsible for formulating and reviewing the bank's liability strategy, scale, structure, and products, as well as short-term and long-term

liability business objectives, and assigning the responsible departments. Meanwhile, the management reports to the Board of Directors in a timely manner through the Risk Management Committee or applies for approval, so that the Board can keep abreast of significant changes in liability quality and business conditions.

Our bank has always been committed to enhancing the stability of the scale and structure of liabilities, improving the diversity of liability sources, and strictly monitoring and managing liability business risks and daily activities. In 2024, the overall quality of our bank's liabilities was good and met the requirements of our bank's liability quality management.

Part IV Corporate Governance

Corporate Governance

The structure of corporate governance of Bangkok Bank (China) Company Limited consists of the Shareholder, the Board of Directors, the Supervisor(s) and the Senior Management, the constitution fulfill modernized requirement on corporate governance. The Bank recognizes the importance of good corporate governance as a major factor in enhancing the efficiency of the organization. The bank conducts its business in line with the principles of good corporate governance, which form a basis of sustainable growth. In order to maintain the Bank's solid financial status, to achieve ongoing positive performance results and to sustain its good reputation, the Bank is committed to conducting its business in a prudent manner by setting up sufficient and appropriate internal controls and risk management systems in accordance with the principles of good corporate governance.

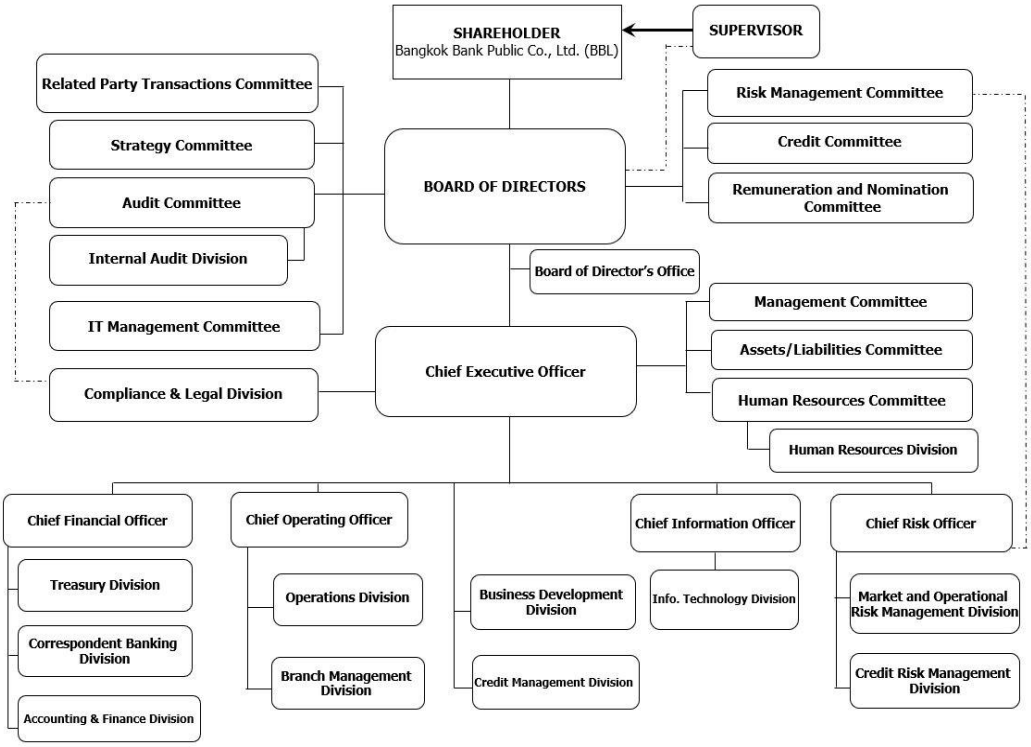
4.1 Shareholder

BBC is a foreign-funded bank wholly owned (100%) by Bangkok Bank Public Company Limited, Thailand. Bangkok Bank Public Company Limited, as the sole shareholder of BBC has fulfilled its responsibility earnestly and efficiently as the shareholder. Being a bank with sole shareholder, there is no Shareholder's meeting.

4.2 Governance structure of BBC

As at December 31, 2024, BBC has established five branches: Shanghai Branch, Beijing Branch, Shenzhen Branch, Xiamen Branch and Chongqing Branch. Branches are governed by Head office located in Shanghai.

Governance structure of Head Office



4.3 The Board of Directors and Composition

The Board is accountable to the Shareholder and exercise power as authorized by the shareholder and perform functions are required by the laws, regulations and AOA. The Board undertakes its overall responsibility of the bank including the bank's business and risk strategy, operations and management and appropriate oversight on performance of Senior Management.

The Bank is helmed by an effective and experience Board, comprising individuals of caliber credibility and integrity. All directors of the Board are nominated by the Shareholder and approved by regulator prior to taking office.

Directors have the necessary skills, experiences as well as qualifications to supervise the management of the business and affairs of the Bank. The Board, as a whole, provides a mixture of core competences including banking, finance, accounting, economics, business management and audit for effective functioning and discharging of the responsibilities of the Board.

As of December 31, 2024, the Bank's Board of Directors has twelve (12) members. The composition of the Board consists of four (4) independent directors, two (2) executive directors and six (6) non-executive directors including the Chairman of the Board. Mr. Choi Kam Cheong Geoffrey took office as Independent Director of the Bank on January 1, 2024. Mr. Sitthichai Jiwattanakul took office as Executive Director of the Bank on May 1, 2024. Mr. Chaiyarit Anuchitworawong resigned as Director of the Bank on November 18, 2024.

1	Mr. Chartsiri Sophonpanich (陈智深), Chairman
Born in 1959, Master's degree in Management, Sloan School of Management, Massachusetts Institute of Technology, U.S.A., has been Chairman of the Bank since December 28, 2009. He is President, Member of the Board of Executive Directors of Bangkok Bank Public Company Limited. He concurrently takes positions as President Commissioner of PT Bank Permata Tbk, qualified member of the National Strategy Committee, director of Bangkok Post Public Company Limited, member of Committee for Administration of Economic Situation affected by the COVID-19 Pandemic, director of TRG Management LP, director of TRG Allocation LLC.	
2	Ms. Hong Pei Li (洪佩丽), Independent Director, Chairman of Remuneration and Nomination Committee
Born in 1964, Master of Economic, International Economics, East China Normal University, senior economist, has been independent director of the Bank since September 13, 2021. She concurrently takes position as Independent Director of Bank of Ningbo, member of council of Shanghai Fubon Public Welfare Foundation, external supervisor of Fujian Haixi Financial Leasing, and independent director of Xingyin Fund Co., Ltd. She was vice chairman, executive director of CASIN GROUP CO., LTD., chairman of board of Fubon Bank, director of CBRC CQ, deputy director of CBRC SH, etc.	
3	Mr. Lim Ann Juay (林安睿), Independent Director, Chairman of Audit Committee, member of Risk Management Committee

Born in 1965, Bachelor of Accountancy, the National University of Singapore, Fellow Member of the Institute of Certified Public Accountants of Singapore, and member of CPA Australia; has been independent director of the Bank since January 1, 2022. He concurrently takes position as independent director of JP Morgan Chase Bank (China) Company Limited. He was audit partner in charge of Greater China Financial Services and partner in charge of Greater China Wealth Asset Management of Ernst & Young, Partner of Pricewaterhouse Coopers Zhongtian Accounting Firm etc.	
4	Mr. Ng Tang Fai Ernesto（吴腾辉）, Independent Director, Chairman of Related Party Transaction Committee
Born in 1943, Bachelor of Business Administration, Chu Hai College, Hong Kong. He has been independent director of the Bank since March 18, 2023. He concurrently takes position as consultant of China projects and China affairs of AFH Financial Holdings Ltd., executive director of Bumrungrad International Hong Kong Office, and legal representative of Shanghai Yili Culture Development Co., Ltd.	
5	Mr. Choi Kam Cheong Geoffrey(蔡鉴昌), Independent Director, member of Related Party Transaction Committee, member of Audit Committee
Born in 1963, Bachelor of Business, Queensland University of Technology of Australia; Certified Public Accountant (Australia), Member of the Hong Kong Institute of Certified Public Accountants (HKICPA). He has been independent director of the Bank since January 1, 2024. He concurrently takes position as Senior Advisor of Ernst & Young Accounting Firm.	
6	Ms. Rushda Theeratharathorn (李璇贞), Director, Chairman of Credit Committee, member of Related Party Transaction Committee, member of Strategy Committee
Born in 1955, Master's Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University, has been director of the Bank since December 28, 2009. She is Senior Executive Vice President of Bangkok Bank Public Company Limited. She concurrently takes position as director of Bangkok Bank Berhad, Malaysia, director of Sinnsuptawee Asset Management Company Limited and director of Bualuang Ventures Limited.	
7	Ms. Niramarn Laisathit (赖晓慧), Director, Chairman of Risk Management Committee, vice-chairman of Credit Committee
Born in 1967, Master's Degree in Business Administration, St. Louis University, U.S.A., has been director of the Bank since December 28, 2009.	

She is Director & Senior Executive Vice President, member of the Board of Executive Directors of Bangkok Bank Public Company Limited.

She concurrently takes position as director of Gateaux House Public Company Limited, director of Perennial HC Holdings Pte. Ltd., commissioner of PT Bank Permata Tbk, director of Ratch Group Public Company Limited.

8	Mr. Kung Lin Cheng Leo (孔令成), Director, Chairman of Strategy Committee and IT Management Committee

Born in 1957, Bachelor of Business Administration, University of Southern California, has been director of the Bank since December 28, 2009.

He is Executive Vice President of Bangkok Bank Public Company Limited, Hong Kong and China, in charge of Business Expansion and IT (China).

He concurrently takes position as director of Ancient Castle Company Limited, director of Step High Company Limited, director of Victoria Management Limited, director of World Guide Corporation Limited, director of Southern Ocean Investment Limited, director of Whodun Limited and director of Helping Hand, non-executive director of King Fook Holdings Limited.

9	Mr. Toh Chong (杜聪), Director, member of Strategy Committee, Audit Committee, Remuneration and Nomination Committee

Born in 1968, Master of Science in Management, Sloan School of Management, Massachusetts Institute of Technology, U.S.A., has been director of the Bank since December 28, 2009.

He is Director & Senior Executive Vice President of Bangkok Bank Public Company Limited.

He concurrently takes position as executive chairman of BBL Asset Management Company Limited, executive chairman of Bualuang Securities Public Company Limited, director of Bumrungrad Hospital Public Company Limited, Chairman of Asia Cement Public Company Limited, Chairman of Bangkok Capital Asset Management Company Limited, independent director of NSR SEA Fund, senior advisor of Morgan Stanley Limited, commissioner of PT Bank Permata Tbk, and Senior Advisor of Morgan Stanley Limited.

10	Mr. Charoenlarp Thammanichanond, Director, member of Strategy Committee, Risk Management Committee, Related Party Transaction Committee, IT Management Committee, Remuneration and Nomination Committee

Born in 1975, Master of Business Administration, University of Pittsburgh, Pennsylvania, U.S.A., has been director of the Bank since January 1, 2020.

He is Executive Vice President of Bangkok Bank Public Company Limited, in charge of International Banking Group.	
11	Ms. Chow Ai Kiow (徐爱娇), Executive Director and Secretary to the Board, member of Strategy Committee and IT Management Committee, secretary to Remuneration and Nomination Committee
Born in 1956, Gen Cert. Cambridge "O" Level - Singapore, has been director of the Bank since December 28, 2009. She was Senior Manager of Global Risk Management Services Department of Pricewaterhouse Coopers, Shanghai, etc.	
12	Mr. Sitthichai Jiwattanakul (周思澄), Executive Director and CEO, member of Strategy Committee, Related Party Transaction Committee, and IT Management Committee
Born in 1967, Master of Business Administration, Washington State University of USA, has been director of the Bank since May 1, 2024. He used to serve as Senior Vice President and General Manager of Bangkok Bank Public Company Limited Hong Kong Branch.	

The main responsibilities of the Board are to:

- Provide strategic directions, approve strategic business initiatives, and approve business plans and annual budget;
- Review and monitor the financial performance of the Bank, and approve the true and fair financial statements;
- Oversee the implementation of the Bank's governance framework and internal control framework, and periodic review to ensure its appropriateness in light of material changes to the size, nature and complexity of the Bank's operations;
- Establish appropriate procedures and processes to avoid situations that may give rise to improper personal gains or conflicts of interest;
- Set corporate culture, values and ethical standards; and
- Safeguard the legitimate rights and interests of financial consumers and other stakeholders.

The Board held 4 meetings in accordance with AOA and further held another 4 meetings in 2024 (total 8 meetings in 2024) to strengthen communication with senior management and provide timely guidance. The quorum for each meeting was met. The Chairman conducted the meeting according to the agenda, adequate time was allocated for presentation and discussion under each agenda. The Directors freely discussed and expressed their opinions at the meeting. All Board meeting minutes and resolutions are properly maintained by Secretary to the Board of Directors.

4.4 Board Specialized Committees

To enhance its effectiveness and in discharging its fiduciary duties, the Board of Directors has established seven (7) committees namely: Audit Committee, Risk Management Committee, Credit Committee, Information Technology Management Committee, Related Party Transaction Committee, Strategy Committee and Remuneration and Nomination Committee to assist the Board in execution of its duties and responsibilities.

The appointments of the members to Specialized Committees were approved by the Board of Directors and each committee performs duty according to its own Term of Reference (TOR), convenes meetings on regular basis and reports to the Board of Directors. The frequency of committee meeting, roles and responsibilities and etc. are clearly defined in TOR which is approved by the Board..

4.5 Independent Directors

There are four (4) Independent Directors on the Board as at end of 2024: Ms. Hong Pei Li, Mr. Lim Ann Juay, Mr. Ng Tang Fai Ernesto and Mr. Choi Kam Cheong Geoffrey. Ms. Hong Pei Li is the Chairman of Remuneration and Nomination Committee. Mr. Lim Ann Juay is the Chairman of the Audit Committee, and member of Risk Management Committee. Mr. Ng Tang Fai Ernesto is the Chairman of Related Party Transaction Committee. Mr. Choi Kam Cheong Geoffrey is member of Audit Committee and Related Party Transaction Committee.
Independent Directors attended all Board and Committee meetings and express independent opinions, in particular in the matters with respect to related party transactions of the Bank, the management of material risks of the Bank, the engagement of accounting firm that conducts regular statutory audit of the Bank's financial reports etc. Meanwhile, they discharged their duties diligently in line with respective TOR and safeguarded the overall interest of the Bank and the shareholder, as well as legitimate rights and interests of financial consumers.

4.6 Supervisor

The Bank has two (2) Supervisors: Mr. Pornthep Kitsanayothin and Mrs. Wilawan Sutthibutr. Supervisor is appointed by the shareholder in accordance with regulatory requirement and the Bank’s Article of Association.
Mr. Pornthep Kitsanayothin is born in 1950. He has bachelor degree of Accounting of Thammasat University and is Executive Vice President of Bangkok Bank Public Company Limited (the Shareholder), in charge of General Management.
Mrs. Wilawan Sutthibutr is born in 1966. She has master degree of Business Administration at Kasetsart University and is Executive Vice President, Manager, Audit and Control Division at Bangkok Bank Public Company Limited (the Shareholder).

The main responsibilities of the Supervisors include:

- Reviewing the Bank's financial reports;

- Supervising the Board and Senior Management of their respective duties and responsibilities, to ensure the Bank is run in a prudent manner and that the Board and Senior Management take corrective actions where necessary;
- Exercising such other power and authority pursuant to the laws, regulations and the Bank's Article of Association, and as may be authorized by Shareholder.

In 2024, the Supervisors duly discharged the responsibility of supervising the Board and Senior Management in accordance with the relevant local authority requirement and AOA. In discharging their responsibility, the Supervisors reviewed reports of the bank's operations and risk management, and conducted supervision of the operations and financial position of the Bank and the performance evaluation of the Directors and Senior Management. The Supervisors attended/participated in all Board Meetings in 2024. They also discussed/provided recommendations on related operations/risks matter to senior management where applicable.

4.7 Supervisor and Directors Access to Information

The Supervisor(s) and Directors have unrestricted access to information and Management, and receive timely and comprehensive financial, risk management and operational reports to facilitate information discussions during meetings. They also have access to the Board Secretary whose responsibilities include advising the Supervisor(s) and Directors on regulatory changes and requirement for good practices in corporate governance.

4.8 Remuneration Policy and Compensation for Board of Directors, Supervisor and Senior Management

According to the Bank's remuneration policy, staff's remuneration is commensurate with the duties and responsibilities, the Bank's overall performance, the individual's performance, market conditions, and other relevant factors. The Bank's remuneration is composed of fixed compensation, variable compensation, fringe benefits and etc. Fixed compensation is the basic compensation. Variable compensation is the performance bonus. Fringe benefits include social insurance premium, public housing fund, commercial insurance premium and etc.

In line with the Supervisory Guidelines on Sound Compensation in Commercial Banks issued by former CBIRC, senior management and key personnel whose roles have material impacts on the Bank's risk exposure would have a portion of their performance-based compensation deferred. The proportion of deferred payment ranges from 40% to 50% per Bank's policy.

In 2024, the total compensation for Board of Directors, Supervisor and Senior Management was RMB34,868,376.00.

4.9 Senior Management

Senior Management are appointed by the Board of Directors taking into consideration each individual knowledge, capabilities and expertise which are beneficial to the Bank's business as well as leadership, management skill, potentials and readiness to assume assigned duties.

The present Senior Managements of the Bank include without limitation:

Position	Name	Year of Birth	Assignment Commencement	Highest Academic Degree	Relevant Years of Experience
Executive Director, Chief Executive Officer	Mr. Sitthichai Jiwattanakul (周思澄)	1967	Jan 2024	Master Degree	33
Executive Director, Secretary to the Board	Ms. Chow Ai Kiow (徐爱娇)	1956	Dec 2009	Gen Cert. Cambridge "O" Level - Singapore	51
Chief Risk Officer	Ms. Hou Yixin (侯一昕)	1980	Feb 2020	PhD	13.5
Chief Operating Officer	Ms. Li Jing (李菁)	1971	Feb 2023	Master Degree	31.5
Chief Information Officer	Mr. Seow Hon Wah (萧汉华)	1980	Feb 2023	Master Degree	22
Compliance Responsible Person	Ms. Wu Yan (邬燕)	1982	Sep 2024	Master Degree	17.8
Internal Audit Responsible Person	Ms. Wang Wenjia （王文佳）	1983	Jun 2024	Master Degree	18.5
Branch Manager – Shanghai	Ms. Supanongkarn Pintusopon (叶佩林)	1981	Mar 2024	Master Degree	22.5
Branch Manager – Beijing	Ms. Rattana Sanphasitvong (陈少玲)	1977	Oct 2024	Master Degree	24
Branch Manager – Xiamen	Mr. Yan Shuming (严树明)	1966	Mar 2018	Master Degree	36.5
Branch Manager – Shenzhen	Ms. Yaowaluck Pawijit (许佩佩)	1963	Feb 2020	Master Degree	36.7

The Bank has one (1) CEO and other Senior Management Personnel. The responsible person of internal audit division and the responsible person of Compliance and Legal Division reports to the Board of Directors through the Audit Committee, other Senior Management personnel of the Bank are accountable to the Chief Executive Officer (CEO) with periodic report to respective committees and the Board of Directors via CEO.

As delegated by the Board, CEO is fully responsible for the day-to-day operations and management of the Bank. Under the leadership of the CEO, the Senior Management has fulfilled its roles and responsibilities;

- Adhere to strategic directions, strategic business initiatives, and business plans and annual budget approved by the Board;
- Ensure timely implementation of Board approved policies and procedures;
- Conduct periodic related risk related assessment to identify and address risk due to change of business environment and regulatory changes.
- Ensure compliance with laws and regulatory requirements.

In the daily management there are 3 committees namely; Management Committee, Asset & Liability Committee and Human Resource Committee with CEO as the Chairman and members composition consist of relevant senior management.

Part V Social Responsibility Report

5.1 Consumer Rights Protection

Adhering to the principles of voluntariness, equality, fairness, honesty and integrity, the Bank earnestly bear the main responsibility and fulfill the legal obligations for consumer rights protection. The Bank integrates consumer rights protection into all aspects of corporate governance, and has established and improved the working systems and mechanisms for consumer rights protection. The Board undertakes the ultimate responsibility for consumer rights protection and the Risk Management Committee under the Board is responsible for work matters regarding consumer rights protection.

5.2 Financial Knowledge Education and Publicity

The Bank attaches great importance to the work of financial knowledge education and publicity to cultivate the financial literacy of the public. To enhance public awareness of risk-prevention and improve consumers' capability of protecting their legal rights, the Bank provided following publicity campaigns in 2024:

5.2.1 Special publicity activity

In 2024, the Bank continued to conduct the activities of "Delivering Financial Knowledge in Class", and held the themed lecture for the elderly group and the group from remote & low-income area. On 11 Jun, BBC held two financial knowledge popularization events to the elderly residents in the surrounding communities of the bank in Bund Street Community Party Group Service Center and Cultural Activity Center. Taking current social hot issues, through financial knowledge explanation, publicity video display, and leaflets distribution, etc., BBC staffs focused on popularizing the contents related to the latest fraud risk cases, personal credit reports, deposit insurance, the "Anti Telecom Network Fraud Law", the "Anti Organized Crime Law", and the development achievements of the electronic payment industry, etc. to effectively improve their financial literacy, establish rational consumption and value investment concepts. As the activities were held during the 23rd National "Safety Production Month", the safety emergency and evacuation knowledge based on local conditions, which is close to daily life, was also shared with the elderly group on site. In Dec, BBC conducted financial knowledge popularization activity to the teachers from Gulin Cheng Long School in Luzhou, Sichuan Province. By selecting typical cases, staff focused on popularizing risk prevention and financial fundamentals that are close to daily life, to further improve the financial literacy of the teachers in the remote area.

5.2.2 Daily routine publicity

In the daily routine publicity work of 2024, the Bank publicized financial knowledge via Wechat official account and official website, and all staffs were encouraged to study and share the financial knowledge with their family and friends. All branches provided publicity leaflets at banking hall for customers and displayed poster and slogan in LCD screen, and conducted various popularization publicity activities at branch level.

The Bank also conducted various publicity week/publicity month and regular publicity activities throughout the year

- Jan-Apr Publicity of Electronic Payment Benefiting Enterprises and Citizens
- March "3.15 Financial Consumers' Right Protection Day" Publicity Activity

- May “Deposit Insurance Publicity Month” and “5.15 National Investor Protection Publicizing Day”
- June “Publicity Month of Prevention of Illegal Fund Raising”, Credit Investigation Publicity of "6.14 Credit Record Care Day", “Financial Knowledge Promotion Activity” and “Safety Production Month Activities”
- June-July Concentrated Publicity Month for Combating Telecommunication Network Fraud and Crimes
- July-August Concentrated Publicity Month for Combating Telecommunication Network Fraud "Anti-fraud for All is in Action"
- September “Publicity Month of Financial Education” and “National Network Security Publicity Week”
- October National "Month of Respect for the Elderly" Activity
- Regular Popularization of the Anti-Telecom Network Fraud Law and Anti Organization Crime Law throughout the year

In 2024, the Bank continued to actively carry out targeted online publicity by forwarding related Wechat articles publicized on the official Wechat platforms of the Bank to the groups of the senior citizens, teenager group and teachers in remote areas, to improve their anti-fraud awareness and self-protection capabilities.

In the above special publicity activities and daily routine publicity activities, the Bank has been continuously popularizing financial knowledge and improving financial literacy of the public.

5.3 Bangkok Bank China “The Power of Thai” Charity Project

The Bank has brought “The Power of Thai” charity project of Bangkok Bank Public Company Limited to China and paid great attention to the education and growth situation of children in needy areas in China; Since 2014, the Bank has cooperated with Shanghai Smiles Foundation to conduct home visits, donating daily necessities and communicating with the students from Schools for Children of Migrant Workers, Hope Primary School, Schools for Left-behind Children, etc. in western region of China, which aims to create a warmer and more caring learning and growth environment for the left-behind children, and light up their bright future.

In December 2024, the Bank donated materials to the students of Gulin Cheng Long School in Sichuan Province for the tenth consecutive year through “The Power of Thai” charity project. Volunteers from the Bank donated warm winter jackets on behalf of the Bank to all students, aiming to provide material assistance and spiritual care for the left-behind children through school uniform donations.

5.4 Green Credit

The Bank adheres to the concept of green credit, strictly implements the former China Banking and Insurance Regulatory Commission’s guidance on green credit, and prioritizes support for the financial needs of green industries encouraged by national policies in credit investment, and focuses on energy saving and carbon reduction industry, environmental protection industry, green and low-carbon energy transition. The Bank increases financial support for strategic emerging industries, new energy industries

and other key areas, and actively promotes the development of green economy, contribute to sustainable development. The Bank will increase the investment in green credit under the premise of risk control and continue to deeply explore the environmental benefits of green credit. In the next three years, we plan to increase financial support for low-carbon environmental protection, photovoltaic & solar power generation and other green key areas in order to practice the concept of green development. By the end of December 2024, the Bank's green loan outstanding amounted to RMB1,099M. The existing green loan customers mainly involve industries such as energy saving and carbon reduction industry, resource recycling industry, environmental protection industry, green and low-carbon energy transition, green upgrading of infrastructure, ecological conservation restoration and utilization.

The Bank’s credit line guidelines clearly stipulate that before providing a line of credit, the Bank shall assess whether the borrowing company has an impact on the environment, and require branches to explain the customer’s environmental compliance status in the credit application report, and provide the customer’s environmental protection certificate and other supporting documents to actively prevents credit risks caused by environmental protection violations. The Bank actively promotes the development of green credit, increase internal resources such as green credit lines, strictly controls loans to industries with high energy consumption, high pollution and overcapacity, while optimizing the Bank’s own credit business structure to effectively prevent and defuse credit risk.

5.5 Customer Complaint

The Bank attaches great importance to customers' opinions and suggestions, strictly adheres to the principles of "compliance with laws and regulations, convenience and high efficiency, addressing both symptoms and root causes, and diversified solutions" to properly handle customer complaints. In order to standardize the handling of customer complaints and clarify the responsibilities for complaint handling, the Bank has formulated the Customer Complaint Handling Process. Moreover, the Bank has publicized the information of complaint channels and handling process at all business outlets, on the Bank's official website and WeChat official platform, providing customers with convenient channels for complaints. In 2024, the Bank didn’t receive customer complaints, and the business operations at all business outlets were stable and orderly.

The Bank always attaches great importance to corporate social responsibility, regards the active fulfillment of corporate social responsibility as an important part of its business activities, pays attention to the long-term value of the bank and customers, and actively promotes the development of green economy. While developing the business, the Bank continues to be enthusiastic about public welfare, encourage staffs to participate in voluntary services and give back to the society.

Part VI Significant Events

Mr. Sitthichai Jiwattanakul assumed the position of Chief Executive Officer of the Bank from January 1, 2024.

PART VII Bank Network

Location of Bangkok Bank China branches

Bangkok Bank China Head Office
Address: Floor 2 (Zone B&C), Floor 3, Floor 4, No.7 Zhongshan E-1 Road, Huangpu District, Shanghai 200002
Telephone: (86 21) 2329 0100
Fax: (86 21) 2329 0168
Complaint Telephone: (86 21) 2329 0180

Shanghai Branch
Address: Floor 1, Floor 2 (Zone A), No.7 Zhongshan E-1 Road, Huangpu District, Shanghai 200002
Telephone: (86 21) 2329 0100
Fax: (86 21) 2329 0101
Complaint Telephone: (86 21) 2329 0112

Xiamen Branch
Address: Unit 101 & 102, 1/F and Unit 201, 2/F, Xiamen Top Plaza, No.2 Zhenhai Road, Siming District, Xiamen, Fujian Province 361001
Telephone: (86 592) 297 9889
Fax: (86 592) 297 9890
Complaint Telephone: (86 592) 297 9868

Beijing Branch
Address: Floor 1, New China Insurance Tower, No.12A, Jianguomenwai Avenue, Chaoyang District, Beijing 100022
Telephone: (86 10) 6569 0088
Fax: (86 10) 6569 0000
Complaint Telephone: (86 10) 6569 0059

Shenzhen Branch
Address: Floor 1(Unit 12), Floor 2 (Unit 1-4 & 19), Hua Rong Building, No.178 Mintian Road, Futian District, Shenzhen, Guangdong Province 518048
Telephone: (86 755) 3396 5800
Fax: (86 755) 3396 5842
Complaint Telephone: (86 755) 3396 5856

Chongqing Branch
Address: 1F (L104 & L105) and 38F (Unit A), HNA Poly International Plaza, No.235 Minsheng Road, Yuzhong District, Chongqing 400010

Telephone: (86 23) 6037 2300
Fax: (86 23) 6037 2343
Complaint Telephone: (86 23) 6037 2338

Bangkok Bank (China) Company Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2024 TO 31 DECEMBER 2024
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

KPMG Huazhen LLP
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China
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AUDITOR'S REPORT

毕马威华振沪审字第 2501462 号

The Board of Directors of Bangkok Bank (China) Company Limited:

Opinion

We have audited the accompanying financial statements of Bangkok Bank (China) Company Limited ("the Bank") set out on pages 1 to 72, which comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement, and the statement of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and the financial performance and cash flows of the Bank for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

KPMG Huazhen LLP, a People's Republic of China partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

毕马威华振沪审字第 2501462 号

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Huazhen LLP
Shanghai Branch

Certified Public Accountants
Registered in the People's Republic of China

(Signed on Chinese original)
Pan Sheng

Shanghai, China

(Signed on Chinese original)
Zhu Shujia

Date: 28 April 2025

Bangkok Bank (China) Company Limited
Balance sheet
as at 31 December 2024
(Expressed in RMB Yuan)

	Note	*2024*	*2023*
Assets			
Cash on hand and deposits with central bank	6	775,334,942	856,847,646
Deposits with inter-banks	7	1,155,689,009	831,220,781
Placements with inter-banks and non-bank financial institutions	8	1,079,833,286	1,892,662,330
Derivative financial assets	9	21,299,724	18,082,755
Loans and advances to customers	10	6,685,981,791	7,314,188,713
Financial investment			
- Other debt investment	11	4,573,662,320	4,443,934,633
Fixed assets	12	12,601,622	15,686,124
Right-of-use assets	13(1)	244,032,840	288,430,400
Intangible assets	14	5,122,959	5,751,877
Deferred tax assets	15	228,705,325	216,458,197
Other assets	16	28,473,623	15,269,997
Total assets		14,810,737,441	15,898,533,453

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Balance sheet
as at 31 December 2024 (continued)
(Expressed in RMB Yuan)

	Note	2024	2023
Liabilities and owners' equity			
Liabilities			
Deposits from inter-banks	17	423,860	1,002,545
Placements from inter-banks	18	695,918,490	607,377,300
Derivative financial liabilities	9	20,605,398	16,123,084
Deposits from customers	19	8,449,675,522	9,677,139,542
Employee benefits payable	20	26,820,533	23,845,887
Taxes payable	5(3)	29,746,914	22,381,119
Lease liability	13(2)	227,723,565	260,448,804
Provision for Contingencies	21	119,283,625	116,789,435
Other liabilities	22	15,077,833	21,144,431
Total liabilities		9,585,275,740	10,746,252,147
Owner's equity			
Paid-in capital	23	4,000,000,000	4,000,000,000
Other comprehensive income	24	37,806,721	10,519,878
Surplus reserve	25	117,692,941	113,103,586
General reserve	26	208,531,720	208,531,720
Retained earnings		861,430,319	820,126,122
Total owners' equity		5,225,461,701	5,152,281,306
Total liabilities and owners' equity		14,810,737,441	15,898,533,453

These financial statements were approved by the Board of Directors of Bangkok Bank (China) Company Limited on 28 April 2025.

Sitthichai Jiwattanakul
Chief Executive Officer

Cai Fei
The person in charge of accounting affairs

(Company stamp)

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Income statement
for the year ended 31 December 2024
(Expressed in RMB Yuan)

	Note	*2024*	*2023*
Operating income		400,629,540	433,034,543
Net interest income	28	352,014,034	377,074,177
Interest income		574,681,845	587,769,858
Interest expenses		(222,667,811)	(210,695,681)
Net fees and commission income	29	21,593,756	30,912,850
Fees and commission income		22,666,176	31,774,223
Fees and commission expenses		(1,072,420)	(861,373)
Other income		1,213,454	446,938
Foreign exchange gains	30	25,787,426	24,551,903
Gains from disposal of assets		20,870	48,675
Operating expenses		(368,395,164)	(360,965,593)
Taxes and surcharges		(2,343,132)	(2,864,022)
General and administrative expenses	31	(259,889,239)	(247,661,430)
Credit impairment losses	32	(106,162,793)	(110,440,141)
Operating profit (Continued)		32,234,376	72,068,950

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Income statement
for the year ended 31 December 2024 (continued)
(Expressed in RMB Yuan)

	Note	*2024*	*2023*
Operating profit (Continued)		32,234,376	72,068,950
Add: Non-operating income		10,000	-
Less: Non-operating expenses		(44,986)	(23,212)
Profit before taxation		32,199,390	72,045,738
Less: Corporate income tax	33	13,694,162	6,075,960
Net profit		45,893,552	78,121,698
Other comprehensive income, net of tax:	34		
Items that may be reclassified to profit or loss			
- Fair value changes of other debt investment		25,028,659	3,831,310
- Changes in expected credit losses ("ECL") in other debt investment		2,258,184	5,048,181
Total comprehensive income		73,180,395	87,001,189

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Cash flow statement
for the year ended 31 December 2024
(Expressed in RMB Yuan)

	Note	*2024*	*2023*
Cash flows from operating activities			
Net decrease in placements with inter-banks and non-bank financial institutions		611,000,000	-
Net increase in deposits from customers		-	744,975,106
Proceeds from interest, fee and commission		477,871,040	556,697,709
Net increase in placements from inter-banks		94,711,000	400,000,000
Net decrease in loans and advances to customers		559,936,030	542,932,363
Proceeds from other operating activities		91,890,064	39,652,618
Sub-total of cash inflows from operating activities		1,835,408,134	2,284,257,796
Net increase in deposits with central bank and inter-banks		(43,353,083)	(203,231,125)
Net increase in placements with inter-banks and non-bank financial institutions		-	(860,709,500)
Net decrease in deposits from customers		(1,272,947,862)	-
Net decrease in deposits from inter-banks		(578,611)	(2,390,300)
Payment for interest, fees and commission		(188,463,657)	(254,347,120)
Payment to and for employees		(169,814,205)	(150,380,700)
Payment for various taxes		(27,278,017)	(11,845,561)
Payment for other operating activities		(92,489,223)	(102,563,706)
Sub-total of cash outflows from operating activities		(1,794,924,658)	(1,585,468,012)
Net cash flow generated from operating activities	35(1)	40,483,476	698,789,784

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Cash flow statement
for the year ended 31 December 2024 (continued)
(Expressed in RMB Yuan)

	Note	2024	2023
Cash flows from investing activities			
Proceeds from redemption of other debt investment		3,861,013,142	2,162,481,000
Investment returns received from financial assets		105,691,608	120,646,346
Net proceeds from disposals of fixed assets		24,685	48,725
Sub-total of cash inflows from investing activities		3,966,729,435	2,283,176,071
Payment for acquisition of investments		(4,207,093,839)	(2,793,657,219)
Payment for acquisition of fixed assets intangible assets and other long-term assets		(7,494,220)	(16,236,081)
Sub-total of cash outflows from investing activities		(4,214,588,059)	(2,809,893,300)
Net cash flow used in investing activities		(247,858,624)	(526,717,229)
Cash flows from financing activities			
Repayments of principal and interest of lease liabilities		(45,017,474)	(46,732,151)
Sub-total of cash outflows from financing activities		(45,017,474)	(46,732,151)
Net cash flow used in financing activities		(45,017,474)	(46,732,151)
Effect of foreign exchange rate changes on cash and cash equivalents		6,202,238	11,931,474
Net (decrease) / increase in cash and cash equivalents	35(2)	(246,190,384)	137,271,878
Add: Cash and cash equivalents at the beginning of the year		1,714,615,974	1,577,344,096
Cash and cash equivalents at the end of the year	35(3)	1,468,425,590	1,714,615,974

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Statement of changes in owner's equity
for the year ended 31 December 2024
(Expressed in RMB Yuan)

	Note	*Paid-in capital*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total*
Balance at 1 January 2024		4,000,000,000	10,519,878	113,103,586	208,531,720	820,126,122	5,152,281,306
Changes in equity during the year							
1. Total comprehensive income	24	-	27,286,843	-	-	45,893,552	73,180,395
2. Appropriation of profits							
- Appropriation for surplus reserve	25, 27	-	-	4,589,355	-	(4,589,355)	-
Subtotal of 1 and 2		-	27,286,843	4,589,355	-	41,304,197	73,180,395
Balance at 31 December 2024		4,000,000,000	37,806,721	117,692,941	208,531,720	861,430,319	5,225,461,701

The notes on pages 9 to 72 form part of these financial statements.

Bangkok Bank (China) Company Limited
Statement of changes in owner's equity (Continued)
for the year ended 31 December 2023
(Expressed in RMB Yuan)

	Note	*Paid-in capital*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total*
Balance at 1 January 2023		4,000,000,000	1,640,387	105,291,416	208,531,720	749,816,594	5,065,280,117
Changes in equity during the year							
1. Total comprehensive income	24	-	8,879,491	-	-	78,121,698	87,001,189
2. Appropriation of profits							
- Appropriation for surplus reserve	25, 27	-	-	7,812,170	-	(7,812,170)	-
Subtotal of 1 and 2		-	8,879,491	7,812,170	-	70,309,528	87,001,189
Balance at 31 December 2023		4,000,000,000	10,519,878	113,103,586	208,531,720	820,126,122	5,152,281,306

The notes on pages 9 to 72 form part of these financial statements.

1 Company status

Bangkok Bank (China) Company Limited ("the Bank") is a wholly foreign-owned bank incorporated in Shanghai, the People's Republic of China ("the PRC"), by Bangkok Bank Public Company Limited ("Bangkok Bank"). Both the parent and the ultimate holding company of the Bank is Bangkok Bank.

In accordance with the Regulation of the PRC on the Administration of Foreign-funded Banks, and the Detailed Rules on the Implementation of Regulation of the PRC on the Administration of Foreign-funded Banks, the former China Banking Regulatory Commission granted approval to Bangkok Bank on 30 April 2008 to restructured its Shanghai, Beijing, Xiamen, and Shenzhen branches ("the Former PRC Branches") into a wholly foreign-owned subsidiary bank.

The Bank obtained the financial license from the former China Banking and Insurance Regulatory Commission Shanghai Bureau (Institution Code: B1031H231000001) and obtained its business license from Shanghai Municipal Administration for Market Regulation (Uniform Social Credit Code: 91310000695837770Y). The Bank has an undefined operating life from 26 October 2009. The Bank's business scope includes foreign currency business and RMB business as approved by relevant regulators. The date of business conversion from the Former PRC Branches to the Bank was on 28 December 2009 and the Bank commenced its operation on the same day.

As at 31 December 2024, the Bank had five branches in Shanghai, Beijing, Xiamen, Shenzhen, and Chongqing. The Bank's head office is located in Shanghai.

2 Basis of preparation

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

(1) Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises, which are also referred to as China Accounting Standards ("CAS"), issued by the Ministry of Finance ("MOF") of the People's Republic of China. These financial statements present truly and completely the financial position of the Bank as at 31 December 2024, and the financial performance and cash flows of the Bank for the year then ended.

(2) Accounting year

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

(3) Functional currency and presentation currency

The Bank's functional currency is RMB and these financial statements are presented in RMB. Functional currency is determined by the Bank on the basis of the currency in which major income and costs are denominated and settled.

3 Significant accounting policies and accounting estimates

(1) Translation of foreign currencies

When the Bank receives capital in foreign currencies from the investor, the capital is translated to RMB at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or rates that approximate the spot exchange rates on the dates of the transactions. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, such as the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to RMB using the exchange rate at the transaction date.

(2) Financial instruments

Financial instruments of the Bank comprise cash on hand and deposits with central bank, deposits with inter-banks, placements with inter-banks and non-bank financial institutions, derivative financial assets, loans and advances to customers, other debt investment, deposits from inter-banks, placements from inter-banks, derivative financial liabilities, deposits from customers and paid-in capital, etc.

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

A financial asset or financial liability is recognised in the balance sheet when the Bank becomes a party to the contract of a financial instrument.

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

(b) Classification and subsequent measurement of financial assets

(i) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Bank manages its financial assets in order to generate cash flows. That is, the Bank's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Bank determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Bank's key management personnel.

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

(ii) Subsequent measurement of financial assets

- Financial assets at amortised cost

  These assets are subsequently measured at amortised cost using the effective interest method. The gain or loss arising from financial assets measured at amortised cost and not part of any hedging relationship shall be recognised in current profit or loss when the financial asset is derecognised, reclassified and amortized according to the effective interest method process or recognised as impaired.

- Debt investments at FVOCI

  These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Financial assets at FVTPL

  These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

(c) Classification and subsequent measurement of financial liabilities

The Bank classifies financial liabilities into financial liabilities measured at FVTPL, financial guarantee liabilities and financial liabilities measured at amortized cost.

- Financial liabilities at FVTPL

  A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

  Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities at amortised cost

  These financial liabilities are subsequently measured at amortised cost using the effective interest method.

- Financial guarantee liabilities

  Financial guarantees contract require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

  Financial guarantees are initially recognised as deferred income at fair value. The deferred income is amortised in profit or loss during the guarantee period, and its subsequent measurement is in accordance with accounting policies for financial instrument impairment as in Note 3(8)(a).

(d) Offset

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Bank currently has a legally enforceable right to set off the recognised amounts; and

- the Bank intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(e) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

- the Bank's contractual rights to the cash flows from the financial asset expire;

- the financial asset has been transferred and the Bank transfers substantially all of the risks and rewards of ownership of the financial asset;

- the financial asset has been transferred, although the Bank neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

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

- the carrying amount of the financial asset transferred measured;

- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Bank derecognises a financial liability (or part of it) only when its contractual obligation (or the part of it) is extinguished.

(f) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative transaction contract is signed, and are subsequently measured at fair value. Derivative financial instruments with a positive fair value are recognised as an asset, and a negative fair value is recognised as a liability.

When the host included in the hybrid contract is an asset within the scope of new financial instrument standards, derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. When the host included in the mixed contract is not an asset within the scope of new financial instrument standards, and some embedded derivative financial instruments do not have a close relationship with the economic characteristics and risks of their host, they are consistent with separate instruments with the same terms as the embedded derivative, and the hybrid instrument is not measured at FVTPL, the embedded derivative shall be split from the hybrid contract and treated as an independent derivative financial instrument. These embedded derivative financial instruments are measured at FVTPL, the changes in the fair value are through profit or loss.

Gains and losses arising from changes in the fair value of derivative financial instruments are through profit or loss.

(g) Equity instruments

The issuance of equity instruments is recognised at the actual issue price in owners' equity, relevant transaction costs are deducted from owners' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from owners' equity.

(3) Cash and cash equivalents

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

(4) Fixed assets

Fixed assets represent the tangible assets held by the Bank for operation and administrative purposes with useful lives over one year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(8)(b)).

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

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

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

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

Asset type	*Estimated useful life*	*Estimated residual value RMB Yuan*	*Depreciation rate*
Motor vehicles	5 years	1	20%
Computers and electronic equipment	5 years	1	20%
Office and other equipment	5 years	1	20%

Useful lives, residual values and depreciation methods are reviewed at least annually at each year-end.

(5) Lease

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Bank assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly in a contract or implicitly specified when available for use by customers and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(a) As a lessee

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 3(8)(b).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the lease commencement date, the Bank remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Bank will exercise a purchase, extension or termination option, or the Bank has exercised the extension or termination option in a different manner from the original assessment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Bank recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(6) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 3(8)(b)).

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

At the balance sheet date, the intangible assets of the Bank are software with 5 years useful lives and no residual value.

Useful lives and amortisation methods of intangible asset with finite useful life are reviewed at least at each year-end.

(7) Long-term deferred expenses

Expenditure incurred with beneficial period over one year is recognised as long-term deferred expenses. Long-term deferred expenses are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see Note 3(8)(b)). Long-term deferred expenses are amortised over their beneficial periods. The long-term deferred expenses of the Bank are all leasehold improvements. The respective amortisation period for the long-term deferred expenses is 5 years.

(8) Impairment of assets

Except for impairment of assets set out in Note 3(14), impairment of assets is accounted for using the following principles:

(a) Impairment of financial assets

The Bank performs impairment accounting and recognises losses for the following items based on ECL:

- Financial assets measured at amortised cost;
- Debt investment at FVOCI;
- Loan commitments and financial guarantee contracts issued which are not measured at FVTPL.

Financial assets measured at fair value, including derivative financial assets, are not subject to the ECL assessment.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls using original effective interest rate (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive).

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

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

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

The Bank applies a 'three-stage model' for measuring expected credit loss for financial instruments based on the extent of increases in credit risk since initial recognition.

The three stages are defined as follows:

Stage I: For financial instruments with no significant increase in credit risk since initial recognition, the loss provision shall be measured according to the expected credit loss in the next 12 months.

Stage II: For financial instruments whose credit risk has increased significantly since initial recognition but has not been impaired, the loss reserves shall be measured according to the expected credit loss in the whole duration.

Stage III: For financial instruments with credit impairment after initial recognition, the provision for loss shall be measured according to the expected credit loss of the whole duration.

The Bank measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date; or
- If the financial instrument's credit risk has not increased significantly after initial recognition.

Financial instruments that have low credit risk

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

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Bank compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Bank.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on an individual basis. When evaluating based on the combination of financial instruments, the Bank can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk rating.

Normally, the Bank assumes that the credit risk on a financial instrument has increased significantly if it is more than 30 days past due.

Credit-impaired financial assets

At each balance sheet date, the Bank assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Bank having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL

ECL is remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets. For the loan commitments and financial guarantee contracts issued, which are not measured at FVTPL, the Bank recognises the allowance for impairment losses in provisions (credit loss of off-balance sheet assets) (see Note 21) .

Write-off

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

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

(b) Impairment of other assets

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

- fixed assets
- right-of-use assets
- intangible assets
- long-term deferred expenses, etc

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Bank estimates the recoverable amounts of intangible assets not ready for use at year-end, irrespective of whether there is any indication of impairment.

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

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note 3(9)) less costs to sell and its present value of expected future cash flows.

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

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated to reduce the carrying amount of the assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

(9) Fair value measurement

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

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

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

(10) Employee benefits

(a) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(b) Post-employment benefits-defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Bank participated in a defined contribution basic pension insurance and unemployment insurance plans in the social insurance system established and managed by government organisations. The Bank makes contributions to basic pension insurance and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(11) Provision for Contingencies

A Provision for Contingencies is recognised for an obligation related to a contingency if the Bank has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, Provision for Contingencies is determined by discounting the expected future cash flows.

(12) Revenue recognition

Revenue is the gross inflow of economic benefits arising in the course of the Bank's ordinary activities when those inflows result in increase in equity, other than increases relating to contributions from an owner.

(a) Interest income

For all financial instruments measured at amortised cost and interest-generating financial instruments classified as financial assets measured at FVOCI, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, where appropriate, to the book value of the financial asset, or the amortised cost of financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

Interest income is calculated by applying the effective interest rate to the book value of financial assets and is included in interest income, except for:

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

(b) Fees and commission income

Fees and commissions are recognised by providing various services to customers, which reflects the consideration amount expected to be entitled to receive for the service provided to customers, and the income is recognised when the performance obligations in the contract are fulfilled.

The Bank will confirm the income according to the performance schedule within the time period when one of the following conditions is met:

- The customer obtains and consumes the economic benefits brought by the Bank's performance while performing the contract;
- The customer can control the services performed during the performance of the Bank;
- The services performed by the Bank in the performance process are irreplaceable and the Bank has the right to collect money for the cumulative performance part which has been completed so far throughout the contract period.

In other cases, the Bank recognises revenue when customers obtain the relevant service control right.

(13) Interest expenses

Interest expense arising from financial liabilities is calculated based on the amortization cost of the financial liabilities and duration by using the effective interest rate and recognised in the corresponding period.

(14) Corporate Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity (including other comprehensive income).

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

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

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

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss).

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

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

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

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

(15) Government grants

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

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Bank will comply with the conditions attaching to the grant.

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

A government grant related to an asset is offset against the carrying amount of the related asset or recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset as other income or non-operating income. A grant that compensates the Bank for expenses to be incurred in the future is recognised initially as deferred income, and released to other income or non-operating income or offset against related expenses in the periods in which the expenses are recognised. Otherwise, the grant is recognised in other income or non-operating income or offset against related expenses immediately.

(16) Profit distributions to owners

Distributions of profit proposed in the profit appropriation plan to be approved by the Board of Directors after the balance sheet date are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

(17) Related parties

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

(18) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Bank's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are same or similar in respect of the nature of products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. The Bank determines its reportable segments on the basis of operating segments taking into account the principle of materiality.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the Bank's financial statements.

(19) Significant accounting estimates and judgements

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

Significant accounting estimates include: Notes 3(4), 3(6), and 3(7): information about the accounting estimates relating to depreciation and amortisation of assets such as fixed assets, intangible assets and long-term deferred expenses; Notes 6, 7, 8, 10, 11, 12, 13, 14 and 16: information about provision for impairment of various types of assets; and Note 39: information about the accounting estimates relating to fair value.

4 Changes in accounting policies

In 2024, the Bank has adopted the following accounting requirements and guidance under CASs newly issued by the MOF, mainly including:

- CAS Bulletin No. 17 (Caikuai [2023] No. 21) . and
- CAS Bulletin No. 18 (Caikuai [2024] No. 24) .

The adoption of the above provisions has not had a significant impact on the Bank's financial position and operating results.

5 Taxation

The types of taxes applicable to the Bank and their tax rates are as follows:

(1) The types of taxes applicable to the Bank's rendering of services include value added tax (VAT), city maintenance and construction tax, education surcharge and local education surcharge.

Tax Name	*Tax basis and applicable rate*
VAT	Output VAT is 6% of taxable services revenue, based on tax laws. The basis for VAT payable is to deduct input VAT from the output VAT for the period.
City maintenance and construction tax	7% of actual VAT paid.
Education surcharge	3% of actual VAT paid.
Local education surcharge	2% of actual VAT paid.

(2) Corporate Income tax

The statutory corporate income tax rate applicable to the Bank is 25%. The applicable corporate income tax rate for the year is the statutory rate (2023: 25%).

(3) Taxes payable

	2024	*2023*
Corporate income tax payable	16,902,909	8,666,067
Withholding non-resident corporate income tax payable	5,937,385	5,884,565
VAT and surcharges payable	3,740,301	4,646,490
Withholding individual income tax payable	1,860,314	1,874,634
Withholding VAT and surcharges payable	1,306,005	1,309,363
Total	29,746,914	22,381,119

6 Cash on hand and deposits with central bank

	Note	*2024*	*2023*
Cash on hand		813,191	878,075
Statutory deposit reserves with central bank	(1)	503,503,760	638,686,149
Surplus deposit reserves with central bank	(2)	270,747,876	216,953,637
Foreign currency risk reserves with central bank	(3)	18,690	11,703
Subtotal		775,083,517	856,529,564
Add: Interest accrued		251,425	318,082
Total		775,334,942	856,847,646

(1) Statutory deposit reserves with central bank represent the deposits placed with the People's Bank of China ("the PBOC") in accordance with the *Regulation of the PRC on the Administration of Foreign-funded Banks* (the "Administrative Regulation") and relevant regulations, which are not available for use in the Bank's daily business. As at the balance sheet date, the statutory deposit reserve rates applicable to the Bank were as follows:

	2024	*2023*
RMB deposits reserve rate	6%	7%
Foreign currency deposits reserve rate	4%	4%

(2) The surplus deposit reserves maintained with the PBOC are mainly for settlement purpose.

(3) The Bank places the foreign-exchange risk reserve based on contract amount of foreign exchange derivative financial instruments according to relevant requirements of the PBOC.

7 Deposits with inter-banks

(1) Analysed by counterparty

	Note	*2024*	*2023*
Deposits with inter-banks in Mainland China		1,124,472,386	792,935,872
Deposits with inter-banks outside Mainland China		28,624,138	38,000,191
Subtotal		1,153,096,524	830,936,063
Add: Interest accrued		8,307,690	1,004,412
Subtotal		1,161,404,214	831,940,475
Less: Allowances for impairment losses	(2)	(5,715,205)	(719,694)
Total		1,155,689,009	831,220,781

(2) Movement of allowances for impairment losses

	Stage 1
1 January 2024	719,694
Charge during the year	4,973,508
Exchange difference	22,003
31 December 2024	5,715,205

	Stage 1
1 January 2023	485,314
Charge during the year	233,432
Exchange difference	948
31 December 2023	719,694

8 Placements with inter-banks and non-bank financial institutions

(1) Analysed by counterparty

	Note	*2024*	*2023*
Placements with inter-banks in Mainland China		359,420,000	770,375,500
Placements with non-bank financial institutions in Mainland China		730,304,000	1,122,481,000
Subtotal		1,089,724,000	1,892,856,500
Add: Interest accrued		4,570,637	4,814,210
Subtotal		1,094,294,637	1,897,670,710
Less: Allowances for impairment losses	(2)	(14,461,351)	(5,008,380)
Net book value of placements with inter-banks and non-bank financial institutions		1,079,833,286	1,892,662,330

(2) Movement of allowances for impairment losses

	Stage 1
1 January 2024	5,008,380
Charge during the year	9,384,808
Exchange difference	68,163
31 December 2024	14,461,351

	Stage 1
1 January 2023	7,315,215
Reversal during the year	(2,253,017)
Exchange difference	(53,818)
31 December 2023	5,008,380

9 Derivatives financial instruments

	2024		
	Nominal amount	*Fair value*	
	Total	*Assets*	*Liabilities*
Foreign exchange swap	2,774,732,765	21,299,724	(13,617,842)
Foreign exchange forward	314,475,353	-	(6,987,556)
Total	3,089,208,118	21,299,724	(20,605,398)

	2023		
	Nominal amount	*Fair value*	
	Total	*Assets*	*Liabilities*
Foreign exchange swap	2,097,304,546	17,214,965	(5,625,811)
Foreign exchange forward	452,067,470	867,790	(10,497,273)
Total	2,549,372,016	18,082,755	(16,123,084)

The nominal amounts of the derivatives financial instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent the amounts at risk.

10 Loans and advances to customers

(1) Analysed by nature

	2024	*2023*
Corporate loans and advances		
- loans	7,441,730,130	8,016,234,167
- trade finance	50,030,380	60,552,564
- advances	27,500,000	-
Total loans and advances	7,519,260,510	8,076,786,731
Add: Interest accrued	31,815,253	15,482,872
Subtotal	7,551,075,763	8,092,269,603
Less: Allowances for impairment losses	(865,093,972)	(778,080,890)
Net book value of loans and advances to customer	6,685,981,791	7,314,188,713

(2) Analysed by industry sector

	2024		*2023*	
	Net book value	*%*	*Net book value*	*%*
Manufacturing	2,899,650,789	38.56%	3,785,151,833	46.86%
Financial services	822,000,000	10.93%	655,456,889	8.12%
Wholesale and retail trade	739,834,497	9.84%	388,337,754	4.81%
Transportation and storage services	583,065,721	7.75%	590,506,066	7.31%
Commercial services	550,006,475	7.32%	518,024,900	6.41%
Real estate services	527,251,180	7.01%	649,477,814	8.04%
Hotel and restaurant	465,481,172	6.19%	514,531,123	6.37%
Agriculture, forestry, husbandry and fishery	440,346,958	5.86%	369,833,466	4.58%
Production and supply of electricity, gas and water	311,623,718	4.15%	395,466,886	4.90%
Construction industry	180,000,000	2.39%	210,000,000	2.60%
Total loans and advances	7,519,260,510	100.00%	8,076,786,731	100.00%
Add: Interest accrued	31,815,253		15,482,872	
Subtotal	7,551,075,763		8,092,269,603	
Less: Allowances for impairment losses	(865,093,972)		(778,080,890)	
Net book value of loans and advances to customers	6,685,981,791		7,314,188,713	

(3) Analysed by geographical sector

	2024		*2023*	
	Net book value	*%*	*Net book value*	*%*
East China	3,321,384,812	44.17%	3,511,989,325	43.48%
North China	1,643,367,713	21.86%	1,380,168,731	17.09%
Southwest China	947,687,393	12.60%	982,114,376	12.16%
South China	803,968,306	10.69%	1,120,848,539	13.88%
Central China	395,933,486	5.27%	184,351,294	2.28%
Northeast China	320,658,000	4.26%	684,833,466	8.48%
Overseas	86,260,800	1.15%	212,481,000	2.63%
Total loans and advances	7,519,260,510	100.00%	8,076,786,731	100.00%
Add: Interest accrued	31,815,253		15,482,872	
Subtotal	7,551,075,763		8,092,269,603	
Less: Allowances for impairment losses	(865,093,972)		(778,080,890)	
Net book value of loans and advances to customers	6,685,981,791		7,314,188,713	

(4) Analysed by security type

	2024	*2023*
Unsecured loans	975,921,243	954,846,543
Guaranteed loans	2,037,166,778	2,374,920,455
Secured loans	4,506,172,489	4,747,019,733
- *mortgaged*	3,826,172,489	4,217,019,733
- *pledged*	680,000,000	530,000,000
Total loans and advances	7,519,260,510	8,076,786,731
Add: Interest accrued	31,815,253	15,482,872
Subtotal	7,551,075,763	8,092,269,603
Less: Allowances for impairment losses	(865,093,972)	(778,080,890)
Net book value of loans and advances to customers	6,685,981,791	7,314,188,713

(5) Overdue period analysis of overdue loan

	2024				
	Overdue within 3 months (inclusive)	Overdue 3 months to 1 year (inclusive)	Overdue 1 year to 3 years (inclusive)	Overdue 3 years above	Total
Guaranteed loans	-	52,707,511	-	-	52,707,511
Secured by mortgages	431,548,791	-	-	-	431,548,791
Total	431,548,791	52,707,511	-	-	484,256,302

	2023				
	Overdue within 3 months (inclusive)	Overdue 3 months to 1 year (inclusive)	Overdue 1 year to 3 years (inclusive)	Overdue 3 years above	Total
Secured by mortgages	377,359,292	-	-	-	377,359,292

Overdue loans are loans of which the principals or related interests are overdue for one day or above.

(6) Movements of allowances for expected credit losses/impairment losses

	2024			
	Stage1	*Stage2*	*Stage 3*	*Total*
1 January 2024	632,595,339	145,485,551	-	778,080,890
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	(5,722,301)	-	5,722,301	-
Charge / (reversals) during the year	(113,547,453)	137,439,556	63,174,709	87,066,812
Exchange differences	(53,730)	-	-	(53,730)
31 December 2024	513,271,855	282,925,107	68,897,010	865,093,972

	2023			
	Stage1	*Stage2*	*Stage 3*	*Total*
1 January 2023	614,905,963	-	3,797,688	618,703,651
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	(21,335,622)	21,335,622	-	-
- to stage 3	-	-	-	-
Charge / (reversals) during the year	39,118,224	124,149,929	(9,285,856)	153,982,297
Recover of written-off loans and advances to customers	-	-	5,488,168	5,488,168
Exchange differences	(93,226)	-	-	(93,226)
31 December 2023	632,595,339	145,485,551	-	778,080,890

(7) Analysis of loans, advances and loss reserves

As at 31 December 2024, the amount of loans and advances (including accrued interest) for Stage 3 was RMB 69,103,862. The impairment losses based on Stage 3 were RMB 68,897,010. Among them, the loan amount not covered by the collaterals is RMB 52,707,512 and the loan amount covered by the collaterals is RMB 16,396,350.

As at 31 December 2023, the Bank had no loans and advances for Stage 3.

The fair value of the collateral above-mentioned is determined based on the collateral disposal experience and market conditions and is adjusted to the latest available external evaluation value.

11 Financial investment - Other debt investment

	2024	*2023*
FVOCI		
- Bonds investment	4,130,140,430	4,145,378,883
- Negotiable certificate of deposit	399,146,500	249,607,700
Add: Interest accrued	44,375,390	48,948,050
Total	4,573,662,320	4,443,934,633

Other debt investment is issued by the following institutions and stated at fair value:

	2024	*2023*
Ministry of Finance	4,174,515,820	4,127,179,750
Commercial Banks	399,146,500	316,754,883
Total	4,573,662,320	4,443,934,633

As at the balance sheet date, these other debt investment have no major restriction for cashing.

Impairment provision for other debt investment (including accrued interest) are recognised in other comprehensive income (see Note 24). Their movements in 2024 are as follows:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2024	9,887,907	-	-	9,887,907
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Charge during the year	3,011,364	-	-	3,011,364
Exchange differences	-	-	-	-
31 December 2024	12,899,271	-	-	12,899,271

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2023	3,156,999	-	-	3,156,999
Transfer:				
- to stage 1	-	-	-	-
- to stage 2	-	-	-	-
- to stage 3	-	-	-	-
Charge during the year	6,726,485	-	-	6,726,485
Exchange differences	4,423	-	-	4,423
31 December 2023	9,887,907	-	-	9,887,907

12 Fixed assets

	Motor vehicles	*Computer and electrical equipment*	*Office and other equipment*	*Total*
Cost				
As at 1 January 2023	5,819,929	38,879,285	13,129,265	57,828,479
Additions	633,119	2,044,934	507,012	3,185,065
Disposals	(666,015)	(1,120,033)	(921,792)	(2,707,840)
As at 31 December 2023	5,787,033	39,804,186	12,714,485	58,305,704
Additions	-	1,763,122	489,312	2,252,434
Disposals	(736,290)	(860,358)	(107,659)	(1,704,307)
As at 31 December 2024	5,050,743	40,706,950	13,096,138	58,853,831
Less: Accumulated depreciation				
As at 1 January 2023	(4,388,935)	(23,990,668)	(11,936,686)	(40,316,289)
Charge	(448,397)	(4,153,367)	(409,327)	(5,011,091)
Written-off on disposals	666,014	1,120,010	921,776	2,707,800
As at 31 December 2023	(4,171,318)	(27,024,025)	(11,424,237)	(42,619,580)
Charge	(477,287)	(4,373,273)	(481,703)	(5,332,263)
Written-off on disposals	736,290	860,292	103,052	1,699,634
As at 31 December 2024	(3,912,315)	(30,537,006)	(11,802,888)	(46,252,209)
Net book value				
Balance at 31 December 2024	1,138,428	10,169,944	1,293,250	12,601,622
Balance at 31 December 2023	1,615,715	12,780,161	1,290,248	15,686,124

As at 31 December 2024, the Bank considered that no impairment provision for fixed assets was necessary (31 December 2023: Nil) .

13 Lease

(1) Right-of-use assets

	Plant & buildings
Cost	
Balance at 1 January 2023	416,415,448
Additions during the year	11,510,650
Disposals during the year	-
Balance at 31 December 2023	427,926,098
Additions during the year	-
Disposals during the year	-
Balance at 31 December 2024	427,926,098
Less: Accumulated depreciation	
Balance at 1 January 2023	(93,725,192)
Charge for the year	(45,770,506)
Written-off on disposals	-
Balance at 31 December 2023	(139,495,698)
Charge for the year	(44,397,560)
Written-off on disposals	-
Balance at 31 December 2024	(183,893,258)
Book Value	
Balance at 31 December 2024	244,032,840
Balance at 31 December 2023	288,430,400

As at 31 December 2024, the Bank considered that no impairment provision for right-use-of assets is necessary (31 December 2023: Nil).

(2) Lease liability

	2024	*2023*
Lease liabilities	227,723,565	260,448,804

14 Intangible assets

	Software
Cost	
As at 1 January 2023	28,488,558
Additions during the year	1,868,381
Disposal during the year	-
As at 31 December 2023	30,356,939
Additions during the year	1,818,499
Disposal during the year	-
As at 31 December 2024	32,175,438
Less: Accumulated amortisation	
As at 1 January 2023	(22,372,313)
Additions during the year	(2,232,749)
Disposal during the year	-
As at 31 December 2023	(24,605,062)
Additions during the year	(2,447,417)
Disposal during the year	-
As at 31 December 2024	(27,052,479)
Carrying amounts	
As at 31 December 2024	5,122,959
As at 31 December 2023	5,751,877

As at 31 December 2024, the Bank considered that no impairment provision of intangible assets was necessary (31 December 2023: Nil).

15 Deferred tax assets

	Deferred tax assets			
	As at 1 January 2024	*Charged to profit or loss during the year*	*Charged to equity during the year*	*As at 31 December 2024*
Provision of asset impairment	201,978,116	29,366,658	-	231,344,774
ECL allowance for other debt investment	-	753,180	(753,180)	-
Non-accrual interest	2,235,790	-	-	2,235,790
Fair value change of derivative financial liabilities / assets	(489,918)	316,336	-	(173,582)
Change in fair value of other debt investment	(1,034,648)	-	(8,343,430)	(9,378,078)
National debt interest income	9,390,735	(9,390,735)	-	-
Others	4,378,122	298,299	-	4,676,421
Total	216,458,197	21,343,738	(9,096,610)	228,705,325

	Deferred tax assets			
	As at 1 January 2023	*Charged to profit or loss during the year*	*Charged to equity during the year*	*As at 31 December 2023*
Provision of asset impairment	180,717,185	21,260,931	-	201,978,116
ECL allowance for other debt investment	-	1,682,727	(1,682,727)	-
Non-accrual interest	2,235,790	-	-	2,235,790
Fair value change of derivative financial liabilities / assets	1,436,167	(1,926,085)	-	(489,918)
Change in fair value of other debt investment	242,455	-	(1,277,103)	(1,034,648)
National debt interest income	8,059,166	1,331,569	-	9,390,735
others	3,630,936	747,186	-	4,378,122
Total	196,321,699	23,096,328	(2,959,830)	216,458,197

16 Other assets

	2024	*2023*
Recoverable tax	9,250,666	-
Refundable deposits	4,871,824	5,142,917
Leasehold improvements	4,135,411	1,497,218
Deferred expenses	3,900,212	3,410,037
Other receivables	2,059,948	1,192,046
Prepaid rental expenses	1,136,231	1,547,510
Others	3,119,331	2,480,269
Total	28,473,623	15,269,997

17 Deposits from inter-banks

Analysed by counterparty

	2024	*2023*
Deposits from inter-banks outside Mainland China	423,815	1,002,425
Add: Interest accrued	45	120
Total	423,860	1,002,545

18 Placements from inter-banks

Analysed by counterparty

	2024	*2023*
Placements from inter-banks in Mainland China	695,768,000	600,000,000
Add: Interest accrued	150,490	7,377,300
Total	695,918,490	607,377,300

19 Deposits from customers

	2024	*2023*
Current deposits		
- corporate customers	1,269,356,981	916,883,168
- retail customers	28,950,658	21,999,432
Sub-total	1,298,307,639	938,882,600
Term deposits (including call deposits)		
- corporate customers	6,187,752,366	7,460,299,913
- retail customers	143,623,677	163,788,517
Sub-total	6,331,376,043	7,624,088,430
Margin deposits	649,173,428	985,492,342
Other deposits	218,304	579,520
Subtotal	8,279,075,414	9,549,042,892
Interest accrued	170,600,108	128,096,650
Total	8,449,675,522	9,677,139,542

20 Employee benefits payable

	Note	*2024*	*2023*
Short-term employee benefits	(1)	26,019,617	23,085,909
Post-employment benefits			
- defined contribution plans	(2)	800,916	759,978
Total		26,820,533	23,845,887

(1) Short-term employee benefits

	2024	*2023*
Salaries, bonuses, allowances	25,023,825	22,072,244
Social insurance		
- *Medical insurance*	441,183	396,420
- *Work-related injury insurance*	7,982	8,898
- *Maternity insurance*	-	55,357
Housing provident fund	-	-
Labour union fee, staff and workers' education fee	44,108	55,932
Others	502,519	497,058
Total	26,019,617	23,085,909

(2) Post-employment benefits - defined contribution plans

	2024	*2023*
Basic pension insurance	776,645	733,089
Unemployment insurance	24,271	26,889
Total	800,916	759,978

21 Provision for Contingencies

As of 31 December 2024, all of the Bank's Provision for Contingencies were off-balance sheet ECL, the changes are set out below:

	Stage 1
1 January 2024	116,789,435
Charge during the year	1,726,301
Exchange differences	767,889
31 December 2024	119,283,625

	Stage 1
1 January 2023	162,441,927
Charge during the year	(48,249,056)
Exchange differences	2,596,564
31 December 2023	116,789,435

22 Other liabilities

	2024	*2023*
Deferred income	10,321,228	17,644,882
Accrued expenses	3,282,204	3,147,879
Others	1,474,401	351,670
Total	15,077,833	21,144,431

23 Paid-in capital

As at 31 December, the Bank's registered capital and paid-in capital are as follows:

	2024 and 2023	
	Amount	*Percentage*
Bangkok Bank	4,000,000,000	100%

Capital contributions in foreign currency were translated into RMB at the exchange rate at the date of the contributions received as quoted by the PBOC.

24 Other comprehensive income

	Movements in fair value of other debt investment	*ECL allowance of other debt investment*	*Total*
As at 1 January 2023	(727,362)	2,367,749	1,640,387
Additions	5,108,413	6,730,908	11,839,321
Less: Effects of deferred tax	(1,277,103)	(1,682,727)	(2,959,830)
As at 31 December 2023	3,103,948	7,415,930	10,519,878
Additions	33,372,089	3,011,364	36,383,453
Less: Effects of deferred tax	(8,343,430)	(753,180)	(9,096,610)
As at 31 December 2024	28,132,607	9,674,114	37,806,721

The amount is presented as the fair value change and ECL allowance of other debt investment net of the impact of deferred tax.

25 Surplus reserve

	Note	*Statutory surplus reserve*
Balance at 1 January 2023		105,291,416
Profit appropriation	27	7,812,170
Balance at 31 December 2023		113,103,586
Profit appropriation	27	4,589,355
Balance at 31 December 2024		117,692,941

26 General reserve

	General reserve appropriated in accordance with the regulations issued by the MOF
Balance at 1 January 2023, 31 December 2023 and 31 December 2024	208,531,720

According to the *Notice on Administrative Measures on Accrual of Provision for Contingencies by Financial Enterprises* (Cai Jin [2012] No.20) issued by the MOF, a financial enterprise shall appropriate general reserve for its risk-bearing assets at the end of each year. The balance of general reserve shall not be less than 1.5% of the ending balance of risk-bearing assets. General reserve which financial enterprises appropriate in according with the regulation is treated as a profit appropriation. General reserve is part of the owners' equity.

In accordance with relevant regulations and Articles of Association, as at 31 December 2024, the Bank met the requirement that the balance of general reserve of financial enterprises shall in principle not be lower than 1.5% of the year-end balance of the risk bearing assets (31 December 2023: met the requirement that the balance of general reserve of financial enterprises shall in principle not be lower than 1.5% of the year-end balance of the risk bearing assets).

27 Profit appropriation

	Note	*2024*	*2023*
Appropriation to surplus reserve	25	4,589,355	7,812,170

In 2024, the Bank appropriated an amount of RMB 4,589,355 (2023: RMB 7,812,170), representing 10% of profit after tax for the year as statutory surplus reserve in accordance with relevant regulations and its articles.

28 Net interest income

	2024	*2023*
Loans and advances to customers	358,829,975	405,669,797
Other debt investments	96,183,473	92,295,805
Placements with inter-banks and non-bank financial institutions	72,378,204	59,826,645
Deposits with inter-banks	36,691,781	19,656,109
Deposits with central bank	9,536,127	10,155,408
Reverse repurchase financial assets	1,062,285	166,094
Total interest income	574,681,845	587,769,858
Deposits from customers	(195,190,867)	(180,990,251)
Placements from inter-banks	(18,323,002)	(19,393,564)
Lease liability	(8,684,400)	(9,495,974)
Financial assets sold for repurchase	(468,137)	(807,874)
Deposits from inter-banks	(1,405)	(8,018)
Total interest expenses	(222,667,811)	(210,695,681)
Net interest income	352,014,034	377,074,177

29 Net fees and commission income

	2024	*2023*
Credit commitment fees	15,162,878	19,582,746
Settlement and clearing fees	7,503,298	12,191,477
Total fees and commission income	22,666,176	31,774,223
Commission expenses	(1,072,420)	(861,373)
Net fees and commission income	21,593,756	30,912,850

30 Foreign exchange gains

	2024	2023
Foreign exchange gains	25,787,426	24,551,903

Foreign exchange gains mainly consists of the exchange differences arising from rate changes on monetary assets or liabilities and the realized or unrealized mark to market gain or loss from foreign exchange financial instruments.

31 General and administrative expenses

	2024	*2023*
Staff costs		
- Salaries, bonuses and allowances	139,131,815	135,557,909
- Statutory welfare expenses	28,012,213	23,139,321
- Others	5,616,245	3,081,424
Sub-total	172,760,273	161,778,654
Depreciation of right-of-use assets	44,397,560	45,770,506
IT equipment maintenance fees	10,126,273	9,584,260
Depreciation and amortisation	8,768,406	7,578,786
Telecommunication fees	4,940,811	4,816,722
Rental and property maintenance fees	3,217,760	3,022,332
Utilities	1,065,856	1,095,823
Others	14,612,300	14,014,347
Total	259,889,239	247,661,430

32 Credit impairment losses

	Note	*2024*	*2023*
Loans and advances to customers	10(6)	87,066,812	153,982,297
Other debt investment	11	3,011,364	6,726,485
Deposits with inter-banks	7(2)	4,973,508	233,432
Placements with inter-banks and non-bank financial institutions	8(2)	9,384,808	(2,253,017)
Provision for Contingencies	21	1,726,301	(48,249,056)
Total		106,162,793	110,440,141

33 Corporate income tax

(1) Corporate income tax for the year represents

	2024	*2023*
Current corporate income tax for the year	7,652,243	22,247,096
Tax filing difference adjustments	(2,667)	(5,226,728)
Changes in deferred tax	(21,343,738)	(23,096,328)
Total	(13,694,162)	(6,075,960)

(2) Reconciliation between corporate income tax and accounting profits:

	2024	*2023*
Profits before taxation	32,199,390	72,045,738
Expected corporate income tax at tax rate of 25%	8,049,848	18,011,435
Add / (deduct) the tax effects as follows:		
- Non-deductible expenses	2,369,322	93,217
- Non-taxable income	(24,136,572)	(24,176,896)
- Tax filing difference adjustments	(2,667)	(5,226,728)
- Adjustments in respect of deferred tax of prior years	25,907	5,223,012
Corporate income tax	(13,694,162)	(6,075,960)

34 Other comprehensive income, net of tax

	2024	*2023*
Items that may be reclassified to profit or loss:		
Changes in fair value of other debt investments	33,372,089	5,108,413
Less: deferred tax	(8,343,430)	(1,277,103)
Sub-total	25,028,659	3,831,310
Expected credit losses of other debt investments	3,011,364	6,730,908
Less: deferred tax	(753,180)	(1,682,727)
Sub-total	2,258,184	5,048,181
Total	27,286,843	8,879,491

35 Supplement to cash flow statement

(1) Reconciliation of net profit to net cash flows from operating activities:

	2024	*2023*
Net profit	45,893,552	78,121,698
Add: Credit Impairment losses	106,162,793	110,440,141
Depreciation of fixed assets	5,332,263	5,011,091
Interest expenses of lease liability	8,684,400	9,495,974
Amortization of intangible assets	2,447,417	2,232,749
Depreciation of right-of-use assets	44,397,560	45,770,506
Amortization of leasehold improvements	988,726	334,946
Gains from disposal of fixed assets	(24,685)	(48,725)
Interest income from debt instruments	(96,183,473)	(92,295,805)
Unrealised foreign exchange gains	(14,775,061)	(22,703,017)
Increase in deferred tax	(21,343,738)	(23,096,328)
Increase / (decrease) in operating receivables	1,101,264,909	(516,274,153)
(Decrease) / increase in operating payables	(1,142,361,187)	1,101,800,707
Net cash flow generated from operating activities	40,483,476	698,789,784

(2) Change in cash and cash equivalents:

	2024	*2023*
Cash and cash equivalents at the end of the year	1,468,425,590	1,714,615,974
Less: Cash and cash equivalents at the beginning of the year	(1,714,615,974)	(1,577,344,096)
Net increase / (decrease) in cash and cash equivalents	(246,190,384)	137,271,878

(3) Cash and cash equivalents

	2024	*2023*
Cash on hand	813,191	878,075
Central bank deposits available on demand	270,747,876	216,953,637
Deposits with inter-banks with a maturity of 3 months or less	765,560,523	618,455,062
Placements with inter-banks and non-bank financial institutions with a maturity of 3 months or less	431,304,000	628,721,500
Other debt investment with a maturity of 3 months or less	-	249,607,700
Total	1,468,425,590	1,714,615,974

36 Related party relationships and transactions

(1) Information about the parent company of the Bank is listed as follows:

Company name	*Registered place*	*Business nature*	*Registered capital*	*Shareholding percentage*	*Proportion of voting rights*
Bangkok Bank	Bangkok, Thailand	Banking and financial service	THB 19.1 billion	100%	100%

(2) Transactions amounts with the parent company of the Bank as follows:

(a) Transactions amounts with the parent company of the Bank:

	2024	*2023*
Interest income	27,141	1,242,105
Interest expenses	(8,091,802)	(9,911,999)
-Lease liability	(8,076,249)	(8,787,364)
Fees and commission incomes	100	8,735
Fees and commission expenses	(69)	(104)
General and administrative expenses	(24,063,893)	(24,078,814)
Foreign exchange gains / (losses)	211,805	(6,461,662)
Standby letters of credit issued by the parent company of the Bank	10,985,000	26,643,893

(b) The balances of transactions with the parent company of the Bank at 31 December are set out as follows:

	2024	*2023*
Deposits with inter-banks	11,623,378	7,191,386
Deposits from inter-banks	(423,815)	(1,002,425)
Derivative financial liabilities	(131,449)	-
Standby letters of credit issued by the parent company of the Bank	12,985,000	42,165,400

(c) The notional amounts of derivative contracts with the parent company of the Bank at off-balance sheet are set out as follows:

	2024	*2023*
Foreign exchange swap	10,506,285	-

(3) Transactions with key management personnel

Key management personnel represents those who are authorised and in charge of planning, managing and controlling the activities of the Bank.

	2024	*2023*
Remuneration of key management personnel	27,762,694	31,267,830

(4) Transactions with other related parties

In 2023, the Bank issued guarantee to a related party, Shanghai Qingfenghui Real Estate Co., Limited, which has expired in November 2024, with a balance of RMB 0 at 31 December 2024 (Balance at 31 December 2023: RMB 49,152,300), for which the Bank recognized fees and commission income amounting to RMB 516,099 in the year of 2024 (2023: RMB 98,305).

37 Segment reporting

The Bank monitors the operating results of its branches separately for the purpose of making decisions about resource allocation and performance assessment. As some branches share similar business environment, these branches with similar characteristics are combined and presented as one operating segment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Bank.

The Bank presents the operating segments as follows:

East China: Head Office, Shanghai Branch, Xiamen Branch
North China: Beijing Branch
South China: Shenzhen Branch
Southwest China: Chongqing Branch

(1) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Bank's management periodically reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following basis:

- Segment assets include all financial assets, fixed assets, intangible assets attributable to the individual segments. Segment liabilities include financial liabilities and other liabilities to the individual segments.

- Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders. Corporate income tax incomes / (expenses) are not allocated to individual segments. Information regarding the Bank's reportable segments set out below includes the information used for assessing segment performance and allocating segment profit (loss), assets and liabilities which is periodically reviewed by the Bank's management:

	Note	2024					
		East China	*North China*	*South China*	*Southwest China*	*Eliminations*	*Total*
External net interest income		235,661,958	46,748,246	50,132,600	19,471,230	-	352,014,034
Internal net interest income / (expenses)		6,008,314	(1,240,136)	(2,446,271)	(2,321,907)	-	-
Net interest income		241,670,272	45,508,110	47,686,329	17,149,323	-	352,014,034
Fees and commission income		15,609,302	2,958,945	2,682,025	1,415,904	-	22,666,176
Fees and commission expenses		(1,064,171)	(2,464)	(5,222)	(563)	-	(1,072,420)
Net fees and commission income		14,545,131	2,956,481	2,676,803	1,415,341	-	21,593,756
Other net operating income / (expenses)	(a)	18,365,816	2,735,001	5,913,941	6,992	-	27,021,750
Taxes and surcharges		(1,120,273)	(506,377)	(440,513)	(275,969)	-	(2,343,132)
General and administrative expenses		(195,487,265)	(23,960,561)	(27,985,441)	(12,455,972)	-	(259,889,239)
- Depreciation of fixed assets, Amortization of intangible assets, right-of-use assets and long-term deferred expenses		*(34,384,968)*	*(6,556,666)*	*(9,111,681)*	*(3,112,651)*	-	*(53,165,966)*
Impairment losses		(135,806,067)	33,682,114	(847,640)	(3,191,200)	-	(106,162,793)
Net non-operating (expenses) / incomes		(44,986)	10,000	-	-	-	(34,986)
Segment profits / (losses) before tax		(57,877,372)	60,424,768	27,003,479	2,648,515	-	32,199,390
Less: Corporate income tax							13,694,162
Net profit							45,893,552

	2024					
	East China	*North China*	*South China*	*Southwest China*	*Eliminations*	*Total*
Capital expenditure	3,634,686	175,677	197,614	62,956	-	4,070,933
Segment assets	15,531,535,492	1,652,925,551	1,292,169,774	1,338,338,354	(5,004,231,730)	14,810,737,441
Segment liabilities	10,249,679,236	1,392,372,005	1,126,012,036	1,321,444,193	(4,504,231,730)	9,585,275,740
Credit commitments	1,579,781,218	1,064,112,739	422,762,431	170,006,230	-	3,236,662,618

(a) Other net operating income includes other income, foreign exchange gains, and gains from disposal of assets.

	Note	2023					
		East China	*North China*	*South China*	*Southwest China*	*Eliminations*	*Total*
External net interest income		245,635,170	51,149,666	58,577,921	21,711,420	-	377,074,177
Internal net interest income / (expenses)		14,506,410	(2,037,054)	(7,583,915)	(4,885,441)	-	-
Net interest income		260,141,580	49,112,612	50,994,006	16,825,979	-	377,074,177
Fees and commission income		23,340,757	4,324,219	3,313,493	795,754	-	31,774,223
Fees and commission expenses		(853,578)	(2,642)	(4,557)	(596)	-	(861,373)
Net fees and commission income		22,487,179	4,321,577	3,308,936	795,158	-	30,912,850
Other net operating income / (expenses)	(a)	16,040,014	3,224,175	5,959,235	(175,908)	-	25,047,516
Taxes and surcharges		(1,440,065)	(579,121)	(486,043)	(358,793)	-	(2,864,022)
General and administrative expenses		(181,250,633)	(25,778,269)	(27,234,794)	(13,397,734)	-	(247,661,430)
- Depreciation of fixed assets, Amortization of intangible assets, right-of-use assets and long-term deferred expenses		*(33,321,024)*	*(6,513,312)*	*(9,093,221)*	*(4,421,734)*	-	*(53,349,291)*
Impairment losses		(62,699,230)	45,933,742	(52,329,078)	(41,345,575)	-	(110,440,141)
Non-operating expenses		(22,734)	-	(478)	-	-	(23,212)
Segment profits / (losses) before tax		53,256,111	76,234,716	(19,788,216)	(37,656,873)	-	72,045,738
Less: Corporate Income tax							6,075,960
Net profit							78,121,698

	2023					
	East China	*North China*	*South China*	*Southwest China*	*Eliminations*	*Total*
Capital expenditure	4,625,211	140,464	138,800	148,972	-	5,053,447
Segment assets	17,176,870,291	1,621,088,196	1,440,820,398	1,418,374,748	(5,758,620,180)	15,898,533,453
Segment liabilities	11,878,117,669	1,420,959,418	1,301,666,139	1,404,129,101	(5,258,620,180)	10,746,252,147
Credit commitments	1,849,239,191	1,004,337,700	478,365,073	192,131,625	-	3,524,073,589

(a) Other net operating income includes other income, foreign exchange gains, and gains from disposal of assets.

(2) Geographical information

The following table sets out information about the geographical location of the Bank's operating income from external customers and the Bank's non-current assets (excluding financial assets, deferred tax assets, same as below). The geographical information is based on the location of customers receiving services. The geographical location of the specified non-current assets is based on the physical location of the assets (in the case of fixed assets) ; and the location of the operation to which they are allocated (in the case of intangible assets) .

	Operating income from external customers		*Specified non-current assets*	
	2024	*2023*	*2024*	*2023*
In Mainland China	586,436,014	603,246,211	265,892,832	311,365,620
Outside Mainland China	20,007,653	25,086,161	-	-
	606,443,667	628,332,372	265,892,832	311,365,620

(3) Major customers

Both in 2024 and 2023, the Bank's interest income from single loan customer was lower than 5% of the total operating income from external customers of the Bank.

38 Risk management and sensitivity analysis of financial instruments

The Bank's risk management is an integral part of the Bank business strategy. The Bank risk management approach focuses on ensuring continued financial soundness and safeguarding the interest of our shareholder, while remaining nimble to seize value-creating business opportunities in a fast-changing environment. The Bank is committed to maintaining high standards of corporate governance, sound risk management principles and business practices to achieve sustainable long-term business expansion or growth. The Bank continuously strive towards best risk management practices to support the Bank's strategic objectives.

The Bank has put in placed a framework of policies, methodologies, tools and processes that will help the Bank to identify, measure, monitor and manage material risks faced by the Bank.

The Bank's responsibility for risk management starts at the top with the Board of Directors overseeing a governance structure that is designed to ensure that the Bank's business activities are:

- Conducted in a safe and sound manner and in-line with established risk management policies;
- Consistent with the Bank's overall business strategy and risk appetite;
- Adequate risk management and internal controls.

The Board of Directors is assisted by the Risk Management Committee in the oversight of risks namely; credit risk, market risk, liquidity risk and operational risk. The Bank has developed a comprehensive risk management policy to establish a comprehensive risk management system. In addition to the above-mentioned risks, risk management system also includes reputational risks, strategic risks, information technology risks, money laundering risks and other risks. The Risk Management Committee is responsible to ensure risk reports are regularly submitted to the Board of Directors to keep the Board of Directors posted of the Bank's risk profile. And related risk strategy or policies are appropriate approved by the Board of Directors for implementation. The Bank's senior management is responsible for establishing risk management policies and procedures, according to the risk management strategy approved by the Board of Directors and the Risk Management Committee. These risk management policies are implemented by different departments of the Bank upon approval from the Board of Directors.

(1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from credit business. In treasury transactions, credit risk refers to that the issuer fails to repay the matured principal or interest.

Credit Business

Considering the market and economic environment, business development strategy and the requirements of customers, within the Bank's risk control scope, the Bank provides various direct credit businesses and direct credit substitute businesses to foreign-invested companies set up in the PRC mainly by Southeast Asian companies and domestic companies with good credit standing.

The Bank has established a strict credit management system, including credit approval, daily credit monitoring, credit classification monitoring, problem loan management, policies for expected credit loss provisioning and write-off, debt restructuring, etc.

The Bank adopts the internal five-tier grading loan classification approach (the "Internal Credit Grading") to evaluate credit quality. The credit quality rating system comprehensively analyzes the debtor's primary source of repayment, focuses on the debtor's financial status, willingness to repay, repayment record, and considers factors such as the number of overdue days of financial assets, the guarantee situation, etc., to assess the quality of the debtor's credit, so as to implement the monitoring of the quality of credit assets.

Internal Credit Grading	*Definition*
Pass	Debtors are able to perform contracts, and there is no objective evidence that the principal, interest, or income cannot be paid in full and on time
Special mention	Although there are some factors that may adversely affect the performance of contracts, debtors are currently able to pay the principal, interest, or income
Substandard	Debtors are unable to pay the principal, interest, or income in full, or financial assets are credit-impaired
Doubtful	Debtors are unable to pay the principal, interest, or income in full, and financial assets are significant credit-impaired
Loss	After exhaustion of all possible measures, only a very small part of financial assets can be recovered, or all financial assets are lost

The NFRA (former CBIRC) and the People's Bank of China have jointly issued the Measures for Risk Classification of Financial Assets of Commercial Banks (People's Bank of China [2023] No. 1), which was passed on March 17, 2020, and become effective since July 1, 2023. The comparison between the bank's internal five-tier grading loan classification approach (the "Internal Credit Grading") and the five-tier classification standards in the Measures for Risk Classification of Financial Assets of Commercial Banks has been filed with the NFRA (former CBIRC) and is presented as follows:

Internal Credit Grading	*Definition*	*Five-tier Grading*	*Definition*
Pass	Debtors are able to perform contracts, and there is no objective evidence that the principal, interest, or income cannot be paid in full and on time	Pass	Debtors are able to perform contracts, and there is no objective evidence that the principal, interest, or income cannot be paid in full and on time
Special mention	Although there are some factors that may adversely affect the performance of contracts, debtors are currently able to pay the principal, interest, or income	Special mention	Although there are some factors that may adversely affect the performance of contracts, debtors are currently able to pay the principal, interest, or income
Substandard	Debtors are unable to pay the principal, interest, or income in full, or financial assets are credit-impaired	Substandard	Debtors are unable to pay the principal, interest, or income in full, or financial assets are credit-impaired
Doubtful	Debtors are unable to pay the principal, interest, or income in full, and financial assets are significant credit-impaired	Doubtful	Debtors are unable to pay the principal, interest, or income in full, and financial assets are significant credit-impaired
Loss	After exhaustion of all possible measures, only a very small part of financial assets can be recovered, or all financial assets are lost	Loss	After exhaustion of all possible measures, only a very small part of financial assets can be recovered, or all financial assets are lost

The last three gradings of the former CBRC's five-tier classification are regarded as non-performing loans. If there is any indication of objective evidence that impairment and impairment loss has occurred, the loan is classified as an impaired loans and advances. The provision for impairment of impaired loans and advances shall be assessed collectively or individually based on the actual condition.

If the counterparties are concentrated in a few industries or a few geographical areas, or have similar economic characteristics, the credit risk is normally higher. In addition, different industries and geographical areas may have different characteristics; hence the respective credit risk is not similar. The Bank has set specific limits for large exposure credit concentration, industry concentration and country concentration to improve the credit risk structure. The Bank prepares the exposure report of concentration risk quarterly and performs periodical review on it.

The Bank mitigates credit risk by obtaining mortgage, cash margin, pledged deposits, and guarantees from companies or individuals. The Bank has specified amounts and categories of collateral required according to the assessment result of credit risk of the counterparty. The Bank has established underwriting standards on collateral types and assessment methods. The Bank has specified categories of acceptable collateral, including deposit pledge, land use right collateral, building collateral, and machine and equipment collateral. To reduce the credit risk, the Bank has stipulated discount rates for different collaterals to reflect the cash realizable value. The business units will monitor the market value of the collaterals regularly and may require the obligors to increase the collaterals based on the related agreements. When performing assessment of the adequacy of loss provision, changes in the market value of the collaterals will be considered. For a loan guaranteed by a third party, the Bank assesses the guarantor's financial condition, historical credit record and its capacity to settle the debts on behalf of the obligor.

Except for loans, collaterals or guarantees needed for other financial assets shall be determined by the nature of the instruments.

Treasury business

The Bank sets credit limits based on the credit risk inherent in the counterparties. The system closely monitors the credit exposure on a real-time basis. The Bank regularly reviews its credit limit and routinely updates the credit limits.

(a) Maximum credit risk exposure

Without considering the collaterals or other credit enhancements corresponding assets, the maximum exposure to credit risk is represented by the carrying amount of financial assets minus provision. Except for the financial guarantee contracts and credit commitments given by the Bank as set out in Note 40, the Bank does not provide any other contracts and commitments which would expose the Bank to credit risk.

(b) Financial instruments analysed by credit quality

As of 31 December 2024, the risk stages for the Bank's financial instruments are set as below:

	31 December 2024							
	Book value				*ECL allowance*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets at amortised cost								
Cash on hand and deposit with central bank	775,334,942	-	-	775,334,942	-	-	-	-
Deposits from banks and other financial institutions	1,161,404,214	-	-	1,161,404,214	5,715,205	-	-	5,715,205
Placements with banks and other financial institutions	1,094,294,637	-	-	1,094,294,637	14,461,351	-	-	14,461,351
Loans and advances to customers	6,944,727,260	537,244,641	69,103,862	7,551,075,763	513,271,855	282,925,107	68,897,010	865,093,972
Total	9,975,761,053	537,244,641	69,103,862	10,582,109,556	533,448,411	282,925,107	68,897,010	885,270,528

	Book value				*ECL allowance*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets measured at FVOCI								
Other debt investment	4,573,662,320	-	-	4,573,662,320	12,899,271	-	-	12,899,271
Financial guarantee and credit commitment	3,236,662,618	-	-	3,236,662,618	119,283,625	-	-	119,283,625

As of 31 December 2023, the risk stages for the Bank's financial instruments are set as below:

	31 December 2023							
	Book value				*ECL allowance*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets at amortised cost								
Cash on hand and deposit with central bank	856,847,646	-	-	856,847,646	-	-	-	-
Deposits from banks and other financial institutions	831,940,475	-	-	831,940,475	719,694	-	-	719,694
Placements with banks and other financial institutions	1,897,670,710	-	-	1,897,670,710	5,008,380	-	-	5,008,380
Loans and advances to customers	7,572,122,654	520,146,949	-	8,092,269,603	632,595,339	145,485,551	-	778,080,890
Total	11,158,581,485	520,146,949	-	11,678,728,434	638,323,413	145,485,551	-	783,808,964

	Book value				*ECL allowance*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets measured at FVOCI								
Other debt investment	4,443,934,633	-	-	4,443,934,633	9,887,907	-	-	9,887,907
Financial guarantee and credit commitment	3,524,073,589	-	-	3,524,073,589	116,789,435	-	-	116,789,435

(c) Distribution of amounts due from inter-banks and non-bank financial institutions in terms of credit ratings of counterparties

Amounts due from inter-banks and non-bank financial institutions include deposits with inter-banks and placements with inter-banks and non-bank financial institutions. At the balance sheet date, distribution of amounts due from inter-banks and non-bank financial institutions in terms of credit quality mainly with reference to the external rating agency is as follows (counterparties without external ratings are presented using their parent companies' ratings):

	2024	*2023*
Standard & Poor's, Fitch or Moody's		
- BBB to AAA	2,242,820,524	2,723,792,563
Gross amount	2,242,820,524	2,723,792,563

(d) Distribution of debt securities in terms of credit quality

The carrying amounts of debt securities analysed by the external rating agency at the balance sheet date are as follows:

	2024	*2023*
Standard & Poor's, Fitch or Moody's		
- A to AAA	4,130,140,430	4,145,378,883
Domestic rating agencies recognised by the PBOC		
- AAA	399,146,500	249,607,700
Gross amount	4,529,286,930	4,394,986,583

Debt securities include bonds classified as other debt investment.

(2) Market risk

Market risk management is the total process of identifying, measuring, monitoring and controlling market risks. Market risk refers to the risk arising from financial instruments' fair value or future cash flow fluctuations due to changes in market prices, including interest rate risk and foreign currency risk. Interest rate risk arises when the change in interest rates affect fair value of interest rate related product; foreign currency risk arises when the change in foreign exchange rates affect the value of the net assets / liabilities or when the Bank has spot / forward FX positions. Market risk of the Bank exists in trading book and banking book.

The Bank's interest rate risk mainly includes the mismatching risk of the maturity structure of assets and liabilities from banking books and the risk of positions held in trading books used for trading purposes. The Bank's management tools of interest rate risk include Cumulative NII Impact limit, Interest rate gapping limit for the balance sheet, EVE Impact limit, and conduct regular stress test. Meanwhile, by closely observing interest rate trends and market interest rate changes, the Bank conducts proper scenario analysis and makes timely adjustments to the loan and deposit interest rates in line with the benchmark interest rates to reduce its interest rate risk. Meanwhile, the Bank set the PV01 limit to monitor and control the interest risk in trading book.

The Bank's foreign currency risk exposures mainly arise from net on-balance-sheet assets and liabilities designated in foreign of which values are exposed to foreign exchange rates. The Bank's main principle of foreign currency risk control is to match the assets and liabilities of the respective individual currency to minimize the foreign currency risk and to control the currency risk exposure within limits set by the Bank. The Bank, based on the guiding principles from Risk Management Committee, relevant laws and regulations and the management's evaluation of the current environment, has set risk tolerance limits, and avoids risk via reasonable arrangements of assets and liabilities in different currencies.

The Bank classifies financial instruments into investment portfolios in the banking book and trading book to effectively monitor market risk. According to the Former CBRC's Market Risk Management Guidelines for Commercial Banks, the Bank has established market risk management policy and procedures to set related limits on all market risk exposures. These policies and procedures illustrate the structure and approval mechanism of market risk limits. Market risk limits mainly include product limits, foreign exchange position limits, cut-loss limits, PV01 limit and FX gapping limits.

(a) Interest rate risk

The Bank's interest rate risk is managed by Market and Operational Risk Management Division. Market and Operational Risk Management Division has established relevant policies and monitoring procedures to regularly report risk condition to Assets / Liabilities Committee. The monitoring on interest rate risk mainly includes gap analysis on interest rate re-pricing schedule and stress test.

Exposure to interest rate risk

The Bank's interest rate risk mainly includes the risks arising from when the repricing and / or maturity schedule of assets and liabilities are not matched, causing the uncertainty of net interest income in banking book.

The following tables indicate the distribution by expected next re-pricing dates (or maturity dates, whichever are earlier) of financial assets and liabilities at the balance sheet dates.

	2024					
	Non-accrual	*Within 3 months*	*Between 3 months and 1 year*	*Between 1 year and 5 years*	*More than 5 years*	*Total*
Financial assets						
Cash on hand and deposits with central bank	6,316,462	769,018,480	-	-	-	775,334,942
Deposits and placements with inter-banks and non-bank financial institutions	12,878,327	1,570,088,714	376,040,391	276,514,863	-	2,235,522,295
Derivative financial assets	21,299,724	-	-	-	-	21,299,724
Loans and advances to customers	31,815,253	3,538,906,516	3,115,260,022	-	-	6,685,981,791
Other debt investment	44,375,390	649,707,750	1,813,959,950	2,065,619,230	-	4,573,662,320
Other assets	16,972,485	-	-	-	-	16,972,485
Total	133,657,641	6,527,721,460	5,305,260,363	2,342,134,093	-	14,308,773,557
Financial liabilities						
Deposits and placements from inter-banks	(150,535)	(696,191,815)	-	-	-	(696,342,350)
Derivative financial liabilities	(20,605,398)	-	-	-	-	(20,605,398)
Deposits from customers	(170,600,108)	(3,005,649,099)	(2,774,688,684)	(2,498,737,631)	-	(8,449,675,522)
Lease liability	-	(1,343,358)	(29,023,181)	(102,902,783)	(94,454,243)	(227,723,565)
Other liabilities	(4,800,312)	-	-	-	-	(4,800,312)
Total	(196,156,353)	(3,703,184,272)	(2,803,711,865)	(2,601,640,414)	(94,454,243)	(9,399,147,147)
Net position	(62,498,712)	2,824,537,188	2,501,548,498	(259,506,321)	(94,454,243)	4,909,626,410

	2023					
	Non-accrual	*Within 3 months*	*Between 3 months and 1 year*	*Between 1 year and 5 years*	*More than 5 years*	*Total*
Financial assets						
Cash on hand and deposits with central bank	5,514,143	851,333,503	-	-	-	856,847,646
Deposits and placements with inter-banks and non-bank financial institutions	5,818,622	1,243,562,643	1,174,931,372	299,570,474	-	2,723,883,111
Derivative financial assets	18,082,755	-	-	-	-	18,082,755
Loans and advances to customers	15,482,872	4,162,082,556	3,136,623,285	-	-	7,314,188,713
Other debt investment	48,948,050	859,759,390	1,981,957,593	1,553,269,600	-	4,443,934,633
Other assets	6,336,207	-	-	-	-	6,336,207
Total	100,182,649	7,116,738,092	6,293,512,250	1,852,840,074	-	15,363,273,065
Financial liabilities						
Deposits and placements from inter-banks	(7,377,420)	(101,002,425)	(500,000,000)	-	-	(608,379,845)
Derivative financial liabilities	(16,123,084)	-	-	-	-	(16,123,084)
Deposits from customers	(128,096,650)	(3,729,621,696)	(3,357,966,896)	(2,461,454,300)	-	(9,677,139,542)
Lease liability	-	(1,069,145)	(32,212,938)	(107,827,467)	(119,339,254)	(260,448,804)
Other liabilities	(3,499,549)	-	-	-	-	(3,499,549)
Total	(155,096,703)	(3,831,693,266)	(3,890,179,834)	(2,569,281,767)	(119,339,254)	(10,565,590,824)
Net position	(54,914,054)	3,285,044,826	2,403,332,416	(716,441,693)	(119,339,254)	4,797,682,241

Sensitivity analysis

The Bank adopts sensitivity analysis to measure the probable impacts on the Bank's net profit and owners' equity caused by interest rate change.

With all other variables held constant, the following table shows the impact on net profit and owners' equity caused by reasonable change in interest rate.

	2024		*2023*	
	Impact on net profit Increase / (decrease)	*Impact on equity Increase / (decrease)*	*Impact on net profit Increase / (decrease)*	*Impact on equity Increase / (decrease)*
Increase 100 basis points	25,571,630	16,923,675	28,317,479	16,593,760
Decrease 100 basis points	(32,643,856)	(20,552,663)	(31,491,919)	(19,587,517)

This sensitivity analysis is based on a static interest risk profile of assets and liabilities. The analysis only evaluates the interest fluctuation within one year and reflects the impact, rising from the re-pricing on assets and liabilities of the Bank within one year, on interest income and expense calculated per annum. The analysis is based on the following assumptions:

- All of the assets and liabilities that will be re-priced or mature within one year will be re-priced or mature at the beginning of certain period;
- Yield curve moves along with interest change parallel; and
- There is no other change in the portfolio of assets and liabilities.

As a result of the hypothesis above, the actual changes in the Bank's net interest income caused by fluctuation of interest rate may be different from the result of the sensitivity analysis above.

(b) Foreign Exchange risk

The Bank's foreign exchange risk includes exposure of on-balance-sheet assets and liabilities denominated in foreign currency and off-balance-sheet derivatives denominated in foreign currency. The Market and Operational Risk Management Division of the Bank manages foreign exchange risk in various ways, including limiting foreign currency net position and conducting stress test regularly.

Exposure to foreign exchange risk

The foreign currency exposures of the Bank's financial assets and liabilities at the balance sheet dates are as follows. Under the consideration of presentation, the amount of foreign currency risk exposures is expressed in RMB and is converted by the rates at the balance sheet dates.

	2024			
	RMB	*USD (RMB equivalent)*	*Other currency (RMB equivalent)*	*Total (RMB equivalent)*
Financial assets				
Cash on hand and deposits with central bank	769,564,209	5,766,319	4,414	775,334,942
Deposits and placements with inter-banks and non-bank financial institutions	963,174,681	1,260,217,441	12,130,173	2,235,522,295
Derivative financial assets	21,299,724	-	-	21,299,724
Loans and advances to customers	6,609,161,635	76,820,156	-	6,685,981,791
Other debt investment	4,573,662,320	-	-	4,573,662,320
Other assets	15,970,237	-	1,002,248	16,972,485
Total	12,952,832,806	1,342,803,916	13,136,835	14,308,773,557
Financial liabilities				
Deposits and placements from inter-banks	(552,538,009)	(143,768,000)	(36,341)	(696,342,350)
Derivative financial liabilities	(20,605,398)	-	-	(20,605,398)
Deposits from customers	(8,279,721,527)	(167,818,434)	(2,135,561)	(8,449,675,522)
Lease liability	(229,448,830)	1,725,265	-	(227,723,565)
Other liabilities	(3,753,725)	(1,046,587)	-	(4,800,312)
Total	(9,086,067,489)	(310,907,756)	(2,171,902)	(9,399,147,147)
Net position	3,866,765,317	1,031,896,160	10,964,933	4,909,626,410

	2023			
	RMB	*USD (RMB equivalent)*	*Other currency (RMB equivalent)*	*Total (RMB equivalent)*
Financial assets				
Cash on hand and deposits with central bank	851,916,226	4,927,075	4,345	856,847,646
Deposits and placements with inter-banks and non-bank financial institutions	1,796,440,877	920,448,610	6,993,624	2,723,883,111
Derivative financial assets	18,082,755	-	-	18,082,755
Loans and advances to customers	7,102,741,036	211,447,677	-	7,314,188,713
Other debt investment	4,376,787,450	67,147,183	-	4,443,934,633
Other assets	5,766,859	-	569,348	6,336,207
Total	14,151,735,203	1,203,970,545	7,567,317	15,363,273,065
Financial liabilities				
Deposits and placements from inter-banks	(608,379,845)	-	-	(608,379,845)
Derivative financial liabilities	(16,123,084)	-	-	(16,123,084)
Deposits from customers	(9,433,255,080)	(237,428,408)	(6,456,054)	(9,677,139,542)
Lease liability	(261,764,213)	1,315,409	-	(260,448,804)
Other liabilities	(3,492,840)	(6,709)	-	(3,499,549)
Total	(10,323,015,062)	(236,119,708)	(6,456,054)	(10,565,590,824)
Net position	3,828,720,141	967,850,837	1,111,263	4,797,682,241

Sensitivity analysis

With all other variables held constant, the following table shows the impact on net profit and owners' equity when foreign exchange rate changes against the functional currency.

	2024		*2023*	
	Impact on net profit Increase / (decrease)	*Impact on equity Increase / (decrease)*	*Impact on net profit Increase / (decrease)*	*Impact on equity Increase / (decrease)*
Appreciation against RMB by 100 bps	7,821,458	7,821,458	7,267,216	7,267,216
Depreciation against RMB by 100 bps	(7,821,458)	(7,821,458)	(7,267,216)	(7,267,216)

This sensitivity analysis is based on a static foreign exchange exposure profile of assets and liabilities. The analysis estimates the impact on net profit and owners' equity due to the probable fluctuation of foreign exchange rates under the assumption that the other factors remain stable. The analysis is based on the following assumptions:

- the foreign exchange sensitivity is the gains and losses recognized as a result of 1% fluctuation in the foreign currency exchange rates;
- the exchange rates for all foreign currencies change in the same direction simultaneously; and
- Off-balance-sheet items have not been included in the currency risk exposure.

As a result of the hypothesis above, actual fluctuation of foreign exchange net profit or loss from changes in foreign exchange rates may differ from the estimation of the sensitivity analysis above.

(3) Liquidity risk

Liquidity risk means the risk that a commercial bank is unable to acquire adequate funds in a timely manner at a reasonable cost to repay mature debts, fulfill other payment obligations and meet other capital needs for normal business activities.

The liquidity risk management is to ensure that the Bank has sufficient liquidity/cash to meet its obligations related to financial liabilities and its demand on business development. These include that the Bank can meet withdrawal request from customers on demand or when contracts mature; the Bank has sufficient funds for repayment when borrowings mature; the Bank needs to maintain sufficient liquidity to meet the regulatory requirements of liquidity risk supervisory indicators; and the Bank has sufficient funds for new investment opportunity.

The liquidity risk management measure adopted by the Bank is primarily to match the maturity structures between assets and liabilities. Due to differences between various businesses and maturity tenors, it is impractical to maintain a perfect match between assets and liabilities. The Bank has established liquidity risk management procedures for identifying, measuring, monitoring and reporting liquidity risk, including limits for cash flow, liquidity ratio and etc. The Bank has established liquidity contingency plan to monitor any potential liquidity crisis, take proactive measures timely to avoid disruption to the Bank's business operation. The Bank conducts regular liquidity risk stress testing to analyze the Banks' ability to withstand stressful risk event, and prevent possible liquidity crises in the future so as to improve its payment capacity under the liquidity stress.

The following tables provide the analysis of the Bank's financial assets and liabilities based on remaining due dates of cash flow of undiscounted contracts at the balance sheet dates.

	2024								
	Carrying amount	*Contractual undiscounted cash flows*	*Past due / terms undated*	*Repayable on demand*	*Within 1 month*	*Between 1 month and 3 months*	*Between 3 months and 1 year*	*Between 1 year and 5 years*	*More than 5 years*
Financial assets									
Cash on hand and deposits with central bank	775,334,942	775,334,942	503,503,760	271,812,492	-	-	18,690	-	-
Deposits and placements with inter-banks and non-bank financial institutions	2,235,522,295	2,272,132,464	-	511,249,157	466,784,287	605,759,785	394,295,757	294,043,478	-
Derivative financial assets	21,299,724	21,299,724	-	21,299,724	-	-	-	-	-
Loans and advances to customers	6,685,981,791	7,423,290,204	300,955,632	-	618,601,281	1,307,539,413	2,514,143,860	1,351,376,287	1,330,673,731
Other debt investment	4,573,662,320	4,626,755,500	-	-	103,217,500	566,446,000	1,874,040,000	2,083,052,000	-
Other financial assets	16,972,485	16,972,485	-	16,972,485	-	-	-	-	-
Total	14,308,773,557	15,135,785,319	804,459,392	821,333,858	1,188,603,068	2,479,745,198	4,782,498,307	3,728,471,765	1,330,673,731
Financial liabilities									
Deposits and placements from inter-banks	(696,342,350)	(696,627,793)	-	(423,860)	(696,203,933)	-	-	-	-
Derivative financial liabilities	(20,605,398)	(20,605,398)	-	(20,605,398)	-	-	-	-	-
Deposits from customers	(8,449,675,522)	(8,618,074,832)	-	(2,462,675,999)	(290,314,436)	(276,234,773)	(2,867,198,743)	(2,721,650,881)	-
Lease liability	(227,723,565)	(263,782,119)	-	-	(853,554)	(2,464,416)	(34,668,316)	(124,481,593)	(101,314,240)
Other financial liabilities	(4,800,312)	(4,800,312)	-	(4,800,312)	-	-	-	-	-
Total	(9,399,147,147)	(9,603,890,454)	-	(2,488,505,569)	(987,371,923)	(278,699,189)	(2,901,867,059)	(2,846,132,474)	(101,314,240)
Net position	4,909,626,410	5,531,894,865	804,459,392	(1,667,171,711)	201,231,145	2,201,046,009	1,880,631,248	882,339,291	1,229,359,491

	2023								
	Carrying amount	*Contractual undiscounted cash flows*	*Past due / terms undated*	*Repayable on demand*	*Within 1 month*	*Between 1 month and 3 months*	*Between 3 months and 1 year*	*Between 1 year and 5 years*	*More than 5 years*
Financial assets									
Cash on hand and deposits with central bank	856,847,646	856,847,646	638,686,149	218,149,794	-	-	11,703	-	-
Deposits and placements with inter-banks and non-bank financial institutions	2,723,883,111	2,793,197,147	-	367,669,258	735,872,621	143,590,653	1,215,499,948	330,564,667	-
Derivative financial assets	18,082,755	18,082,755	-	18,082,755	-	-	-	-	-
Loans and advances to customers	7,314,188,713	8,298,719,219	414,608,895	-	613,587,328	1,639,976,820	2,012,091,950	2,056,346,728	1,562,107,498
Other debt investment	4,443,934,633	4,533,848,000	-	-	567,236,000	317,500,000	2,054,072,000	1,595,040,000	-
Other financial assets	6,336,207	6,336,207	-	6,336,207	-	-	-	-	-
Total	15,363,273,065	16,507,030,974	1,053,295,044	610,238,014	1,916,695,949	2,101,067,473	5,281,675,601	3,981,951,395	1,562,107,498
Financial liabilities									
Deposits and placements from inter-banks	(608,379,845)	(614,375,195)	-	(1,002,545)	(100,019,678)	-	(513,352,972)	-	-
Derivative financial liabilities	(16,123,084)	(16,123,084)	-	(16,123,084)	-	-	-	-	-
Deposits from customers	(9,677,139,542)	(9,924,868,652)	-	(2,522,908,743)	(901,393,783)	(344,394,931)	(3,448,398,710)	(2,707,772,485)	-
Lease liability	(260,448,804)	(305,182,735)	-	-	(853,554)	(2,464,416)	(38,648,513)	(132,955,086)	(130,261,166)
Other financial liabilities	(3,499,549)	(3,499,549)	-	(3,499,549)	-	-	-	-	-
Total	(10,565,590,824)	(10,864,049,215)	-	(2,543,533,921)	(1,002,267,015)	(346,859,347)	(4,000,400,195)	(2,840,727,571)	(130,261,166)
Net position	4,797,682,241	5,642,981,759	1,053,295,044	(1,933,295,907)	914,428,934	1,754,208,126	1,281,275,406	1,141,223,824	1,431,846,332

39 Fair value

(1) Assets and liabilities measured at fair value

The following table presents fair value information and the fair value hierarchy, at the end of the current reporting period, of the Bank's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. At the end of the current reporting period, the Bank did not have any assets or liabilities which were measured at fair value on a non-recurring basis.

The level in which fair value measurement is categorized, is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels of inputs are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

		31 December 2024			
	Note	*Total*	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurements					
Assets					
Derivative financial assets	9	21,299,724	-	21,299,724	-
Other debt investment	11	4,573,662,320	-	4,573,662,320	-
Total		4,594,962,044	-	4,594,962,044	-
Liabilities					
Derivative financial liabilities	9	(20,605,398)	-	(20,605,398)	-

		31 December 2023			
	Note	*Total*	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurements					
Assets					
Derivative financial assets	9	18,082,755	-	18,082,755	-
Other debt investment	11	4,443,934,633	-	4,443,934,633	-
Total		4,462,017,388	-	4,462,017,388	-
Liabilities					
Derivative financial liabilities	9	(16,123,084)	-	(16,123,084)	-

In 2024, there were no transfers, between Level 1 and Level 2, of the Bank's above assets and liabilities.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, in comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, factors used to estimate discount rates, foreign currency exchange rates, index prices, and expected price volatilities and correlations. The objective of using valuation techniques is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions.

The Bank uses widely recognised valuation models for determining the fair value of common and simple financial instruments, like foreign exchange forwards and swaps that use only observable market data and require simple valuation models. Observable prices and model inputs are usually available in the market for debt securities and derivatives.

Level 2 fair value measurement

This category includes instruments using the following valuation technique: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all inputs are directly or indirectly observable from market data.

The fair value of the investment in bonds and certificate of deposits included in other debt investments is determined based on the quotes provided by the valuation system of securities clearing institutions. Observable inputs that reflect market conditions are used by quotation institutions when preparing the quotation.

The fair value of foreign exchange forward and swap contracts included in derivative financial assets is determined by discounting the difference between the contractual exercise price and the market forward / swap price.

During 2024, there were no changes in valuation techniques for the recurring Level 2 fair value measurements.

(2) Fair value of other financial instruments (items not measured at fair value at the end of year)

The Bank's other financial instruments mainly include deposits with central bank, deposits with inter-banks, placements with inter-banks and non-bank financial institutions, loans and advances to customers, deposits from inter-banks, placements from inter-banks and deposits from customers. There are no significant difference between the carrying amount and the fair value of these financial assets and liabilities.

40 Commitments and contingencies

Credit commitments

At any given time the Bank has outstanding commitments to extend credit. These credit commitments include loans that have been approved and contracted for, financial guarantees and letters of credit to guarantee the performance of customers. The Bank assesses the potential loss of credit commitments on a regular basis and recognizes liability if necessary.

The amounts in the table for guarantees and letters of credit represent the maximum potential loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted. Acceptances comprise undertakings by the Bank to pay bills of exchange drawn by customers. The amounts for Irrevocable commitment represent the amounts when they were fully used.

As the credit facilities may not be fully used upon maturity, the contractual amount sets out below does not represent the expected cash outflow in the future.

Contractual amounts	*2024*	*2023*
Standby letters of credit	995,342,660	1,250,878,240
Letters of credit accepted	838,753,707	892,105,760
Bank acceptances	944,670,886	784,854,463
Irrevocable commitment	354,887,682	327,142,604
Guarantee issued	46,275,823	213,203,153
Letters of credit issued	56,731,860	55,889,369
Subtotal	3,236,662,618	3,524,073,589
Allowance for impairment losses	(119,283,625)	(116,789,435)

The above credit businesses are the credit risks the Bank may undertake. The Bank periodically assesses and makes allowances for any probable losses if necessary. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash outflows.

41 Capital management

The capital management of the Bank covers the calculation and reporting of capital adequacy ratio (CAR), capital assessment and capital planning. The CAR of the Bank represents its abilities of stable operations and risk resistance. The CAR management of the Bank aims to ensure the Bank holds adequate capital, which is appropriate to risk exposure and consistent with risk assessment results of the Bank, to meet the demand of business operation and the regulatory requirements with the development of business strategies. The capital planning aims to set a target CAR which satisfies the Bank with the demand of future business development strategy, risk appetite, risk management, external business environment and long-term sustainability of various capital sources.

The prudent and solid concept of capital management ensures the Bank to retain its capital at an adequate level to support business development under all conditions and to adjust CAR to a reasonable level timely and effectively, if necessary.

The Bank calculates CAR according to the *Administrative* Measures *on Capitals of Commercial Bank* and other relevant regulations. The capital of the Bank is composed of core tier one capital, other tier one capital and tier two capital. The risk weighted assets of on-balance-sheet assets are calculated based on various risk weights. The risk weights are determined in consideration of the risk factors of various assets, counterparties, markets and other relevant aspects, as well as qualified collateral and guarantee. The off-balance-sheet exposures are calculated by the same methodology with adjustments of contingent losses. The credit risk weighted assets for counterparties in terms of over-the-counter derivative transactions are the summation of defaulted risk weighted assets and credit valuation adjustment risk weighted assets. The market risk weighted assets are measured by simplified standard method. The operational risk weighted assets are measured by basic indicator method.

The Bank's management regularly monitors the utilisation of CAR and regulatory capital. The Bank reported relevant information to the National Financial Regulatory Administration on a quarterly basis. The calculation scope of the Bank's capital adequacy ratio includes all domestic branches of the Bank, and the Bank currently has no overseas branches.

As at 31 December 2024, the CAR of the Bank has been calculated in accordance with *Administrative* Measures *on Capitals of Commercial Bank* and other relevant regulations, and the calculation result was in compliant with the relevant regulatory requirements.

The capital adequacy ratio and relevant data of the Bank are calculated on the bases of the financial statements prepared in accordance with the CAS. The Bank is in compliant with the regulatory capital requirements during the year.

The adequacy ratio of core tier one capital, the adequacy ratio of tier one capital and the capital adequacy ratio calculated in accordance with the Administrative Measures on Capitals of Commercial Bank and other relevant regulations are as follows:

	2024	*2023*
Core tier one capital		
Paid-in capital	4,000,000,000	4,000,000,000
Other comprehensive income	37,806,721	10,519,878
Surplus reserve	117,692,941	113,103,586
General reserve	208,531,720	208,531,720
Retained earnings	861,430,319	820,126,122
Deductible item in core tier one capital		
Intangible assets net of associated deferred tax liabilities	(5,122,959)	(5,751,877)
Net core tier one capital	5,220,338,742	5,146,529,429
Net tier one capital	5,220,338,742	5,146,529,429
Tier two capital		
Excess loan impairment provision	118,650,610	132,428,368
Net capital	5,338,989,352	5,278,957,797
Credit risk weighted assets	9,610,699,374	10,726,697,816
Market risk weighted assets	1,456,223,875	73,742,500
Operational risk weighted assets	823,965,313	774,106,300
Total risk weighted assets	11,890,888,562	11,574,546,616
Adequacy ratio of core tier one capital	43.90%	44.46%
Adequacy ratio of tier one capital	43.90%	44.46%
Capital adequacy ratio	44.90%	45.61%

Note: On December 31, 2023, the Bank calculated the above data in accordance with the Administrative Measures on Capitals of Commercial Banks (For Trial Implementation).

42 Comparative figures

Several comparative figures have been reclassified to meet the reporting requirements for the current year.