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BANK OF TIANJIN CO., LTD.*
天津銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1578)

2024 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “**Board**”) of Bank of Tianjin Co., Ltd.* (the “**Bank**”) hereby announces the audited consolidated annual results of the Bank for the year ended 31 December 2024. This announcement, containing the full text of the 2024 annual report of the Bank, complies with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited relating to information to accompany preliminary announcements of annual results. The Board and the Audit Committee of the Board have reviewed and confirmed the audited annual results.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Chinese and English versions of this results announcement are available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.bankoftianjin.com). If there are any discrepancies in interpretations between the Chinese and English versions, the Chinese version shall prevail. The printed version of the Bank’s 2024 annual report will be despatched to the holders of H shares of the Bank upon request and will be available for viewing on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.bankoftianjin.com) in due course.

By Order of the Board
Bank of Tianjin Co., Ltd.*
YU Jianzhong
Chairman

Tianjin, China
20 March 2025

As at the date of this announcement, the board of directors of the Bank comprises Mr. YU Jianzhong, Mr. WU Hongtao, Mr. ZHENG Ke and Ms. DONG Xiaodong as executive directors; Ms. DONG Guangpei, Mr. PENG Chong, Mr. Alistair Marshall BULLOCH and Mr. WANG Shunlong as non-executive directors; Mr. ZENG Jianhua, Mr. LU Jianzhong, Mr. GU Zhaoyang, Mr. FENG Jinghua and Mr. PENG Bing as independent non-executive directors.

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

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Definitions

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

“Articles of Association”	the articles of association of the Bank as may be amended, supplemented or otherwise modified from time to time
“Bank”, “the Bank”, “we” or “us”	Bank of Tianjin Co., Ltd., a joint stock company incorporated on 6 November 1996 in Tianjin, China with limited liability in accordance with PRC laws, and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“China” or “PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau for the purposes of this annual report
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“Foreign Shares”	ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for in a currency other than Renminbi, or the consideration for which is the injection of assets and are held by persons other than PRC nationals or PRC corporate entities, and are not listed on any stock exchange
“H Shares”	ordinary shares issued by the Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

Definitions

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“NFRA”	the National Financial Regulatory Administration (國家金融監督管理總局)
“PBoC” or “central bank”	The People’s Bank of China (中國人民銀行)
“Reporting Period”	For the year ended 31 December 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Selling Shareholder(s)”	the state-owned shareholders, collectively, who are required to reduce their shareholding pursuant to the relevant PRC regulations relating to reduction of state-owned shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank
“Tianjin Financial Regulatory Bureau”	Tianjin Regulatory Bureau of the National Financial Regulatory Administration
“Treasury share(s)”	has the meaning ascribed to it by the Hong Kong Listing Rules

Company Profile and Basic Information

I COMPANY PROFILE

Established in 1996, Bank of Tianjin is a legal representative bank under Tianjin Municipality. It operates in regions including Tianjin, Beijing, Shanghai, Hebei, Shandong, Sichuan, Xinjiang, and Ningxia, and holds a controlling interest in Bank of Tianjin Financial Leasing Co., Ltd. In The Banker's 2024 global bank rankings from the UK, it secured the 186th position, up 5 places from the previous year. In recent years, Bank of Tianjin has actively advanced its strategic initiatives of "inheritance, integration, optimisation, and advancement," reconstructing development mechanisms to enhance value innovation efficiency and comprehensive capital returns. Internally, it has built development capacity, improved core competencies and strengthened endogenous momentum for economic services; externally, it has expanded development resources, enhanced ecosystem services to broaden social outreach. In 2024, the Bank achieved leading positions across multiple sectors. It ranked first in Tianjin for total institutional deposits; fourth in Tianjin for total loan balances, with the highest annual growth among local financial institutions; ranked first as underwriter of credit bonds in Tianjin and fourth among national city commercial banks in asset-backed securities underwriting. The Bank rose continuously social influence, it was selected for the State Council's "Pioneer 100 Index for State-Owned Enterprise Social Responsibility (2024)" (48th nationally, 3rd in Tianjin). It has garnered 134 external honours, including the "Financial Technology Development Award," "Best Mobile Banking Operation Award," and "Outstanding Financial Institution for Elderly Care Empowerment."

As at the end of 2024, the total assets of Bank of Tianjin amounted to RMB925.99 billion, representing an increase of 10.1% as compared with the end of the previous year, while the total liabilities amounted to RMB856.58 billion, representing an increase of 10.4% as compared with the end of the previous year. We realised operating income of RMB16.71 billion, representing a year-on-year increase of 1.5% and a total profit of RMB4.2 billion, representing a year-on-year increase of 7.2%; and net profit of RMB3.83 billion, representing a year-on-year increase of 1.6%.

II BASIC INFORMATION

Legal Chinese Name	天津銀行股份有限公司
Abbreviation in Chinese	天津銀行
Legal English Name	Bank of Tianjin Co., Ltd.
Abbreviation in English	Bank of Tianjin
Legal Representative	YU Jianzhong
Authorised Representatives	DONG Xiaodong, NGAI Wai Fung
Board Secretary	DONG Xiaodong

Company Profile and Basic Information

Joint Company Secretaries	DONG Xiaodong, NGAI Wai Fung
Registered Address and Headquarter Address	No. 15 Youyi Road, Hexi District, Tianjin, China
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Customer Service Telephone	956056
Telephone	86-22-2840 5262
Facsimile	86-22-2840 5518
Email	ir@bankoftianjin.com
Website	www.bankoftianjin.com
Website of Hong Kong Stock Exchange for Publishing H Share Annual Report	www.hkexnews.hk
Date of Initial Registration	6 November 1996
Business License No. of Corporation	120000000007636
Uniform Social Credit Code	911200001030702984
Finance Permit Institution Number	B0108H212000001
Listing Place of Stock	The Stock Exchange of Hong Kong Limited
Stock Name	Bank of Tianjin
Stock Code	1578

Company Profile and Basic Information

H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Legal Advisor as to PRC Laws	GRANDALL LAW FIRM (TIANJIN)
Legal Advisor as to Hong Kong Laws	Clifford Chance 27th Floor, Jardine House One Connaught Place Central Hong Kong
Auditors	Domestic Auditor: KPMG Huazhen LLP 8th Floor, Office Building Tower 2, Oriental Plaza East, No. 1 East Chang An Avenue, Dongcheng District, Beijing, the PRC International Auditor: KPMG 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong

Strategic Positioning and Corporate Culture

I STRATEGIC POSITIONING

The Bank takes Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guidance, fully applies the spirit of the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee, conscientiously practices the spirit of the Central Economic Work Conference and the Central Financial Work Conference, thoroughly implements the spirit of General Secretary Xi Jinping's important speech during his inspection in Tianjin and a series of important instructions and requirements for Tianjin, and resolutely puts into practice the decisions and arrangements of the Tianjin Municipal Party Committee and Municipal Government.

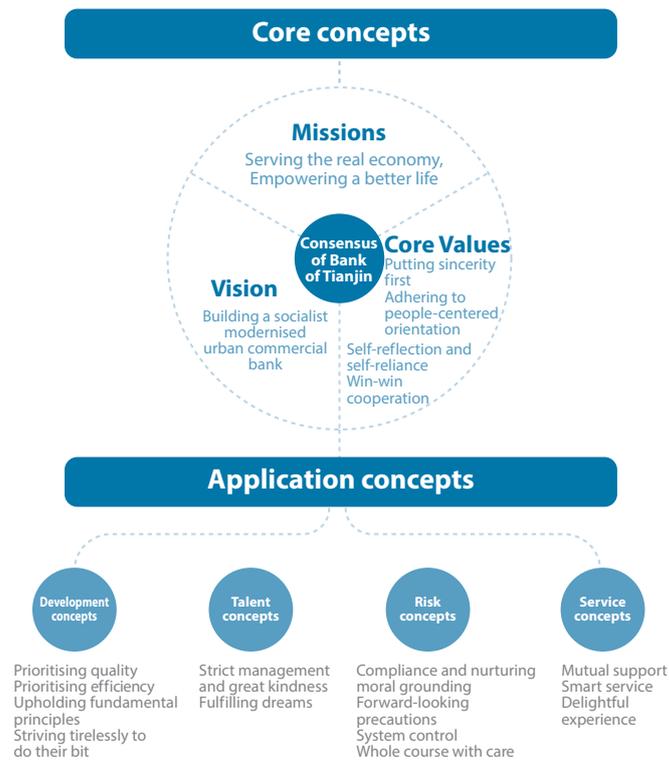
At present, the Bank has the conditions for development transition under the principles of "adapting to the general trend of development, grasping policy advantages, judging market trends, and coping with risk situations". Focusing on the grand blueprint of modernisation with Chinese Characteristics and the Tianjin chapter, the Bank aims to build a modern first-class regional bank that "satisfies the municipal party committee, reassures regulators, wins public praise, delights shareholders, and makes employees proud".

In the next step, the Bank will firmly establish the new development concept, make good use of strategic opportunities including deepening the coordinated development of Beijing, Tianjin and Hebei, and systematically integrate and comprehensively promote the deepening of reform. In accordance with the cooperation concept of "Moving Towards the Future Together with Smart Bank of Tianjin", the Bank will continue to strengthen the two genes of the times, research genes and technological genes, take "building internal development capabilities, improving core competitiveness, and enhancing the endogenous ability to serve the economy; building external development resources, improving ecosystem services, and enhancing the external space for serving the society; and reconstructing development mechanisms, improving value innovation efficiency, and enhancing the comprehensive return on capital" as the important starting point to continuously improve and upgrade the "Double-Five Battles" based on problem and foundation orientation, and continue to deepen financial supply-side reforms to serve the high-quality development of the economy and society, so as to do well in five major areas of finance.

Strategic Positioning and Corporate Culture

II CORPORATE CULTURE CONCEPT SYSTEM OF BANK OF TIANJIN

The Bank deeply explored and absorbed the excellent cultural factors accumulated in the historical development process of the Bank of Tianjin. With the extensive participation and in-depth thinking by our staff, the Bank formed its corporate culture concept system, including two parts, i.e. core concept and application concept.



Corporate Culture Concept System of Bank of Tianjin

Major Events in 2024

On 28 January, the Bank was named the title of the annual financial conference of cnr.cn on the theme of “Innovation Driven, Energetic China”.

On 1 March, the Bank and the Agricultural Bank of China, Tianjin Branch held a strategic cooperation forum and signed a relevant agreement, which was the first cooperation agreement for the Bank to promote the “achieving four intended goals as planned”.

On 7 March, the Bank co-sponsored a summit on the theme of “‘Technology-Industry-Finance’ Enabling the Collaborative Development of Beijing-Tianjin-Hebei”.

On 8 March, the Bank signed a strategic cooperation agreement with the People's Government of Wuqing District to support the development of new productivity in the “Tongzhou-Wuqing-Langfang”.

On 19 March, the Bank hosted the launch of a new initiative on “Bank-Tax Interaction” and version 2.0 of the “Jinxinrong” platform.

On 20 March, the Bank disclosed its 2023 annual results announcement and announced a dividend plan, with a cash dividend of RMB1.2 per 10 shares.

On 22 March, the Bank held its 2023 annual results conference in Hong Kong.

On 10 April, the Bank signed strategic agreements with 11 state-owned enterprises in Tianjin.

On 28 April, the Bank hosted a special seminar and exchange activity on pension finance and silver-haired economy in Tianjin.

On 20 May, the Bank successfully issued RMB10 billion Tier II capital bonds in the interbank market.

On 12 June, the Bank held the “Smart Bank of Tianjin, Leasing for the Future (智慧天行·租享未來)” Tianjin Bank Leasing Industry Conference.

On 18 June, the Bank hosted the “Gathering Wisdom and New Quality, Moving Towards the Future (慧聚新質·共赴未來)” peer exchange meeting on the west bank of the Haihe River.

Major Events in 2024

On 20-23 June, the Bank appeared at the 2024 World Intelligent Industry Expo.

On 20 June, the Bank successfully issued RMB10 billion financial bonds in the interbank market.

On 6 July, our Bank held an academic exchange conference at the University of International Business and Economics under the theme of “Jinmen UIBER Goes to the Future Together (津門UIBER 共赴未來)”.

On 10-13 July, the Bank appeared at the 2024 Tianjin International Shipping Industry Expo.

On 16 July, the Bank held the “Bank of Tianjin – 2024 Tianjin Marathon” Cultural and Creative Product Design Competition Launching Ceremony and Media Briefing.

On 22 July, the Bank held the “Broadening Horizons for Financiers” financial market business exchange conference.

On 25 July, the Bank hosted the first event of the “Beijing-Tianjin Industry Synergy Salon Series” – the Beijing-Tianjin Intelligent Computing Industry Exchange Conference on the theme of “Beijing-Tianjin Intelligent Computing Synergy for a Smart Future (京津智算協同 共創智能未來)”.

On 26 August, the theme activity of “Inheriting the Olympic Spirit through Four Cultures (貫徹四個以文 傳承奧運精神)” – Olympic Champions in Bank of Tianjin was held.

On 31 August, the Bank held a press conference on “Bank of Tianjin – 2024 Tianjin Theatre Festival”.

On 13-16 September, the Bank was present at the 2024 China Culture and Tourism Industry Expo.

On 16 September, “Bank of Tianjin – 2024 Tianjin Theatre Festival” was grandly opened.

On 17-19 October, the Bank appeared at the 2024 Tianjin-Marathon Expo.

On 20 October, the “Bank of Tianjin • 2024 Tianjin Marathon” kicked off with great enthusiasm, during which the establishment ceremony of the “Bank of Tianjin • Tianjin World Champion Exchange” was held, and themed co-branded physical precious metals were simultaneously released.

On 13 November, the Bank signed a strategic cooperation agreement with iFly Tek.

On 15 November, 211 outlets of the Bank were successfully certified as age-friendly service outlets.

Major Events in 2024

On 17 November, as a representative point of the city, the Guanyinhao sub-branch received a delegation of journalists for research and visits during the “New Trends in Old Blocks” online theme promotion event organized by the Cyberspace Administration of China in four provinces and cities.

On 29 November, “Bank of Tianjin Financial Leasing Studio” was officially established in Tiankai Higher Education Science and Technology Innovation Park.

On 13 December, the Bank of Tianjin signed strategic cooperation agreements with Tianjin Agricultural and Commercial Bank, Tianjin Binhai Agricultural and Commercial Bank, Tianjin Railway Transportation Group and Tianjin Textile Group.

On 24 December, the Bank donated funds to set up “Bank of Tianjin Postdoctoral Innovation and Entrepreneurship Fund”.

On 26 December, the Bank and Ly.com discussed the construction of a “Tourism Ecosystem Development Community”.

On 26 December, the Bank successfully issued RMB5.0 billion financial bonds in the interbank market.

On 27 December, the Bank held a ceremony to inaugurate the opening of a new institution by absorbing and merging with Jizhou Village Bank.

On 31 December, the investment in Home Credit Consumer Finance Co., Ltd. (捷信消费金融有限公司) was approved by the NFRA.

Honour and Awards and Major Media Coverage

I HONOUR AND AWARDS

In 2024, the Bank continued to improve in terms of market recognition, with accumulated 134 various honors and awards, some of which are listed below.

Organiser	Award/honour title
"The Banker" Magazine	Ranked 186th among "Top 1,000 World Banks" of 2024, up 5 rankings year-on-year
SASAC	Ranked 48th among "State-owned Enterprises Social Responsibility • Pioneer 100 Index (2024)"
People's Bank of China	Financial Technology Development Award
China Development Bank	2024 Financial Bond "30th Anniversary Support" Award 2024 "Outstanding Underwriter" Award in the Financial Bond Interbank Market
China Banking Association	Ranked 34th in 2024 Top 100 China Banking Institutions
China Enterprise Confederation and China Enterprise Directors Association	Ranked 203rd among 2024 Top 500 Service Enterprises in China
Beijing Enterprise Confederation and Beijing Entrepreneur Association, Tianjin Enterprise Confederation and Tianjin Entrepreneur Association, Hebei Provincial Enterprise Confederation and Hebei Provincial Entrepreneur Association	Ranked 92nd among 2024 Beijing-Tianjin-Hebei Enterprises Top 100 Ranked 33rd among Beijing-Tianjin-Hebei 2024 Service Enterprises Top 100
China Financial Media Company Limited	Horizontal Expansion and Vertical Innovation of "Smart Connect" to Enhance the New Efficiency of Inclusive Finance won the "Inclusive Finance Practice Case" award
China Central Television (CCTV) Financial Programme Centre	Ranked 48th in the "Beijing-Tianjin-Hebei Pioneer 50 (2024) of ESG listed companies in China"

Honour and Awards and Major Media Coverage

Organiser	Award/honour title
Organising Committee of the 5th Future Transaction Banking International Summit 2024 and the 20th China International Financial Brand Innovation Summit	Jinding Award – Best Supply Chain Fintech Innovation Bank Award
Chinese Society of Ideological and Political Work	The article “Strengthening the Brand Advantage of Party Building to Assist Enterprise Reform and Development – Taking the Example of Creating the Party Building Brand of Bank of Tianjin as a Pioneer, Role Model, and a Caring Person at the Grassroots Level” won the Third Prize for Research Results on Ideological and Political Work and Cultural Construction in the National Financial System in 2024
National Financial Technology Certification Center (Beijing)	“Demonstration Organisation for the Certification of Services in Modern Banking Outlets” “Model Service Organisation for Pension Finance”
China Securities Journal	“Golden Bull Award for Bank Financial Products” in the Fifth Banking Golden Bull Awards 2024 (“Hong Ding Wealth – 15 Months Open NAV Phase 2” Financial Product)
PY Standard	“GRA” Excellent Asset Management City Commercial Bank Excellent Financial Market Business Trading Capability Bank
CAICT	2024 Galaxy Case Typical cases of specialised application of industry data intelligence
Tianjin Haihe Media Group	2024 Model in Tianjin

Honour and Awards and Major Media Coverage

Organiser	Award/honour title
China Association of Small and Medium-sized Commercial Enterprises Inclusive Finance Working Committee	2024 Selected Cases of Financial Services for National Small and Medium-sized Business Circulation Enterprises Award
Modern Bankers Magazine	"Iron Horse – Best Small and Medium Bank for Treasury Business"
China Times	Outstanding Financial Institution of the Year for Empowering the Elderly Industry
People's Bank of China Tianjin Branch	"Smart Merchant • Tianhangyongbei" was selected as the demonstration project of financial technology enabling rural revitalization of Tianjin Branch of the People's Bank of China
City Commercial Banks Clearing Co., Ltd. hosted the "2024 Urban Financial Services Excellent Case Selection Activity"	"Inclusive Smart Connect Serves the Society in a Down-to-earth Way" – Bank of Tianjin's Smart Connect Inclusive Case" was awarded as an excellent case in the Five Major Areas of Finance
CFCA	2024 Digital Finance Gold List Award – Best Operation in Corporate Mobile Banking

II MAJOR MEDIA COVERAGE

During the Reporting Period, the Bank's business development and operation dynamics received extensive attention from authoritative media with more than 30 releases being viewed for over one million times, and some of the key media reports are listed below.

Date	Media Name	Title of Media Coverage	News Link
10 January 2024	enorth.com.cn	Bank of Tianjin built a happy enterprise and was selected by the All-China Federation of Trade Unions as a pilot unit to improve the quality of life of employees	http://economy.enorth.com.cn/system/2024/01/10/055003178.shtml
17 January 2024	www.cnr.cn	Bank of Tianjin 2024 Work Conference (Part 1): Maintaining strategic focus and fighting the "Double – Five Battles"	http://www.cnr.cn/ziben/yw/20240117/t20240117_526560922.shtml

Honour and Awards and Major Media Coverage

Date	Media Name	Title of Media Coverage	News Link
17 January 2024	www.cnr.cn	Bank of Tianjin 2024 Work Conference (Part 2): Seizing new opportunities and new windows to work well in "Five Major Areas"	http://www.cnr.cn/ziben/yw/20240117/t20240117_526560925.shtml
30 January 2024	enorth.com.cn	Bank of Tianjin: Creating diversified, relay-style comprehensive financial services for science and technology enterprises throughout their life cycle	http://economy.enorth.com.cn/system/2024/01/30/055189178.shtml
1 February 2024	enorth.com.cn	Bank of Tianjin supported the revitalisation of "time-honored brands" to help historic brands regain new life	http://economy.enorth.com.cn/system/2024/02/01/055215483.shtml
12 March 2024	Xinhua News Agency	Bank of Tianjin jointly built and launched the "Beijing-Tianjin-Hebei Industry Comprehensive Financial Service Platform"	https://h.xinhua.com/vh512/share/11926754
21 March 2024	News.cn	The "Double-Five Battles" has shown results with stable and improving operating results. Bank of Tianjin paid a dividend of RMB1.2 per 10 shares	http://www.news.cn/money/20240321/bbd7ce2e9e8d459cb820921b29e7db38/c.html
11 April 2024	enorth.com.cn	Tianjin Bank signed strategic agreements with 11 Tianjin state-owned enterprises by jointly promoting the "achieving four intended goals as planned"	http://economy.enorth.com.cn/system/2024/04/11/055889999.shtml

Honour and Awards and Major Media Coverage

Date	Media Name	Title of Media Coverage	News Link
29 April 2024	News.cn	Developing Pension Finance and Contributing to the Silver-haired Economy, Bank of Tianjin hosted a special seminar and exchange activity on pension finance and silver-haired economy	http://www.news.cn/money/20240429/edbf9ea2bdd543acbadacc8142e65641/c.html
15 May 2024	Tianjinyun	Pay in China Your Way, and Bank of Tianjin's Commitment to Providing Thoughtful and Convenient Consumer Services at Tianjin Ancient Culture Street: Documentary of Bank of Tianjin optimising payment service benchmark scene "Ancient Culture Street"	https://www.app2020.tjyun.com/cms_sys/cms_template/000/000/093/index.shtml?from_oid=oX6ro0SHgM2fZNkdFPu0vBn5rbpE&level=1&random=c312117f-facf-4480-81d2-5afb01729470&newsId=056292721&appId=1b8b3255-58d4-4ba7-b0f7-9d136547eb38&jsonUrl=https://static20.app2020.tjyun.com/jyapp/cms_mob/v200/cms_news/000/000/056/292/000000056292721_f6e9ad8f.json&jiy_uid=100005275&categoryId=&resourcesUrl=https://static20.app2020.tjyun.com/jyappv300/cms_mob/v200/cms_oth/chan.json&showFunHead=1&scene=message
23 May 2024	News.cn	Bank of Tianjin issued tier-2 capital bonds of RMB10 billion	http://www.news.cn/money/20240523/281457e8152c4908ae7a521882fb67bc/c.html
20 June 2024	News.cn	Bank of Tianjin's first "Beijing R&D, Tianjin Transformation" science and innovation growth fund was signed and landed in Tianjin	http://www.news.cn/money/20240620/0e08cdd41186440e885bb1ab4b29aaae/c.html
21 June 2024	www.cnr.cn	Experience the pulse of technology finance and enjoy the benefits of Smart Bank of Tianjin- Bank of Tianjin was present at the 2024 World Intelligent Industry Expo	https://www.cnr.cn/jrpd/mxhq/20240621/t20240621_526757155.shtml

Honour and Awards and Major Media Coverage

Date	Media Name	Title of Media Coverage	News Link
10 July 2024	News.cn	Leading high-quality development with high-quality party building, Bank of Tianjin held 2024 party building promotion meeting and business development deployment meeting	http://www.news.cn/money/20240710/848bde50c3574adaa91e5075bdd11d4f/c.html
24 July 2024	Xinhua News Agency	Bank of Tianjin released the "Work Plan for the Development of New Quality Productive Forces"	https://xhpfmapi.xinhua.com/vh512/app/12112606
25 July 2024	www.cnr.cn	Bank of Tianjin, together with its peers, held the "Broadening Horizons for Financiers" financial market business exchange conference	https://www.cnr.cn/jrpd/mxhq/20240725/t20240725_526814929.shtml
31 July 2024	News.cn	Bank of Tianjin improved its ranking to 186th among the top 1,000 global banks	http://www.news.cn/money/20240731/b37256de366c4433949cd52871e2328d/c.html
27 August 2024	Financialnews.com.cn	Bank of Tianjin: Pay with temperature	https://h5.newaircloud.com/detailArticle/24748991_28239_jrsb.html
29 August 2024	News.cn	Finance and sports are heading towards each other in both directions, Olympic champion enters Bank of Tianjin	http://www.news.cn/money/20240829/f2a54948903c4f5a9e4bf3bf8fa8a91a/c.html
30 August 2024	Shanghai Securities News • www.cnstock.com	Bank of Tianjin released 2024 interim results: solidly carrying out the "five major areas" of finance, actively implementing the "achieving four intended goals as planned", and consolidating the foundation for high-quality development	https://www.cnstock.com/commonDetail/253333

Honour and Awards and Major Media Coverage

Date	Media Name	Title of Media Coverage	News Link
4 September 2024	Xinhua News Agency	Bank of Tianjin selected as one of the "Beijing-Tianjin-Hebei Pioneer 50 (2024) of ESG Listed Companies in China"	https://xhpfmapi.xinhua.com/vh512/app/12174409
18 September 2024	News.cn	Promoting the Red Spirit through Culture, the special performance of "There is no new China without the Communist Party" was held at the Bank of Tianjin	http://www.news.cn/money/20240918/9d460ad2959440408c8aed6b9968e2cb/c.html
20 September 2024	Xinhua News Agency	Bank of Tianjin successfully held investment and financing conference in support of culture and tourism industry projects	https://xhpfmapi.xinhua.com/vh512/app/12198607
23 September 2024	enorth.com.cn	Bank of Tianjin actively participated in the concentrated educational and promotional activities of the "Financial Literacy Month" in 2024	http://economy.enorth.com.cn/system/2024/09/23/057706278.shtml
4 October 2024	www.cnr.cn	Bank of Tianjin built a "six specialty" service system for pension finance, warming up the silver-haired years with caring services	https://www.cnr.cn/jrpd/mxhq/20241004/t20241004_526928723.shtml
20 October 2024	News.cn	Smart Bank of Tianjin for the Future Arriving at the passionate venue of Bank of Tianjin • 2024 Tianjin Marathon	https://www.news.cn/money/20241020/4a5e4e9889c040d3b0ca3e6e0fb194cf/c.html

Honour and Awards and Major Media Coverage

Date	Media Name	Title of Media Coverage	News Link
25 October 2024	News.cn	Bank of Tianjin strengthened, refined and optimised payment services to assist Bank of Tianjin in the 2024 Tianjin Marathon	https://www.news.cn/money/20241025/aa34db03a4884001847e4279492b7474/c.html
30 October 2024	Xinhua Finance	Bank of Tianjin on the verge of entering the trillion-yuan echelon	https://bm.cnfic.com.cn/sharing/share/articleDetail/276361145114370048/1?date=1730254724000
19 November 2024	www.cnr.cn	Starting a new chapter by revitalizing and moving forward, The century dialogue between Bank of Tianjin and Guanyinhao across time and space	https://www.cnr.cn/jrpd/mxhq/20241119/t20241119_526980980.shtml
27 December 2024	www.cnr.cn	Bank of Tianjin and Ly.com discussed the construction of a "Tourism Ecosystem Development Community"	https://finance.cnr.cn/zghq/20241227/t20241227_527023002.shtml
27 December 2024	China Times	Jingdong Group Partners with Bank of Tianjin Toward New Blue Ocean for Financial Inclusion	https://www.chinatimes.net.cn/article/142078.html
31 December 2024	News.cn	"Bank of Tianjin – Tianjin Theatre Festival 2024" closed with a new chapter of culture through action	https://www.news.cn/money/20241231/3c64a589167b4ee18bcb2ec9ec0354b4/c.html

Summary of Accounting Data and Financial Indicators

	For the year ended 31 December					
	2024	2023	Year-on-year Change between 2024 and 2023	2022	2021	2020
(Amounts in thousands of Renminbi, unless otherwise stated)						
Rate of change (%)						
OPERATING RESULTS						
Interest income	30,985,203	31,212,336	(0.7)	30,385,697	30,371,879	30,553,932
Interest expense	(19,670,894)	(19,791,966)	(0.6)	(18,912,719)	(17,446,541)	(16,907,490)
Net interest income	11,314,309	11,420,370	(0.9)	11,472,978	12,925,338	13,646,442
Investment income	2,601,463	2,926,224	(11.1)	1,585,354	2,339,241	1,738,108
Fee and commission income	2,208,566	2,084,626	5.9	2,134,760	2,082,280	2,447,096
Fee and commission expense	(529,401)	(514,454)	2.9	(448,261)	(298,654)	(136,561)
Net fee and commission income	1,679,165	1,570,172	6.9	1,686,499	1,783,626	2,310,535
Net trading gains	1,012,477	360,870	180.6	795,672	649,678	(446,873)
Net gains arising from derecognition of financial assets measured at amortised cost	245,926	30,719	700.6	101,044	40,212	25,832
Other income, gains or losses	(144,537)	147,520	(198.0)	117,204	(44,106)	(77,340)
OPERATING INCOME	16,708,803	16,455,875	1.5	15,758,751	17,693,989	17,196,704
Operating expenses	(4,941,958)	(4,789,274)	3.2	(4,448,622)	(4,424,654)	(3,952,952)
Impairment losses	(7,583,363)	(7,770,265)	(2.4)	(7,524,819)	(9,852,127)	(8,230,793)
Share of results of associates	19,437	23,785	(18.3)	24,249	24,535	22,125

Summary of Accounting Data and Financial Indicators

	For the year ended 31 December					
	2024	2023	Year-on-year Change between 2024 and 2023	2022	2021	2020
(Amounts in thousands of Renminbi, unless otherwise stated)						
	Rate of change (%)					
PROFIT BEFORE TAX	4,202,919	3,920,121	7.2	3,809,559	3,441,743	5,035,084
Income tax expense	(373,904)	(153,226)	144.0	(246,490)	(227,436)	(691,671)
PROFIT FOR THE YEAR	3,829,015	3,766,895	1.6	3,563,069	3,214,307	4,343,413
Profit for the year attributable to						
Equity holders of the Bank	3,801,630	3,759,899	1.1	3,564,965	3,196,026	4,307,585
Non-controlling interests	27,385	6,996	291.4	(1,896)	18,281	35,828
Earnings per share attributable to equity holders of the Bank (Expressed in RMB per share)						
– Basic and diluted	0.63	0.62	1.6	0.59	0.53	0.71

Summary of Accounting Data and Financial Indicators

	For the year ended 31 December					
	2024	2023	Year-on-year Change between 2024 and 2023	2022	2021	2020
(Amounts in thousands of Renminbi, unless otherwise stated)						
Rate of change (%)						
MAJOR INDICATORS OF ASSETS/ LIABILITIES						
Total assets	925,993,655	840,771,460	10.1	761,082,851	719,903,932	687,760,199
Of which: loans and advances to customers	440,779,383	396,009,202	11.3	337,397,157	324,607,358	295,752,349
Total liabilities	856,583,512	775,741,804	10.4	700,463,719	662,363,094	633,812,209
Of which: due to customers	500,957,014	450,686,381	11.2	397,765,271	382,478,890	355,981,854
Share capital	6,070,552	6,070,552	–	6,070,552	6,070,552	6,070,552
Equity attributable to equity holders of the Bank	68,547,411	64,188,509	6.8	59,784,981	56,704,791	53,130,224
Total equity	69,410,143	65,029,656	6.7	60,619,132	57,540,838	53,947,990
Net assets per share attributable to equity holders of the Bank (Expressed in RMB per share)	11.29	10.57	6.8	9.85	9.34	8.75

Summary of Accounting Data and Financial Indicators

	For the year ended 31 December					
	2024	2023	Year-on-year Change between 2024 and 2023	2022	2021	2020
PROFITABILITY INDICATORS (%)						
Return on average total assets ⁽¹⁾	0.43	0.47	(0.04)	0.48	0.46	0.64
Return on average equity ⁽²⁾	5.70	6.00	(0.30)	6.03	5.77	8.26
Net interest spread ⁽³⁾	1.55	1.75	(0.20)	1.73	1.85	1.98
Net interest margin ⁽⁴⁾	1.47	1.65	(0.18)	1.70	2.12	2.26
Net fee and commission income to operating income	10.05	9.54	0.51	10.70	10.08	13.44
Cost-to-income ratio ⁽⁵⁾	28.23	27.68	0.55	26.92	23.81	21.80
ASSET QUALITY INDICATORS (%)						
Non-performing loans ratio ⁽⁶⁾	1.70	1.70	–	1.84	2.41	2.16
Allowance coverage ratio ⁽⁷⁾	169.21	167.86	1.35	159.27	154.26	183.45
Allowance to gross loan ratio ⁽⁸⁾	2.87	2.85	0.02	2.93	3.72	3.96

Summary of Accounting Data and Financial Indicators

	For the year ended 31 December					
	2024	2023	Year-on-year Change between 2024 and 2023	2022	2021	2020
CAPITAL ADEQUACY RATIO INDICATORS (%)						
<i>Calculated based on Capital Administrative Measures ⁽⁹⁾</i>						
Core tier-one capital adequacy ratio ⁽¹⁰⁾	9.53	9.80	N/A	10.38	10.73	11.12
Tier-one capital adequacy ratio ⁽¹¹⁾	10.47	10.83	N/A	10.39	10.74	11.12
Capital adequacy ratio ⁽¹²⁾	13.59	12.64	N/A	12.80	13.49	14.48
Total equity to total assets	7.50	7.73	(0.23)	7.96	7.99	7.84
OTHER INDICATORS (%)						
Loan-to-deposit ratio ⁽¹³⁾	90.86	90.72	0.14	87.81	88.70	87.06
Liquidity ratio ⁽¹⁴⁾	60.54	50.03	10.51	56.05	60.80	60.57
Percentage of loans to the single largest customer ⁽¹⁵⁾	5.32	4.85	0.47	6.80	5.49	4.35

Summary of Accounting Data and Financial Indicators

Notes:

- (1) Calculated by dividing net profit for the year by average balance of total assets at the beginning and the end of the year.
- (2) Calculated by dividing net profit for the year by average balance of total equity at the beginning and the end of the year.
- (3) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the daily average balance of total interest-earning assets.
- (5) Calculated by dividing total operating expenses (excluding sundry taxes) by total operating income.
- (6) Calculated by dividing total non-performing loans by gross loans (excluding interests).
- (7) Calculated by dividing total allowance for impairment losses on loans to customers by total non-performing loans.
- (8) Calculated by dividing total allowance for impairment losses on loans to customers by gross loans to customers (excluding interests).
- (9) Starting from 2024, the capital adequacy ratio shall be calculated in accordance with the Capital Administrative Measures for Commercial Banks (Decree of the National Financial Regulatory Administration (No. 4, 2023)), which is not directly comparable with historical data.
- (10) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by risk-weighted assets.
- (11) Calculated by dividing tier-one capital, net of tier-one capital deductions, by risk-weighted assets.
- (12) Calculated by dividing total capital, net of capital deductions, by risk-weighted assets.
- (13) Loan-deposit ratio is calculated according to the Notice on Adjusting the Calculation of Loan-to-Deposit Ratio for Commercial Banks 《中國銀監會關於調整商業銀行存貸比計算口徑的通知》 issued by CBRC.
- (14) Liquidity ratio is calculated in accordance with the formula promulgated by the National Financial Regulatory Administration.
- (15) Calculated by dividing total loans to the single largest customer by net capital.

Chairman's Statement

In 2024, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the strong leadership of the Tianjin Municipal Party Committee and Municipal Government, and with the leadership and support of the Tianjin Municipal State-owned Assets Supervision and Administration Commission, the Municipal Party Committee Financial Working Committee, the People's Bank of China and the Tianjin Financial Regulatory Bureau, the Bank strived to implement the requirements of "achieving four intended goals as planned", the "eight insistences" requirements of the Central Financial Work Conference, the "five major areas" of finance, as well as the "Ten Projects", "Three News" and "Stock, Increment and Quality", and insisted on using high-quality party building to lead the high-quality development of the Bank. All staff of the Bank made their concerted efforts, maintained the focus and stabilised the overall situation to achieve steady progress, promoting the in-depth development of the "Double-Five Battles".

Looking back at 2024: the development trend of the Bank was further improved. In 2024, the Bank achieved a reasonable growth in total volume and a steady improvement in quality. The asset growth rate remained at the industry average of 10% with growth in both revenue and profit. Breakthrough progress was made in difficult areas including improving corporate governance, which improved liquidity, increased capital, strengthened financial market financing capabilities, and significantly promoted debt interest rate, thereby enhancing the ability to serve the real economy. The main regulatory indicators continued to meet the standards and the regulatory score steadily improved, further strengthening the development quality of the Bank. The Bank ranked among the industry leaders in various areas including loan balances in Tianjin, China UnionPay traditional inter-bank debit card transaction volume, scale of credit bonds underwritten, and scale of asset-backed securities underwritten in Tianjin, constantly increasing its social influence.

The Bank maintained its strategic focus and made solid progress in the "Double-Five Battles". At the end of 2024, the Bank's total liabilities increased by 10.4%, total assets increased by 10.1%, deposits increased by 11.2%, and loans increased by 11.3%, continuously improving the structure of asset-liability scale. The Bank continued to reduce low-interest assets and lower funding costs, increased the investment in high-quality, high-yield assets and continuously improved asset pricing capabilities, as well as constantly optimised the structure of intermediary businesses to promote steady growth in operating income and profit. Continuous improvement was seen in asset quality, the ability to prevent and resolve financial risks, and the ability and space to serve the real economy.

Chairman's Statement

Bank firmly maintained its strategic intentions and promoted the optimisation of the two genes of the times. In terms of strengthening research genes, the Bank began to form the concept of research-driven development in 2024. Using the postdoctoral research workstation as a carrier, the Bank proactively allocated talents throughout the Bank, explored and expanded new models of joint learning and co-construction between banks and schools, and focused on the frontier theory to jointly carry out research projects, so as to focus on major national development strategies to guide practical innovation. In terms of strengthening scientific and technological genes, the Bank adhered to the concept of "technology support, technology replacement, technology leading and technology empowerment" to integrate technology concepts into daily management, clarify the overall structure of the Bank's technology support for business development, and coordinate business strategy and technology strategy, deepening the integration of industry and technology. We continuously enriched scientific and technological talents to realise a talent team with technological characteristics. Focusing on the four major sectors of "customer, business, risk and affair", the Bank continuously promoted the digital transformation, used AI models for precision marketing, and effectively reached retail customers with the "mobile banking + remote + PUSH + data + strategy" model. Driven by business development, the Bank created the "Smart Connect • Cloud Bank of Tianjin (智慧通•雲上天行)" product, extended services to various customer bases including government, enterprises, hospitals and schools to continuously expand customer bases, and built online scenarios including smart canteens and smart cultural tourism, accelerating the application of advanced technologies. With a focus on technology development resources, we joined hands with JD.com to participate in the reorganisation of Home Credit Consumer Finance Co., Ltd.

The Bank improved the quality of development to do well in the "five major areas". Marching forward towards the big stage of science and technology finance, the balance of loans to technology innovation enterprises increased by 21.64%, and the number of customers increased by more than 50% during the year. Climbing the gold and silver mountain of green finance, the Bank's total amount of green loans hit a historical high, with an increase of 41.30% in the green loan balance, and the number of customers increased by 29.66% during the year, and won the "Xinhua Credit Jinlan Cup (新華信用金蘭杯)" Green Finance Outstanding Case Award and other awards. Heading for the deep blue ocean of inclusive finance, the Bank's balance of inclusive small and micro loans increased by 12.71%. "Smart Connect" settled in 1.3973 million small and micro market entities, and its services covered 166 sub-industries of ten major industries including clothing, food, housing, transport and entertainment. The Bank built a silver-haired harbor for elderly care finance and created a brand of "Golden Autumn Harbor" for elderly care financial services, focusing on the construction of silver-haired economy industrial parks and project development, and increasing financial support for key areas of the elderly care industry. We created a new track for digital finance, and won 22 major industry awards and was approved for 38 intellectual property rights in 2024.

Chairman's Statement

Looking forward to 2025: the Bank will write a good “chapter” on building a modernised Bank of Tianjin with Chinese characteristics. To promote the realisation of the vision and goals, the Bank will, under the strong leadership of the Tianjin Municipal Party Committee, adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the path of finance with Chinese characteristics, the concept of financial culture with Chinese characteristics, the "six insistences" of the spirit of the Third Plenary Session of the 20th CPC Central Committee, and the general tone of "seeking progress in stability, promoting stability through progress, prioritising development before addressing problems, not addressing problems without development, and addressing problems and development at the same time", deeply practice "achieving four intended goals as planned", and comprehensively coordinate the relationship between party building and business, rectification and reform, upholding fundamental principles and innovation, incremental growth and stock, total volume and quality. In accordance with the cooperation concept of "Moving Towards the Future Together with Smart Bank of Tianjin", the Bank will strengthen research genes and scientific and technological genes, reconstruct development mechanisms, improve value innovation efficiency to enhance comprehensive capital returns. The Bank will build internal development capabilities, improve core competitiveness, and enhance the endogenous ability to serve the economy. We will also build external development resources, improve ecosystem services, and enhance the external space for serving the society.

We will work together and make unremitting efforts to build our Bank into a modern first-class regional bank that "satisfies the municipal party committee, reassures regulators, wins public praise, delights shareholders, and makes employees proud", and contribute Bank of Tianjin's strength to the chapter of modernisation with Chinese characteristics in Tianjin!

YU Jianzhong

Chairman

President's Statement

With the passing of time, a glorious new page is written every day. In 2024, adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Bank of Tianjin thoroughly implemented the spirit of the Central Economic Work Conference and the Central Financial Work Conference, actively practiced the political and people-oriented nature of financial work and improved the quality and efficiency of specialised financial services for the real economy to put into practice the requirements of "Ten Projects", "Three News" and "Stock, Increment and Quality" in Tianjin, and serve the regional economic development goals in the five provinces outside Tianjin. The Bank achieved success in "five major speed-up battles" based on foundation-oriented, realising steady growth in scale benefits.

In 2024, the Bank realised total assets of RMB925.994 billion, a growth rate of 10.1% from the end of the previous year, and total liabilities of RMB856.584 billion, a growth rate of 10.4%, and ranking among the industry leaders in various areas. The Bank was selected into the "State-owned Enterprise Social Responsibility Pioneer 100 Index (2024) (國有企業社會責任先鋒100指數(2024))" by the State-owned Assets Supervision and Administration Commission of the State Council, ranking 48th in China. We won 134 external honors including the "Financial Technology Development Award (金融科技發展獎)" established by the People's Bank of China. The Bank was successfully selected as one of the "Top 50 Pioneers of China's ESG Listed Companies in Beijing, Tianjin and Hebei (中國 ESG 上市公司京津冀先鋒 50)".

Focusing on serving the real economy, the Bank actively accelerated business transformation. As a local corporate bank, the Bank deeply cultivated the economic development in Tianjin, ranking first in Tianjin in terms of loan growth, first in Tianjin in terms of the scale of credit bonds underwritten, and fourth among the city commercial banks nationwide in terms of the asset-backed securities underwritten in 2024. The Bank continued to improve the green financial service system to land the first "Enterprise Green Code" linked loan in Tianjin, and the first green leasing asset-backed commercial bill in Tianjin, helping achieve the goals of carbon peak and carbon neutrality. We increased credit supply around the fixed asset construction projects promoted by Tianjin's "Ten Projects", supported the "Three News" and "Stock, Increment and Quality", and brought in financial liquidity to enable asset revitalisation and park function improvement, supporting Tianjin Diyang, Astor and other time-honored brands to rejuvenate. The Bank continued to build a new circulation system of "technology-industry-finance", and established the "Bank of Tianjin·Tianjin Science and Technology Innovation Growth Fund" to help cultivate the development of new quality productive forces.

Focusing on deepening inclusive demand, the Bank actively accelerated the upgrading of services. The Bank launched the flagship product "Smart Connect Inclusive" in the field of digital inclusive to build a service ecosystem of "technology + culture + finance + scenario". We continued to enrich the matrix of the "Smart Connect Inclusive" series of products, and focused on the construction of scenarios including smart cultural tourism, smart life, smart communities and smart campuses, with more than 11 million voices of "Bank of Tianjin Collection" heard in Beijing, Tianjin, Hebei, the Yangtze River Delta, and the central and western regions every day, adding fuel to the city's bustling atmosphere. We implemented pension financial services, and 211 branches passed the elderly-friendly service certification, and won the honors of "Elderly Care Financial Demonstration Service Institution (養老金融示範服務機構)" and "Modern Bank Branch Service Certification Demonstration Institution (現代化銀行營業網點服務認證示範機構)". The Bank continued to build a "retail sports finance" and "retail cultural finance" service system, making Tianjin popular with "Bank of Tianjin · 2024 Tianjin Marathon", and making Tianjin famous with "Bank of Tianjin · 2024 Tianjin Theater Festival".

President's Statement

Focusing on preventing and resolving risks, the Bank actively accelerated the promotion of management improvement.

The Bank continued to improve the asset life cycle management and credit risk management system, strengthened the policy guidance of new asset allocation, carried out risk assessment and stress testing to track the migration changes of risk assets, and increased the application of data and models to effectively improve the efficiency of risk management. The Bank gave full play to the monitoring role of the early warning system to realise early identification and early warning of credit risks, comprehensively improving the risk resistance ability and continuously enhancing the asset quality. We continued to promote the source governance of business risks to comprehensively strengthen the construction of compliance defense lines, and further improved the collaborative working mechanism of party discipline and business accountability and the supervision sharing platform, effectively promoting responsibility and fulfillment of duties. The Bank continued to strengthen the construction of the rule of law, enhanced the transmission of the rule of law culture, and improved the legal and compliant operation management.

Focusing on the layout of digital finance, the Bank actively accelerated the advancement of science and technology construction.

With the concept of "flat management", the Bank created a "Twin Digital Bank" full-staff system to empower the decision-making and deployment of the head office, the operation of branches and the coordinated guarantee of business lines, so as to help the development and operation of the Bank. Our Bank won two awards including the "15th Financial Technology Innovation Award-Data-Driven Financial Innovation Award (第十五屆金融科技創新獎—數據驅動金融創新獎)" from the People's Bank of China. With advanced technologies including digital twins and big data, we deeply identified customer behavior patterns, explored customer needs, and gave full play to the huge potential of technology platforms in improving the efficiency of financial services and optimising resource allocation. Through the "Talent Gathering Program (聚能計劃)", we strengthened the accumulation and transformation of scientific and technological achievements, and obtained 38 intellectual property rights, as well as 22 industry awards during the year.

President's Statement

Focusing on fulfilling the responsibilities, the Bank actively accelerated the development of connotation. With the financial culture with Chinese characteristics as the core, the Bank promoted the deep integration of corporate culture and business strategy, and continuously enhanced the driving force of business development. By firmly establishing the concept of "talent is the first resource", we improved the full-chain mechanism of "attracting, cultivating, using and retaining talents" and established a forward-looking and systematic talent training system. Focusing on the construction of professional talent teams in key areas, our Bank strengthened the supply of front-, middle – and back-end scientific and technological talents to help advance innovation and development in depth. Adhering to the original intention of finance for the people, we continued to carry out assistance to economically weak villages and social donations. The Bank implemented the responsibilities of financial publicity and education and consumer rights protection, and launched more than 6,000 online and offline publicity and education activities throughout the year, with the digital consumer protection management platform awarded the "15th Financial Technology Innovation Award".

In 2025, Bank of Tianjin will adhere to the path of finance with Chinese characteristics as well as characteristic operation and refined management, implement the arrangements of the Central Economic Work Conference, further deepen reforms, and strengthen its own "research genes" and "technological genes" to solidly advance the thorough implementation of transitional work, strive to transform all positive factors into tangible operational and developmental achievements, continuously write new chapters of progress through persistent efforts, and play a greater role in driving high-quality economic development.

WU Hongtao
President

Management Discussion and Analysis

I FINANCIAL REVIEW

1. Environment and Prospects

2024 was a critical year for achieving the goals and tasks of the 14th Five-Year Plan. Faced with the complex and severe situation of increasing external pressure and internal difficulties, the Party Central Committee with Comrade Xi Jinping as the core united and led the whole Party and people of all ethnic groups in China to respond calmly and adopt comprehensive measures. The overall economic operation was generally stable with steady progress, and high-quality development was steadily promoted, with the main economic and social development goals and tasks about to be completed. With steadily developing new quality productive forces, continuously deepening reform and opening up, orderly and effective resolution of risks in key areas, and solidly and effectively safeguarding people's livelihood, China's modernisation has taken new and solid steps. The development journey over the past year was extraordinary, and the achievements were inspiring. In particular, the deployment of a package of incremental policies at the meeting of the Political Bureau of the Central Committee on 26 September effectively boosted social confidence and led to a significant economic recovery.

The adverse effects of the current external environment changes have deepened, and China's economic operation is still facing many difficulties and challenges, mainly due to insufficient domestic demand, production and operation difficulties of certain enterprises, pressure on employment and income growth of the masses, as well as various risks and hidden dangers. Meanwhile, we must see that China's economic foundation is stable, with various advantages, strong resilience and great potential, and the long-term supporting conditions and basic trends have not changed. We must face up to difficulties, strengthen our confidence, and strive to transform positive factors from all aspects into development results.

The Central Economic Work Conference required that by 2025, we shall take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guide, fully implement the spirit of the 20th National Congress of the Communist Party of China and the Second and Third Plenary Sessions of the 20th Central Committee, adhere to the general working tone of seeking progress while maintaining stability, and thoroughly and accurately practice the new development concept to accelerate the construction of a new development pattern, solidly promote high-quality development, further comprehensively deepen reform, expand high-level opening up and build a modern industrial system. We shall also better coordinate development and security, implement more proactive and effective macroeconomic policies and increase domestic demand to facilitate the integrated development of scientific and technological innovation and industrial innovation. Through stabilising the property and stock markets, preventing and resolving risks and external shocks in key areas, as well as anchoring market expectations and stimulating vitality, we aim to promote the sustained recovery of the economy, continuously improve people's living standards, and maintain social harmony and stability, so as to complete the goals and tasks of the 14th Five-Year Plan with high quality, and lay a sound foundation for a good start to the 15th Five-Year Plan.

Management Discussion and Analysis

2. Overall Operation Analysis

In 2024, the Bank thoroughly implemented the spirit of General Secretary Xi Jinping's important speech during his inspection in Tianjin and a series of important instructions and requirements for Tianjin, practiced the decisions and arrangements of the Tianjin Municipal Party Committee and Municipal Government, and took the "five major areas" as the key to focus on serving new quality productive forces, support the "Stock, Increment and Quality" and "Three News", and keep up with market changes and policy guidance, so as to improve the quality and efficiency of serving the real economy, achieve diversified business layout and balanced development, and maintain steady growth in business scale and operating condition.

The operating results witnessed an overall improvement

Guided by the real economy, the Bank achieved reasonable growth in volume. Total assets amounted to RMB925.994 billion, up 10.1% from the end of the previous year, of which the balance of various loans amounted to RMB440.779 billion, up 11.3% from the end of the previous year. Total liabilities amounted to RMB856.584 billion, up 10.4% from the end of the previous year, of which the balance of various deposits amounted to RMB500.957 billion, up 11.2% from the end of the previous year.

The Bank followed the principle of improving quality and efficiency to promote effective improvement in quality. With both revenue and profit continuing to rise, we achieved operating revenue of RMB16.709 billion, representing a year-on-year increase of 1.5%; total profit of RMB4.203 billion, representing a year-on-year increase of 7.2%; and net profit of RMB3.829 billion, representing a year-on-year increase of 1.6%.

Based on risk prevention and control, asset quality was steadily enhanced. The non-performing loan ratio was 1.7%, flat compared to the end of the previous year. The allowance coverage ratio was 169.21%, representing an increase of 1.35 percentage points from the end of the previous year. With the continuously strengthened capital base, the Bank completed the issuance of tier-2 capital bonds of RMB10 billion. The capital adequacy ratio, tier-one capital adequacy ratio, and core tier-one capital adequacy ratio were 13.59%, 10.47% and 9.53% respectively, meeting regulatory requirements.

With the concept of value sharing, the Bank promoted the long-term sustainability of investment returns. We achieved earnings per share of RMB0.63, representing a year-on-year increase of 1.6%. It is proposed to make a cash dividend of RMB1.368 per 10 shares, representing a year-on-year increase of 14.0%, or a year-on-year increase of 2.4 percentage points in cash dividend rate, which will be implemented after consideration and approval by the general meeting.

Management Discussion and Analysis

Steady Progress in Business Transformation

By leveraging new quality productive forces as a key driver, both the volume and quality of corporate business achieved simultaneous growth. Our corporate loan balance amounted to RMB333.991 billion, representing an increase of 21.9% over the end of the previous year. The deposit balance of corporate customers amounted to RMB281.43 billion, representing an increase of 6.8% over the end of the previous year. The Bank ranked first among local corporate financial institutions in Tianjin in terms of loan balances in Tianjin and first in terms of total corporate deposits in Tianjin. We built dual engines for transaction banking and investment banking intermediary business income, with transaction banking business volume exceeding RMB200 billion and investment banking bond underwriting volume reaching RMB108.072 billion, ranking first in the Tianjin market. The Bank supported industrial finance and shipping finance, the loan balance for key industrial chains in the Tianjin region increased by 59.69% as compared to the end of the previous year. Funding allocated to Tianjin's port economy and state-owned enterprises in the foreign trade sector increased by 20.82% year-on-year, while financing provided to shipping and logistics enterprises in the Tianjin increased by 129% year-on-year.

The customer-centric retail business evolved through scenario-based, intelligent, and digital development. By sponsoring Tianjin Marathon 2024 and the 2024 Tianjin Theatre Festival, the Bank established a service system for "sports finance" and "culture finance". The Tianjin Marathon series events attracted over 50,000 participants, with AUM reaching RMB3.3 billion, while the Theatre Festival events drew nearly 45,000 participants, with AUM reaching RMB4.5 billion. The Bank deepened its efforts in building the "Smart Connect" scenarios, acquiring 407,300 new scenario customers in 2024. The balance of scenario loans amounted to RMB20.046 billion, representing an increase of 143.8% from the beginning of the year, with more than 11 million voices of "Bank of Tianjin Collection" heard in Beijing, Tianjin, Hebei, the Yangtze River Delta, and the central and western regions every day. As of the end of the Reporting Period, personal deposits had grown by 19.2% compared to the beginning of the year.

Guided by optimisation of structure, the efficiency of capital operations was significantly improved. The Bank increased the underwriting of interest rate bonds, with a cumulative underwriting of RMB183.06 billion, representing a year-on-year increase of 78.2%, and a year-on-year increase of 47.3% in pre-tax commission income. We promoted the construction of the "inter-industry ecosystem", and hosted the "Gathering Wisdom and New Quality, Moving Towards the Future" peer exchange meeting on the west bank of the Haihe River and the "Broadening Horizons for Financiers" financial market business exchange conference. We completed the issuance of financial bonds of RMB15 billion with an interest rate as low as 1.78%. The Bank optimised the operation of its wealth management business, with the performance compliance rate of pure fixed income products approaching 100%. We added 206,900 new wealth management contracted customers, and won important industry awards including the "Golden Bull Award" and the "Golden Shell Award".

Management Discussion and Analysis

The “five major areas” bore fruitful outcomes

Marching forward towards the big stage of science and technology finance. The Bank’s loan balance for technology innovation enterprises amounted to RMB16.051 billion, up 21.64% from the end of last year, with five “Bank of Tianjin · Tianjin Science and Technology Innovation Growth Fund (Series)” successfully signed. We created the “Smart Technology” product and service solution and launched the first intellectual property asset-backed commercial note in China.

Climbing the gold and silver mountain of green finance. The Bank’s green loan balance amounted to RMB34.406 billion, up 41.30% from the end of the previous year. The green financial leasing balance amounted to RMB3.819 billion, up 89.06% from the end of the previous year. Green credit demonstrated significant environmental benefits, cumulatively supporting a reduction of 792,000 tons in carbon emissions and saving 9.198 million tons of water.

Heading for the deep blue ocean of inclusive finance. With coordinated efforts online and offline, the Bank optimised and upgraded the construction of the “Smart Connect Inclusive” brand and deepened the “Inclusive Thousands of Enterprises Matching Plan”. The balance of loans to inclusive small and micro enterprises amounted to RMB41.989 billion, representing an increase of 12.71% over the end of the previous year. The balance of inclusive agriculture-related loans amounted to RMB5.699 billion, representing an increase of 22.72% over the end of the previous year.

Building a silver-haired harbor for elderly care finance. The Bank launched the “Bank of Tianjin Pension Financial Service Project”, and all of the Bank’s branches with independent business locations passed the elderly service certification, with the proportion of elderly service demonstration rating branches exceeding 40%. The Bank enriched its pension financial product system to meet the diversified financial needs of the elderly, with elderly-friendly savings reaching RMB98.667 billion, representing an increase of 26.3% over the end of the previous year.

Creating a new track for digital finance. The Bank adhered to the principle of “driving customers with scenarios and promoting activity with scenarios” and focused on ten key scenarios including merchants, medical care, and cultural tourism to improve the “Smart Connect” product matrix and business structure. The online channels were upgraded with a total of 4.2059 million personal mobile banking customers, and the number of monthly active users was ranked the eighth among city commercial banks nationwide. The number of corporate online banking customers increased by 13.70% from the end of the previous year, and the transaction amount increased by 40.53% year-on-year, winning the “2024 Digital Finance Gold List Award-Best Operation Award for Corporate Mobile Banking”.

Management Discussion and Analysis

3. Analysis of the Income Statement

	For the year ended 31 December		Rate of Change (%)
	2024	2023	
	<i>(Amounts in thousands of Renminbi, unless otherwise stated)</i>		
Interest income	30,985,203	31,212,336	(0.7)
Interest expense	(19,670,894)	(19,791,966)	(0.6)
NET INTEREST INCOME	11,314,309	11,420,370	(0.9)
Investment income	2,601,463	2,926,224	(11.1)
Fee and commission income	2,208,566	2,084,626	5.9
Fee and commission expense	(529,401)	(514,454)	2.9
NET FEE AND COMMISSION INCOME	1,679,165	1,570,172	6.9
Net trading gains or losses	1,012,477	360,870	180.6
Net gains arising from derecognition of financial assets measured at amortised cost	245,926	30,719	700.6
Other income, gains or losses	(144,537)	147,520	(198.0)
OPERATING INCOME	16,708,803	16,455,875	1.5
Operating expenses	(4,941,958)	(4,789,274)	3.2
Impairment losses	(7,583,363)	(7,770,265)	(2.4)
Share of results of associates	19,437	23,785	(18.3)
PROFIT BEFORE TAX	4,202,919	3,920,121	7.2
Income tax expense	(373,904)	(153,226)	144.0
PROFIT FOR THE YEAR	3,829,015	3,766,895	1.6

Management Discussion and Analysis

During the Reporting Period, the Bank's profit before tax amounted to RMB4.2 billion, representing an increase of RMB0.28 billion over the same period last year or a year-on-year increase of 7.2%, and net profit amounted to RMB3.83 billion, representing an increase of RMB0.06 billion over the same period last year or a year-on-year increase of 1.6%.

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

During the Reporting Period, against the backdrop of a decline in the industry's overall interest margin, the Bank's net interest spread decreased to 1.55% from 1.75% in the same period of the previous year, with the net interest margin decreasing to 1.47% from 1.65% in the same period of the previous year.

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

	For the year ended 31 December					
	Average balance	2024 Interest income	Average yield (%)	Average balance	2023 Interest income	Average yield (%)
<i>(Amounts in millions of RMB, except for percentages)</i>						
Interest-earning assets						
Loans and advances to customer	434,450.8	22,355.6	5.15	368,806.6	21,835.1	5.92
Investment securities and other financial assets ⁽¹⁾	246,111.1	6,833.4	2.78	241,232.6	7,770.4	3.22
Amounts due from banks and other financial institutions ⁽²⁾	44,685.3	1,267.9	2.84	33,718.6	1,080.2	3.20
Deposits with banks and other financial institutions	3,977.1	16.1	0.40	7,638.4	15.4	0.20
Balances with central bank	38,974.4	512.2	1.31	38,775.1	511.3	1.32
Total interest-earning assets	768,198.7	30,985.2	4.03	690,171.3	31,212.4	4.52
Allowance for impairment losses	(15,569.9)			(14,357.7)		
Non-interest-earning assets ⁽³⁾	123,844.4			119,066.8		
Total assets	876,473.2	30,985.2	3.54	794,880.4	31,212.4	3.93

Management Discussion and Analysis

	For the year ended 31 December					
		2024		2023		
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
<i>(Amounts in millions of RMB, except for percentages)</i>						
Interest-bearing liabilities						
Due to customers	460,219.3	11,620.2	2.52	415,030.2	11,997.9	2.89
Deposits from banks and other financial institutions	68,357.9	1,658.7	2.43	51,207.2	1,280.4	2.50
Amounts due to banks and other financial institutions ⁽⁴⁾	86,702.3	2,037.5	2.35	98,175.2	2,595.6	2.64
Debt securities issued	98,621.0	2,460.8	2.50	80,474.6	2,119.9	2.63
Lease liabilities	1,018.7	33.2	3.26	1,087.2	37.2	3.42
Borrowings from central bank	77,393.1	1,860.5	2.40	67,453.5	1,761.0	2.61
Total interest-bearing liabilities	792,312.3	19,670.9	2.48	713,427.9	19,792.0	2.77
Non-interest-bearing liabilities ⁽⁵⁾	15,884.1			17,422.7		
Total liabilities	808,196.4	19,670.9	2.43	730,850.6	19,792.0	2.71
Net interest income ⁽⁶⁾		11,314.3			11,420.4	
Net interest spread ⁽⁷⁾			1.55			1.75
Net interest margin ⁽⁸⁾			1.47			1.65

Notes:

- (1) Includes financial assets measured at amortised cost and financial assets measured at FVOCI.
- (2) Consists of financial assets held under resale agreements and placements with banks and other financial institutions.
- (3) Consists of financial assets measured at FVTPL, cash, interest receivables, property and equipment, intangible assets, other receivables, repossessed assets, deferred tax assets, derivative financial assets, right-of-use assets and interests in associates, etc.

Management Discussion and Analysis

- (4) Consists of financial assets sold under repurchase agreements, financial liabilities held for trading and placements from banks and other financial institutions.
- (5) Consists of interest payables, sundry taxes payable, other payables, provisions, salaries and benefits payables, dividends payable and derivative financial liabilities, etc.
- (6) The Bank's net interest income excludes net interest income from financial assets at fair value through profit or loss, i.e. data on investment income accounts.
- (7) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
- (8) Calculated by dividing net interest income by the daily average balance of total interest-earning assets.

3.2 Interest income

During the Reporting Period, our interest income was RMB30.99 billion, representing a decrease of RMB0.23 billion as compared to the same period last year or a year-on-year decrease of 0.7%; the average yield of these interest-earning assets was 4.03%, representing a year-on-year decrease of 49 basis points, which was mainly due to the Bank's insistence on "returning to its origins" and response to China's policy orientation of reducing the financing costs of the real economy to increase credit supply to key areas of the real economy and enhance support for the real economy, resulting in a decline in the yield on interest-earning assets.

Interest income from loans and advances to customers

During the Reporting Period, interest income from our loans and advances to customers amounted to RMB22.36 billion, representing an increase of RMB0.52 billion as compared to the same period last year, or a year-on-year increase of 2.4%, primarily because the average balance of loans and advances to customers increased by 17.8% year-on-year to RMB434.45 billion. The increase in the average balance of loans and advances to customers was mainly due to the Bank's insistence on "returning to its origins" and optimisation of asset structure to increase credit supply to key areas of the real economy and enhance support for the real economy.

Management Discussion and Analysis

Interest income from investment securities and other financial assets

During the Reporting Period, the Bank's interest income from investment securities and other financial assets amounted to RMB6.83 billion, representing a decrease of RMB0.94 billion as compared to the same period last year, or a year-on-year decrease of 12.1%, mainly due to the year-on-year decrease of 44 basis points in the average yield of investment securities and other financial assets to 2.78%. The decrease in the average yield of investment securities and other financial assets were primarily due to the decrease in market rates.

Interest income from amounts due from banks and other financial institutions

During the Reporting Period, interest income from amounts due from banks and other financial institutions amounted to RMB1.27 billion, representing an increase of RMB0.19 billion as compared to the same period last year, or a year-on-year increase of 17.4%, mainly due to the year-on-year increase of 32.5% in the average balance of amounts due from banks and other financial institutions to RMB44.69 billion. The increase in average balance of amounts due from banks and other financial institutions was mainly due to the Bank's active adjustment of asset structure and proper increase in the scale of such assets.

Interest income from deposits with banks and other financial institutions

During the Reporting Period, interest income from deposits with banks and other financial institutions amounted to RMB0.02 billion, representing an increase of RMB1 million as compared to the same period last year, or a year-on-year increase of 4.5%, maintaining stable basically.

Interest income from balances with central bank

During the Reporting Period, interest income from balances with central bank amounted to RMB0.51 billion, representing an increase of RMB1 million as compared to the same period last year, or a year-on-year increase of 0.2%, maintaining stable basically.

Management Discussion and Analysis

3.3 Interest expense

During the Reporting Period, our interest expense amounted to RMB19.67 billion, representing a decrease of RMB0.12 billion as compared to the same period last year, or a year-on-year decrease of 0.6%, mainly because relying on the sound results of the “battle of absorbing deposits” and “battle of reducing cost”, the average cost of interest-bearing liabilities decreased by 29 basis points year-on-year to 2.48%.

Interest expense on due to customers

During the Reporting Period, our interest expense on due to customers amounted to RMB11.62 billion, representing a decrease of RMB0.38 billion as compared to the same period last year, or a year-on-year decrease of 3.1%, mainly due to the year-on-year decrease of 37 basis points in the average cost on our customer deposits to 2.52%. The decrease in average cost of due to customers was mainly due to the Bank’s adherence to the concept of “deposit-oriented banking”, taking the “battle of absorbing deposits” and “battle of reducing cost” as the key to continue to optimise the deposit structure and enhance the quality of liabilities.

Interest expense on deposits from banks and other financial institutions

During the Reporting Period, our interest expense on deposits from banks and other financial institutions amounted to RMB1.66 billion, representing an increase of RMB0.38 billion as compared to the same period last year, or a year-on-year increase of 29.5%, mainly due to the year-on-year increase of 33.5% in the average balance of deposits from banks and other financial institutions to RMB68.36 billion. The year-on-year increase in average balance of deposits from banks and other financial institutions was mainly because the Bank appropriately adjusted its liability structure and increased the scale of such liabilities.

Interest expense on amounts due to banks and other financial institutions

During the Reporting Period, our interest expense on amounts due to banks and other financial institutions amounted to RMB2.04 billion, representing a decrease of RMB0.56 billion as compared to the same period last year, or a year-on-year decrease of 21.5%, mainly due to the year-on-year decrease of 11.7% in the average balance of amounts due to banks and other financial institutions to RMB86.7 billion. The year-on-year decrease in the average balance of amounts due to banks and other financial institutions was mainly because the Bank appropriately adjusted its liability structure and decreased the scale of such liabilities.

Management Discussion and Analysis

Interest expense on debt securities issued

During the Reporting Period, our interest expense on debt securities issued amounted to RMB2.46 billion, representing an increase of RMB0.34 billion as compared to the same period last year, or a year-on-year increase of 16.1%, mainly due to the year-on-year increase of 22.5% in the average balance of debt securities issued to RMB98.62 billion. The increase in average balance of debt securities issued was mainly due to the Bank's active adjustments to its debt structure and completion of issuance of tier-2 capital bonds of RMB10 billion and financial bonds of RMB15 billion, which continuously expanded its debt sources.

Interest expense on lease liabilities

During the Reporting Period, our interest expense on lease liabilities amounted to RMB30 million, representing a decrease of RMB4 million as compared to the same period last year, or a year-on-year decrease of 10.8%, mainly due to the year-on-year decrease of 6.3% in the average balance of lease liabilities to RMB1.02 billion and the year-on-year decrease of 16 basis points in the average cost of lease liabilities to 3.26%.

Interest expense on borrowings from central bank

During the Reporting Period, our interest expense on borrowings from central bank amounted to RMB1.86 billion, representing an increase of RMB0.1 billion as compared to the same period last year, or a year-on-year increase of 5.7%, mainly due to the year-on-year increase of 14.7% in the average balance of borrowings from central bank to RMB77.39 billion. The increase in average balance of borrowings from central bank was mainly because the Bank actively obtained policy support from the central bank to fully utilize medium-term lending facilitation, refinancing, rediscounting and carbon emission reduction support tools to support the real economy, private small and micro-enterprises and green development.

3.4 Investment income

Investment income represents investment income in financial instruments measured at FVTPL, including debt securities investment, funds, asset management plans and trust plans and wealth management products income measured at FVTPL. During the Reporting Period, the investment income of the Bank was RMB2.6 billion, representing a decrease of RMB0.32 billion as compared to the same period last year, or a year-on-year decrease of 11.1%, which mainly because the Bank proactively optimised its investment structure and reduced non-standardised debt investments including asset management plans and trust plans, resulting in a corresponding decrease in investment income.

Management Discussion and Analysis

3.5 Net fee and commission income

The following table sets forth the principal components of our net fee and commission income for the periods indicated.

	For the year ended 31 December			
	2024	2023	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except for percentages)</i>				
Fee and commission income				
Agency commission and underwriting service fee	1,139.8	1,206.7	(66.9)	(5.5)
Settlement and clearing fees	667.0	439.5	227.5	51.8
Wealth management service fees	272.1	240.1	32.0	13.3
Acceptance and guarantee commitment fees	53.0	46.5	6.5	14.0
Bank card fees	49.6	58.3	(8.7)	(14.9)
Consultancy fees	25.4	87.1	(61.7)	(70.8)
Others	1.7	6.5	(4.8)	(73.8)
Subtotal	2,208.6	2,084.7	123.9	5.9
Fee and commission expense	(529.4)	(514.5)	(14.9)	2.9
Net fee and commission income	1,679.2	1,570.2	109.0	6.9

During the Reporting Period, our net fee and commission income amounted to RMB1.68 billion, representing an increase of RMB110 million as compared to the same period last year, or a year-on-year increase of 6.9%. In particular, fee and commission income amounted to RMB2.21 billion, representing an increase of RMB120 million, or increase of 5.9%, as compared with the corresponding period of the previous year, mainly attributable to the increase in settlement and clearing fees; and fee and commission expense amounted to RMB530 million, representing an increase of RMB10 million as compared with the corresponding period of the previous year, or an increase of 2.9%, maintaining stable basically.

Management Discussion and Analysis

3.6 Net Trading Gains/(Losses)

Net trading gains/(losses) arise from realised and unrealised profit and loss of financial assets measured at FVTPL, the net disposal gains and losses of debt instruments measured at fair value through other comprehensive income ("FVOCI") and net gains and losses arising from derivative financial instruments. Our net trading gains/(losses) amounted to RMB1.01 billion for the Reporting Period, while we recorded net trading gains/(losses) of RMB0.36 billion for the same period last year, representing a year-on-year increase of 180.6%, mainly due to the Bank's effective grasp of market opportunities to increase net trading profits and losses.

3.7 Operating expenses

The following table sets forth the principal components of our operating expenses for the periods indicated.

	For the year ended 31 December			
	2024	2023	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except for percentages)</i>				
Operating expenses				
Staff costs	2,606.4	2,448.6	157.8	6.4
Other general and administrative expenses	838.1	827.2	10.9	1.3
Rental and property management expenses	99.7	85.0	14.7	17.3
Depreciation and amortisation	688.5	786.3	(97.8)	(12.4)
Office expenses	484.1	408.6	75.5	18.5
Sundry taxes	225.2	233.6	(8.4)	(3.6)
Total operating expenses	4,942.0	4,789.3	152.7	3.2
Cost-to-income ratio⁽¹⁾	28.23%	27.68%	–	0.55

Note:

(1) Calculated by dividing total operating expenses, excluding sundry taxes, by total operating income.

Management Discussion and Analysis

During the Reporting Period, our operating expenses amounted to RMB4.94 billion, representing an increase of RMB0.15 billion as compared to the same period last year, or a year-on-year increase of 3.2%, mainly due to the year-on-year increase in staff costs.

Our cost-to-income ratio (excluding sundry taxes) was 27.68% and 28.23% for the same period of the previous year and the Reporting Period, respectively, representing a year-on-year increase of 0.55 percentage point.

Staff costs

During the Reporting Period, our total staff costs amounted to RMB2.61 billion, representing an increase of RMB0.16 billion as compared to the same period last year, or a year-on-year increase of 6.4%.

The following table sets forth the principal components of staff costs of the Bank for the periods indicated.

	For the year ended 31 December			
	2024	2023	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except for percentages)</i>				
Salaries, bonuses and allowances	1,824.4	1,713.1	111.3	6.5
Social security contributions	341.6	332.1	9.5	2.9
Housing funds	149.0	143.5	5.5	3.8
Staff welfare	107.5	95.1	12.4	13.0
Labour union fees and staff education expenses	50.4	43.0	7.4	17.2
Annuity scheme	133.5	121.8	11.7	9.6
Total	2,606.4	2,448.6	157.8	6.4

Management Discussion and Analysis

Sundry taxes

During the Reporting Period, our sundry taxes amounted to RMB0.23 billion, representing a decrease of RMB0.01 billion as compared to the same period last year, or a year-on-year decrease of 3.6%, maintaining stable basically.

Office expenses and rental and property management expenses

During the Reporting Period, our office expenses and rental and property management expenses amounted to RMB0.58 billion, representing an increase of RMB0.09 billion as compared to the same period last year, or a year-on-year increase of 18.3%, mainly because the Bank increased its investment in technology and actively developed its business, which led to an increase in related costs.

Other general and administrative expenses

During the Reporting Period, our other general and administrative expenses amounted to RMB0.84 billion, representing an increase of RMB0.01 billion as compared to the same period last year, or a year-on-year increase of 1.3%, maintaining stable basically.

Depreciation and amortisation

During the Reporting Period, depreciation and amortisation of the Bank, including right-of-use assets, amounted to RMB0.69 billion, representing a decrease of RMB0.1 billion as compared to the same period last year, or a year-on-year decrease of 12.4%, mainly due to that certain assets were fully depreciated and amortised.

Management Discussion and Analysis

3.8 Impairment losses

The following table sets forth the principal components of our impairment losses for the periods indicated.

	For the year ended 31 December			
	2024	2023	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except for percentages)</i>				
Loans and advances to customers at amortised cost	6,504.0	7,430.3	(926.3)	(12.5)
Loans and advances to customers at FVOCI	0.2	(8.8)	9.0	102.3
Credit commitments	100.2	(136.6)	236.8	173.4
Debt instruments at amortised cost	952.3	217.2	735.1	338.4
Debt instruments at FVOCI	33.1	(14.7)	47.8	325.2
Deposits with banks and other financial institutions	0.5	(18.0)	18.5	102.8
Placements with banks and other financial institutions	2.0	1.9	0.1	5.3
Financial assets held under resale agreements	6.9	–	6.9	–
Others	(15.8)	299.0	(314.8)	(105.3)
Total	7,583.4	7,770.3	(186.9)	(2.4)

During the Reporting Period, our impairment losses amounted to RMB7.58 billion, representing a decrease of RMB0.19 billion as compared to the same period last year, or a year-on-year decrease of 2.4%, which was primarily due to the Bank's focus on "strong collection" and "refined management" to speed up the collection and disposal of non-performing assets, which achieved a year-on-year decrease in impairment losses on assets.

Management Discussion and Analysis

3.9 Income tax expense

The following table sets forth the principal components of our income tax expenses for the periods indicated.

	For the year ended 31 December			
	2024	2023	Change in amount	Rate of change (%)
	<i>(Amounts in millions of RMB, except for percentages)</i>			
Profit before tax	4,202.9	3,920.1	282.8	7.2
Tax calculated at the applicable statutory tax rate of 25%	1,050.7	980.0	70.7	7.2
Income tax at concessionary rate	(0.5)	(2.8)	2.3	(82.1)
The effect of the temporary differences that had not been recognised in the period	—	(15.3)	15.3	(100.0)
Income tax adjustment for prior years	146.4	0.2	146.2	73,100.0
Tax effect of expenses not deductible for tax purpose	71.4	63.6	7.8	12.3
Tax effect of income not subject to tax ⁽¹⁾	(894.1)	(872.5)	(21.6)	2.5
Income tax expense	373.9	153.2	220.7	144.1

Note:

- (1) The income not subject to tax mainly represents interest income arising from government bonds and fund dividends. Such interest income is tax free under the PRC tax regulations.

During the Reporting Period, our income tax amounted to RMB0.37 billion, representing an increase of RMB0.22 billion as compared to the same period last year, or a year-on-year increase of 144.1%. The increase was primarily due to the increase in profit before tax.

Management Discussion and Analysis

4. ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

4.1 Assets

The following table sets forth, as of the dates indicated, the components of our total assets.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
ASSETS					
Gross loans and advances to customers	453,655.5	49.0	407,450.5	48.5	11.3
Allowance for impairment losses	(12,876.1)	(1.4)	(11,441.3)	(1.4)	12.5
Loans and advances to customers, net	440,779.4	47.6	396,009.2	47.1	11.3
Investment securities and other financial assets, net	363,396.7	39.2	346,668.5	41.2	4.8
Financial assets held under resale agreements	40.0	0.0	7,668.8	0.9	(99.5)
Cash and balances with central bank	57,383.7	6.2	45,093.9	5.4	27.3
Deposits with banks and other financial institutions	2,960.1	0.3	4,661.4	0.6	(36.5)
Placements with banks and other financial institutions	45,391.5	4.9	28,468.3	3.4	59.4
Derivative financial assets	27.7	0.0	82.9	0.0	(66.6)
Other assets ⁽¹⁾	16,014.6	1.8	12,118.5	1.4	32.2
Total assets	925,993.7	100.0	840,771.5	100.0	10.1

Note:

- (1) Consist primarily of property and equipment, right-of-use assets, deferred tax assets, interests in associates, prepaid expenses, intangible assets and other receivables, etc.

Management Discussion and Analysis

As of the end of the Reporting Period, our total assets amounted to RMB925.99 billion, representing an increase of RMB85.22 billion as compared to the end of last year or an increase of 10.1%, which was primarily because the Bank actively implemented the important requirements of “achieving four intended goals as planned” and empowered “new quality productive forces”, solidly carried out the “five major areas” of finance, and focused on “technological innovation, industrial refreshing and urban renewal”, “revitalising the stock, cultivating the incremental growth and improving quality” and “Ten Projects” of Tianjin to increase credit supply in key areas, so as to enable orderly growth in the assets.

Loans and advances to customer

The following table sets forth, as of the dates indicated, a breakdown of our loans by business line.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Corporate loans	333,991.4	73.6	274,018.9	67.2	21.9
Personal loans	97,311.5	21.5	110,588.8	27.1	(12.0)
Finance lease receivables	902.8	0.2	206.0	0.1	338.3
Discounted bills	21,449.8	4.7	22,636.8	5.6	(5.2)
Total	453,655.5	100.0	407,450.5	100.0	11.3

Corporate loans

As of the end of the Reporting Period, our corporate loans amounted to RMB333.99 billion, representing an increase of RMB59.97 billion as compared to the end of last year or a year-on-year increase of 21.9%, which was primarily because the Bank aimed at the “five major areas” of finance, focused on the “Ten Projects (十項行動)” of Tianjin and continued to increase credit investment in key areas of the real economy in response to the policy call, and increased the size of corporate loans.

Management Discussion and Analysis

The following table sets forth a breakdown of our corporate loans by contract maturity as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Short-term loans (one year or less)	57,030.5	17.1	48,622.9	17.7	17.3
Medium and long-term loans (over one year)	276,960.9	82.9	225,396.0	82.3	22.9
Total corporate loans	333,991.4	100.0	274,018.9	100.0	21.9

Short-term loans as a percentage of our corporate loan portfolio decreased from 17.7% at the end of last year to 17.1% at the end of the Reporting Period and our medium and long-term loans as a percentage of our corporate loan portfolio increased from 82.3% at the end of last year to 82.9% at the end of the Reporting Period, and the maturity structure of corporate loans maintained stable basically.

The following table sets forth the distribution of our corporate loans by product type as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Working capital loans	169,025.1	50.6	124,746.9	45.4	35.5
Fixed asset loans	116,371.3	34.8	101,979.2	37.2	14.1
Trade finance	7,039.2	2.1	7,597.1	2.8	(7.3)
Others ⁽¹⁾	41,555.8	12.5	39,695.7	14.6	4.7
Total corporate loans	333,991.4	100.0	274,018.9	100.0	21.9

Note:

(1) Consist primarily of merger and acquisition loans and factoring business.

Management Discussion and Analysis

As of the end of the Reporting Period, our working capital loans amounted to RMB169.03 billion, representing an increase of RMB44.28 billion as compared to the end of last year or an increase of 35.5%, which was primarily due to that the Bank continued to increase in credit facilities to meet the financing needs of production and business activities of real economic entities.

As of the end of the Reporting Period, our fixed assets loans amounted to RMB116.37 billion, representing an increase of RMB14.39 billion as compared to the end of last year or an increase of 14.1%, which was primarily due to the Bank's continuous increase in credit facilities to meet the financing needs for construction of projects.

At of the end of the Reporting Period, the Bank's trade finance and other corporate loans totaled RMB48.6 billion, representing an increase of RMB1.3 billion or 2.7% from the end of the previous year, mainly due to the Bank's efforts to meet market demand and strengthen marketing promotion of its supply chain business.

Personal loans

As of the end of the Reporting Period, our personal loans amounted to RMB97.31 billion, representing a decrease of RMB13.28 billion as compared to the end of last year or a decrease of 12.0%, which was primarily due to the Bank's continued optimisation for the scale of internet loans.

Management Discussion and Analysis

The following table sets forth a breakdown of our personal loans by product type as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Personal loans for consumption ⁽¹⁾	42,173.4	43.4	48,451.9	43.8	(13.0)
Personal loans for business purposes	33,983.8	34.9	37,434.6	33.9	(9.2)
Residential mortgage loans	21,154.3	21.7	24,702.3	22.3	(14.4)
Total personal loans	97,311.5	100.0	110,588.8	100.0	(12.0)

Note: (1) including credit card overdrafts.

As of the end of the Reporting Period, our personal loans for consumption amounted to RMB42.17 billion, representing a decrease of RMB6.28 billion as compared to the end of last year or a decrease of 13.0%, mainly due to the Bank's continued optimisation of its internet loan scale.

As of the end of the Reporting Period, our personal loans for business purposes amounted to RMB33.98 billion, representing a decrease of RMB3.45 billion as compared to the end of last year or a decrease of 9.2%, which was mainly due to the Bank's continued optimisation of its internet loan scale.

As of the end of the Reporting Period, our residential mortgage loans amounted to RMB21.15 billion, representing a decrease of RMB3.55 billion as compared to the end of last year or a decrease of 14.4%, which was mainly due to lack of market demand and lower loan balances as compared to the end of the previous year.

Management Discussion and Analysis

Finance lease receivables

As of the end of the Reporting Period, our finance lease receivables amounted to RMB0.9 billion, representing an increase of RMB0.7 billion as compared to the end of last year or an increase of 338.3%, which was mainly due to the Bank's active response to regulatory policy guidance to increase investments in direct leasing business.

Discounted bills

As of the end of the Reporting Period, our discounted bills amounted to RMB21.45 billion, representing a decrease of RMB1.19 billion as compared to the end of last year or a decrease of 5.2%, which was primarily due to the decreased financing demand for customer due to factors such as the shortening of the maturity period of bills, resulting in a decline in business volume.

Investment securities and other financial assets

As of the end of the Reporting Period, our net investment securities and other financial assets amounted to RMB363.4 billion, representing an increase of RMB16.73 billion as compared to the end of last year or an increase of 4.8%, which was primarily due to the increased investment in standardised bonds to support the financing demand of the real economy.

Management Discussion and Analysis

The following table sets forth the components of our investment securities and other financial assets as of the end of last year and the end of the Reporting Period.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Debt securities					
Debt securities measured at amortised cost	138,305.7	38.1	141,766.9	40.9	(2.4)
Debt securities measured at FVOCI	102,333	28.2	88,863.2	25.6	15.2
Debt securities measured at FVTPL	19,311.7	5.3	11,580.1	3.3	66.8
Allowance for impairment losses	(433.8)	(0.1)	(487.0)	(0.1)	(10.9)
Subtotal	259,516.6	71.5	241,723.2	69.7	7.4
Funds	51,694.8	14.2	40,579.4	11.7	27.4
Wealth management products issued by other financial institutions					
	4,000.3	1.1	–	–	–
Asset management plans and trust plans and other debt financing products, net					
Asset management plans and trust plans	35,335.1	9.6	48,491.3	14.0	(27.1)
Other debt financing products	11,590.7	3.2	13,873.8	4.0	(16.5)
Allowance for impairment losses	(2,108.8)	(0.6)	(1,371.9)	(0.4)	53.7
Subtotal	44,817.0	12.2	60,993.2	17.6	(26.5)
Equity investments					
Equity investments measured at FVTPL	1,725.8	0.5	1,730.5	0.5	(0.3)
Equity investments measured at FVOCI	1,642.2	0.5	1,642.2	0.5	–
Subtotal	3,368	1.0	3,372.7	1.0	(0.1)
Total investment securities and other financial assets, net					
	363,396.7	100.0	346,668.5	100.0	4.8

Management Discussion and Analysis

Debt securities

The following table sets forth the components of our debt securities as of the end of last year and the end of the Reporting Period.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
PRC government bonds	90,372.2	34.8	81,234.6	33.5	11.2
Debt securities issued by PRC public entities and policy banks	110,052.4	42.3	86,124.4	35.6	27.8
Debt securities issued by PRC corporate issuers	38,747.0	14.9	53,261.8	22.0	(27.3)
Debt securities issued by PRC banks and other financial institutions	15,905.3	6.1	11,356.9	4.7	40.0
Asset-backed securities	4,873.5	1.9	10,232.5	4.2	(52.4)
Total	259,950.4	100.0	242,210.2	100.0	7.3

As of the end of the Reporting Period, our holding of debt securities balance amounted to RMB259.95 billion, representing an increase of RMB17.74 billion as compared to the end of last year or an increase of 7.3%, which was primarily because the Bank properly adjusted the asset structure and ramped up investments in standardised debt securities.

Management Discussion and Analysis

Distribution of investment securities and other financial assets by investment intention

The following table sets forth the distribution of our investment securities and other financial assets by our investment intention as of the end of last year and the end of the Reporting Period.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Debt instruments at amortised costs	152,331.8	41.9	162,245.2	46.8	(6.1)
Financial assets measured at FVOCI	103,975.2	28.6	90,505.4	26.1	14.9
Financial assets measured at FVTPL	107,089.7	29.5	93,917.9	27.1	14.0
Total	363,396.7	100.0	346,668.5	100.0	4.8

Financial assets held under resale agreements

The table below sets forth the distribution of our financial assets held under resale agreements by collateral type as of the end of last year and the end of the Reporting Period.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Analysed by collateral type:					
Debt securities	-	-	7,421.9	88.2	(100.0)
Bills	100.0	100.0	993.5	11.8	(89.9)
Total	100.0	100.0	8,415.4	100.0	(98.8)
Allowance for impairment losses	(60.0)	N/A	(746.6)	N/A	(92.0)
Net amount	40.0	N/A	7,668.8	N/A	(99.5)

As of the end of the Reporting Period, our financial assets held under resale agreements amounted to RMB0.04 billion, representing a decrease of RMB7.63 billion as compared to the end of last year or a decrease of 99.5%, which was primarily due to the Bank's active adjustment of asset structure and proper decrease in the scale of financial assets held under resale agreements.

Management Discussion and Analysis

Other components of our assets

Other components of our assets primarily consist of (i) cash and balances with central bank, (ii) deposits with banks and other financial institutions, (iii) placements with banks and other financial institutions, (iv) derivative financial assets and (v) others.

As of the end of the Reporting Period, our cash and balances with central bank amounted to RMB57.38 billion, representing an increase of RMB12.29 billion as compared to the end of last year or an increase of 27.3%.

As of the end of the Reporting Period, our deposits with banks and other financial institutions amounted to RMB2.96 billion, representing a decrease of RMB1.7 billion as compared to the end of last year or a decrease of 36.5%, which was primarily due to the Bank's active adjustment of asset structure and decrease in the scale of such assets.

As of the end of the Reporting Period, our placements with banks and other financial institutions amounted to RMB45.39 billion, representing an increase of RMB16.92 billion as compared to the end of last year or an increase of 59.4%, which was primarily due to the Bank's active adjustment of the asset structure and proper increase in the asset scale of placements with banks and other financial institutions.

As of the end of the Reporting Period, our derivative financial assets amounted to RMB30 million, representing a decrease of RMB50 million as compared to the end of last year or a decrease of 66.6%, which was primarily due to lower gains on fair value changes as a result of market fluctuation.

Our other assets consist primarily of property and equipment, right-of-use assets, deferred tax assets, interests in associates, prepaid expenses, intangible assets and other receivables, etc. As of the end of the Reporting Period, our other assets amounted to RMB16.01 billion, representing an increase of RMB3.89 billion as compared to the end of last year or an increase of 32.2%, which was primarily due to the increase in the amount to be settled and cleared.

Management Discussion and Analysis

Pledge of assets

As of the end of the Reporting Period, the details of pledge of our assets are set out in notes 51 and 52.1(8) (iv) to the consolidated financial statements in this annual report.

4.2 Liabilities

The following table sets forth the components of our total liabilities as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Due to customers	500,957.0	58.5	450,686.4	58.1	11.2
Debt securities issued	109,964.3	12.9	83,286.4	10.8	32.0
Deposit from banks and other financial institutions	64,344.6	7.5	59,043.6	7.6	9.0
Financial assets sold under repurchase agreements	64,663.9	7.5	68,517.4	8.8	(5.6)
Placements from banks and other financial institutions	27,673.6	3.2	29,725.3	3.8	(6.9)
Borrowings from central bank	80,966.4	9.5	78,201.3	10.1	3.5
Derivative financial liabilities	271.7	0.0	3.2	0.0	8,390.6
Other liabilities ⁽¹⁾	7,742.0	0.9	6,278.2	0.8	23.3
Total liabilities	856,583.5	100.0	775,741.8	100.0	10.4

Note:

- (1) Consist primarily of income tax payable, lease liabilities, other payables, settlement payable, salaries and benefits payable, dividends payable, provision and sundry taxes payable, etc.

As of the end of the Reporting Period, our total liabilities amounted to RMB856.58 billion, representing an increase of RMB80.84 billion as compared to the end of last year or an increase of 10.4%, mainly because the Bank took the “battle of absorbing deposits” and “battle of reducing cost” as the key to step up deposit marketing efforts and solidly implemented the issuance of financial bonds to broaden liability sources, which increased size of due to customers and debt securities issued.

Management Discussion and Analysis

Due to customers

As of the end of the Reporting Period, our due to customers amounted to RMB500.96 billion, representing an increase of RMB50.27 billion as compared to that as of the end of last year or an increase of 11.2%, which was mainly due to the Bank's adherence to the concept of "deposit-oriented banking", taking the "battle of absorbing deposits" as the key, enriching the offer of deposit products, broadening sources of liabilities, which achieved significantly increase in deposits.

The following table sets forth our due to customers by product type and maturity profile of deposits as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Corporate deposits					
Demand	198,111.0	39.5	200,619.7	44.5	(1.3)
Time	83,318.7	16.6	62,930.6	14.0	32.4
Subtotal	281,429.7	56.1	263,550.3	58.5	6.8
Personal deposits					
Demand	28,334.5	5.7	25,536.8	5.7	11.0
Time	169,231.3	33.8	140,266.1	31.1	20.7
Subtotal	197,565.8	39.5	165,802.9	36.8	19.2
Others ⁽¹⁾	21,961.5	4.4	21,333.2	4.7	2.9
Total due to customers	500,957.0	100.0	450,686.4	100.0	11.2

Note:

- (1) Consist primarily of pledged deposits, funds deposited with us for remittance and temporary deposits.

Management Discussion and Analysis

As of the end of the Reporting Period, our corporate deposits amounted to RMB281.43 billion, representing an increase of RMB17.88 billion or an increase of 6.8%. Our personal deposits amounted to RMB197.57 billion, representing an increase of RMB31.77 billion or an increase of 19.2% as compared to that as of the end of last year, mainly because the Bank adhered to the concept of “deposit-oriented banking” and took the “battle of absorbing deposits” as the key to enrich the offer of deposit products and broaden the sources of liabilities, which significantly increased the size of deposits.

Debt securities issued

As of the end of the Reporting Period, our debt securities issued amounted to RMB109.96 billion, representing an increase of RMB26.68 billion or an increase of 32.0% as compared to that as of the end of last year, mainly because the Bank actively expanded its debt sources and completed the issuance of tier-2 capital bonds of RMB10 billion and financial bonds of RMB15 billion, which increased in the scale of issued bonds.

Deposits from banks and other financial institutions

As of the end of the Reporting Period, our deposits from banks and other financial institutions amounted to RMB64.34 billion, representing an increase of RMB5.3 billion or an increase of 9.0% as compared to that as of the end of last year, which was primarily due to the proper adjustments to the structure of the Bank’s liability business to increase the scale of such liability.

Financial assets sold under repurchase agreements

As of the end of the Reporting Period, our financial assets sold under repurchase agreements amounted to RMB64.66 billion, representing a decrease of RMB3.86 billion or a decrease of 5.6% as compared to that as of the end of last year, mainly due to the proper adjustments to the structure of the Bank’s liability business to decrease the scale of such liability business.

Placements from banks and other financial institutions

As of the end of the Reporting Period, our placements from banks and other financial institutions amounted to RMB27.67 billion, representing a decrease of RMB2.06 billion or a decrease of 6.9% as compared to that as of the end of last year, mainly due to the proper adjustments to the structure of the Bank’s liability business to decrease the scale of such liability business.

Management Discussion and Analysis

Borrowings from central bank

As of the end of the Reporting Period, our borrowings from central bank amounted to RMB80.97 billion, representing an increase of RMB2.77 billion or an increase of 3.5% as compared to that as of the end of last year, mainly because the Bank actively obtained policy support from the central bank to fully utilize medium-term lending facilitation, refinancing, rediscounting and carbon emission reduction support tools to support the real economy, private small and micro-enterprises and green development, and broadened the sources of funds.

Derivative financial liabilities

As of the end of the Reporting Period, our derivative financial liabilities amounted to RMB270 million, representing an increase of RMB270 million as compared to that as of the end of last year, which was mainly due to the decrease in fair value as a result of market fluctuation, and thus a corresponding increase in the size of the accrued liabilities.

Other liabilities

Our other liabilities mainly include income tax payable, lease liabilities, other payables, settlement payable, salaries and benefits payable, dividends payable, provision and sundry taxes payable, etc. As of the end of the Reporting Period, our other liabilities amounted to RMB7.74 billion, representing an increase of RMB1.46 billion or an increase of 23.3% as compared to that as of the end of last year, which was mainly due to the increase in settlement payable and other payables.

Contingent liabilities

As of the end of the Reporting Period, details of the Bank's contingent liabilities are set out in note 49 to the consolidated financial statements in this annual report.

Management Discussion and Analysis

4.3 Equity

The table below sets forth the components of the equity of the Bank as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
EQUITY					
Share capital	6,070.6	8.7	6,070.6	9.3	0.0
Capital reserve	10,732.2	15.5	10,731.1	16.5	0.0
Investment revaluation reserve	1,431.2	2.1	146.6	0.2	876.3
Surplus reserve	3,352.5	4.8	3,352.5	5.2	0.0
General reserve	9,256.0	13.3	9,227.3	14.2	0.3
Retained earnings	37,704.9	54.4	34,660.5	53.3	8.8
Equity attributable to equity holders of the Bank	68,547.4	98.8	64,188.6	98.7	6.8
Non-controlling interests	862.7	1.2	841.1	1.3	2.6
TOTAL EQUITY	69,410.1	100.0	65,029.7	100.0	6.7

As of the end of the Reporting Period, our shareholders' equity amounted to RMB69.41 billion, representing an increase of RMB4.38 billion or an increase of 6.7% as compared to that as of the end of last year. Our equity attributable to equity holders of the Bank was RMB68.55 billion, representing an increase of RMB4.36 billion or an increase of 6.8% as compared to that as of the end of last year. The increase in the shareholders' equity was mainly due to the increase in retained earnings.

Management Discussion and Analysis

5. Analysis of Off-Balance Sheet Items

The following table sets forth the contractual amounts of our credit commitments as of the dates indicated.

	As of 31 December 2024	As of 31 December 2023	Rate of change in amount (%)
<i>(Amounts in millions of RMB, except for percentages)</i>			
Acceptances	66,867.1	44,296.0	51.0
Undrawn corporate loans limit	25,872.5	26,223.4	(1.3)
Undrawn credit card limit	7,395.3	10,930.7	(32.3)
Letters of credit	28,466.3	16,479.0	72.7
Letters of guarantee	9,480.7	5,933.0	59.8
Total	138,081.9	103,862.1	32.9

Management Discussion and Analysis

6. Credit Quality Analysis

Distribution of loans by five-category loan classification

The following table sets forth the distribution of our loan portfolio by the five-category loan classification as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total ⁽¹⁾ (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Normal	430,880.8	94.98	388,326.6	95.31	11.0
Special mention	15,165.2	3.34	12,308.1	3.02	23.2
Subtotal	446,046.0	98.32	400,634.7	98.33	11.3
Substandard	4,805.7	1.06	4,853.3	1.19	(1.0)
Doubtful	1,067.9	0.24	1,034.5	0.25	3.2
Loss	1,735.9	0.38	928.0	0.23	87.1
Subtotal	7,609.5	1.68	6,815.8	1.67	11.6
Gross loans and advances to customers	453,655.5	100.00	407,450.5	100.0	11.3

Note:

(1) Calculated by the amount of five-category loans (interests included).

As of the end of the Reporting Period, according to the five-category loan classification required by the Regulations on Risk Classification of Financial Assets of Commercial Banks 《商業銀行金融資產風險分類辦法》, the normal loans amounted to RMB430.88 billion, accounting for 94.98% of all the loans of the Bank, representing an increase of RMB42.55 billion as compared to that as of the end of last year. Loans classified as special mention were RMB15.17 billion, accounting for 3.34% of all loans, representing an increase of RMB2.86 billion as compared to that as of the end of last year. The non-performing loans were RMB7.61 billion, representing an increase of RMB0.79 billion as compared to that as of the end of last year, with a non-performing loan ratio⁽¹⁾ of 1.68%, representing an increase of 0.01 percentage point as compared to that as of the end of last year, with asset quality maintaining stable basically.

Management Discussion and Analysis

Distribution of corporate loans by industry

The following table sets forth the distribution of our corporate loans by industry as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Leasing and commercial services	122,401.5	36.4	85,267.2	31.1	43.6
Water, environment and public facilities management	34,477.7	10.3	31,190.3	11.4	10.5
Real estate	32,736.8	9.8	30,950.2	11.3	5.8
Wholesale and retail	30,469.3	9.1	25,741.7	9.4	18.4
Construction	28,351.3	8.5	30,419.8	11.1	(6.8)
Manufacturing	17,701.2	5.3	19,637.5	7.2	(9.9)
Finance	16,698.1	5.0	16,060.0	5.9	4.0
Scientific research and technical services	15,863.0	4.7	11,807.5	4.3	34.3
Transportation, storage and postal services	11,276.6	3.4	7,184.6	2.6	57.0
Agriculture, forestry, animal husbandry and fishery	8,205.6	2.5	2,267.5	0.8	261.9
Production and supply of electricity, heat, gas and water	5,248.1	1.6	3,822.6	1.4	37.3
Resident services, repair and other services	4,035.4	1.2	2,500.3	0.9	61.4
Mining	2,893.5	0.9	2,083.9	0.8	38.9
Information transmission, software and information technology services	1,482.4	0.4	1,506.3	0.5	(1.6)
Culture, sports and entertainment	1,105.6	0.3	2,033.9	0.7	(45.6)
Accommodation and catering	980.3	0.3	939.4	0.3	4.4
Health and social services	647.4	0.2	560.9	0.2	15.4
Education	320.4	0.1	251.3	0.1	27.5
Total corporate loans ⁽¹⁾	334,894.2	100.0	274,224.9	100.0	22.1

Note:

(1) Consist of finance lease receivables.

Management Discussion and Analysis

During the Reporting Period, the Bank further optimised its loans structure and increased its credit support to the real economy and infrastructure construction. As of the end of the Reporting Period, loans provided to customers in the industries of (i) leasing and commercial services, (ii) water, environment and public facilities management, (iii) real estate, (iv) wholesale and retail, and (v) construction represented the top five largest components of the Bank's corporate loans. As of the end of the Reporting Period and the end of last year, the balance of loans provided to the corporate customers in these five industries were RMB248.44 billion and RMB203.57 billion, respectively, accounting for 74.2% and 74.3% of the total corporate loans and advances, respectively.

Distribution of non-performing loans to corporate customers by industry

The following table sets forth the distribution of our non-performing loans to corporate customers by industry as of the dates indicated.

	As of 31 December 2024			As of 31 December 2023			Change in NPL ratio (%)
	Amount	% of the total (%)	NPL ratio ⁽¹⁾ (%)	Amount	% of the total (%)	NPL ratio ⁽¹⁾ (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>							
Wholesale and retail	1,370.1	28.2	4.50	1,207.2	29.4	4.69	(0.19)
Manufacturing	1,095.6	22.6	6.19	974.2	23.8	4.96	1.23
Leasing and commercial services	733.5	15.1	0.60	417.2	10.2	0.49	0.11
Construction	584.0	12.0	2.06	520.4	12.7	1.71	0.35
Real estate	460.3	9.5	1.41	336.6	8.2	1.09	0.32
Production and supply of electricity, heating, gas and water	370.6	7.6	7.06	334.1	8.2	8.74	(1.68)
Scientific research and technical services	97.1	2.0	0.61	75.0	1.8	0.64	(0.03)
Accommodation and catering	60.3	1.2	6.15	45.3	1.1	4.82	1.33
Resident services, repair and other services	44.0	0.9	1.09	44.0	1.1	1.76	(0.67)
Mining	15.3	0.3	0.53	15.3	0.4	0.73	(0.20)
Culture, sports and entertainment	7.8	0.2	0.71	6.7	0.2	0.33	0.38
Agriculture, forestry, animal husbandry and fishery	5.5	0.1	0.07	91.5	2.2	4.04	(3.97)
Water, environment and public facilities management	4.8	0.2	0.01	9.0	0.2	0.03	(0.02)
Information transmission, software and information technology services	1.7	0.1	0.11	20.4	0.5	1.35	(1.24)
Total non-performing loans to corporate customers⁽²⁾	4,850.6	100.0	1.45	4,096.9	100.0	1.49	(0.04)

Management Discussion and Analysis

Notes:

- (1) Calculated by dividing non-performing loans to corporate customers in each industry by gross loans to corporate customers (interests included) in that industry.
- (2) Consist of finance lease receivables.

Distribution of Non-Performing Loans by Product Type

The following table sets forth the distribution of our non-performing loans by product type as of the dates indicated.

	As of 31 December 2024			As of 31 December 2023			Change in NPL ratio (%)
	Amount	% of the total (%)	NPL ratio (%) ⁽¹⁾	Amount	% of the total (%)	NPL ratio (%) ⁽¹⁾	
<i>(Amounts in millions of RMB, except for percentages)</i>							
Corporate loans⁽²⁾							
Working capital loans	3,738.0	49.0	2.21	3,040.1	44.6	2.44	(0.23)
Fixed asset loans	705.3	9.3	0.61	663.7	9.7	0.65	(0.04)
Finance lease receivables	0.0	0.0	0.00	6.7	0.1	3.25	(3.25)
Others ⁽³⁾	407.3	5.4	0.84	386.4	5.7	0.82	0.02
Subtotal	4,850.6	63.7	1.45	4,096.9	60.1	1.49	(0.04)
Personal loans							
Personal loans for consumption ⁽⁴⁾	773.7	10.2	1.83	1,118.6	16.4	2.31	(0.48)
Personal loans for business purposes	1,657.3	21.8	4.88	1,371.4	20.1	3.66	1.22
Residential mortgage loans	327.9	4.3	1.55	228.9	3.4	0.93	0.62
Subtotal	2,758.9	36.3	2.84	2,718.9	39.9	2.46	0.38
Total non-performing loans	7,609.5	100.0	1.68	6,815.8	100.0	1.67	0.01

Notes:

- (1) Calculated by dividing non-performing loans in each product type by gross loans (interests included) in that product type.
- (2) Total corporate loans here consist of our corporate loans and finance lease receivables.
- (3) Consist primarily of merger & acquisition loan.
- (4) Consist of credit card overdrafts.

Management Discussion and Analysis

Distribution of non-performing loans by geographical region

The following table sets forth the distribution of our non-performing loans by geographical region as of the dates indicated.

	As of 31 December 2024			As of 31 December 2023			Change in NPL ratio (%)
	Amount	% of the total (%)	NPL ratio ⁽¹⁾ (%)	Amount	% of the total (%)	NPL ratio (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>							
Tianjin	4,289.9	56.4	1.37	3,924.6	57.6	1.32	0.05
Hebei Province	1,558.6	20.5	3.42	1,410.3	20.7	4.02	(0.60)
Shandong Province	1,082.6	14.2	4.02	895.4	13.1	4.33	(0.31)
Shanghai	281.7	3.7	3.37	315.5	4.6	3.33	0.04
Beijing	202.8	2.7	0.91	207.5	3.0	1.13	(0.21)
Sichuan Province	173.4	2.3	0.48	51.1	0.7	0.20	0.28
Others ⁽²⁾	20.5	0.2	2.36	11.4	0.2	1.18	1.18
Total non-performing loans	7,609.5	100.0	1.68	6,815.8	100.0	1.67	0.01

Notes:

- (1) Calculated by dividing non-performing loans of each region by the gross loans (interests included) of that region.
- (2) Mainly included regions where the Bank's subsidiaries were located, such as Ningxia.

Management Discussion and Analysis

Distribution of loans by collateral

The following table sets forth the distribution of our loans and advances to customers by type of collateral as of the dates indicated.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Unsecured loans	135,388.3	29.8	141,121.8	34.6	(4.1)
Guaranteed loans	218,406.7	48.2	164,558.2	40.4	32.7
Collateralised loans ⁽¹⁾	73,828.0	16.3	75,162.5	18.4	(1.8)
Pledged loans ⁽¹⁾	26,032.5	5.7	26,608.0	6.6	(2.2)
Gross loans and advances to customers	453,655.5	100.0	407,450.5	100.0	11.3

Note:

- (1) Represent the total amount of loans (interests included) fully or partially secured by collateral in each category. If a loan is secured by more than one form of security interest, the allocation is based on the primary form of security interest.

Borrowers concentration

As of the end of the Reporting Period, the Bank's total loans to its largest single borrower accounted for 5.32% of its regulatory capital, which was in compliance with regulatory requirements.

a. *Indicators of concentration*

Major regulatory indicators	Regulatory standard	As of	As of
		31 December 2024	31 December 2023
Loan concentration ratio for the largest single customer (%)	<=10	5.32	4.85

Note: The data above are calculated in accordance with the formula promulgated by the former China Banking and Insurance Regulatory Commission.

Management Discussion and Analysis

b. Loans to top ten single borrowers

The following table sets forth our loan exposure to our top ten largest single borrowers as of the date indicated.

		As of 31 December 2024			
			% of the	% of	
			total loans	regulatory	
Industry		Amount	(%)	capital	Classification
		<i>(Amounts in millions of RMB, except for percentages)</i>			
Borrower A	Leasing and commercial services	5,190.0	1.14	5.32	Normal
Borrower B	Leasing and commercial services	4,090.5	0.90	4.20	Normal
Borrower C	Leasing and commercial services	3,764.0	0.83	3.86	Normal
Borrower D	Real estate	3,749.0	0.83	3.84	Normal
Borrower E	Finance	3,735.7	0.82	3.83	Normal
Borrower F	Leasing and commercial services	3,732.0	0.82	3.83	Normal
Borrower G	Leasing and commercial services	3,455.0	0.76	3.54	Normal
Borrower H	Finance	3,387.5	0.75	3.47	Normal
Borrower I	Leasing and commercial services	3,200.0	0.71	3.28	Normal
Borrower J	Finance	2,998.5	0.66	3.08	Normal
Total		37,302.2	8.22	38.25	

Note:

- (1) Represents loan balances as a percentage of our regulatory capital, calculated in accordance with the requirements of the Capital Administrative Measures and based on our financial statements prepared in accordance with PRC GAAP.

As of the end of the Reporting Period, the loan balance of the largest single borrower of the Bank was RMB5.19 billion, accounting for 1.14% of our total amount of loans, and the total amount of loans of the top ten single borrowers was RMB37.3 billion, representing 8.22% of the total amount of loans of the Bank.

Management Discussion and Analysis

Aging schedule of loans past due

The following table sets forth the aging schedule of our loans past due as of the dates indicated.

For overdue loans, the Bank has coordinated resources, implemented targeted measures, and actively advanced risk mitigation efforts, with overall risks remaining controllable.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	As a percentage of gross loans and advances to customers (%)	Amount	As a percentage of gross loans and advances to customers (%)	
<i>(Amounts in thousands of RMB, except percentages)</i>					
Past due 1 to 90 days	4,437,979	0.98	3,261,828	0.80	36.1
Past due 90 days to 1 year	4,587,846	1.01	3,783,328	0.92	21.3
Past due 1 to 3 years	2,637,147	0.58	1,300,269	0.32	102.8
Past due more than 3 years	1,026,379	0.23	593,478	0.15	72.9
Total	12,689,351	2.80	8,938,903	2.19	42.0

Management Discussion and Analysis

Changes in allowance for impairment losses of loans

As of the end of the Reporting Period, the Bank's allowance for impairment losses of loans amounted to RMB12.88 billion, representing an increase of RMB1.43 billion or 12.5% as compared to that as of the end of last year, primarily due to the Bank's increased provision on loan to improve the level of risk offset.

	As of 31 December 2024		As of 31 December 2023		Rate of change in amount (%)
	Amount	NPL ratio ⁽²⁾ (%)	Amount	NPL ratio (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Beginning of the year	11,441.3		10,031.7		14.1
Net provisions for the year ⁽¹⁾	6,504.0		7,430.3		(12.5)
Write-off and transfers	(6,182.8)		(7,084.2)		(12.7)
Recovery	1,115.0		1,187.6		(6.1)
Other changes	(1.4)		(124.1)		(98.9)
End of the year	12,876.1	1.68	11,441.3	1.67	12.5

Notes:

- (1) Represent the net amount of allowance for impairment losses recognised in the profit or loss statement.
- (2) Calculated by dividing the total amount of non-performing loans by total amount of loans (interests included).

Management Discussion and Analysis

II BUSINESS REVIEW

1. Business segment report

The following table sets forth, for the periods indicated, the operating income of each of our principal segments.

	2024		2023		Rate of change in amount (%)
	Amount	% of the total (%)	Amount	% of the total (%)	
<i>(Amounts in millions of RMB, except for percentages)</i>					
Corporate Banking Business	7,650.2	45.7	6,928.2	42.1	10.4
Personal Banking Business	4,356.4	26.1	5,311.0	32.3	(18.0)
Treasury Operations Business	4,726.2	28.3	4,211.8	25.6	12.2
Others ⁽¹⁾	(24.0)	(0.1)	4.9	0.0	(589.8)
Total	16,708.8	100.0	16,455.9	100.0	1.5

Note:

(1) Consist primarily of income that are not directly attributable to any specific segment.

Management Discussion and Analysis

1.1 Corporate Banking Business

During the Reporting Period, with focus on serving the real economy, the Bank insisted on returning to the origins and steadily promoted the innovation and development of corporate business. The Bank continued to strengthen its financial service capabilities and levels, fully leveraging the role of finance in facilitating the circulation of the national economy, and effectively promoting the high-quality development of the real economy and achieving a virtuous cycle of high-quality development. Aiming at the “five major areas” of finance and focusing on the “Ten Projects (十項行動)” of Tianjin, the Bank released credit resources through multiple channels, increased credit issuance, provided financial support in key areas such as capital function relief, manufacturing industry, integration of port, industry and city, urban renewal, revitalizing the city through science and education, green development and rural revitalisation, and improved the financial supply to major national and regional strategies, so as to firmly fulfill its responsibility and mission of “serving the real economy and empowering a better life”. Focusing on the goal of the “Double-Five Battles”, the Bank strengthened the policy guidance of the head office, pushed forward the reform tasks, and steadily strengthened the foundation for development.

During the Reporting Period, our operating income from corporate banking business amounted to RMB7.65 billion, accounting for 45.7% of the total operating income over the same period, representing an increase of 10.4% as compared to the same period last year. As of the end of the Reporting Period, the balance of our corporate loans (excluding discounted bills and finance leases receivables) amounted to RMB333.99 billion, representing an increase of 21.9% as compared with that as of the end of the previous year; our total corporate deposits amounted to RMB281.43 billion, representing an increase of 6.8% as compared with that as of the end of the previous year.

The Bank supported the “Stock, Increment and Quality” and promoted the “Three News”. During the Reporting Period, the Bank actively explored effective ways to resolve existing assets and revitalise assets, and sorted out new investments, new assets, new industries and new formats from existing assets to promote the city's connotative development. As of the end of the Reporting Period, the Bank had cumulatively invested more than RMB39 billion in credit funds in the field of asset revitalisation in Tianjin, including innovative products for upgrading and renovating industrial parks, urban renewal loans for upgrading old communities, and trademark and patent pledge loans for revitalising time-honored brands such as Diyang and Astor.

The Bank has closely adhered to the “dual-carbon” strategic goal to do well in green finance. During the Reporting Period, the Bank further improved the green finance system framework, strengthened business coordination and resource allocation, enriched the supply of green financial products, promoted the concept of green finance development and deeply facilitated list-based marketing management, so as to continue to improve the construction of the green finance professional team and the level of digital management, injecting more “green energy” into the promotion of the construction of eco-civilisation and the high-quality development of green and low-carbon. As at the end of the Reporting Period, the balance of the Bank's green loans amounted to RMB34.406 billion, representing an increase of 41.30% as compared with the end of the previous year. During the Reporting Period, the Bank issued the first “Enterprise Green Code” linked loan among local legal entity financial institution in Tianjin, as well as the first Ecology Oriented Development (the “EOD”) project loan and the first sustainable development linked cross-border syndicated loan of the Bank's system.

Management Discussion and Analysis

The Bank enriched the “Smart Technology” product matrix to enhance the service capabilities for technology-based enterprises. Focusing on science and technology innovation finance, the Bank continuously optimised the science and technology financial service model, integrated the science and technology financial product service system, and constantly enriched the “Smart Technology” product matrix to launch products including “Science and Technology Talent Loan”, “Entrepreneurship Guarantee Loan” and “Science and Technology Innovation Points Loan”. As of the end of the Reporting Period, the balance of loans to technology-based enterprises reached RMB16.051 billion, representing an increase of 21.64% over the end of the previous year. We vigorously promoted the “one zone, one fund” model, and implemented a series of science and technology innovation growth funds in five areas including Tianjin Port Free Trade Zone. The Bank supported corporate investment in science and technology and helped transform scientific research results. During the Reporting Period, the total amount of science and technology innovation bills underwritten amounted to RMB5.92 billion, and the first commercial bill backed by intellectual property assets was launched in China.

The Bank has built an institutional business marketing system to help fight the “battle of absorbing deposits”. Focusing on serving the local economy and people’s well-being, the Bank hosted the Tianjin Elderly Care Finance and Silver Economy Special Seminar and Exchange Activities and the 34th National Day of Assistive Launch Event in Tianjin to deepen the cooperation with the Tianjin Municipal Civil Affairs Bureau, and help build an elderly care finance brand. The Bank deepened cooperation with universities and hospitals in Tianjin, supported the construction of smart campuses in private schools and smart medical care in hospitals. The first “one-stop” settlement system for commercial insurance was launched and put online at Tianjin Nankai Hospital, which was the first commercial health insurance online settlement in Tianjin and facilitated the digital reform of Tianjin’s medical system. We sponsored the “Tianjin Marathon”, held the “Implementing the Four Cultures and Inheriting the Olympic Spirit (貫徹四個以文, 傳承奧運精神)” Olympic Champions Theme Event of Bank of Tianjin, the “Bank of Tianjin • Tianjin World Champions Club (天津銀行•天津世界冠軍匯)” Establishment Ceremony, and the “Bank of Tianjin • Tianjin Marathon ‘Sports Lottery Cup’ Cultural and Creative Design Competition Launch Ceremony and Media Conference (天津銀行•天津馬拉松‘體彩杯’文創設計大賽啟動儀式暨媒體發佈會)” to build a “finance + sports” ecosystem, deeply supporting the construction of Tianjin as a “Sports Capital”. The Bank has used finance to empower culture and tourism and entered into a “Strategic Cooperation Agreement on Financial Support for Culture and Tourism” with the Tianjin Municipal Bureau of Culture and Tourism to assist the high-quality development of Tianjin’s culture and tourism.

Management Discussion and Analysis

Digital and intelligent transformation promoted innovative development of transaction banking business. Adhering to the market-oriented and customer-centric approach, the Bank adopted online, digital and intelligent methods to achieve substantial development of transaction banking business through continuously strengthening customer base construction, enriching the product system and optimising business processes. Digital transformation empowered the development of supply chain business, and the second phase of the “Regulatory Sandbox” project – the intelligent risk control project was completed, which participated in Chengfang Fintech Forum 2024 as the only designated representative case of the People’s Bank of China Tianjin Municipal Branch, improving the regulatory reputation and brand image.

The Bank has upgraded its corporate online business channel services. During the Reporting Period, the Bank further improved the construction of corporate online channels, built internal development capabilities, and continuously improved the mobility and digitalisation of online channels to enhance customer safety and experience. Corporate mobile banking was upgraded to focus on high-frequency financial and non-financial needs of enterprises. We provided collaborative services through corporate mobile banking and corporate online banking channels, in order to jointly create a reliable and high-quality digital financial assistant for corporate customers. The Bank has actively promoted the construction of corporate value-added services, and created an integrated scenario service platform for finance, taxation, business and travel for small and medium-sized enterprises to focus on the three major digital management needs of “people, finance and affairs”, so as to comprehensively improve corporate service capabilities. During the Reporting Period, the Bank’s corporate mobile banking won the “2024 Digital Finance Gold List Award-Corporate Mobile Banking Best Operation Award (2024數字金融金榜獎—企業手機銀行最佳運營獎)”. As of the end of the Reporting Period, the number of corporate online banking customers increased by 13.70% compared with the end of the previous year, with a year-on-year increase of 40.53% in the transaction amount, and a year-on-year increase of 20.18% in the number of transactions during the year.

The investment business delivered targeted services to support the real economy. During the Reporting Period, in accordance with the work requirements of the Tianjin Municipal Committee of the Communist Party of China and Tianjin Government, the Bank’s investment banking business solidly promoted the “Ten Projects (十項行動)” for high-quality development and effective implementation. Through actively implementing the requirements of “achieving four intended goals as planned” and various measures, we injected financial “vitality” into high-quality economic and social development. The Bank successively underwrote the country’s first intellectual property asset-backed commercial note, Tianjin’s first batch of innovative issuance mechanism integration pilot bonds, and Tianjin’s first green leasing asset-backed commercial note. The Bank achieved a total bond underwriting amount of RMB108.072 billion throughout the year, including: RMB54.196 billion of corporate credit bonds underwritten in Tianjin, ranking first in the Tianjin market; RMB7.398 billion of asset-backed securities underwritten, ranking fourth among city commercial banks nationwide. Focusing on national strategic areas including technological innovation, green environmental protection, and rural revitalisation, the Bank increased its support and underwrote a total of RMB6.966 billion of theme bonds including scientific and technological innovation notes, green bonds, and rural revitalisation bonds during the Reporting Period. During the Reporting Period, the Bank was awarded the “Best Underwriter of Interbank Debt Financing Instruments (最佳銀行間債務融資工具承銷商)” by WIND, as well as the “Outstanding Institution of the Year” and the “Annual Outstanding Project of Corporate Asset Securitisation in the Interbank Market (銀行間市場企業資產證券化年度優秀項目)” by the 10th Annual Conference of China Asset Securitisation Forum.

Management Discussion and Analysis

1.2 *Personal Banking Business*

During the Reporting Period, the Bank's personal banking business closely centered on the "Ten Projects", "Stock, Increment and Quality" and "Three News" work deployment of the Tianjin Municipal Party Committee and Tianjin Municipal Government; and actively implemented the requirements of the Bank's "Double-Five Battles". The Bank focused on the "battle of absorbing deposits", reduced costs and adjusted the structure, and enriched product offering to meet customers' differentiated financial needs. We designed and issued ten physical precious metal products under the theme of "Tianjin Marathon". We helped accelerate the digital banking speed-up battles, implemented the "five-in-external-WeChat group" work requirement, and innovated marketing tactics to realise the conversion of traffic flow.

During the Reporting Period, the operating income from our personal banking business amounted to RMB4.36 billion, accounting for 26.1% of our total operating income over the same period. As of the end of the Reporting Period, the balance of our personal loans reached RMB97.31 billion, accounting for 21.5% of our total loans to customers. Our personal loans for consumption, personal loans for business purpose, residential mortgage loans amounted to RMB42.17 billion, RMB33.98 billion, and RMB21.15 billion, respectively, and accounted for 43.4%, 34.9% and 21.7%, respectively, of our total personal loans. Our total personal deposits amounted to RMB197.57 billion, representing an increase of 19.2% as compared with that as of the end of the previous year.

Management Discussion and Analysis

The Bank supported the creation of high-quality life around the work deployment of the “Ten Projects (十項行動)” of the Municipal Party Committee and the Municipal Government. The Bank sponsored the “2023-2025 Tianjin Marathon” event and created the “Retail Sports Finance” brand: we designed and launched the sports-themed debit card “Yuedong Card”, held the 2024 Marathon Enjoyment Conference, the 2024 Marathon Expo, the Bank of Tianjin Cheering Station, the full marathon, half marathon and parent-child run terminal and other services; and carried out a total of six online and offline marathon theme activities. We sponsored the “Bank of Tianjin • 2024 Tianjin Theatre Festival” to extend the influence of the Tianjin Haihe Theatre Festival and deepened the “Cultural Finance” service plan by organising the “Bank of Tianjin • 2024 Tianjin Theatre Festival” press conference and opening ceremony, the “Without the Communist Party, There Would Be No New China” special theatre performance, and a total of ten events of the “Famous Theatre in Bank of Tianjin, Singing the Praises of Cultural Tianjin (名劇走進天行文化唱響天津)”. The Bank launched the “Bank of Tianjin ‘Theatre’ Benefits and Good Shows Offering (天行‘劇’獻惠享好戲)” activity on mobile banking.

The “Smart Connect” platform was deeply engaged in inclusive financial service scenarios. “Smart Merchant” focused on “individual entrepreneurs”, the main force of the small and micro market to build diversified consumption scenarios and digital and intelligent operation management models, and provide them with innovative products that integrate payment and financing services, breaking down the financing barriers of traditional individual entrepreneurs, and effectively reducing operating costs and stimulating the vitality of market entities. We developed functions including operating accounts, business trends, new and old customer portraits, and repurchase rate inquiries to support real-time inquiry of transaction data, providing strong support for individual entrepreneurs in data analysis and customer management. As of the end of the Reporting Period, the number of cooperative merchants of “Smart Merchant” reached 1.3973 million. “Smart Merchant • Tianhangyongbei” has provided credit support to 471,400 small and micro businesses with funding needs, and the cumulative amount of pure credit loans issued has reached RMB40.67 billion. “Smart Credit • Citizen Loan” provided consumer loans to 371,500 consumers, with a cumulative loan amount of RMB13.666 billion.

Management Discussion and Analysis

The experience of personal online business channels has been upgraded. During the Reporting Period, the Bank upgraded its online services through experience-based innovation, built a mobile banking-based online customer service platform, integrated smart ecological scenarios and launched digital operations to comprehensively improve the user experience of personal online channels. The Bank reshaped the 8.0 version of personal mobile banking, comprehensively optimised transaction terms and user interfaces, launched smart cultural tourism, smart canteen and other ecosystem service scenarios, upgraded the caring version of mobile banking to meet the daily needs of the people for a better life, which further reflected the humanistic care for elderly customers. We created the concept of “boundless” for mobile banking and launched a new English version of services, and further revised WeChat banking and launched WeChat mini-programs to provide customers with a more lightweight mobile service entrance, continuously iterating and upgrading various services of online channels. Meanwhile, we reconstructed the digital operation model, and committed to providing customised and personalised online financial services, making digital services warmer. During the Reporting Period, the Bank’s personal mobile banking won the “New Digital Application Award (新銳數字應用獎)”, “Outstanding Case of Urban Financial Services (城市金融服務優秀案例)”, “Annual Outstanding Mobile Banking APP (年度優秀手機銀行 APP)” and “Annual Banking Data Security Practice Award (年度銀行業數據安全實踐獎)”. As of the end of the Reporting Period, the Bank’s personal mobile banking customers increased by 915,000 from the end of the previous year, with a transaction amount of RMB282.494 billion and 25.2574 million transactions during the year.

1.3 *Small and micro inclusive financial services*

During the Reporting Period, the Bank has continued to implement the various work deployment requirements of the Party Central Committee, the State Council and regulatory agencies on improving the financial services for small and micro enterprises to “cultivate the incremental growth, expand coverage, improve quality and reduce cost”. We have comprehensively increased financial support for inclusive small and micro enterprises, further strengthened financial technology empowerment, enriched the small and micro product service system, improved the coverage of small and micro product services, and continued to make full use of the central financial policies to benefit more small and micro enterprises.

Management Discussion and Analysis

The Bank has established a comprehensive small and micro inclusive financial services system. In terms of organisational system, special committees under the Board at the head office level have been set up to be responsible for the establishment, development and management of the small and micro inclusive financial services system, while branches at all levels are responsible for devoting to small and micro inclusive financial services and building a long-term mechanism for small and micro inclusive financial services at multiple levels through special policy support, building special teams and improving professional ability. During the Reporting Period, the Bank has optimised its credit structure and actively promoted the innovative application and incremental expansion of self-operated products for small and micro businesses. Our Bank has adopted a model of online and offline product synergy and applied online financial products including “e-Loan for residential mortgage”, “Smart Business – Yongbei”, “e-Loan for enterprise taxpayers”, “Loans to Technology Enterprises” and “BOT E-chain” to solve the financing pain points of small and micro businesses and individual entrepreneurs, meet customer financing needs, increase the scale of self-operated products, and optimise the credit structure. Meanwhile, the Bank firmly implemented the policy requirements of loan renewal without principal repayment and due diligence exemption, formulated and issued the Inclusive Credit Due Diligence Exemption Management Measures of Bank of Tianjin, refined and improved the due diligence exemption standards, due diligence exemption circumstances, and responsibility identification implementation procedures for inclusive credit business, and clarified the due diligence exemption identification standards and exemption conditions for grassroots personnel to ensure that “maximising renewals for eligible cases” and “maximising loans for eligible cases” for eligible small and micro enterprises, effectively enhancing the sense of gain of enterprises in convenient financing. In addition, the Bank has actively and continuously applied for small and micro inclusive policy tools including reloans and on-loans, and actively obtained low-cost policy funds for small and micro inclusive business deployment to make full use of relevant policy tools and strive to maintain a reasonable interest rate spread. As of the end of the Reporting Period, loans of the Bank (excluding subsidiaries) to small and micro enterprises measured in according with the standards of an individual lending amount of RMB10 million or less amounted to RMB41.989 billion, representing an increase of 12.71% as compared to that as of the end of the prior year.

The Bank thoroughly implemented the work arrangements of the Party Central Committee, the State Council and regulatory agencies on financial services for rural revitalisation, in a bid to promote services to smaller local markets. We continued to enhance financial support for “agriculture, rural areas and farmers” and focused on inclusive agriculture-related businesses, steadily enhancing the efficiency and level of financial services for rural revitalisation. As at the end of the Reporting Period, the aggregate balance of loans of the Bank (excluding subsidiaries) to inclusive agricultural household business loans in accordance with the standards of an individual lending amount of RMB5 million or less and inclusive agriculture related small and micro enterprises loans in accordance with the standards of an individual lending amount of RMB10 million or less amounted to RMB5.699 billion (excluding discounting), representing an increase of 22.72% as compared with that as at the end of the previous year.

Management Discussion and Analysis

1.4 Treasury operation business

During the Reporting Period, our Bank's treasury operations business firmly implemented the requirements of the strategic planning of the "Double-Five Battles", continued to make reform and innovation, served major national development strategy, focused on key areas such as the coordinated development of Beijing-Tianjin-Hebei region as well as green and environmental protection. At the same time, we further enhanced quality and efficiency, deepened market analysis, constantly enhanced operating capability, and continuously improved the FICC (Fixed income, Currency & Commodity) product business system that integrates investment and financing and trading business. Our Bank promoted the balanced development of financial market businesses including bond investments, interbank, notes, treasury transaction, foreign exchange and gold. With a diverse product business system, the Bank aspired to meet the multiple financing needs of the real economy, create multi-channel sources of profits and facilitate the high-quality development of treasury operations.

During the Reporting Period, our operating income in treasury operation business was RMB4.73 billion, accounting for 28.3% of our total operating income, representing an increase of 12.2% year by year.

As of the end of the Reporting Period, our Bank possessed business qualifications such as member of the underwriting syndicate of the Ministry of Finance's book-entry and savings treasury bonds, and member of financial debt underwriting and market making syndicates of the three major policy banks (China Development Bank, The Export-Import Bank of China and Agricultural Development Bank of China); Tianjin Municipal Government Bond Lead Underwriter and member of local government bond underwriting syndicates in Beijing, Shanghai, Shandong and Shenzhen; qualification of comprehensive spot bonds market maker in the inter-bank bond market; the general lead underwriting qualification for debt financing instruments of non-financial enterprises in the inter-bank market; qualification for basic derivatives trading business; qualifications of core dealers of CRMW instruments; issuing institution of CRMW and issuing institution of credit-linked notes, interest rate swaps; and qualification to undertake real-time interest rate swap transactions and standard bond forward business; membership of China Foreign Exchange Trade System for inter-bank forex trading in Shanghai Free-Trade Zone; trading qualification for gold inquiry business in the Shanghai Gold Exchange and qualification as type A member of the Shanghai Gold Exchange international business; the qualification of lead participant of online interbank depository of China Foreign Exchange Trading System; special membership qualification of Shanghai Gold Exchange; the first batch of institutions qualified for the trading of interest rate swap options and interest rate collar options in the inter-bank market; member of the International Capital Market Association (ICMA), laying a good foundation for exploring and developing new business.

Management Discussion and Analysis

During the Reporting Period, in terms of financial market business, the Bank won the 2024 Financial Bond “30th Anniversary Companion and Support” Award (2024年金融債“30周年相伴支持”獎) and the 2024 Financial Bond “Interbank Market Excellent Underwriter” Award (2024年金融債“銀行間市場優秀承銷商”獎) from China Development Bank, the title of “Excellent Underwriter” of the 2024 Financial Bond Underwriting and Market Making Syndicate (2024年度金融債券承銷做市團“優秀承銷商”稱號) from The Export-Import Bank of China, the “High-Quality Joint Construction of the Belt and Road” Award (高質量共建“一帶一路”獎), the “Award for Promoting High-Level Opening-up (推進高水平對外開放獎)”, the “Outstanding Progress Award (突出進步獎)” and the “Green Development Concept Promotion Award (綠色發展理念推進獎)”, 2024 Financial Bond “Twenty Years Peer Award (廿載同行獎)”, “Rural Revitalisation Pioneer (鄉村振興先鋒者)”, “Best Progress Award (最佳進步獎)” from Agricultural Development Bank of China, the Pystandard “Golden Reputation Award” for the Bank with Excellent Financial Market Business Transaction Capabilities (“金譽獎”卓越金融市場業務交易能力銀行), the monthly “Repo Active Trader (回購活躍交易商)”, “X-Lending Active Institution (X-Lending 活躍機構)”, “X-Repo Best Progress Institution (X-Repo 最佳進步機構)” and “X-Repo Active Institution (X-Repo 活躍機構)” awards from China Foreign Exchange Trading Center for several times, “2024 Market Impact Organization” and “Market Innovation Business Organization” from China Foreign Exchange Trading Center, and the 2024 Self-operated Settlement Top 100 from China Central Depository & Clearing Co., Ltd.

Money Market Transactions

During the Reporting Period, the Bank closely monitored changes in monetary policies, seized the regularity of capital fluctuation in the market and properly arranged RMB and foreign currency position to ensure the liquidity security. Meanwhile, we effectively optimised liability structure and broadened the liability source with multiple channels and low costs. On the one hand, we flexibly utilised various money market tools including certificates of deposit, bond repurchase, inter-bank RMB and foreign currency placement and the monetary policy tools of the People’s Bank of China and proactively utilised commercial bank time deposits for cash management of the central treasury so as to obtain financial support through diversified channels, and reduced finance costs while ensuring liquidity security; on the other hand, we actively developed business methods such as rediscounting and refinancing through the People’s Bank of China to serve the financing needs of the real economy.

Fixed Income Business

During the Reporting Period, the Bank leveraged its advantage as a full-licensed institution in bond business to build an integrated financial service platform to precisely serve the real economy. The Bank further strengthened judgement on the change of the policy environment and financial market, proactively participated in sales and trading business, continued to optimise asset structure, and constantly improved profitability and profit quality.

Management Discussion and Analysis

Firstly, we adhered to the development strategy of “cultivating the local area of Tianjin and optimising the neighboring five provinces”, continued to optimise its investment structure and increased investment in bonds. We served the local economic development of regions in which the Bank operated and supported the financing needs of highly rated enterprises in those regions. The Bank actively underwrote and invested in various types of bonds in Tianjin, and successfully created the first Tianjin regional credit bond basket product and shipping-themed bond basket in the interbank market in April and October respectively, improving the liquidity of Tianjin regional bonds and helping the “Stock, Increment and Quality” work and “shipping finance” areas to achieve results.

Secondly, we continued to promote the “Firewood Pickup Plan” and expanded the scope and closeness of the industry ecosystem by strengthening mutual learning, mutual reference, mutual visits, mutual assistance and mutual integration among peers to help business development. We established Bank of Tianjin FICC brand to empower high quality corporate clients, retail clients and institutional clients with investment and financing and risk management needs, and effectively increased the proportion of non-interest income and comprehensive income contribution from clients through market making in bonds, underwriting distribution, gold leasing, foreign exchange trading, bill trading and other representative transactions and intermediate businesses.

Thirdly, we actively performed our duties as a bond underwriter, practiced our social responsibilities and expanded our intermediate business income sources; In 2024, we underwrote a total of RMB183.06 billion of bonds, including government bonds, local government bonds and policy bank financial bonds, representing a year-on-year increase of 78.2%.

Fourthly, we implemented the ESG operation principle and served the major national strategic deployment. We vigorously promoted technological innovation with financial services, created a comprehensive financial service model for technological innovation enterprises, and focused on tapping various financing entities for technological innovation, energy conservation and low carbon, development momentum conversion entities and upstream and downstream entities of the industrial chain to improve related bond investment transactions. Meanwhile, in order to actively respond to the national green development strategy, practice the concept of green finance, and solidly carry out the “green finance”, the Bank actively participated in the underwriting and investment of green bonds including “carbon neutrality” and “carbon peak” and rural revitalisation bonds, and supported the Agricultural Development Bank of China in loan investments in key areas including national food security, consolidation and expansion of poverty alleviation achievements, agricultural modernisation, and agricultural and rural construction, providing financial guarantees for serving rural revitalisation and building a strong agricultural country.

Management Discussion and Analysis

Fifthly, we strengthened market analysis and research, and enriched trading strategies. We effectively enhanced its active trading capability and the Bank's market-making business reached a new level through intelligent quotation by leveraging the advantages of programmed and automated market making system, providing high coverage and full maturity market-making services for the interbank bond market.

Forex and Precious Metal Transactions

During the Reporting Period, the Bank kept up with the changes in the liquidity on foreign exchange market and policy trends of the US Federal Reserve, continuously consolidated and enhanced the capabilities and standards of the Bank's foreign exchange and precious metal business. We further accelerated the building of relationships among counterparties in financial derivatives transactions, consolidated the foundation for inter-bank cooperation, and continued to expand the scale of business transactions such as foreign exchange and precious metals, with the activity being further enhanced.

Treasury Business Conducted on Behalf of Customers

During the Reporting Period, the Bank's wealth management business continued to be developed steadily. Firstly, the Bank acted as an AUM pioneer to play a functional role in wealth management. With "stable and low volatility" as the core, the Bank built a product system around "finance + scenarios", actively integrated into the retail financial comprehensive service ecosystem, played a functional role in "acquiring, activating and retaining customers", and issued exclusive products including "marathon, theatre festival, and smart expo" to attract new customers and new funds. The number of new wealth management contract customers exceeded 200,000 throughout the year, effectively increasing customer resource reserves. Secondly, the Bank optimised the allocation of major assets. We enhanced investment research efforts to explore diversified asset allocation plans, optimise investment portfolios, and increase swing trading according to market changes, continuously improving the profitability and product performance. The performance achievement rate of pure fixed income products throughout the year was close to 100%, and there was no net loss, which was better than the market average, bringing stable returns to investors. With sound asset management capabilities, during the Reporting Period, the Bank's wealth management products successively won the "Golden Bull Award", "Golden-Shell Award", "Gold Honours" and many other important awards in the industry selected by market-recognised institutions, greatly enhancing the brand influence. Thirdly, the Bank gave full play to the advantages of wealth management to serve the local real economy. We deepened the business in region of Tianjin and optimised the business in other regions outside Tianjin to inject financial vitality into urban renewal, infrastructure construction, green finance development and new quality productive forces development.

Management Discussion and Analysis

With sound asset management capabilities, during the Reporting Period, the Bank won the “Five-Star Product Evaluation of 2023 (2023 年度五星產品評價)” and “Five-Star Product Evaluation of the First Half of 2024 (2024 年上半年五星產品評價)” selected by the Investment Association of China, the “Golden Toad Award (金蟾獎)” for “Wealth Management Pioneer Award (理財募集先鋒獎)” and “Wealth Management Storm Award (理財風雲獎)” selected by Lianhe Zhiping (聯合智評), “Iron Horse-Best Small and Medium-sized Bank for Asset Management Business (鐵馬 — 最佳資管業務中小銀行)” selected by Modern Bankers, “Golden Shell Award (金貝獎)” selected by 21st Century Business Herald, “Excellent Asset Management City Commercial Bank (卓越資產管理城市商業銀行)” selected by Pystandard, “Annual City Commercial Bank Storm Award (年度城市商業銀行風雲獎)” selected by Eastmoney, “Golden Bull Award for Wealth Management Products of Banks (銀行理財產品金牛獎)” selected by China Securities Journal.

Management Discussion and Analysis

1.5 *International Business*

The high-quality cross-border financial support for the “Belt and Road Initiative” yielded results. The Bank supported enterprises in cooperating with countries along the “Belt and Road Initiative” in the ASEAN region in energy, communications and other projects through cross-border syndicated loans and cross-border letters of guarantee, achieving financing of over US\$120 million within the year. During the Reporting Period, the Bank’s international settlement volume amounted to US\$5,457 million, representing a year-on-year increase of 10.25%, of which RMB1,526 million was settled for cross-border RMB business in Tianjin, representing a year-on-year increase of 88.86%.

1.6 *Integrated operation*

Since 2008, the Bank has started its setup for integrated operations, establishing a total of 8 rural banks in the regions with small economic size and inadequate financial services such as Jizhou District in Tianjin, Ningxia and Xinjiang, shouldering the responsibilities of inclusive financing, enhancing and improving rural financial services. In 2016, the Bank founded Bank of Tianjin Financial Leasing Co., Ltd. (which was restructured to Bank of Tianjin Financial Leasing Co., Ltd. in 2017), marking an important milestone of the integration and diversification of the Bank’s operations. In 2024, in accordance with the national policy direction and regulatory requirements, the Bank comprehensively assessed the current macroeconomic situation, regional operating environment and the current development of rural banks, and acquired Tianjin Jizhou Rural Bank Co., Ltd. and converted it into 4 sub-branches, including Xinghua Street Sub-branch of Bank of Tianjin Co., Ltd. As of the end of the Reporting Period, the Bank had established 7 Jinhui Rural Banks in Ningxia and Xinjiang. For a long time, the Bank actively guided each subsidiary to maintain their position and refocus on core businesses, continuously strengthening their ability to revitalise rural areas with financial services, enhancing their ability to provide small and micro or inclusive financial services, and boosting the Group’s synergistic development while achieving high-quality growth themselves. In 2024, the Bank invested in Home Credit Consumer Finance Co., Ltd. to strengthen strategic cooperation with major shareholders, expand the inclusive finance customer base, and enhance the inclusive finance development capabilities, so as to promote mutual promotion and coordinated development with other investors in the new development pattern.

During the Reporting Period, the Bank continued to deepen the systematic, comprehensive and synergistic nature of the management of the Group, and provided guidance and supervision to subsidiaries to continue to improve and optimise their corporate governance, risk prevention, compliance operation, technological support and human resources management. All subsidiaries adhered to the general tone of seeking progress while maintaining stability, and stuck to the political and people-oriented nature of financial work to promote the steady development of various tasks.

Management Discussion and Analysis

During the Reporting Period, total operating income of Bank of Tianjin Financial Leasing Co., Ltd. amounted to RMB487 million. Ningxia Yuanzhou Jinhui Rural Bank (寧夏原州津匯村鎮銀行), our consolidated subsidiary, recorded operating income of RMB20 million. Ningxia Tongxin Jinhui Rural Bank (寧夏同心津匯村鎮銀行), our another consolidated subsidiary, recorded operating income of RMB31 million.

Bank of Tianjin Financial Leasing has consistently adhered to the guidance of the “Dual Carbon” goals, focusing on cultivating new growth drivers for green development. The Bank vigorously supported development of key industries such as green economy, low-carbon economy, and circular economy, while actively advancing green leasing initiatives. By proactively joining the “Green Leasing Ecological Port” established under the leadership of the Dongjiang Comprehensive Bonded Zone Administrative Committee, Bank of Tianjin Financial Leasing achieved a green leasing balance of RMB3.819 billion as at the end of 2024, representing an increase of RMB1.799 billion or 89.06% as compared to the end of the previous year. Green leasing accounted for 29.25% of its total leasing portfolio. The submitted project was honoured as an Outstanding Green Finance Case in the third “Xinhua Credit Jinlan Cup” awards. Its Tianjin new energy public bus project was selected as an exemplary case of leasing industry servicing the real economy for the year of 2023-2024.

2. Geographical segment report

In presenting information on the basis of geographical regions, operating income is gathered according to the locations of the branches or subsidiaries that generated the income. For the purpose of presentation, we categorise such information by geographical regions. The following table sets forth the total operating income of each of the geographical regions for the periods indicated.

	For the year ended 31 December				
	2024	% of the	2023	% of the	Rate of
	Amount	Total	Amount	Total	
		(%)		(%)	
	<i>(Amounts in millions of RMB, except for percentages)</i>				
Tianjin	14,284.4	85.5	14,173.3	86.1	0.8
Shanghai	220.5	1.3	159.4	1.0	38.3
Shandong Province	387.5	2.3	283.6	1.7	36.6
Sichuan Province	945.8	5.7	703.1	4.3	34.5
Beijing	99.9	0.6	566.5	3.4	(82.4)
Hebei Province	720.5	4.3	502.7	3.1	43.3
Others ⁽¹⁾	50.2	0.3	67.3	0.4	(25.4)
Total	16,708.8	100.0	16,455.9	100.0	1.5

Note: (1) Mainly includes regions where the Bank’s subsidiaries are located, such as Ningxia.

Management Discussion and Analysis

III ANALYSIS ON CAPITAL ADEQUACY RATIO

Starting from 2024, the Bank calculates and discloses the capital adequacy ratios according to the Administrative Measures for the Capital of Commercial Banks. As of the end of the Reporting Period, the Bank's capital adequacy ratio met the regulatory requirements under such regulations, with the capital adequacy ratio at 13.59%, the tier-one capital adequacy ratio at 10.47%, and the core tier-one capital adequacy ratio at 9.53%, which complied with the regulatory requirements.

The following table sets forth the relevant information of the Bank's capital adequacy ratio as of the dates indicated:

	As of 31 December 2024	As of 31 December 2023
	<i>(Amounts in millions of RMB, except for percentages)</i>	
Core capital		
– Share capital	6,070.6	6,070.6
– Capital reserve and investment revaluation reserve	12,163.4	10,877.6
– Surplus reserve	3,352.5	3,352.5
– General reserve	9,256.0	9,227.3
– Retained earnings	37,705.0	34,660.5
– Non-controlling interests that may be included	419.4	358.0
Total core capital	68,966.9	64,546.5
Core tier-one capital	68,966.9	64,546.5
Core tier-one capital deductible items	(592.9)	(820.5)
Net core tier-one capital	68,374.0	63,726.0
Net tier-one capital	75,129.9	70,473.7

Management Discussion and Analysis

	As of 31 December 2024	As of 31 December 2023
	<i>(Amounts in millions of RMB, except for percentages)</i>	
Total tier-two capital	22,378.5	11,721.0
Net capital	97,508.4	82,194.7
Total risk-weighted assets	717,709.1	650,513.7
– Credit risk weighted assets	679,932.4	613,744.9
– Market risk weighted assets	9,169.2	5,098.6
– Operational risk weighted assets	28,607.5	31,670.2
Core tier-one capital adequacy ratio <i>(expressed in percentage)</i>	9.53	9.80
Tier-one capital adequacy ratio <i>(expressed in percentage)</i>	10.47	10.83
Capital adequacy ratio <i>(expressed in percentage)</i>	13.59	12.64

Note: The capital adequacy ratio is calculated in accordance with the Measures for Capital Management of Commercial Banks (Decree of the National Financial Regulatory Administration (No. 4, 2023) from 2024 onwards, which was not comparable for the corresponding period.

As of the end of the Reporting Period, the Bank's leverage ratio was 7.33%, which met the regulatory requirements.

	As of 31 December 2024	As of 31 December 2023
Leverage ratio	7.33%	7.86%

As of the end of the Reporting Period, for the details of such specific capital calculated and disclosed by the Bank according to the Administrative Measures for the Capital of Commercial Banks, please refer to the Bank's official website at <https://www.bankoftianjin.com/>.

Management Discussion and Analysis

IV RISK MANAGEMENT

The Bank is exposed to the following primary risks: credit risk, operational risk, market risk, liquidity risk and information technology risk. During the Reporting Period, the Bank continuously enhanced comprehensive risk management, advanced risk governance structure, improved risk management ability, effectively strengthened the risk control of various business and struck the adequate balance between risk and development. While pursuing innovative development, the Bank secured the healthy development of various business.

Credit risk

Credit risk refers to risk of financial loss to creditors or holders of financial products, resulting from the failure by an obligor or counterparty to fulfil its obligations under the contract or changes in its credit quality affecting the value of financial products. The Bank is exposed to credit risks primarily associated with our corporate loan business, personal loan business and treasury business.

The Bank has developed a relatively sound authorisation and credit review and extension management system. The Bank has established a credit risk management system based on the principle of vertical management for credit risk, and set up the credit review and extension institution based on the principle of separation for loan approval and extension and approval at various levels to ensure the independence of credit review and extension. The Bank has also built a scientific and rigorous credit review and extension and authorisation management system.

The Bank implements a centralised credit extension system, under which exposures to credit risk of all the Banking books and that of our trading books, including credit business and non-credit business, all ways and types of credit extension are under centralised credit extension management and reviewed by review authorities or reviewers with corresponding authorisation for credit review and extension.

The Bank has established credit risk management mechanism, system and procedures in line with its business nature, scale and complexity, to manage, execute and implement unified risk preferences, effectively identify, measure, control, monitor and report credit risks, so as to control credit risks within the range we can tolerate.

The Bank achieved effective control over credit risks by adopting management tools such as credit rating, agreed term, pricing, credit risks mitigation, asset classification, asset impairment, and credit limits. Electronic information systems such as credit extension management system and internal rating system have been established to effectively improve credit risk management capabilities.

Management Discussion and Analysis

Operational risk

Operational risk refers to the risk of loss due to problems with internal procedures, employees, information technology systems and external events, including legal risk, but excluding strategic risk and reputation risk.

The Bank has continued improving our operational risk management system. We have implemented three main operational risk management tools, namely self-assessment on operational risk and control, key risk index and operational risk incidents collection. The Bank regularly carries out self-assessment on risk identification and control, key risk index monitoring and collects information on operational risk loss. In terms of operational risk loss data management, the Bank follows seven types of operational risk loss events including internal fraud incidents, external fraud incidents, employment system and workplace safety incidents, customer, product and business activity incidents, damage to physical assets, information technology system incidents, as well as execution, delivery and process management incidents, and includes operational risk loss data into the internal control compliance and operational risk management platform. The Bank strictly adheres to the Administrative Measures for Operational Risk Report of the Bank of Tianjin to regulate the reporting system of operational risk. The Bank also issued the Negative List for Business Risk Prevention and Control to clarify on the dos and don'ts. The Bank has made the effort to carry out various inspection procedures which are carrying forward, stereoscopic and multi-dimensional. We have placed emphasis on our accountability and reporting system. In addition, we have established a risk warning system, carried out multidimensional educative activities across the Bank to enhance risk prevention and warning education.

Market risk

Market risk refers to the risk of loss, in respect of the Bank's on and off-balance sheet activities, arising from adverse changes in market price including interest rates, exchange rates, stock prices and product prices. The market risks which the Bank is primarily exposed to include interest risk and currency risk.

The Board of the Bank undertakes the ultimate responsibility for monitoring market risk management to ensure that we effectively identify, measure, monitor and control various market risks assumed by all businesses. Our senior management officers are responsible for formulating, regularly reviewing and supervising the implementation of policies, procedures and specific operation procedures for market risk management, keeping abreast of the level of market risk and its management and ensuring that we have sufficient human resources, materials, and appropriate organisation structure, management information system and technical level to effectively identify, measure, monitor and control various market risks assumed by all business. The Bank strictly followed the relevant regulatory requirements for market risk management and formed an effective market risk management organisational structure.

The Bank, through the improvement of market risk governance structure, management tool, system construction and effective measurement of market risk, controls negative effects of adverse movements in market price on the financial instrument position and relevant businesses within the reasonable range we can tolerate, so as to ensure that various market risk indicators meet the regulatory requirements and operation needs.

Management Discussion and Analysis

Market Risk of Banking Book

Interest Rate Risk

Interest rate risk refers to the risk derived from fluctuations in the fair value or future cash flows of financial instruments due to changes in market rates. The interest rate risk of the banking book primarily arises from the mismatch of the maturity dates or repricing dates of the Bank's interest rate-sensitive on-and-off balance sheet assets and liabilities. The Bank mainly uses repricing gap analysis, interest rate sensitivity analysis, and stress testing to weigh quarterly our exposure to potential interest rate changes. Meanwhile, the Bank considers the characteristics of deposits and loans and historical data, evaluates the impact of loan prepayment and indefinite deposit behavior on the measurement of interest rate risk. The Bank manages its interest rate risk of banking book by:

- closely monitoring the macro-economic factors that may impact the PBoC benchmark interest rates and the market rates;
- minimising the mismatches between re-pricing dates (or the maturity dates of the contracts) of interest generating assets and interest-bearing liabilities; and
- enhancing the interest spread between the interest-generating assets and interest-bearing liabilities with reference to the prevailing PBoC benchmark interest rates and the market rates.

Exchange Rate Risk

Exchange rate risk refers to risks caused by the adverse impact on the Banks' foreign currency position and cash flows as a result of the exchange rate fluctuations of their primary foreign currency. Our primary principle for controlling our exchange rate risk is to match asset and liability denominated in every currency and monitor our foreign currency exposure on a daily basis. Based on the relevant regulatory requirements and our management's judgments on the current environment, the Group reasonably arranges our sources and use of funds denominated in foreign currencies to minimise the possible mismatches of assets and liabilities in different currencies.

Market Risk of Trading Book

The market risk of the trading book of the Bank primarily arises from fluctuations in the value of the financial instruments on our trading book due to changes in interest rates and exchange rates. Based on our market risk management policies, the Bank has adopted a number of risk management techniques, including limit management and stress testing, to monitor and control market risks of our trading book.

Management Discussion and Analysis

Liquidity risk management

Liquidity risk refers to the risk of failure for commercial banks to acquire sufficient funds in a timely manner and at a reasonable cost to pay off debts due or meet the liquidity demand in line with expansion of our business operations. We are exposed to liquidity risk primarily in the funding of our lending, trading and investment activities, as well as in the management of our liquidity positions.

The Bank adopts a centralised management model for our liquidity risk management. Guided by the Board's liquidity risk management policies and led by the senior management, the headquarters and branches work in conjunction with all relevant departments to implement the centralised management model that accords with the business scale and overall development plans, under which the headquarters will uniformly manage our general liquidity risks.

Faced with changes in the macro environment, monetary policies and regulatory policies, the Bank has consistently adhered to a prudent strategy for liquidity risk management. By monitoring a number of key liquidity indicators, conducting liquidity risk stress tests, and formulating and implementing management strategies to optimise the asset liability structure and other measures, we continuously improve liquidity risk management capabilities and ensure sufficient liquidity of the Bank.

Information technology risk management

Information technology risk refers to the operational, legal and reputational risks arising from natural factors, human factors, technical loopholes and management deficiencies in the use of information technology in commercial banks.

The Bank continuously improves IT risk management, formulates and revises IT risk management-related policies and sets up IT risk management system to improve IT application capability and ensure system, internet, and data security. We have also effectively reduced potential risks by enhancing management and increasing IT investment.

The Bank has formulated IT Risk Management Policies of Bank of Tianjin Co., Ltd. 《天津銀行股份有限公司信息科技風險管理政策》, Administrative Policies for Risk Management Sub-contracting IT Work of Bank of Tianjin Co., Ltd. 《天津銀行股份有限公司信息科技外包風險管理政策》, Administrative Measures for IT Risk Management of Bank of Tianjin 《天津銀行信息科技風險管理辦法》, IT Risk Management Strategies of Bank of Tianjin 《天津銀行信息科技風險管理策略》, Administrative Measures for Risk Management of Sub-contracting IT Work of Bank of Tianjin 《天津銀行信息科技外包風險管理辦法》 and Administrative Measures for IT Risk Monitoring, Evaluation and Disposal of Bank of Tianjin 《天津銀行信息科技風險監測評估與處置管理辦法》, and continued to improve the capacities for preventing and controlling IT risks by the implementation of measures such as IT risk monitoring and evaluation. Meanwhile, the Bank carried out the business impact analysis, business continuity exercises, business continuity management and appraisal and other works, and ensured the stable operation for the important business.

Changes in Share Capital and Information on Shareholders

I. CHANGES IN SHARES OF THE BANK

Share capital

As of the end of the Reporting Period, the total share capital of the Bank was 6,070,551,822 Shares, and the total registered capital amounted to RMB6,070,551,822, which had no change during the Reporting Period.

Statement of Changes in Shares

	1 January 2024			31 December 2024	
	Number of Shares	Percentage of total share capital	Changes during the Reporting Period	Number of Shares	Percentage of total share capital
Domestic legal persons	3,974,260,517	65.47%	(95,770)	3,974,164,747	65.47%
Domestic natural person	331,692,242	5.46%	95,770	331,788,012	5.46%
H Shares	1,764,599,063	29.07%	–	1,764,599,063	29.07%
Other foreign shares	–	–	–	–	–
Total	6,070,551,822	100%	–	6,070,551,822	100%

Changes in Share Capital and Information on Shareholders

II. PARTICULARS OF SHAREHOLDINGS OF THE TOP TEN SHAREHOLDERS OF THE BANK

No.	Name of Shareholder	Nature of Shares	Total number		Shareholding percentage held at the end of the Reporting Period (%)
			Total number of shares held at the beginning of the Reporting Period (Shares)	Total number of shares held at the end of the Reporting Period (Shares)	
1	Tianjin Port Free Trade Zone Investment Co., Ltd.	Domestic legal persons	967,462,369	967,462,369	15.94
2	Australia and New Zealand Banking Group Limited	H Shares	725,644,563	725,644,563	11.95
3	Tianjin Pharmaceutical Holdings Ltd.	Domestic legal persons	487,713,488	487,713,488	8.03
4	Tianjin Bohai Chemical Industry Group Co., Ltd.	Domestic legal persons	487,078,366	487,078,366	8.02
5	CSSC International Holding Company Limited	H Shares	303,193,000	303,193,000	4.99
6	Harbin Economic Development and Investment Co., Ltd.	Domestic legal persons	166,657,161	166,657,161	2.75
7	Tianjin Hi-tech Holding Group Co., Ltd.	Domestic legal persons	149,056,239	149,056,239	2.46
8	Tianjin Jinrong Investment Service Group Co., Ltd.	Domestic legal persons	117,378,125	117,378,125	1.93
9	Tianjin Ningfu Investment Co., Ltd.	Domestic legal persons	114,278,299	114,278,299	1.88
10	Hong Kong Bohai Leasing Asset Management Corp., Limited	H Shares	106,993,500	106,993,500	1.76
Total			3,625,455,110	3,625,455,110	59.72

Changes in Share Capital and Information on Shareholders

III. INFORMATION ON SHAREHOLDERS

As at the end of the Reporting Period, the Bank had a total of 7,223 Shareholders. During the Reporting Period, the Bank had no de facto controllers.

Interests and Short Positions in Hong Kong in Accordance with the SFO

As at the end of the Reporting Period, pursuant to the register entered by the Bank under Section 336 of the SFO, and to the best knowledge of the Bank, the following persons (other than the Bank's Directors, Supervisors and chief executives) had or were deemed or taken to have interests and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, were interested in 5% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at the general meetings of any other member of the Bank:

Name of Shareholder	Nature of interests	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in the Bank	Approximate % of the relevant class of Shares of the Bank
Tianjin Port Free Trade Zone Investment Co., Ltd. ⁽¹⁾	Beneficial owner	Domestic Shares	967,462,369	15.94	22.47
Tianjin Port Free Trade Zone Investment Holdings Co., Ltd. ⁽¹⁾	Interest of a controlled corporation	Domestic Shares	967,462,369	15.94	22.47
Australia and New Zealand Banking Group Limited ⁽²⁾	Beneficial owner	H Shares	725,644,563	11.95	41.12
ANZ BH Pty Ltd ⁽²⁾	Interest of a controlled corporation	H Shares	725,644,563	11.95	41.12
ANZ Group Holdings Limited ⁽²⁾	Interest of a controlled corporation	H Shares	725,644,563	11.95	41.12
Tianjin Bohai Chemical Industry Group Co., Ltd. ⁽³⁾	Beneficial owner Interest of a controlled corporation	Domestic Shares	489,857,052	8.07	11.38
Tianjin Pharmaceutical Holdings Ltd. ⁽⁴⁾	Beneficial owner Interest of a controlled corporation	Domestic Shares	489,107,183	8.06	11.36

Changes in Share Capital and Information on Shareholders

Name of Shareholder	Nature of interests	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in the Bank	Approximate % of the relevant class of Shares of the Bank
Jinhushen Biological Medical Science and Technology Co., Ltd. ⁽⁴⁾	Interest of a controlled corporation	Domestic Shares	489,107,183	8.06	11.36
CSSC International Holding Company Limited ⁽⁵⁾	Beneficial owner	H Shares	303,193,000	4.99	17.18
China State Shipbuilding Corporation Limited ⁽⁵⁾	Interest of a controlled corporation	H Shares	303,193,000	4.99	17.18
Hong Kong Bohai Leasing Asset Management Corp., Limited ⁽⁶⁾	Beneficial owner	H Shares	106,993,500	1.76	6.06
Tianjin Bohai Leasing Co., Ltd. ⁽⁶⁾	Interest of a controlled corporation	H Shares	106,993,500	1.76	6.06
Bohai Leasing Co., Ltd. ⁽⁶⁾	Interest of a controlled corporation	H Shares	106,993,500	1.76	6.06
Tsinlien Group Company Limited ⁽⁷⁾	Beneficial owner	H Shares	97,621,500	1.61	5.53
Tianjin Bohai State-owned Assets Management Co., Ltd. ⁽⁷⁾	Interest of a controlled corporation	H Shares	97,621,500	1.61	5.53
Tianjin TEDA Industrial Group Co., Ltd. ⁽⁷⁾	Interest of a controlled corporation	H Shares	97,621,500	1.61	5.53
TEDA Investment Holding Co., Ltd. ⁽⁷⁾	Interest of a controlled corporation	H Shares	97,621,500	1.61	5.53

Notes:

- (1) Tianjin Port Free Trade Zone Investment Co., Ltd. is wholly owned by Tianjin Port Free Trade Zone Investment Holdings Co., Ltd., which is controlled by Tianjin Port Free Trade Zone State-owned Assets Supervision and Administration Bureau. By virtue of the SFO, Tianjin Port Free Trade Zone Investment Holdings Co., Ltd. is deemed to be interested in the Shares held by Tianjin Port Free Trade Zone Investment Co., Ltd.
- (2) Australia and New Zealand Banking Group Limited, a Shareholder of the Bank, was incorporated in the State of Victoria, Australia on 14 July 1977. After an internal reorganisation in January 2023, Australia and New Zealand Banking Group Limited is wholly owned by ANZ BH Pty Ltd, which is wholly owned by ANZ Group Holdings Limited. Accordingly, ANZ BH Pty Ltd and ANZ Group Holdings Limited are deemed to be interested in the 725,644,563 Shares held by Australia and New Zealand Banking Group Limited.

Changes in Share Capital and Information on Shareholders

- (3) Tianjin Bohai Chemical Industry Group Co., Ltd. (i) directly holds 487,078,366 Shares; and (ii) through a number of controlled corporations, holds an aggregate of 2,778,686 Shares. As such, Tianjin Bohai Chemical Industry Group Co., Ltd. is interested in a total of 489,857,052 Shares by virtue of the SFO.
- (4) Tianjin Pharmaceutical Holdings Ltd. (i) directly holds 487,713,488 Shares; and (ii) through a number of controlled corporations, holds an aggregate of 1,393,695 Shares. As such, Tianjin Pharmaceutical Holdings Ltd. is interested in a total of 489,107,183 Shares by virtue of the SFO. Jinhushen Biological Medical Science and Technology Co., Ltd. is a controlling shareholder of Tianjin Pharmaceutical Holdings Ltd. By virtue of the SFO, Jinhushen Biological Medical Science and Technology Co., Ltd. is deemed to be interested in the Shares held by Tianjin Pharmaceutical Holdings Ltd.
- (5) CSSC International Holding Company Limited is wholly-owned by China State Shipbuilding Corporation Limited. As such, China State Shipbuilding Corporation Limited is deemed to be interested in the 303,193,000 Shares held by CSSC International Holding Company Limited.
- (6) Tianjin Bohai Leasing Co., Ltd. is wholly-owned by Bohai Leasing Co., Ltd. (Stock Code: 000415.SZ). Hong Kong Bohai Leasing Asset Management Corp., Limited is wholly-owned by Tianjin Bohai Leasing Co., Ltd. As such, Bohai Leasing Co., Ltd. and Tianjin Bohai Leasing Co., Ltd. are deemed to be interested in the 106,993,500 Shares held by Hong Kong Bohai Leasing Asset Management Corp., Limited.
- (7) Tsinlien Group Company Limited (i) directly holds 12,017,500 Shares; and (ii) through a number of controlled corporations, holds an aggregate of 85,604,000 Shares. As such, Tsinlien Group Company Limited is interested in a total of 97,621,500 Shares by virtue of the SFO. TEDA Investment Holding Co., Ltd. is a controlling shareholder of Tianjin TEDA Industrial Group Co., Ltd., which is a controlling shareholder of Tianjin Bohai State-owned Assets Management Co., Ltd., which is a controlling shareholder of Tsinlien Group Company Limited. Accordingly, Tianjin Bohai State-owned Assets Management Co., Ltd., Tianjin TEDA Industrial Group Co., Ltd. and TEDA Investment Holding Co., Ltd. are deemed to be interested in 97,621,500 Shares held by Tsinlien Group Company Limited.

IV. SHAREHOLDERS WITH SHAREHOLDING OF 5% OR MORE OF THE BANK

Please see "III. Information on Shareholders" above for the particulars of shareholders with shareholding of 5% or more of the Bank.

Changes in Share Capital and Information on Shareholders

V. SUBSTANTIAL SHAREHOLDERS AND MAJOR SHAREHOLDERS PRESCRIBED UNDER THE REQUIREMENTS OF THE NFRA

Details regarding the definitions of the Bank's substantial Shareholders and their controlling Shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries are set out in the relevant regulations under the Interim Measures for Equity Management of Commercial Banks issued by the NFRA.

As of the end of the Reporting Period, the substantial Shareholders of the Bank were set out as follows:

Name of Shareholder	Shareholding ratio (%)	Industry
Tianjin Port Free Trade Zone Investment Co., Ltd.	15.94	Commercial services
Australia and New Zealand Banking Group Limited	11.95	Monetary and financial services
Tianjin Pharmaceutical Holdings Ltd.	8.03	Commercial services
Tianjin Bohai Chemical Industry Group Co., Ltd.	8.02	Commercial services
CSSC International Holding Company Limited	4.99	Commercial services
Tianjin Jinrong Investment Service Group Co., Ltd.	1.93	Commercial services

As of the end of the Reporting Period, the number of the Bank's substantial Shareholders and their controlling Shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries was approximately 925. As of the end of the Reporting Period, balance of the related party transactions between the Bank and its substantial Shareholders and their controlling Shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries amounted to RMB16.079 billion in total, representing 16.95% of the net capital as of the end of the fourth quarter of 2024.

Due to limitations on space, this annual report does not provide the list of all the related parties of the substantial Shareholders and details of the related party transactions. For related party transactions under relevant accounting policies, please refer to Note 48 to the financial statements.

Changes in Share Capital and Information on Shareholders

VI. PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE BANK

During the Reporting Period, the Bank or any of its subsidiaries had not purchased, sold or redeemed any listed securities of the Bank (including sale of Treasury shares). As of the end of the Reporting Period, the Bank or any of its subsidiaries did not hold Treasury shares.

VII. PUBLIC FLOAT

Based on the information available in the public and so far as our Directors concerned, as of the date of this annual report, the Bank had maintained sufficient public float in compliance with the minimum requirement of the Hong Kong Listing Rules and the exemption granted by the Hong Kong Stock Exchange upon the Bank's listing.

VIII. PRE-EMPTIVE RIGHT

The Articles of Association and relevant PRC laws have no provisions on granting the pre-emptive right to the Shareholders of the Bank.

Directors, Supervisors, Senior Management Officers and Employees

I. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS

1. Directors

Name	Age	Position	Date of Appointment
Mr. YU Jianzhong	54	Executive Director	18 July 2023
		Chairman	28 August 2023
Mr. WU Hongtao	53	Executive Director	28 February 2022
		President	28 February 2022
Mr. ZHENG Ke	50	Executive Director	18 August 2022
		Vice President	28 February 2022
Ms. DONG Xiaodong	46	Executive Director	18 August 2022
		Secretary of the Board	28 February 2022
Ms. DONG Guangpei	44	Non-executive Director	28 February 2022
Mr. PENG Chong	47	Non-executive Director	21 June 2024
Mr. Alistair Marshall BULLOCH	67	Non-executive Director	28 February 2022
Mr. WANG Shunlong	48	Non-executive Director	28 February 2022
Mr. ZENG Jianhua	67	Independent Non-executive Director	18 August 2022
Mr. LU Jianzhong	70	Independent Non-executive Director	18 August 2022
Mr. GU Zhaoyang	59	Independent Non-executive Director	22 September 2024
Mr. FENG Jinghua	40	Independent Non-executive Director	24 January 2025
Mr. PENG Bing	53	Independent Non-executive Director	24 January 2025

Former Directors

Name	Age	Position	Date of Termination
Ms. SUN Jingyu	56	Non-executive Director	15 January 2024
Ms. LI Jun	52	Non-executive Director	20 March 2025
Mr. ZHAO Wei	55	Non-executive Director	20 March 2025
Mr. JIN Qingjun	67	Independent Non-executive Director	24 January 2025
Mr. HE Jia	70	Independent Non-executive Director	24 January 2025

Directors, Supervisors, Senior Management Officers and Employees

Notes:

- (1) Except for the former Directors, the term of office of the above Directors is from their respective appointment dates to the expiry date of the term of office of the seventh session of the Board. The Bank has commenced the election process for the eighth session of the Board of Directors. For details, please refer to the announcement issued by the Bank on 20 March 2025.
- (2) Pursuant to the "Interim Measures Governing the Professional Managers of Enterprises under Tianjin Municipal Government" and the notification of the superior authorities, the Board of Directors of the Bank has considered and passed the resolution on the reappointment of the professional managers, and agreed to reappoint Mr. WU Hongtao as the president of the Bank and Mr. ZHENG Ke as the vice president of the Bank, and the terms of office of the aforesaid professional managers will both expire on 31 December 2026.

2. Supervisors

Name	Age	Position	Date of Appointment
Mr. HUANG Yongxin	52	Employee Representative Supervisor Chairman of Board of Supervisors	28 May 2024
Ms. PENG Junying	50	Employee Representative Supervisor	22 December 2023
Mr. WU Chong	45	Shareholder Representative Supervisor	18 May 2023
Mr. LIU Baorui	67	External Supervisor	28 February 2022
Mr. LAW Yee Kwan, Quinn	72	External Supervisor	18 August 2022

Former Supervisor

Name	Age	Position	Date of Termination
Ms. FENG Xia	53	Chairwoman of Board of Supervisors Employee Representative Supervisor	31 January 2024 28 May 2024

Note:

- (1) Except for the former Supervisor, the term of office of the above Supervisors is from their respective appointment dates to the expiry date of the term of office of the seventh session of the Board of Supervisors.

Directors, Supervisors, Senior Management Officers and Employees

3. Other Senior Management Officers

Name	Age	Position	Date of First Appointment as Senior Management Officers
Mr. LIU Gangling	48	Vice President	March 2021
Mr. CHEN Peng	51	Vice President	December 2024
		Chief Information Officer	March 2024
Mr. XIA Zhenwu	55	Assistant to President	January 2008

Note:

- (1) Pursuant to the "Interim Measures Governing the Professional Managers of Enterprises under Tianjin Municipal Government" and the notification of the superior authorities, the Board of Directors of the Bank has considered and passed the resolution on the reappointment of the professional managers, and agreed to reappoint Mr. LIU Gangling as the vice president of the Bank and his terms of office will expire on 31 December 2026.

4. Shareholders' Nomination of Candidates for Directors and Supervisors of the Bank during the Reporting Period

No.	Name of Shareholder	Name of Nominated Director/Supervisor
1	Tianjin Port Free Trade Zone Investment Co., Ltd.	DONG Guangpei, PENG Chong
2	Australia and New Zealand Banking Group Limited	Alistair Marshall BULLOCH
3	Tianjin Pharmaceutical Holdings Ltd.	ZHAO Wei
4	Tianjin Bohai Chemical Industry Group Co., Ltd.	WANG Shunlong
5	CSSC International Holding Company Limited	LI Jun
6	Tianjin Jinrong Investment Service Group Co., Ltd.	WU Chong

Note:

- (1) Each of Mr. ZHAO Wei and Ms. LI Jun ceased to be a non-executive Director of the Bank on 20 March 2025.

Directors, Supervisors, Senior Management Officers and Employees

II. CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS DURING THE REPORTING PERIOD

On 15 January 2024, the Board of Directors of the Bank received a resignation letter from Ms. SUN Jingyu, a non-executive Director, who has resigned as a non-executive Director of the seventh session of the Board and a member of the Strategic Development Committee of the Board as she reached the age of retirement. The above resignation has taken effect from 15 January 2024.

On 15 January 2024, the Board proposed to appoint Mr. PENG Chong as a non-executive Director of the seventh session of the Board of the Bank. The proposed appointment of Mr. PENG Chong as a non-executive Director has been approved by the Shareholders of the Bank at the 2023 annual general meeting on 19 April 2024 and obtained the approval of his qualification by the regulatory authority on 21 June 2024; Mr. PENG Chong has served as a member of the Strategic Development Committee of the Board from the date on which his qualification as a non-executive Director was approved by the regulatory authorities. For details, please refer to the announcement of the Bank headed "Resignation of Non-executive Director and Proposed Appointment of Non-executive Director" dated 15 January 2024 and the announcement of the Bank headed "Announcement on Approval of Qualification of Directorship by the Regulatory Authority" dated 24 June 2024. Mr. PENG Chong has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 20 June 2024 and confirmed that he understands his obligations as a director of the Bank, including all the requirements under the Hong Kong Listing Rules applicable to him as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange.

On 31 January 2024, the Board of Supervisors of the Bank received a resignation letter from Ms. FENG Xia, a chairwoman of the Board of Supervisors, who has resigned as the chairwoman of the Board of Supervisors, the employee representative Supervisor, a member of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors of the Bank due to her work adjustment. Pursuant to the Articles of Association of the Bank, Ms. FENG Xia will continue to perform her duties as an employee representative Supervisor, a member of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors until her successor assumes office. Accordingly, Ms. FENG Xia resigned as the chairwoman of Board of Supervisors with effect from 31 January 2024. Her resignation as a member of the Nomination Committee of the Board of Supervisors and a member of the Supervision Committee of the Board of Supervisors will take effect from the date on which the Board of Supervisors approves her relevant resignation, and her resignation as the employee representative Supervisor will take effect from the date on which her successor is formally appointed by the Bank. For details, please refer to the Bank's announcement headed "Resignation of Chairwoman of Board of Supervisors" dated 31 January 2024.

Upon the consideration and approval by the Board of Directors and the approval by the Tianjin Financial Regulatory Bureau, Mr. CHEN Peng has served as the Chief Information Officer of the Bank since 26 March 2024.

Directors, Supervisors, Senior Management Officers and Employees

On 28 May 2024, upon consideration and approval by the employee representative meeting and the Board of Supervisors of the Bank, Mr. HUANG Yongxin has been elected as an employee representative Supervisor, the chairman of the Board of Supervisors, and a member of each of the Supervision Committee and the Nomination Committee under the Board of Supervisors of the Bank, with effect from 28 May 2024. Ms. FENG Xia has resigned as an employee representative Supervisor, and a member of each of the Nomination Committee and the Supervision Committee under the Board of Supervisors of the Bank, with effect from 28 May 2024. For details, please refer to the Bank's announcement headed "Appointment of Employee Representative Supervisor and the Chairman of the Board of Supervisors" dated 28 May 2024.

On 8 July 2024, the Board proposed to appoint Mr. GU Zhaoyang as an independent non-executive Director of the seventh session of the Board of Directors of the Bank, which was approved by the 2024 First Extraordinary General Meeting of the Bank on 30 July 2024, and obtained the approval of his qualification by the regulatory authority on 22 September 2024. From the date when his qualification as an independent non-executive Director was approved by the Tianjin Financial Regulatory Bureau, Mr. GU Zhaoyang has been the chairman of the Inclusive Finance Development and Consumer Rights Protection Committee of the Board, a member of the Audit Committee of the Board, and a member of the Related Party Transactions Control Committee of the Board. For details, please refer to the announcements of the Bank headed "Proposed Appointment of Independent Non-executive Director; Resignation of Proposed Independent Non-executive Director" dated 8 July 2024 and "Announcement on Approval of Qualification of Directorship by the Regulatory Authority" dated 25 September 2024. Mr. Gu Zhaoyang has obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 22 September 2024 and confirmed that he understands his obligations as a director of the Bank, including all the requirements under the Hong Kong Listing Rules applicable to him as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange.

Reference is made to the Bank's announcement titled "Resignation of Proposed Independent Non-executive Director and Proposed Appointment of Independent Non-executive Director" dated 28 August 2023 and the announcement titled "Poll Results of the 2023 Second Extraordinary General Meeting, the 2023 First Domestic Share Class Meeting and the 2023 First H Share Class Meeting Held on Wednesday, 20 September 2023" dated 20 September 2023 in relation to, among other things, the proposed appointment of Ms. CHEN Yanhong as an independent non-executive Director of the Board, the chairwoman of Related Party Transactions Control Committee of the Board and a member of Risk Management Committee of the Board of the Bank, with effect from the date when her qualification is approved by the regulatory authorities. The Bank has received a notice from Ms. CHEN Yanhong that due to her personal work arrangements, she cannot serve as an independent non-executive Director of the seventh session of the Board of the Bank and hold positions in the relevant special committees, and the above resignation has taken effect from 8 July 2024. For details of the above changes, please refer to the Bank's announcement titled "Proposed Appointment of Independent Non-executive Director; Resignation of Proposed Independent Non-executive Director" dated 8 July 2024.

Directors, Supervisors, Senior Management Officers and Employees

On 25 October 2024, the Board of Directors resolved to appoint Mr. CHEN Peng as the vice president of the Bank with effect from the date when his qualification was approved by the regulatory authorities. The qualification of Mr. CHEN Peng as the vice president was approved by the regulatory authorities on 9 December 2024 until the expiry of the term of office of the seventh session of the Board of Directors.

On 31 October 2024, the Board has considered and passed the relevant resolutions proposing the appointment of Mr. FENG Jinghua ("Mr. FENG") and Mr. PENG Bing ("Mr. PENG") as independent non-executive Directors of the seventh session of the Board of Directors of the Bank. Pursuant to the Articles of Association of the Bank, the proposed appointment of Mr. FENG and Mr. PENG as independent non-executive Directors were approved by the shareholders of the Bank at the 2024 Third Extraordinary General Meeting on 11 December 2024 and their qualifications were duly approved by the Tianjin Financial Regulatory Bureau on 24 January 2025. From the date when Mr. FENG's qualification as an independent non-executive Director approved by the Tianjin Financial Regulatory Bureau, Mr. FENG has served as the chairman of the Nomination and Remuneration Committee of the Board and a member of the Strategic Development Committee of the Board. From the date when Mr. PENG's qualification as an independent non-executive Director approved by the Tianjin Financial Regulatory Bureau, Mr. PENG has served as the chairman of the Related Party Transactions Control Committee of the Board and a member of the Risk Management Committee of the Board. For details, please refer to the announcements of the Bank headed "Resignation of Independent Non-executive Director; Proposed Appointment of Independent Non-executive Director" dated 31 October 2024 and "Announcement on Approval of Qualification of Directorship by the Regulatory Authority" dated 27 January 2025. Mr. FENG and Mr. PENG have obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules on 22 January 2025 and confirmed that they understand their obligations as directors of the Bank, including all the requirements under the Hong Kong Listing Rules applicable to them as directors of a listed company and the possible consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange.

Directors, Supervisors, Senior Management Officers and Employees

On 31 October 2024, as Mr. HE Jia has served as an independent non-executive Director of the Bank for six years, he has submitted his resignation application to the Board of the Bank, applying for resignation as an independent non-executive Director of the Bank and from relevant special committees of the Board. Before the new independent non-executive Director formally takes office, Mr. HE Jia shall continue to perform relevant duties as an independent non-executive Director and a member of the special committees under the Board in accordance with relevant laws, regulations and provisions of the Articles of Association of the Bank. On 11 May 2023, as Mr. JIN Qingjun has served as an independent non-executive Director of the Bank for six years, he has tendered his resignation to the Board of Directors of the Bank, applying for his resignation as an independent non-executive Director and from the relevant special committees under the Board. Before the new independent non-executive Director formally takes office, Mr. JIN Qingjun will continue to perform his duties as an independent non-executive Director and special committee of the Board in accordance with relevant laws and regulations and the relevant provisions of the Articles of Association of the Bank. As the qualifications of Mr. FENG Jinghua and Mr. PENG Bing as independent non-executive Directors have obtained the approval of their qualifications by the regulatory authority on 24 January 2025, Mr. HE Jia and Mr. JIN Qingjun ceased to serve as independent non-executive Directors and the relevant special committees of the Bank with effect from 24 January 2025. For details, please refer to the announcements of the Bank headed “Resignation of Chairman; Resignation of Independent Non-executive Director; Proposed Appointment of Executive Director; Proposed Appointment of Independent Non-executive Director and Change of Authorised Representative” dated 11 May 2023, “Resignation of Independent Non-executive Director; Proposed Appointment of Independent Non-executive Directors” dated 31 October 2024, and “Announcement on Approval of Qualification of Directorship by the Regulatory Authority” dated 27 January 2025, respectively.

Save as disclosed above, during the Reporting Period, there is no other relevant information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules. The changes in Directors, Supervisors and senior management officers of the Bank from the end of the Reporting Period to the disclosure date of this annual report are as follows.

On 20 March 2025, each of Mr. ZHAO Wei and Ms. LI Jun resigned as a non-executive Director and from relevant special committees of the Bank due to work adjustments. For details, please refer to the announcement of the Bank headed “Resignation of Non-executive Director and Proposed Re-election and Appointment of Directors of the Eighth Session of the Board of the Directors” dated 20 March 2025.

On 20 March 2025, the Bank commenced the re-election and appointment for the eighth session of its Board of Directors. For details, please refer to the announcement issued by the Bank on 20 March 2025.

Save as disclosed above, from the end of the Reporting Period to the disclosure date of this annual report, there is no other relevant information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Directors, Supervisors, Senior Management Officers and Employees

III. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS DURING THE REPORTING PERIOD

1. Directors

Mr. YU Jianzhong, aged 54, Mr. YU has been the secretary of the Party Committee of the Bank since April 2023. Mr. YU has been an executive Director of the Bank since July 2023 and has been the Chairman of the Board of Directors of the Bank since August 2023, presiding over the overall work of the Party Committee and the Board of Directors of the Bank, in charge of auditing and the Audit Department. Mr. YU is an expert enjoying the special allowance of the State Council, and also serves as the vice chairman of the Ninth Council of the Asia-Pacific Society of China, a visiting professor of the University of International Business and Economics, and a member of the Fourth Standing Committee of the Working Committee of Urban Commercial Banks of the China Banking Association. Mr. YU has successively served as deputy secretary of the party committee, president, secretary of the party committee and chairman of the board of directors of Tianjin Rural Commercial Bank Co., Ltd. from February 2020 to April 2023, and he has successively served as deputy secretary of the party committee, vice president and president of China Overseas Holding Group from November 2018 to December 2019. Mr. YU has served as vice president of Evergrande Group from May 2018 to November 2018. From July 1995 to May 2018, Mr. YU has successively served as an employee, deputy director of the Wealth Management Division of the Treasury Trading Center of the Asset and Liability Management Department, deputy director of the Wealth Management Division of the Treasury Trading Center and deputy general manager of the Shanghai Branch (in charge of work) of the Asset and Liability Management Department thereof, deputy director of the Wealth Management Division of the Treasury Trading Center and deputy general manager of the Shanghai Branch (in charge of work) of the Treasury Operation Department thereof, general manager of Treasury Trading Center Shanghai Branch of the Treasury Operation Department, director of Treasury Trading Center of the Treasury Operation Department, director of Transaction Risk Supervision Division of Financial Markets Department, deputy general manager of Financial Market Department, a member of the party committee and vice president of Guangxi Zhuang Autonomous Region Branch, deputy director of the organisation department of the party committee, deputy general manager of human resources department/Sannong human resources management center, president of the investment banking department etc., at Agricultural Bank of China Co., Ltd.. During the term of office of the above titles, Mr. YU has also worked as a postdoctoral researcher in applied economics at the Chinese Academy of Social Sciences from July 2007 to June 2009, and took a temporary post as a member of the Party Leadership Group and deputy mayor of Qinzhou City, Guangxi Province from August 2008 to November 2009. From January 2020 to November 2021, he worked as a researcher at the School of International Trade and Economics, University of International Business and Economics. He also worked as a distinguished research fellow of the National Institution for Finance and Development, a vice chairman of the Bond Market Committee of the National Association of Financial Market Institutional Investors, and a non-executive director of China Bond Rating Co., Ltd.

Directors, Supervisors, Senior Management Officers and Employees

Mr. YU graduated from the College of Economics and Management of Beijing Agricultural University in July 1995, majoring in Finance and minoring in Computer Science. From September 2000 to October 2006, Mr. YU finished the successive postgraduate and doctoral programs of study, and obtained his PhD in management at Nanjing Agricultural University, majoring in Agricultural Economics and Management.

Mr. WU Hongtao, aged 53. Mr. WU has served as the deputy secretary of the Party Committee of the Bank since September 2020. Mr. WU has served as our executive Director since January 2021 and acted as our President since November 2020. He is responsible for the overall work of the Bank's operation and management and is in charge of publicity, branding, asset and liability work, internal control and compliance, anti-money laundering and anti-terrorist financing, legal, confidentiality, letters and calls and consumer rights protection work. He is also in charge of the Party Committee Office/Party Committee Propaganda Department/Office/Consumer Rights and Interests Protection Office, Asset and Liability Management Department and the Internal Control and Compliance Department, etc. From January 2020 to September 2020, Mr. WU served as the president and a partner of Southern China area of New Hope Group; the president and executive director of Guangdong Huaxing Bank from November 2018 to October 2019; the president of Guangdong Huaxing Bank from February 2018 to November 2018; the deputy secretary of the party committee, vice chairman and president of Jiangxi Bank from May 2016 to January 2018; the vice chairman and president of Jiangxi Bank from December 2015 to May 2016; the deputy secretary of the party committee, vice chairman and president of Bank of Nanchang from March 2013 to December 2015; the party committee member and vice president of China Guangfa Bank, Guangzhou branch from April 2011 to March 2013; successively the supervisor of the research and development department, deputy general manager of the office, deputy general manager of the bank card department, deputy general manager of the financial interbank department, the general manager of the financial interbank and consolidation department and the general manager of the financial institution department of China Guangfa Bank from January 2001 to April 2011. From May 1997 to January 2001, Mr. WU successively served as the staff and deputy director of the office of China Guangfa Bank, Nanjing branch, and served as the staff of GF Securities of China Guangfa Bank from August 1995 to May 1997.

Mr. WU graduated from the department of international economics of the school of economics of Peking University in July 1995, and obtained a master's degree in laws from the department of laws and political science of East China Normal University with a major in political science in October 1997. He obtained a doctor's degree in economics from the department of finance of the East China Normal University with a major in global economics in July 2003. Mr. WU has also obtained the qualification of senior economist and the qualification as a lawyer in the People's Republic of China.

Directors, Supervisors, Senior Management Officers and Employees

Mr. ZHENG Ke, aged 50. Mr. ZHENG has served as our executive Director since August 2022 and the vice president of the Bank since January 2022. Mr. ZHENG served as the line president of China Bohai Bank and the party secretary and president of Tianjin Branch of China Bohai Bank from November 2020 to October 2021; the line president of China Bohai Bank and the party secretary and president of Taiyuan Branch of China Bohai Bank from May 2019 to November 2020; the line president, the general manager of the asset management department and the general manager of the interbank business department of China Bohai Bank from April 2018 to May 2019; the general manager of the asset management department of China Bohai Bank from November 2011 to April 2018, and concurrently served as the general manager of the interbank business department from November 2014 to April 2018; successively served as the deputy general manager of the global market department and the deputy general manager of the financial market department of China Bohai Bank from June 2009 to November 2011; the senior product manager of the capital business department of Beijing Branch of Bank of China from December 2007 to June 2009; the assistant to the president of Beijing Haidian sub-branch of Bank of China from May 2007 to December 2007; successively served as the staff member of the foreign exchange trading section of the capital planning department, product manager of the development team of the capital business department and head of the foreign exchange trading team of the capital business department of Beijing Branch of Bank of China from August 2003 to May 2007.

Mr. ZHENG graduated from the School of Management of Harbin Institute of Technology majoring in foreign trade in September 1997, obtained a master's degree in management science and engineering from Jilin University of Technology in March 2000, and obtained a doctor's degree in management science and engineering from Beihang University in August 2003.

Ms. DONG Xiaodong, aged 46, has served as our executive Director since August 2022 and the secretary of the Board of Directors of the Bank since March 2021, and is in charge of the daily work of the Board of Directors Office and strategic development work and assists to manage the work of publicity, branding, consumer protection and letters and calls. She has served as director of the Board of Directors Office of the Bank since June 2023. She has successively served as deputy general manager, deputy general manager (presiding over the work) and general manager of the Strategic Development Department of the Bank from January 2017 to August 2023; the deputy director of Office of Legal Person of Tianjin Regulatory Bureau of China Banking Regulatory Commission (the "CBRC Tianjin Office") from August 2014 to January 2017; a staff, a deputy director staff and a director staff of CBRC Tianjin Office successively from September 2003 to August 2014, during which period she engaged in an exchange program at the Tianjin Branch of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行天津分行) from February 2004 to January 2005; and a staff in the Tianjin Branch of the People's Bank of China (中國人民銀行天津分行) from July 2002 to September 2003.

Directors, Supervisors, Senior Management Officers and Employees

Ms. DONG graduated from Tianjin University of Finance and Economics (天津財經學院) in July 2002, majoring in International Accounting and obtained a bachelor's degree in economics. She graduated from Tianjin University of Finance and Economics, majoring in Finance and obtained a master's degree in economics in December 2008. Ms. DONG has also obtained the qualification of intermediate economist.

Ms. DONG Guangpei, aged 44, has served as our non-executive Director since June 2020. She has served as the party branch secretary, executive director and general manager of Tianjin Port Free Trade Zone Investment Co., Ltd., head of the investment management department of T&B Holding (天保控股公司) (mid-level principal rank at the holding company) since December 2021; served as the party branch secretary, executive director and general manager (mid-level deputy rank at the holding company) of Tianjin Port Free Trade Zone Investment Co., Ltd. from January 2020 to December 2021; the party branch secretary, executive director and vice general manager of Tianjin Port Free Trade Zone Investment Co., Ltd. from October 2019 to January 2020; the vice general manager of Tianjin Port Free Trade Zone Investment Co., Ltd. from September 2019 to October 2019; the general manager assistant of Tianjin Port Free Trade Zone Investment Co., Ltd. from August 2018 to September 2019. Ms. DONG has served as the investment commissioner, investment manager and head of investment review department of Tianjin Port Free Trade Zone Investment Co., Ltd. from January 2011 to August 2018; the head of sales department of Tianjin Binhai Kaiyuan Property Development Co., Ltd. from January 2010 to December 2010; the head of sales department of Tianjin Tianbao Property Development Co., Ltd. from May 2005 to December 2009; the head of sales department of Hefu Huihuang Real Estate Marketing and Planning Co., Ltd. from December 2004 to May 2005; and the head of sales management department of Tianjin Shunchi Rongxin Real Estate Co., Ltd. from March 2004 to November 2004.

In addition to the above positions, Ms. DONG has served as a supervisor of Tianjin Tianbao Infrastructure Co., Ltd. (stock code: 000965.SZ) from December 2018 to August 2024 and a director of Tianjin Tianbao Energy Co., Ltd. (stock code: 01671.HK) from November 2019 to August 2024.

Ms. DONG graduated from the department of finance of Tianjin College of Finance and Economics with a bachelor's degree in economics in July 2003, and graduated from the department of international finance of Tianjin University of Finance and Economics with a master's degree in economics in December 2012. Ms. DONG has the qualifications of senior economist.

Directors, Supervisors, Senior Management Officers and Employees

Mr. PENG Chong, aged 47, has served as our non-executive Director since June 2024. Mr. PENG has served as the head of the planning and finance department of Tianjin Tianbao Holdings Limited since November 2024. From October 2021 to November 2024, Mr. PENG served successively as the deputy head and the deputy head (in charge) of the planning and finance department of Tianjin Tianbao Holdings Limited; a senior supervisor for risk control department of Tianjin Tianbao Holdings Limited from August 2020 to October 2021; the chief financial officer of Tianjin Tianbao Energy Co., Ltd. from March 2017 to August 2020, and during this period he worked concurrently as the head of the risk control department from March 2019 to January 2020. He worked successively as the head of the finance group of the listing work and the chief financial officer of Tianjin Tianbao Electricity Company Limited from June 2016 to March 2017; the head of financing management department of Tianjin Tianbao Finance Management Co., Ltd. from August 2013 to June 2016; the deputy head (in charge) of the planning and finance department of Tianjin Tianbao Thermal Electricity Company Limited from November 2010 to August 2013. He served successively as a chief accountant and deputy head of the finance department of Tianjin Tianbao International Logistics Group Co., Ltd. from March 2004 to November 2010; he successively worked as the accountant, chief accountant and financial manager of Tianjin Sinopharm Bohai Pharmaceutical Co., Ltd. from July 1998 to March 2004.

Mr. PENG graduated from the accounting department of Nankai University (南開大學) with a bachelor's degree in auditing in 1998 and is qualified as a senior accountant.

Mr. Alistair Marshall BULLOCH, aged 67, has served as our non-executive Director since June 2009. Mr. Alistair Marshall BULLOCH has held a number of positions at ANZ and is currently a representative of ANZ in the Board of the Bank. He successively held positions in ANZ as deputy chief executive officer of Asia Pacific, Europe and America from December 2009 to September 2010 and as managing director and senior advisor of Asia Pacific, Europe and America from September 2010 to June 2014. He joined ANZ in March 2008 and held the positions of chief executive officer of North East Asia and chief executive officer of Hong Kong from March 2008 to December 2009.

Mr. BULLOCH obtained a bachelor of arts degree in business studies from Dundee College of Technology in Scotland, the United Kingdom in January 1980.

Directors, Supervisors, Senior Management Officers and Employees

Mr. WANG Shunlong, aged 48, has served as our non-executive Director since June 2020. Mr. WANG has served as the chief accountant of Tianjin Bohai Chemical Industry Group Co., Ltd. since January 2020. From November 2016 to January 2020, Mr. WANG successively served as head of the investment department, head of the finance department and deputy chief economist of Tianjin Water Group Co., Ltd.; from March 2012 to November 2016, Mr. WANG successively served as deputy chief accountant and chief accountant of Tianjin Water Works Group Co., Ltd.; from March 2008 to March 2012, Mr. WANG successively served as head of financial assets department, deputy chief accountant and general manager assistant of Tianjin Pipeline Engineering Group Co., Ltd.; from July 2000 to March 2008, Mr. WANG successively served as finance chief, head of general management department and deputy chief accountant of TPEG Preinsulated Pipe Factory of Tianjin Pipeline Engineering Group Co., Ltd.

Mr. WANG studied in University of Shanghai for Science and Technology from September 1996 to July 2000 and obtained the bachelor's degree in management and he has the qualifications of chief senior accountant.

Mr. ZENG Jianhua, aged 67, has served as our independent non-executive Director since August 2022. Mr. ZENG has served as the chairman of Beijing Huahan Consulting Co., Ltd. (北京華函諮詢有限公司) since March 2021, and as the chairman of Gongqingcheng Huajian Function Private Equity Management Co., Ltd. (共青城華建函數私募基金管理有限公司) since August 2019. From March 2017 to August 2019, Mr. ZENG served as the chairman of the board of directors and president of Kong Sun Holdings Limited. From September 2013 to March 2017, Mr. ZENG served as the chief risk officer of China Construction Bank. From March 2011 to September 2013, Mr. ZENG served as the chief financial officer of China Construction Bank. From July 2007 to February 2011, Mr. ZENG served as the secretary of the party committee and president of Guangdong Branch of China Construction Bank. From October 2004 to July 2007, Mr. ZENG served as the secretary of the party committee and president of Shenzhen Branch of China Construction Bank. From July 2003 to October 2004, Mr. ZENG served as the deputy general manager of the asset and liability management department of the head office of China Construction Bank. From February 1996 to July 2003, Mr. ZENG served as the vice president and a member of the party committee of Hunan Branch of China Construction Bank. Mr. ZENG served as the office director of Hunan Branch of China Construction Bank from October 1994 to February 1996; secretary of the party committee and president of Hunan Electric Power Branch of China Construction Bank from April 1992 to October 1994; deputy director (presiding over the work) of the planning and capital department of Hunan Branch of China Construction Bank from July 1987 to April 1992; and staff member and chief officer of the planning and capital department of Hunan Branch of China Construction Bank from July 1980 to July 1987.

Directors, Supervisors, Senior Management Officers and Employees

Mr. ZENG has served as an independent non-executive director of Minsheng Financial Leasing Co., Ltd. since May 2023. Mr. ZENG has served as an independent non-executive director of Dongguan Rural Commercial Bank Co., Ltd. (stock code: 09889.HK) since September 2022, as an independent non-executive director of CCB Life Asset Management Company Limited since May 2021, as an external supervisor of Sichuan Bank Company Limited (四川銀行股份有限公司) since January 2021; served as an independent non-executive director of Zhejiang Furun Digital Technology Co., Ltd. (浙江富潤數字科技股份有限公司) (stock code: 600070) from May 2020 to September 2023, and served as an independent non-executive director of Jiangsu Tongda Power Technology Co., Ltd. (江蘇通達動力科技股份有限公司) (stock code: 002576) from January 2020 to May 2022.

Mr. ZENG graduated from Hunan University with a doctor's degree in corporate management and has been a distinguished professor of the University for Peace since September 2018 and qualified as a senior economist.

Mr. LU Jianzhong, aged 70, has served as our independent non-executive Director since August 2022. Mr. LU has served as a certified accountant at Zhongxinghua Certified Public Accountants since January 2022; a certified accountant at Da Hua Certified Public Accountants LLP from October 2016 to December 2022; a partner of Shanghai De'An Certified Public Accountants LLP, the marketing director of WUYIGE Certified Public Accountants LLP and a partner of Zhongxinghua Certified Public Accountants LLP from July 2012 to September 2016; a certified accountant and a partner of the audit department of PricewaterhouseCoopers Zhong Tian LLP from September 1997 to June 2012; a lecturer and an associate professor of Finance and Accounting at the Shanghai Maritime University from September 1986 to August 1997; a section member of the finance section of Shanghai Daily Hardware Industry Company from December 1982 to August 1986.

Directors, Supervisors, Senior Management Officers and Employees

Mr. LU has served as an independent director of Bomesc Marine Engineering Co., Ltd. (Shanghai Stock Exchange stock code: 603727) since December 2021; an independent director of Shanghai Xinnanyang Only Education & Technology Co., Ltd. (Shanghai Stock Exchange stock code: 600661) since January 2019; an independent director of COSCO SHIPPING Development Co., Ltd. (Hong Kong Stock Exchange stock code: 02866, Shanghai Stock Exchange stock code: 601866) from January 2017 to July 2024; an independent director of Shanghai Vico Precision Mold & Plastics Co., Ltd. from May 2021 to June 2024; an independent director of Huatai Baoxing Fund Management Co., Ltd. (an unlisted company) since October 2016; an independent director of Hangzhou Hikvision Digital Technology Co., Ltd. (Shenzhen Stock Exchange stock code: 002415) from September 2015 to March 2021, and as a supervisor of Hangzhou Hikvision Digital Technology Co., Ltd. since March 2021. Prior to that, Mr. LU served as an independent director of Ningbo Lehui International Engineering Equipment Co., Ltd. (Shanghai Stock Exchange stock code: 603076) from March 2016 to November 2021; an independent director of Changshu Fengfan Power Equipment Co., Ltd. (Shanghai Stock Exchange stock code: 601700) from September 2015 to September 2021.

Mr. LU graduated from the Accounting Department of Shanghai University of Finance and Economics in 1982. He formerly served as a member of the Expert Group for Evaluation and Assessment of Economic Indicators of State-owned Enterprises under the Ministry of Finance and an external expert of the Asset Securitisation Task Group under the Development Research Center of the State Council, and is a qualified Chinese Certified Public Accountant.

Mr. GU Zhaoyang, aged 59, has served as our independent non-executive Director since September 2024. Mr. GU has served as the professor of Accountancy at the Business School of CUHK since January 2013; he served as the dean of the School of Accountancy of CUHK from August 2013 to July 2020; he has served as the director of MBA in Finance (FMBA) Programme of The Chinese University of Hong Kong since July 2023; he served as an associate professor and Honeywell Chair Professor in accounting at the Carlson School of Management, University of Minnesota, the USA from August 2008 to January 2013, and he was also in charge of the Accounting Ph.D. program at this university from September 2009 to August 2012; he served as an assistant professor and associate professor at the Business School of Carnegie Mellon University from August 1999 to July 2008; and he served as an assistant lecturer in the accounting department of The Hong Kong University of Science and Technology from August 1994 to June 1996.

Mr. GU has served as an independent non-executive director of Shanghai Pharmaceuticals Holding Co., Ltd. (stock code: 601607.SH, 2607.HK) since June 2019; has served as an independent non-executive director of Jiangsu Expressway Company Limited (stock code: 600377.SH, 0177. HK) since June 2024; has served as an independent non-executive director of X.J. Electrics (Hu Bei) Co., Ltd. since September 2024.

Mr. GU graduated from the Department of Foreign Languages of Tsinghua University with a bachelor's degree in English in July 1988 and graduated from the Institute of Foreign Economics of Renmin University of China with a master's degree in management in July 1991. He obtained a master's degree in economics from Tulane University, the USA in August 1993 and obtained a PhD in accounting in 1999.

Directors, Supervisors, Senior Management Officers and Employees

Mr. FENG Jinghua, aged 40, has been an independent non-executive Director of the Bank since January 2025. Mr. FENG has served as the chief engineer at the National SuperComputer Center in Tianjin since June 2020; he served as the head of system department and assistant to the director at the National SuperComputer Center in Tianjin from January 2015 to June 2020; he served as the head of system department at the National SuperComputer Center in Tianjin from January 2011 to January 2015; and he served as the application research and development engineer at the National SuperComputer Center in Tianjin from July 2010 to January 2011. Mr. FENG has served as a director and the general manager of Tianjin Tianhe Supercomputing Co., Ltd. (天津市天河超級計算有限公司) since March 2023; he has served as an executive director and the general manager of Tianjin Tianhe Computer Technology Co., Ltd. (天津市天河計算機技術有限公司) since March 2023; he has served as the deputy chairman at Tianjin Computer Federation since November 2023; and has served as the chairman of the board of supervisors of Tianjin Information Technology Application Innovation Association (天津市信創協會) since August 2022

Mr. FENG graduated from the National University of Defense Technology in December 2019 with a doctor's degree in computer science and technology; he graduated from Xi'an Jiaotong University in June 2010 with a master's degree in computer science and technology; and he graduated from Xi'an Jiaotong University in June 2007 with a bachelor's degree in computer science and technology. He is a chief senior engineer, an expert with special subsidy from the State Council and a national high-level talent.

Mr. PENG Bing, aged 53, has been an independent non-executive Director of the Bank since January 2025. Mr. PENG has served successively as the associate professor and professor at Peking University Law School since July 2005; he served as the lecturer at Peking University Law School from January 2000 to July 2005; and he served as the staff member at Chuzhou Sub-branch of Industrial and Commercial Bank of China from July 1993 to August 1994. Mr. PENG has served as the vice president and secretary general of China Business Law Society since December 2017; he has served as a mediator of Shenzhen Securities and Futures Dispute Resolution Centre since March 2018; has served as an arbitrator of Beijing Arbitration Commission since January 2018; and has served as an arbitrator of Shenzhen Court of International Arbitration since November 2014.

Mr. PENG has served as an independent director of Huatai Securities Co., Ltd. (stock code: 601688.SH, 06886.HK) since December 2022; he served as an independent director of HSBC Qianhai Securities Limited from September 2017 to September 2023; and he served as an independent director of TTCO Trust Corporation Limited from July 2017 to December 2020.

Mr. PENG graduated from Peking University with a doctor's degree in International Finance Law in January 2000; graduated from Peking University with a master's degree in Economic Law in July 1997; graduated from East China University of Political Science and Law with a bachelor's degree in Economic Law in July 1993.

Directors, Supervisors, Senior Management Officers and Employees

2. Supervisors

Mr. HUANG Yongxin, aged 52, has been appointed as our chairman of the Board of Supervisors and employee representative Supervisor from 28 May 2024, and currently serves as the deputy secretary of the Party Committee of the Bank. Mr. HUANG served as a member of the party committee of Tianjin Jinrong Investment Service Group Co., Ltd. (天津津融投資服務集團有限公司) from December 2020 to April 2024, among which, he has been the secretary to the board of directors of Tianjin Jinrong Investment Service Group Co., Ltd. since December 2021. From August 2017 to April 2024, he successively served as the director of the party committee working department and the director of the party committee organisation department, the director of the office, the director of the office (the party committee office and the general manager's office) and the director of the party committee office (the office of the board of directors and the general office) of Tianjin Jinrong Investment Service Group Co., Ltd.. From September 2021 to December 2022, he served as the secretary of the party branch of Jintou Futures Brokerage Co., Ltd.(津投期貨經紀有限公司). From October 2003 to August 2017, he successively served as the deputy director of the institution management division, the deputy director of the retail business division, the deputy general manager of the personal finance department, the deputy general manager of the human resources department, deputy secretary of the institutional party committee, the director of the party affairs department, secretary of the general branch committee and the president of Baodi Sub-branch of Bank of China Tianjin Branch. From July 1993 to October 2003, he successively served as a member of the planning management division of the comprehensive planning department, and the deputy chief of the comprehensive planning division, the deputy chief of the institution management division and the deputy chief of the institution planning division of the capital planning department of Bank of China Tianjin Branch.

From September 1991 to July 1993, Mr. HUANG studied in the Department of Archives of a branch of Nankai University, majoring in Secretarial Studies. From April 2001 to October 2003, he completed the on-the-job postgraduate courses on the international economic and trade relations jointly offered by Nankai University and Flinders University in Australia and obtained a master's degree in Arts. From July 2012 to April 2015, he completed the on-the-job courses on the EMBA degree training program at the National Development Research Institute of Peking University and obtained a master's degree in business administration.

Directors, Supervisors, Senior Management Officers and Employees

Ms. PENG Junying, aged 50, has been appointed as an employee representative Supervisor of the Bank since December 2023 and is currently the head of the Party Committee Organisation Department, the head of the Party Committee United Front Work Department and the general manager of the Human Resources Department of the Bank. Prior to that, Ms. PENG served as the director of the general office (Party Committee Office) of the Bank from January 2021 to July 2023; from October 2014 to January 2021, she successively served as the deputy director (presiding over the work) and the director of the office of the Board of Directors of the Bank, during which she concurrently served as the director of the office of the Board of Supervisors from February 2017 to January 2021; from May 2007 to October 2014, she successively served as the deputy director and senior executive of general office of the Bank; from March 2007 to May 2007, she served as the assistant to general manager of the international business department of the Bank; and from July 1999 to March 2007, she successively served as an employee of the personnel division, the training center and the international business department of the Bank. In addition to the above, Ms. PENG served as the secretary for the Office of the Party Committee of the Bank from May 2023 to September 2023; as a director of Bank of Tianjin Financial Leasing Co., Ltd. from October 2016 to July 2022, during which she served as the chairwoman of the board of directors of Bank of Tianjin Financial Leasing Co., Ltd. from October 2016 to October 2017; as the chairwoman of the board of directors of Ningxia Tongxin Jinhui County Bank Co., Ltd. from August 2016 to November 2020; and as the secretary of the Youth League of the Bank from October 2003 to May 2014.

Ms. PENG obtained a bachelor's degree in finance from the department of finance of Nankai University in July 1996 and a master's degree in finance from the department of finance of Nankai University in July 1999, and held the titles of senior political engineer and economist.

Mr. WU Chong, aged 45, has been a Supervisor of the Bank since May 2023. Mr. WU has been the deputy general manager of Tianjin Jinrong Investment Service Group Co., Ltd. since October 2023, and has been the deputy general manager and chief auditor of Tianjin Jinrong Investment Service Group Co., Ltd. from December 2022 to September 2023. From July 2022 to December 2022, he served as the deputy general manager of Tianjin Jinrong Investment Service Group Co., Ltd.. From December 2021 to July 2022, he served as the assistant to the general manager of Tianjin Jinrong Investment Service Group Co., Ltd.. From February 2020 to December 2021, he served as the general manager of the asset management division of Tianjin Jinrong Investment Service Group Co., Ltd.. From January 2018 to February 2020, he successively served as the general manager, director and the party branch secretary of Tianjin Jinrong Guoxin Capital Management Co., Ltd. (天津津融國信資本管理有限公司). From July 2002 to January 2018, he successively served as the customer manager of the corporate business department, the head of SME department, vice president of Nankai Branch, general manager of administrative department, general manager of corporate finance department of Tianjin Branch, Bank of China.

Mr. WU graduated from Tianjin Foreign Studies University majoring in English in July 2002.

Directors, Supervisors, Senior Management Officers and Employees

Mr. LIU Baorui, aged 67, has been appointed as our external Supervisor since June 2018. He has been serving as chairman of the board of directors of Shenzhen First Financial Services Limited since September 2013. Mr. LIU served as the executive director and chief executive officer of China Financial International Investments Limited (中國金融國際投資有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00721.HK) from February 2011 to January 2013, assistant to president, vice president, executive director and deputy secretary of the party committee of Shenzhen Development Bank Co., Ltd. (深圳發展銀行股份有限公司) (currently known as Ping An Bank Co. Ltd., a company listed on the Shenzhen Stock Exchange, stock code: 000001.SZ) from August 1998 to December 2010. From April 1981 to August 1998, Mr. LIU successively served as a staff, deputy director, director and branch president of Agricultural Bank of China Limited. From January 1976 to March 1981, Mr. LIU worked as a clerk at the People's Bank of China.

Mr. LIU has been serving as a representative of the seventh Shenzhen People's Congress since May 2021; Mr. LIU served as a representative of the fifth and the sixth Shenzhen People's Congress from May 2010 to May 2021, successively.

Mr. LIU obtained a certificate of graduation from Tianjin Normal University in Tianjin, China in December 1986. He also obtained an executive master of business administration from Shanghai Jiao Tong University in Shanghai, China in April 2005. He is a senior economist accredited by the Agricultural Bank of China.

Mr. LAW Yee Kwan, Quinn, aged 72, has served as our external Supervisor from August 2022. Mr. LAW has served as our independent non-executive Director from October 2015 to August 2022. Mr. LAW is a professional accountant. Mr. LAW currently serves as an advisor of the Hong Kong Business Accountants Association, a member of the Court of the Hong Kong University of Science and Technology, a member of the Council of the Hong Kong University of Science and Technology (Guangzhou), an independent director of ENN Energy Holdings Limited and an independent director of BOC Hong Kong (Holdings) Limited.

Mr. LAW worked as a director and vice president of the Hong Kong Business Accountants Association from October 2014 to July 2017 and has served as its consultant since August 2017. Mr. LAW served as a council member cum audit committee chairman of the Hong Kong University of Science and Technology from August 2012 to July 2018 and has served as a court member of this university since October 2018. He has been a member of the Financial Affairs Expert Working Group of University Grants Committee from December 2013 to July 2018. He also served on a number of committees of the Hong Kong Institute of Certified Accountants from 2008 to 2018. Mr. LAW has been an independent non-executive director of BOC Hong Kong (Holdings) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 02388) since March 2019. Mr. LAW has been an independent non-executive director of HKBN Limited (a company listed on the Hong Kong Stock Exchange, stock code: 01310) from February 2015 to December 2023 and an independent non-executive director of ENN Energy Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 02688) since May 2014. From March 2008 to March 2013, Mr. LAW was the deputy chairman of the board and the chief executive officer of the Urban Renewal Authority, a statutory organisation in Hong Kong.

Directors, Supervisors, Senior Management Officers and Employees

Mr. LAW has been a fellow of the Hong Kong Institute of Certified Public Accountants since June 1985 and has been a fellow of the Association of Chartered Certified Accountants (formerly known as the Association of Certified Accountants) in the United Kingdom since December 1982. He has been an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) since November 1980. Mr. LAW is a Justice of Peace in Hong Kong and was awarded the Silver Bauhinia Star in 2014 by the Hong Kong Special Administrative Region and an Honorary University Fellowship from The Hong Kong University of Science and Technology in July 2020.

3. Other Senior Management Officers

Mr. LIU Gangling, aged 48, has served as our vice president since March 2021, and is in charge of the corporate wholesale, financial market and asset preservation work. He has served as our secretary of the Party Committee and general manager of the Business Department since July 2023. Mr. LIU has served as the general manager of the Asset Management Department of the Bank from March 2017 to October 2020; from August 2015 to March 2017, he served successively as the vice general manager of the interbank business department and the vice general manager (presiding over the work) of the Asset Management Department of the Bank. Mr. LIU served as the chief officer of the global market department of Deutsche Bank (China) from June 2014 to August 2015; the chief officer of the financial market department of Standard Chartered Bank (China) in Northern China and Southern China from July 2006 to June 2014; the manager of the treasury department of Shenzhen branch of HSBC from April 2005 to July 2006. He worked successively in the planning and capital department and the assets management office of the capital transaction centre of Hangzhou branch of Shenzhen Development Bank from August 2001 to April 2005, and served as the deputy manager of the asset management office of the capital transaction centre of Shenzhen Development Bank from June 2004 to April 2005. Mr. LIU served in the finance department of Zhengzhou Zhongyuan Installation Company from August 1998 to September 1999.

Mr. LIU graduated from the international finance department in the School of Management of Xi'an Jiaotong University in July 1998 and obtained a master's degree in applied economics from the School of Management of Xi'an Jiaotong University in July 2001. Mr. LIU has also obtained the qualification of senior economist.

Directors, Supervisors, Senior Management Officers and Employees

Mr. CHEN Peng, aged 51, has served as our vice president since December 2024 and our chief information officer since March 2024. Mr. CHEN successively served as the general manager and division chief level officer of technology and product management department of Shandong Branch of Agricultural Bank of China from July 2017 to February 2024. From January 2017 to July 2017, he served as deputy secretary of the party committee, secretary of the disciplinary committee and vice president of Weihai Branch of Agricultural Bank of China. From September 2012 to January 2017, he served as deputy secretary of the party committee and vice president of Weihai Branch of Agricultural Bank of China. From May 2009 to September 2012, he served as deputy general manager of information and technology management department of Shandong Branch of Agricultural Bank of China. From December 2004 to May 2009, he served as manager of technology department of Shandong Branch of Agricultural Bank of China, and took a temporary post as a member of the party committee and vice president of Longkou Sub-branch of Agricultural Bank of China in Yantai, Shandong Province from April 2007 to May 2009. From July 1996 to December 2004, he held various positions including office clerk and staff in Jinan Tianqiao Sub-branch, Jinan Branch and Shandong Branch of Agricultural Bank of China in Shandong Province.

Mr. CHEN graduated from Shandong University of Technology with a bachelor's degree in computer and applications in July 1996, and obtained a master's degree in engineering specialising in software engineering from Shandong University where he studied from July 2007 to June 2010. Mr. CHEN holds the title of senior engineer.

Mr. XIA Zhenwu, aged 55, has served as assistant to our president since April 2014, and is in charge of risk, finance, administrative, infrastructure and security work.

Mr. XIA served as party secretary of Tianjin Free Trade Zone branch from June 2015 to October 2016. He served as secretary of the party committee of Binhai Branch of the Bank from April 2014 to October 2016 and has served as assistant to the president of the Bank since April 2014. He served as our Chief Financial Officer from January 2008 to April 2014. He served as secretary of the party committee and president of First Central Branch from January 2012 to April 2014 and from June 2012 to March 2014, respectively. Mr. XIA joined the Bank in November 1996 and has held several positions in the Bank since then, including president of Jinlian sub-Branch from November 1996 to July 2002, president of Tianjin Bonded Area sub-Branch from July 2002 to April 2004, manager of International Business Department from March 2003 to December 2003 and general manager of Financial Planning Department from December 2003 to July 2010. Prior to this, he held several positions of Tianjin Jinlian Urban Credit Cooperatives, the predecessor of the Bank, from January 1991 to November 1996, including assistant to the director, deputy director and director, being primarily responsible for the overall work of this credit cooperatives.

Directors, Supervisors, Senior Management Officers and Employees

Mr. XIA graduated from Tianjin Administrative Cadre Vocational School in Tianjin, China in November 1988. He obtained a certificate in Accountancy from Xinhua Workers College in Tianjin, China in July 1993, a certificate in economic management from Correspondence School, Central Party School in Beijing, China in December 1996 and a certificate in finance from the Open University of China in Beijing, China in January 2007. He was qualified as a senior economist accredited by Tianjin Personnel Bureau in March 2009.

IV. CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Bank has received from each of its independent non-executive Directors the annual confirmation of his independence and considered that all the independent non-executive Directors are independent pursuant to the guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

V. INFORMATION ON REMUNERATION PAID TO DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS

The Bank offers our executive Directors, employee representative Supervisors and senior management officers, who are also our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. Our independent non-executive Directors and external Supervisors receive compensation based on their responsibilities. Please refer to note 16 to the financial statements in this report for the details of the remuneration of the Directors and Supervisors.

The Bank strictly adheres to relevant regulatory provisions when making remuneration payments. The Bank assesses senior management officers using the “Policies for Remuneration Management of Bank of Tianjin Co., Ltd. 《天津銀行股份有限公司薪酬管理政策》” and offers remuneration to executive Directors and other senior management officers based on the results of the assessment.

The Bank offers remuneration to employee representative Supervisors in accordance with the “Policies for Remuneration Management of Bank of Tianjin Co., Ltd. 《天津銀行股份有限公司薪酬管理政策》” and “Measures for Remuneration Management of Bank of Tianjin 《天津銀行薪酬管理辦法》”. The “Policies on the Allowance of Directors and Supervisors of Bank of Tianjin Co., Ltd. 《天津銀行股份有限公司董事、監事工作津貼管理辦法》” which stipulates the distribution standard of allowances to Directors and Supervisors was considered and approved at the general meeting of the Bank.

During the Reporting Period, no emolument was paid by the Bank to any of the Directors, Supervisors or the five highest paid individuals (including Directors, Supervisors and employees) as an inducement to join or upon joining the Bank or as compensation for loss of office.

Directors, Supervisors, Senior Management Officers and Employees

Remuneration paid to the senior management officers⁽¹⁾ (excluding the Directors and Supervisors) by bands for the Reporting Period is set out below:

	Number of employees	% of the total
Nil to RMB500,000	0	0
RMB500,000 to RMB10,000,000	3	100%

Note:

- (1) During the Reporting Period, within the Bank's senior management officers (including present and past personnel), Mr. WU Hongtao, Mr ZHENG Ke and Ms. DONG Xiaodong are concurrently Directors. For the details of the remuneration of Mr. WU Hongtao, Mr ZHENG Ke and Ms. DONG Xiaodong, please refer to Note 16 of the financial statements of this annual report.

VI. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

During the Reporting Period, the Directors and Supervisors of the Bank did not have service contracts which are not determinable by the Bank within one year without payment of compensation (other than statutory compensation).

VII. DIRECTORS, CHIEF EXECUTIVES' AND SUPERVISORS' INTEREST IN SHARES OF THE BANK

As of the end of the Reporting Period, the interests and short positions of the Directors, Supervisors and the chief executives of the Bank and their associates in the Shares, underlying Shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Hong Kong Listing Rules are set out as follows:

Director

Name of Director	Capacity	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in the Bank
DONG Xiaodong	Beneficial interest	Domestic Shares	58,564	0.00096%

Directors, Supervisors, Senior Management Officers and Employees

Supervisors

Name of Supervisor	Capacity	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in the Bank
PENG Junying	Beneficial interest	Domestic Shares	58,564	0.00096%
LIU Baorui	Beneficial interest	Domestic Shares	15,959	0.00026%

Save as disclosed above, none of the Directors, the chief executives or the Supervisors of the Bank or their associates has held any interests or short positions in the Shares, underlying Shares or debentures of the Bank or its associated corporations as of the end of the Reporting Period.

VIII. DIRECTORS' AND SUPERVISORS' INTEREST IN BUSINESS IN COMPETITION WITH THE BANK

None of our Directors or Supervisors holds any interest in any business, which competes or is likely to compete, either directly or indirectly, with the Bank under Rule 8.10(2) of the Hong Kong Listing Rules.

IX. DIRECTORS' AND SUPERVISORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Reporting Period, the Bank or its subsidiaries did not have any transaction, arrangement or contract of significance in which the Directors and/or Supervisors (or entities connected with the Directors and/or Supervisors) were materially interested, either directly or indirectly.

X. ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period was the Bank a party to any arrangement to enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

Directors, Supervisors, Senior Management Officers and Employees

XI. THE FINAL REMUNERATION OF THE BANK'S CHAIRMAN, CHAIRMAN OF THE BOARD OF SUPERVISORS, PRESIDENT AND VICE PRESIDENT IN 2023

Name of the Company: Bank of Tianjin Co., Ltd.

Unit: RMB'0,000

Name	Position	Current year beginning and end date of remuneration	Remuneration paid by the Bank before tax in 2023					Total remuneration before tax received from related party companies
			Remuneration payable ⁽¹⁾	Social insurance, contribution to annuity funds, supplemental medical insurance and housing funds deposited by the Company ⁽²⁾	Other income in the form of money (Specific item and break down) ⁽³⁾	Whether remunerated by shareholding companies or related party companies		
YU Jianzhong	secretary of the Party Committee, Chairman	2023.05-2023.12	55.55	14.24	-	No	-	
WU Hongtao	deputy secretary of the Party Committee, President	2023.01-2023.12	282.73	21.28	-	No	-	
HE Lin	member of the Party Committee, Team Leader of the Discipline Inspection and Supervision Team stationed in the Bank	2023.01-2023.12	74.99	21.28	-	No	-	
LIU Gangling	vice President	2023.01-2023.12	226.19	25.27	-	No	-	
ZHENG Ke	vice President	2023.01-2023.12	226.19	25.27	-	No	-	
SUN Liguo	former secretary of the Party Committee, Chairman	2023.01-2023.04	25.98	7.05	-	No	-	
FENG Xia	former deputy secretary of the Party Committee, Chairwoman of Board of Supervisors, Trade Union President	2023.01-2023.12	70.14	21.28	-	No	-	

Notes:

- The remuneration disclosed in the above table was the total remuneration payable before tax to person in charge of the enterprises of the Bank in 2023 and social insurances deposited by the Company according to the state regulations. The item (1) was verified by the State-owned Assets Supervision and Administration Commission of Tianjin People's Government.

Directors, Supervisors, Senior Management Officers and Employees

2. According to the approval and verification of the State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government, the incentive compensations of the Bank's enterprise leaders and professional managers from 2021 to 2023 was determined based on, among other things, their term of office and performance evaluation results. The incentive compensations attributable to YU Jianzhong for 2023 was RMB130,000; The incentive compensations attributed to 2021-2023 are as follows: RMB811,400, RMB811,400 and RMB811,400 for WU Hongtao; RMB158,200, RMB162,400 and RMB175,500 for HE Lin; RMB649,000, RMB649,000 and RMB649,000 for LIU Gangling; RMB107,600, RMB645,600 and RMB645,600 for ZHENG Ke; RMB177,100, RMB180,500 and RMB60,800 for SUN Liguo; RMB158,200, RMB173,800 and RMB164,100 for FENG Xia; the incentive compensations attributable to TANG Yiping, the former Vice President for the year 2021 was RMB437,300. The above incentive compensations for 2021-2023 were paid out at 50% each in the years 2024-2025, and those transferred out or retired were paid out in accordance with the regulations of the State-owned Assets Supervision and Administration Commission of the Tianjin Municipal People's Government.

XII. EMPLOYEES' REMUNERATION POLICIES AND TRAINING PLANS FOR EMPLOYEES

(I) Overview of the employees

As of the end of the Reporting Period, we had 6,639 regular employees in total, of which 1,305 employees at our head office and 5,220 employees at our branches and sub-branches, 64 employees at our consolidated county banks and 50 employees at Bank of Tianjin Financial Leasing Co., Ltd. As of the end of the Reporting Period, we had 6,137 or 92.44% employees who had bachelor's degrees or above, and our staff's average age was 39.2.

By adhering to the concept of diversity, the Bank do not set discriminative or restrictive requirements on nationality, gender, religion, ethnicity or native place during recruitment, treat people with disabilities fairly, treat employees with different background equally and is committed to creating a workplace atmosphere featuring diversity. As of the end of the Reporting Period, we have 2,711 or 40.83% male employees and 3,928 or 59.17% female employees.

(II) Remuneration of the employees

We are gradually building a scientific incentive and restraint mechanism which implements segmental assessment to align our compensation payment with the overall performance of the Bank and individual performance. The Bank contributes to social insurance and other employee benefits for our employees, such as pension insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance and housing fund in accordance with the applicable PRC laws, regulations and regulatory rules.

In accordance with Regulatory Guidelines for the Stability of Remuneration in Commercial Banks of NFRA, the Bank has formulated Remuneration Management Policy of Bank of Tianjin Co., Ltd. and Remuneration Management Measures of Bank of Tianjin to regulate our management of remuneration. The Bank has successfully established a broadband salary management system with diversified composition, standardised management and systematic implementation and adopted a market-oriented and diversified management by region in order to scientifically and effectively motivate our employees and ensure the smooth implementation of our developmental strategies. During the Reporting Period, the Bank recorded total staff costs of RMB2,606.357 million.

Directors, Supervisors, Senior Management Officers and Employees

(III) Balance of employees' remuneration and results, standard of risk adjustment

Remuneration policies of the Bank are in line with our risk management system and our employee compensation level also matches the Bank performance. By strengthening the orientation of performance appraisal and aligning remuneration with performance contribution, the Bank ensures that remuneration incentives match risk-adjusted performance, and prevents radical business behaviors and violations of laws and regulations. In accordance with the principles of combining incentives and constraints, acting within one's capabilities and being coordinated and sustainable, and based on risk management needs, the Bank implements a deferred payment and recourse deduction system for performance-based remuneration of personnel in positions that have a significant impact on risks. The proportion of deferred payment of performance-based remuneration shall not be less than 40% of the total annual performance-based remuneration, and the deferred payment period shall be three years, which complies with regulatory requirements; the recovery and deduction of performance-based remuneration includes the recovery of paid performance-based remuneration and the cessation of payment of unpaid performance-based remuneration. During the Reporting Period, the Bank's deferred payment of performance-based remuneration amounted to RMB146.71 million, and the amount recovered and deducted amounted to RMB1.16 million.

(IV) Training plans of the employees

The Bank formulates key points and training plans for staff education and training on a yearly basis and conducts hierarchically echelon cultivation programs for key talents including new employees, youth backbones, business professionals and management. The head office organises exemplary training to key business personnel from branches and sub-branches on front-line business operations, promotion of new products and services, customer marketing management, case prevention of internal control and compliance by professions and levels, guiding branches and sub-branches to carry out secondary training in accordance with the actual situation. The Bank has launched the system of job-related post certificates for the staff throughout the Bank. The Bank has also regularly organised various types of vocational qualifications and selection competitive examinations, promoted employee vocational qualification management and encouraged employees to attend external professional qualification courses. As of the date of this annual report, more than 15,460 persons passed the tests and obtained various kinds of vocational qualification certificates.

Corporate Governance Report

CORPORATE GOVERNANCE OVERVIEW

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

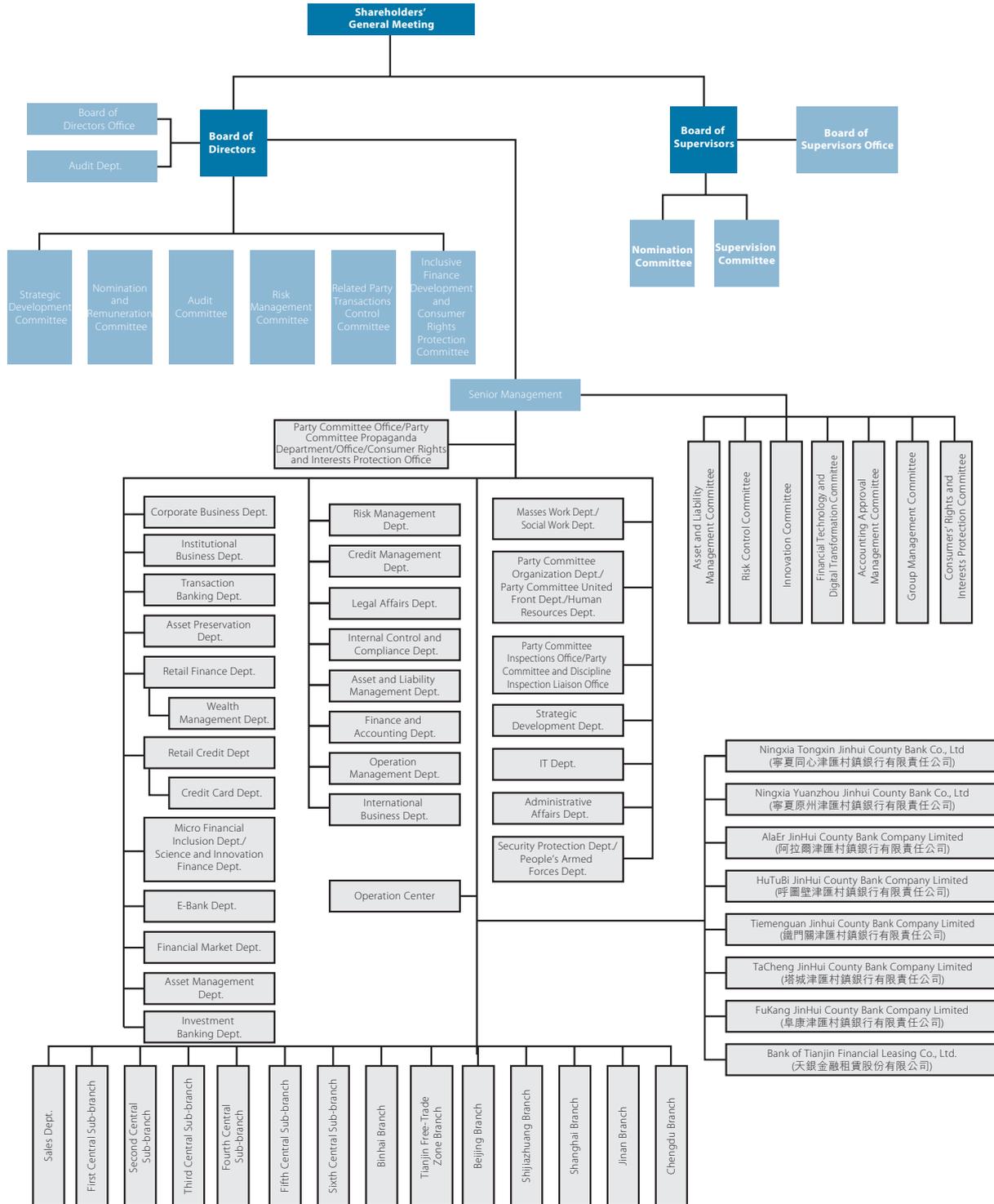
The Bank has established a relatively comprehensive corporate governance structure in accordance with the requirements of the Hong Kong Listing Rules. Save as disclosed below, the composition of the Board and the special committees of the Board is in compliance with the requirements of the Hong Kong Listing Rules. The Bank clearly defines the responsibilities of the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and senior management. The Shareholders' general meeting is the supreme authority of the Bank. The Board of Directors is accountable to the Shareholders' general meeting. The Board of Directors has established six special committees which operate under the leadership of the Board and provide opinions for the Board's decisions. The Board of Supervisors supervises the stable and sound operations of the Bank and the performance of duties of the Board and senior management. Senior management under the leadership of the Board is responsible for implementing resolutions of the Board and taking charge of the daily business and management of the Bank and reporting regularly to the Board of Directors and the Board of Supervisors. The President of the Bank is appointed by the Board and is responsible for the overall business and management of the Bank.

The Bank has adopted the Corporate Governance Code (the "Code") in the Appendix C1 of the Hong Kong Listing Rules, and has met the requirements of the PRC commercial bank administrative measures and corporate governance and has established a sound corporate governance system. During the Reporting Period, due to the resignation of the independent non-executive Director, the number of independent non-executive Directors of the Bank was temporarily less than one-third of the number of Board members as stipulated in Rule 3.10A of the Hong Kong Listing Rules, and was temporarily unable to meet the requirement for independent non-executive directors to constitute a majority of the audit committee members under Rule 3.21 of the Hong Kong Listing Rules. After Mr. GU Zhaoyang served as the Bank's independent non-executive Director and member of the Audit Committee of the Board on 22 September 2024, the Bank has met the aforementioned relevant requirements of the Hong Kong Listing Rules. Save for the above, the Board believes that the Bank has always complied with the requirements of the code provisions set out in the Code in the Hong Kong Listing Rules during the Reporting Period.

The Bank is committed to maintaining high standards in corporate governance. The Bank will continue to enhance its corporate governance to ensure compliance with the Code and meet expectations from our Shareholders and potential investors.

Corporate Governance Report

ORGANISATION CHART



Corporate Governance Report

SHAREHOLDERS' GENERAL MEETINGS

Information of Shareholders' General Meetings

In 2024, the Bank held four Shareholders' general meetings, details of which are set out below:

At the 2023 annual general meeting of the Bank held at the East Building Office of the Bank of Tianjin at No. 15 Youyi Road, Hexi District, Tianjin, the PRC on 19 April 2024, Shareholders and proxies attending the 2023 annual general meeting represented an aggregate of 3,694,812,862 Shares of the Bank carrying voting rights, being approximately 66.54% of the total number of Shares of the Bank carrying voting rights as at the date of the 2023 annual general meeting. Ten proposals were considered and approved, including the Work Report of the Board of Directors for 2023, Work Report of the Board of Supervisors for 2023, the Report for Final Financial Accounts for 2023, the Profit Distribution Plan for 2023, the Financial Budget for 2024, the appointment of external auditors to review and audit the financial statements for 2024, the Investment Plan for 2024 and the appointment of non-executive Director. The Shareholders also listened to the Appraisal Report on the Performance of Duties by the Board, the Directors, Board of Supervisors, Supervisors, senior management and its members for 2023, the Work Report of Independent Non-executive Directors for 2023 and the Report of Related Party Transactions and Management of Related Party Transactions of the Bank for 2023.

At the 2024 first extraordinary general meeting of the Bank held at the East Building Office of Bank of Tianjin at No. 15 Youyi Road, Hexi District, Tianjin, the PRC on 30 July 2024, Shareholders and proxies attending the 2024 first extraordinary general meeting represented an aggregate of 3,491,364,979 Shares of the Bank carrying voting rights in relation to the resolution proposed, being approximately 62.88% of the total number of Shares of the Bank carrying voting rights in relation to the resolutions proposed as at the date of the 2024 first extraordinary general meeting. Proposal was considered and approved for the appointment of independent non-executive Director.

Corporate Governance Report

At the 2024 second extraordinary general meeting of the Bank held at the East Building Office of Bank of Tianjin at No. 15 Youyi Road, Hexi District, Tianjin, the PRC on 20 September 2024, Shareholders and proxies attending the 2024 second extraordinary general meeting represented an aggregate of 3,491,364,979 Shares of the Bank carrying voting rights in relation to the resolutions proposed, being approximately 62.88% of the total number of Shares of the Bank carrying voting rights in relation to the resolutions proposed as at the date of the 2024 second extraordinary general meeting. Proposals were considered and approved including the acquisition of Tianjin Jizhou County Bank Company Limited (天津市薊州村鎮銀行股份有限公司) and the establishment of a branch and issuance plan of financial bond.

At the 2024 third extraordinary general meeting of the Bank held at the East Building Office of Bank of Tianjin at No. 15 Youyi Road, Hexi District, Tianjin, the PRC on 11 December 2024, Shareholders and proxies attending the 2024 third extraordinary general meeting represented an aggregate of 3,591,701,479 Shares of the Bank carrying voting rights in relation to the resolutions proposed, being approximately 64.69% of the total number of Shares of the Bank carrying voting rights in relation to the resolutions proposed as at the date of the 2024 third extraordinary general meeting. Proposals were considered and approved, including the proposed appointment of Mr. FENG Jinghua as an independent non-executive Director, the proposed appointment of Mr. PENG Bing as an independent non-executive Director, the change of external auditors, the adjustment of the 2024 Annual Investment Plan, the Capital Replenishment Plan (2024-2026) and the issuance plan of capital replenishment instruments.

The notices and convening and voting procedures of the 2024 first extraordinary general meeting, the 2024 second extraordinary general meeting, the 2024 third extraordinary general meeting and the 2023 annual general meeting were all in compliance with the relevant requirements of the Company Law of the People's Republic of China, the Articles of Association and the Hong Kong Listing Rules. Please refer to the poll results announcements published on the websites of the Bank and the Hong Kong Stock Exchange on the date of convening the meetings for details.

BOARD

The Operation of the Board of Directors

The Board of Directors shall hold at least 4 regular meetings each year and convene other meetings when necessary. The meetings of the Board of Directors may be convened by on-site meetings or by way of resolution in writing. The Board shall inform all Directors in advance of the meetings and provide sufficient information to all Directors in a timely manner prior to the meetings, including relevant background information on meeting issues, and information and data that help Directors to make decisions. For a regular Board meeting, a notice shall be given to all Directors at least 14 days before the meetings and for provisional Board meetings, a notice shall be given to all Directors 5 days before the meetings. A good communication and report mechanism has been established among the Directors, the Board of Directors and senior management. All Directors can seek independent professional advice at the Bank's expense. The President reports regularly to the Board and is supervised by the Board. At the Board meetings, all Directors express their opinions freely, and detailed discussion is required before decisions on important matters are made.

Corporate Governance Report

As the daily administrative body of the Board of Directors, the Board of Directors Office assists the Secretary of the Board in charge of theoretical research on corporate governance policies and related affairs of the Bank, meeting organisation, meeting arrangements, meeting notices, collating of meeting resolutions, meeting minutes and meeting records, storage and reporting of meeting materials for general meetings, Board of Directors and its special committees' meetings, daily affairs of the Board of Directors and its special committees, the Bank's information disclosure, keeping the register of shareholders, the seal of the Board of Directors and related materials, as well as the collecting, collating and reporting of the Bank's equity pledge information. The Board of Directors and the senior management exercise their respective powers in accordance with their responsibilities as set out in the Articles of Association. A Director who has material interest in the proposal must abstain from discussion and voting on such proposal and must not be counted as the quorum for such proposal. The Board of Directors has conducted review of the effectiveness of the risk management and internal control system of the Bank, covering financial, operational and compliance controls. The risk management and internal control systems are reviewed four times per year. The Bank considers such review effective and adequate. The Board of Directors is of the view that, the risk management and internal control system established and implemented by the Bank are sufficient and effective.

For more details on our internal audit, please refer to the section "Risk Management and Internal Control – Internal Audit".

Composition of the Board of Directors

As of the date of this annual report, the Board of the Bank comprised a total of thirteen Directors, including four executive Directors, namely Mr. YU Jianzhong, Mr. WU Hongtao, Mr. ZHENG Ke and Ms. DONG Xiaodong; four non-executive Directors, namely Ms. DONG Guangpei, Mr. PENG Chong, Mr. Alistair Marshall BULLOCH, Mr. WANG Shunlong; and five independent non-executive Directors, namely Mr. ZENG Jianhua, Mr. LU Jianzhong, Mr. GU Zhaoyang, Mr. FENG Jinghua and Mr. PENG Bing. Mr. YU Jianzhong is the Chairman of the Board of Directors. The number and composition of the Board of Directors of the Bank conform to applicable laws and regulations.

For biographical information and the term of office of the Directors, please refer to the section under "Directors, Supervisors, Senior Management Officers and Employees" of this annual report. None of the members of the Board is related to one another.

Change of Directors during the Reporting Period

Please refer to "Directors, Supervisors, Senior Management Officers and Employees – Changes of Directors, Supervisors and Senior Management Officers During the Reporting Period" for details of changes in Directors of the Bank.

Corporate Governance Report

Duties of the Board of Directors

The Board is accountable to the Shareholders' general meeting and shall perform the following duties and powers:

- (a) to convene Shareholders' general meetings and to report to Shareholders at such Shareholders' general meetings;
- (b) to implement the resolutions of the Shareholders' general meeting;
- (c) to decide on our operational plans and investment plans;
- (d) to formulate our annual financial budgets and accounts, venture capital distribution plans;
- (e) to formulate our profit distribution plans and plans for recovery of losses;
- (f) to formulate proposals on increases in or reductions of our registered share capital, issuance of bonds or other securities and other capital replenishment plan and listing plans as well as investment plan for funds raised, to supervise the implementation thereof, and to ensure that the Bank meets capital adequacy ratio requirements;
- (g) to formulate proposals for material acquisitions, the repurchase of our shares, merger, separation, dissolution of the Bank or change of the form of the Bank;
- (h) to consider and approve matters including external investments, assets acquisition, assets disposal and write-off, pledge of assets, related party transactions and data governance in accordance with laws, regulations, regulatory provisions, the Articles of Association of the Bank and the relevant authorisation systems of the Bank;
- (i) to decide on the establishment of our internal management departments;
- (j) to appoint or remove our president and secretary to our Board based on the nominations by the chairman; to appoint or remove senior management officers, such as our vice presidents and assistants to the president, based on the nominations by the president and to decide on their emoluments and matters relating to the imposition of disciplinary measures;
- (k) to formulate the policies on the remuneration and allowance standard of our Directors;
- (l) to establish our basic management system;
- (m) to review and approve the strategy of green credit, to monitor and evaluate the Bank's fulfillment of social responsibility and promote sustainable financial development;

Corporate Governance Report

- (n) to formulate the Bank's risk tolerance, risk management and internal control policies and assume ultimate responsibility for overall risk management;
- (o) to formulate proposals for any amendment to the Articles of Association of the Bank, to formulate rules of procedure of the shareholders' general meetings and rules of procedure of the Board of Directors, to consider and approve the terms of reference of special committees of the Board of Directors;
- (p) to approve the Bank's internal audit charter and audit planning and work plan;
- (q) to manage or authorise the related transaction management by Related Party Transactions Control Committee;
- (r) to determine mid-and long-term operation development strategies and major business development plans of the Bank, and to monitor the effective implementation of relevant plans;
- (s) to formulate the capital planning of the Bank, to assume ultimate responsibility for capital or solvency management;
- (t) to formulate our information disclosure system, to manage information disclosure matters, and take ultimate responsibility for the authenticity, completeness, accuracy and timeliness of the accounting and financial reporting system of the Bank;
- (u) to propose to the Shareholders' general meeting the engagement or dismissal of the accounting firm that conducts regular and statutory audit of the financial reports of the Bank;
- (v) to supervise and evaluate the performance of duties by Directors and senior management officers of the Bank, to review working reports of the president and to examine the president's performance;
- (w) to review any material capital expenses, contracts and commitments which beyond the expense limits set by the Board for the senior management;
- (x) to develop the shareholding incentive or repurchase scheme of the Bank;
- (y) to regularly evaluate and improve the Bank's corporate governance, and to make necessary adjustments for the existing problems;
- (z) to safeguard the legitimate rights and interests of financial consumers and other stakeholders;
- (aa) to establish mechanisms to identify, review and manage conflicts of interests between the Bank and its Shareholders, especially the substantial Shareholders;

Corporate Governance Report

- (ab) to assume management responsibility for the Shareholders' affairs; and
- (ac) other rights conferred by the laws, regulations, regulatory provisions or the Articles of Association of the Bank and Shareholders' general meeting.

Director's Responsibility for the Preparation of the Financial Statements

The Directors acknowledge that they are responsible for the preparation of the financial statements of the Bank for the year of 2024, which give a true and fair view of the state of affairs and results of the Bank. In doing so, the Directors opted for suitable accounting policies and applied them consistently and used accounting estimates as appropriate in the circumstances. With the assistance of the accounting and finance staffs, the Directors ensured that the financial statements of the Bank are prepared in accordance with statutory requirements and applicable financial reporting standards. The statement of the external auditors in relation to their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 184 to 194.

Meetings of the Board of Directors and the Directors' Attendance

During the Reporting Period, the Bank held 14 meetings of the Board of Directors, considering and approving 74 proposals on matters mainly including adoption and/or amendments to various corporate governance measures, profit distribution plans and business operations. The details of the Board meetings held during the Reporting Period are set out below:

Meeting	Meeting Date	Meeting Form
The 16th meeting of the seventh session of the Board	15 January 2024	On-site
The 17th meeting of the seventh session of the Board	31 January 2024	resolution in writing
The 18th meeting of the seventh session of the Board	20 March 2024	On-site
The 19th meeting of the seventh session of the Board	22 April 2024	resolution in writing
The 20th meeting of the seventh session of the Board	19 June 2024	On-site
The 21st meeting of the seventh session of the Board	8 July 2024	On-site
The 22nd meeting of the seventh session of the Board	16 July 2024	resolution in writing
The 23rd meeting of the seventh session of the Board	29 August 2024	On-site
The 24th meeting of the seventh session of the Board	31 October 2024	On-site
The 25th meeting of the seventh session of the Board	25 October 2024	On-site
The 26th meeting of the seventh session of the Board	12 November 2024	On-site
The 27th meeting of the seventh session of the Board	20 November 2024	resolution in writing
The 28th meeting of the seventh session of the Board	30 December 2024	resolution in writing
The 29th meeting of the seventh session of the Board	30 December 2024	On-site

Corporate Governance Report

The attendance of each Director in the meetings of the Board of Directors and general meetings during the Reporting Period is set out below:

Members of the Board	Number of meetings of the Board of Directors requiring attendance	Number of meetings of the Board of Directors attended in person	Number of meetings of the Board of Directors attended by proxy	Number of Shareholders' general meeting attended/ Number of Shareholders' general meetings requiring attendance
Mr. YU Jianzhong	14	10	4	1/4
Mr. WU Hongtao	14	13	1	3/4
Mr. ZHENG Ke	14	12	2	2/4
Ms. DONG Xiaodong	14	14	0	4/4
Ms. DONG Guangpei	14	13	1	0/4
Mr. PENG Chong ⁽¹⁾	9	7	2	0/3
Mr. Alistair Marshall BULLOCH	14	12	2	4/4
Mr. WANG Shunlong	14	11	3	2/4
Mr. ZENG Jianhua	14	14	0	2/4
Mr. LU Jianzhong	14	14	0	3/4
Mr. GU Zhaoyang ⁽²⁾	6	6	0	0/1
Ms. SUN Jingyu ⁽³⁾	0	0	0	0/0
Ms. LI Jun ⁽⁴⁾	14	14	0	0/4
Mr. ZHAO Wei ⁽⁵⁾	14	14	0	0/4
Mr. JIN Qingjun ⁽⁶⁾	14	14	0	0/4
Mr. HE Jia ⁽⁷⁾	14	12	2	4/4

Notes: (1) Appointed as a member of the Board on 21 June 2024.

(2) Appointed as a member of the Board on 22 September 2024.

(3) Resigned as a member of the Board on 15 January 2024.

Corporate Governance Report

- (4) Resigned as a member of the Board on 20 March 2025.
- (5) Resigned as a member of the Board on 20 March 2025.
- (6) Resigned as a member of the Board on 24 January 2025.
- (7) Resigned as a member of the Board on 24 January 2025.
- (8) Mr. FENG Jinghua and Mr. PENG Bing served as independent non-executive Directors on 24 January 2025 and are therefore not listed.

Independent Non-executive Directors

The Board of the Bank currently has five independent non-executive Directors, which is in compliance with the requirements of the Hong Kong Listing Rules regarding the appointment of at least three independent non-executive directors, with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Articles of Association of the Bank stipulated the qualifications, engagement procedures, rights and obligations of the independent non-executive directors to ensure that the independent non-executive directors maintain independence to a certain extent, and stipulated the conditions that the Bank shall guarantee for the independent directors to perform their duties and responsibilities effectively. During the Reporting Period, independent non-executive Directors fulfilled their fiduciary duties and duty of diligence as well as the responsibilities as provided by the Articles of Association and protected the interests of the Bank and its Shareholders as a whole. The Bank's independent non-executive Directors duly attended the meetings of the Board of Directors and the special committees thereof, provided objective and independent advice on various matters discussed by the Board and the special committees and played an active role in the decision-making of the Board.

The Bank has received the annual confirmation letters from each independent non-executive Directors confirming in writing his independence as required by the Hong Kong Listing Rules. Therefore, we confirm that all independent non-executive Directors complied with the requirements of the Hong Kong Listing Rules in respect of their independence.

Special Committees of the Board

As of the date of this annual report, the Board has six special committees, including the Strategic Development Committee, Audit Committee, Related Party Transactions Control Committee, Risk Management Committee, Nomination and Remuneration Committee and Inclusive Finance Development and Consumer Rights Protection Committee.

Corporate Governance Report

Strategic Development Committee

As of the date of this annual report, the Strategic Development Committee consists of five Directors, being Mr. YU Jianzhong, Mr. WU Hongtao, Mr. PENG Chong, Mr. Alistair Marshall BULLOCH and Mr. FENG Jinghua. The chairman of the Strategic Development Committee is Mr. YU Jianzhong. Mr. YU Jianzhong and Mr. WU Hongtao are executive Directors. Mr. PENG Chong and Mr. Alistair Marshall BULLOCH are non-executive Directors, whereas Mr. FENG Jinghua is an independent non-executive Director. The primary duties of the Strategic Development Committee include:

- studying and providing advice on our mid-and long-term development strategies;
- supervising and inspecting the implementation of annual operation plans and investment plans;
- studying and formulating our capital supplement plans and channels;
- studying and providing advice on our material investment plans and other material matters which have effect on our development;
- reviewing modification proposals of articles of association;
- reviewing the ESG strategies and hearing ESG reports; and
- inspecting the implementation of the above items.

Corporate Governance Report

During the Reporting Period, the Strategic Development Committee held 7 meetings, considering and approving 30 proposals on matters mainly including Final Financial Accounts for 2023, 2023 Social Responsibility Report, Annual Operation Plan for 2024, Financial Budget for 2024 and Investment Plan for 2024. The attendance of each member in the meetings of the Strategic Development Committee in 2024 is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. YU Jianzhong	7	5	2
Mr. WU Hongtao	7	7	0
Mr. PENG Chong ⁽¹⁾	5	4	1
Mr. Alistair Marshall BULLOCH	7	6	1
Ms. SUN Jingyu ⁽²⁾	0	0	0
Mr. HE Jia ⁽³⁾	7	7	0

Notes: (1) Appointed as a member of the Strategic Development Committee on 21 June 2024.

(2) Resigned as a member of the Strategic Development Committee on 15 January 2024.

(3) Resigned as a member of the Strategic Development Committee on 24 January 2025.

(4) Mr. FENG Jinghua was appointed as a member of the Strategic Development Committee on 24 January 2025 and is therefore not listed.

Audit Committee

The Bank has established the Audit Committee with written terms of reference in compliance with the requirements under the Hong Kong Listing Rules. The terms of reference of the Audit Committee can be found on the website of the Hong Kong Stock Exchange and website of the Bank. As of the date of this annual report, the Audit Committee consists of four Directors, being Mr. LU Jianzhong, Mr. WANG Shunlong, Mr. ZENG Jianhua and Mr. GU Zhaoyang. The chairman of the Audit Committee is Mr. LU Jianzhong. Mr. WANG Shunlong is a non-executive Director, whereas Mr. LU Jianzhong, Mr. ZENG Jianhua and Mr. GU Zhaoyang are independent non-executive Directors. An independent non-executive Director serves as the chairman of the Audit Committee.

Corporate Governance Report

The primary duties of the Audit Committee include the following:

- reviewing our accounting policies, financial position and financial reporting procedures, and inspecting our risk and compliance;
- considering our financial statements, annual report, half-year report and (if prepared for publication) quarterly reports as issued by the external auditor on our operating results in the previous year, and reviewing significant financial information views contained in such statements and reports; making judgements on the truthfulness, accuracy, completeness and timeliness of the information of the audited financial reports, and submitting the deliberations to the Board of Directors;
- engaging, re-engaging and dismissing accounting firms that perform audit work for the Bank, approving their remuneration and terms of employment, and dealing with issues related to the aforementioned matters;
- monitoring and evaluating the external auditor's independence and objectivity and the effectiveness of the audit process;
- being responsible for the communication between internal auditors and external auditors, and ensuring coordination between the internal auditors and external auditors;
- organising and leading our internal audit work pursuant to the authority of the Board, approving our audit policies and procedures and our annual audit work plan, and supervising the implementation;
- considering the internal control reports, supervising and inspecting the effectiveness of the implementation, and submitting comments and suggestions to the Board of Directors; and
- listening to the audit report of the internal audit department regularly, and submitting it to the Board of Directors.

During the Reporting Period, the Audit Committee held 7 meetings, considering and approving 25 proposals on matters mainly including 2023 Annual Report of Bank of Tianjin Co., Ltd., 2024 Interim Report of Bank of Tianjin Co., Ltd., Evaluation Report on 2023 Internal Control of Bank of Tianjin Co., Ltd., The Report on 2023 Internal Audit Work of Bank of Tianjin Co., Ltd., 2024 Internal Audit Work Plan of Bank of Tianjin Co., Ltd., and Change of External Auditor.

Corporate Governance Report

The Audit Committee also organised the preparation and review of the 2023 Annual Report and 2024 Interim Report according to relevant disclosure requirements on the annual financial report. During the Reporting Period, the Audit Committee had several meetings and communications with the external auditors in the absence of executive Directors and senior management. On 20 March 2025, the Audit Committee reviewed the audited consolidated financial statements for the year of 2024 prepared in accordance with the accounting principles and policies of the Bank. It also reviewed the internal control system and the effectiveness of the Bank's internal audit function by periodically listening to the internal audit work report of our internal audit department.

The attendance of each member in the meetings of the Audit Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. LU Jianzhong	7	7	0
Mr. WANG Shunlong	7	4	3
Mr. ZENG Jianhua	7	7	0
Mr. GU Zhaoyang ⁽¹⁾	3	3	0
Ms. LI Jun ⁽²⁾	7	7	0

Note: (1) Appointed as a member of the Audit Committee on 22 September 2024.

(2) Resigned as a member of the Audit Committee on 20 March 2025.

Related Party Transactions Control Committee

The Bank has established a Related Party Transactions Control Committee with written terms of reference. As of the date of this annual report, the Related Party Transactions Control Committee consists of five Directors, being Mr. PENG Bing, Mr. LU Jianzhong, Mr. ZHENG Ke, Ms. DONG Xiaodong and Mr. GU Zhaoyang. The chairman of the Related Party Transactions Control Committee is Mr. PENG Bing. Mr. ZHENG Ke and Ms. DONG Xiaodong are executive Directors, and Mr. PENG Bing, Mr. LU Jianzhong and Mr. GU Zhaoyang are independent non-executive Directors. The primary duties of the Related Party Transactions Control Committee include the following:

- assisting the Board of Directors in performing the duties in the management of related party transactions of the Bank;

Corporate Governance Report

- being responsible for researching, formulating and revising the policies, rules and regulations of the Bank's related party transactions;
- being responsible for supervising the senior management's implementation of relevant regulations, systems and policies on related party transaction management;
- reviewing the related party transactions of the Bank in accordance with the provisions of Chinese laws and the fair and equitable business principles;
- being responsible for putting forward review opinions on major related party transactions of the Bank and reporting to the Board of Directors for approval, and accepting the filing of general related party transactions of the Bank;
- formulating the working rules of the Related Party Transactions Control Committee.

During the Reporting Period, the Related Party Transactions Control Committee held 4 meetings, considering and approving 8 proposals on matters mainly including the Report on Related Party Transactions and the Management of Related Party Transactions of Bank of Tianjin Co., Ltd. for 2023 and the Report on Material Related Party Transactions of Tianjin State-owned Capital Investment and Operation Co., Ltd., etc.

The attendance of each member in the meeting of the Related Party Transactions Control Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. ZHENG Ke	4	2	2
Ms. DONG Xiaodong	4	4	0
Mr. LU Jianzhong	4	4	0
Mr. GU Zhaoyang ⁽¹⁾	1	1	0
Mr. JIN Qingjun ⁽²⁾	4	4	0

Note: (1) Appointed as a member of the Related Party Transactions Control Committee on 22 September 2024.

(2) Resigned as a member and the chairman of the Related Party Transactions Control Committee on 24 January 2025.

(3) Mr. PENG Bing was appointed as the chairman of the Related Party Transactions Control Committee on 24 January 2025 and is therefore not listed.

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Risk Management Committee

The Bank has established a Risk Management Committee with written terms of reference. As of the date of this annual report, the Risk Management Committee consists of four Directors, being Mr. WU Hongtao, Ms. DONG Guangpei, Mr. PENG Bing and Mr. ZENG Jianhua. The chairman of the Risk Management Committee is Mr. WU Hongtao. Mr. WU Hongtao is an executive Director of the Bank. Ms. DONG Guangpei is a non-executive Director of the Bank. Mr. PENG Bing and Mr. ZENG Jianhua are independent non-executive Directors of the Bank. The primary duties of the Risk Management Committee include the following:

- supervising the risk control condition conducted by the senior management in respect of credit risks, market risks, liquidity risks, operational risks, compliance risks, information technology risks and reputation risks, and conducting regular reviews of the risk reports;
- assessing our risk policies, management, tolerance and capacity;
- supervising our risk management and internal control systems, and making proposals on the improvement plans of our risk management and internal control systems;
- discussing our risk management and internal control system with senior management to ensure the effectiveness of our risk management systems; and
- conducting regular review of and supervising the effectiveness of our risk management systems.

During the Reporting Period, the Risk Management Committee held 8 meetings in total, considering and approving 24 proposals on matters mainly including the 2023 Comprehensive Risk and Risk Management Status Report, 2023 Financial Assets Risk and Classification Management Report, 2023 Annual Implementation Report of Expected Credit Loss, 2023 Annual Information Technology Risk Management Report, 2024 Risk Preference Statement, 2024 Recovery Plan and Disposal Plan, Policies for Country Risk Management of Bank of Tianjin Co., Ltd. and Internet Lending Business Cooperative Institutions and Cross-Regional Operation and Management Policy. The Risk Management Committee regularly reviewed the risk management systems of the Bank by hearing on a quarterly basis, the report by our senior management on the risk management of the Bank, including credit risk, market risk, operational risk, compliance risk, liquidity risk and information technology risk, and reputation risk, etc. Based on the economic development trends, the changes in macro-economic regulation and control and the Bank's actual operational development, the Risk Management Committee will put forward opinions and suggestions to improve the Bank's risk management and urge the senior management to improve the workflow of risk management.

Corporate Governance Report

The attendance of each member in the meetings of the Risk Management Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. WU Hongtao	8	7	1
Ms. DONG Guangpei	8	7	1
Mr. ZENG Jianhua	8	8	0
Mr. ZHAO Wei ⁽¹⁾	8	8	0
Mr. JIN Qingjun ⁽²⁾	8	8	0

Notes: (1) Resigned as a member of the Risk Management Committee on 20 March 2025.

(2) Resigned as a member of the Risk Management Committee on 24 January 2025.

(3) Mr. PENG Bing was appointed as a member of the Risk Management Committee on 24 January 2025 and is therefore not listed.

Nomination and Remuneration Committee

The Bank has established the Nomination and Remuneration Committee with written terms of reference in compliance with the requirements under the Hong Kong Listing Rules. The terms of reference of the Nomination and Remuneration Committee can be found on the website of the Hong Kong Stock Exchange and the website of the Bank. As of the date of this annual report, the Nomination and Remuneration Committee consists of five Directors, being Mr. FENG Jinghua, Mr. YU Jianzhong, Ms. DONG Xiaodong, Mr. ZENG Jianhua and Mr. LU Jianzhong. The chairman of the Nomination and Remuneration Committee is Mr. FENG Jinghua. Mr. YU Jianzhong and Ms. DONG Xiaodong are executive Directors of the Bank. Mr. FENG Jinghua, Mr. ZENG Jianhua and Mr. LU Jianzhong are independent non-executive Directors of the Bank. Independent non-executive Directors represent the majority of the Bank's Nomination and Remuneration Committee. An independent non-executive Director serves as the chairman of the Nomination and Remuneration Committee. The primary duties of the Nomination and Remuneration Committee include the following:

Nomination duties

- reviewing the structure, size and composition of the Board, and making recommendations on any proposed changes to the Board to complement our strategy;

Corporate Governance Report

- formulating the criteria and procedures for selecting directors and senior management members and succession planning for directors, and making recommendations to the Board;
- extensively identifying qualified candidates for directors and senior management members, and making recommendations to the Board;
- conducting the preliminary examination of qualifications of candidates for directorships and senior managements, and making recommendations to the Board on the selection; and assessing the independence of independent non-executive Directors.

Remuneration and appraisal duties

- studying the criteria for appraising Directors and senior management members, conducting the appraisal, and submitting the appraisal reports to the Board;
- reviewing our policy and structure of remuneration management, formulating the policy and structure for all Directors' and senior management remuneration and developing remuneration policy for the establishment of a formal and transparent procedure for developing remuneration policy, and making recommendations to the Board and overseeing the execution of the proposal;
- reviewing compensations payable to directors and senior management members for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and
- reviewing compensation arrangements relating to dismissal or removal of any director for his misconduct to ensure that such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate.

During the Reporting Period, the Nomination and Remuneration Committee held 8 meetings, considering and approving 13 proposals on matters mainly including opinions for the evaluation of the performance of the Directors and the members of senior management in 2023, performance indicators for the Company in 2024, nomination of GU Zhaoyang as a candidate for independent director of Bank of Tianjin Co., Ltd., nomination of FENG Jinghua as a candidate for independent director of Bank of Tianjin Co., Ltd., nomination of PENG Bing as a candidate for independent director of Bank of Tianjin Co., Ltd., performance assessment result and salary distribution plan of professional managers for 2023 and the term of 2021-2023, performance appraisal indicators system of professional managers for 2024 and the term from 2024 to 2026 and the appointment of vice president of Bank of Tianjin Co., Ltd..

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The attendance of each member in the meetings of the Nomination and Remuneration Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. YU Jianzhong	8	5	3
Ms. DONG Xiaodong	8	8	0
Mr. ZENG Jianhua	8	8	0
Mr. LU Jianzhong	8	8	0
Mr. HE Jia ⁽¹⁾	8	7	1

Notes: (1) Resigned as a member and the chairman of the Nomination and Remuneration Committee on 24 January 2025.

(2) Mr. FENG Jinghua was appointed as a member and the chairman of the Nomination and Remuneration Committee on 24 January 2025 and is therefore not listed.

The Board believes that the Board of Directors with a diverse composition will enable the Bank to improve its performance. It is of significant importance for the Bank to have a diversified Board of Directors so as to achieve sustainable development, implement its strategies and maintain good corporate governance.

In selecting the Board members, the Board and the Nomination and Remuneration Committee consider various factors, including but not limited to skills, gender, age, cultural and educational background, professional experience and years of service, in order to achieve the Board diversity. Our Nomination and Remuneration Committee is responsible for reviewing the structure, size and composition of the Board annually, determining the policy for the remuneration of Directors, assessing performance of executive Directors and approving the terms of executive Directors' service contracts and making recommendations on the remuneration packages of individual executive Directors and senior management to the Board. As at the date of this annual report, the Board is comprised of 13 Directors, among which 2 are female, 4 are within the age group of 40 to 49, 4 are within the age group of 50 to 59, 5 are aged 60 and above; 6 with professional financial background, 4 with professional accounting and audit background, 1 with professional economic and management background, 1 with professional legal background and 1 with information technology background. Accordingly, the Board of Directors considers the Bank's diversity policy to be feasible and effective.

Corporate Governance Report

Inclusive Finance Development and Consumer Rights Protection Committee

The Bank has established an Inclusive Finance Development and Consumer Rights Protection Committee with written terms of reference. As of the date of this annual report, the Inclusive Finance Development and Consumer Rights Protection Committee consists of five Directors, being Mr. GU Zhaoyang, Mr. YU Jianzhong, Mr. WU Hongtao, Mr. ZHENG Ke and Ms. DONG Xiaodong. The chairman of the Inclusive Finance Development and Consumer Rights Protection Committee is Mr. GU Zhaoyang. Mr. YU Jianzhong, Mr. WU Hongtao, Mr. ZHENG Ke and Ms. DONG Xiaodong are executive Directors of the Bank. Mr. GU Zhaoyang is an independent non-executive Director of the Bank. The primary duties of the Inclusive Finance Development and Consumer Rights Protection Committee include the following:

- studying material issues and important policies of consumer rights protection, guiding and supervising the establishment and improvement of the management system for consumer rights protection;
- receiving and reviewing special reports regularly submitted by the senior management regarding the implementation of consumer rights protection, and reporting to the Board in this regard;
- reviewing the implementation of the Company's consumer rights protection work, supervising and assessing the comprehensiveness, timeliness, and effectiveness of the Company's consumer rights protection work;
- reviewing the small and micro business/inclusive financial business development plan, basic management system and other material matters of the Company, listening and reviewing work reports regularly submitted by the senior management regarding small and micro business/inclusive financial business development, and reporting to the Board in this regard;
- supervising the implementation of the Company's small and micro business/inclusive financial business development plans, policies and basic management systems and making recommendations to the Board; and
- information disclosure work for small and micro business/inclusive financial business and consumer rights protection.

During the Reporting Period, the Inclusive Finance Development and Consumer Rights Protection Committee held 1 meeting in total, considering and approving 1 proposal on matters mainly including the Report on the protection of the rights and interests of consumers in 2023, and work plan for 2024, etc.

Corporate Governance Report

The attendance of each member in the meeting of the Inclusive Finance Development and Consumer Rights Protection Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. GU Zhaoyang ⁽¹⁾	0	0	0
Mr. YU Jianzhong	1	1	0
Mr. WU Hongtao	1	1	0
Mr. ZHENG Ke	1	0	1
Ms. DONG Xiaodong	1	1	0

Note: (1) Appointed as the chairman of the Inclusive Finance Development and Consumer Rights Protection Committee on 22 September 2024.

Corporate Governance Functions

No corporate governance committee has been established. The Board is responsible for performing the corporate governance functions such as developing and reviewing the Bank's policies, practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors, Supervisors and senior management, reviewing and monitoring the Bank's policies and practices on compliance with legal and regulatory requirements, reviewing the Bank's compliance with the Code and disclosure in the Corporate Governance Report.

BOARD OF SUPERVISORS

Composition of the Board of Supervisors

As of the date of this annual report, our Board of Supervisors consists of five Supervisors, including two Employee Representative Supervisors, namely Mr. HUANG Yongxin and Ms. PENG Junying, one Shareholder Representative Supervisor, namely Mr. WU Chong, and two External Supervisors, namely Mr. LIU Baorui and Mr. LAW Yee Kwan, Quinn. The number and composition of our Board of Supervisors are in compliance with the applicable laws and regulations.

Change of Supervisors during the Reporting Period

During the Reporting Period, other than disclosed in the section headed "Directors, Supervisors, Senior Management Officers and Employees – Changes of Directors, Supervisors and Senior Management Officers During the Reporting Period", there was no change in the Supervisors.

Corporate Governance Report

Meetings of the Board of Supervisors and the Supervisor' Attendance

During the Reporting Period, the Bank held 16 meetings of the Board of Supervisors in total, considering and approving 78 proposals on matters mainly including Work Report of the Board of Supervisors for 2023 of Bank of Tianjin Co., Ltd., 2023 Annual Report of Bank of Tianjin Co., Ltd., the Report of the Evaluation of the Board of Supervisors on the Performance of the Board of Directors and Directors of Bank of Tianjin Co., Ltd. for the year of 2023, the Report of Performance Evaluation of the Board of Supervisors and Supervisors of Bank of Tianjin Co., Ltd. for the year of 2023, and the Report of the Evaluation of the Board of Supervisors on the Performance of the Senior Management and Its Members of Bank of Tianjin Co., Ltd. for the year of 2023.

The attendance of each Supervisor in the meetings of the Board of Supervisors during the Reporting Period is set out below:

Members of the Board of Supervisors	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. HUANG Yongxin ⁽¹⁾	10	9	1
Ms. PENG Junying	16	16	0
Mr. WU Chong	16	16	0
Mr. LIU Baorui	16	14	2
Mr. LAW Yee Kwan, Quinn	16	12	4
Ms. FENG Xia ⁽²⁾	6	4	2

Notes: (1) Appointed as an employee representative Supervisor and the chairman of the Board of Supervisors on 28 May 2024.

(2) Resigned as the chairwoman of Board of Supervisors on 31 January 2024 and resigned as an employee representative Supervisor on 28 May 2024.

Committees under the Board of Supervisors

The Bank has established two committees under the Board of Supervisors: namely a Supervision Committee and a Nomination Committee. The committees operate in accordance with the terms of reference established by our Board of Supervisors.

Corporate Governance Report

Supervision Committee

As of the date of this annual report, the Supervision Committee consists of three Supervisors, being Mr. LIU Baorui, Mr. HUANG Yongxin and Mr. WU Chong. The chairman of the Supervision Committee is Mr. LIU Baorui. The primary duties of the Supervision Committee include the following:

- drafting the plans on supervising the Bank's financial activities, and implementing such supervisions;
- supervising the Board for the establishment of stable operation principle, value criterion, and formulating the development strategy appropriate for our current situation; and
- supervising and examining the Bank's operation decisions, risk management and internal control.

During the Reporting Period, the Supervision Committee held 10 meetings in total, considering and approving 91 proposals on matters mainly including 2023 Annual Report of Bank of Tianjin Co., Ltd., Work Report on Specialised Supervision of the Seventh Session of the Board of Supervisors for 2024 of Bank of Tianjin Co., Ltd., 2023 Annual Corporate Governance Evaluation Report of Bank of Tianjin Co., Ltd. The attendance of each member in the meetings of the Supervision Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. LIU Baorui	10	8	2
Mr. HUANG Yongxin ⁽¹⁾	8	7	1
Mr. WU Chong	10	10	0
Ms. FENG Xia ⁽²⁾	2	1	1

Notes: (1) Appointed as a member of the Supervision Committee of the Board of Supervisors on 28 May 2024.

(2) Resigned as a member of the Supervision Committee of the Board of Supervisors on 28 May 2024.

Corporate Governance Report

Nomination Committee

As of the date of this annual report, the Nomination Committee consists of three Supervisors, being Mr. LAW Yee Kwan, Quinn, Mr. HUANG Yongxin and Ms. PENG Junying. The chairman of the Nomination Committee is Mr. LAW Yee Kwan, Quinn. The primary duties of the Nomination Committee include the following:

- formulating the criteria and procedures for the selection of supervisors;
- conducting preliminary review on the qualifications of supervisor candidates, and providing advice to the Board of Supervisors;
- supervising the procedures for the selection and appointment of Directors; and
- conducting comprehensive evaluation on the performance of duty of Directors, Supervisors and members of senior management and reporting to the Board of Supervisors.

During the Reporting Period, the Nomination Committee held 8 meetings in total, considering and approving 13 proposals on matters mainly including 2024 Performance Appraisal Indicators System for Professional Managers of Bank of Tianjin Co., Ltd., the Report of the Evaluation of the Board of Supervisors on the Performance of the Board of Directors and Directors of Bank of Tianjin Co., Ltd. for the year of 2023, the Report of the Evaluation of the Board of Supervisors on the Performance of the Senior Management and Its Members of Bank of Tianjin Co., Ltd. for the year of 2023. The attendance of each member in the meetings of the Nomination Committee during the Reporting Period is set out below:

Committee members	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy
Mr. LAW Yee Kwan, Quinn	8	6	2
Mr. HUANG Yongxin ⁽¹⁾	4	4	0
Ms. PENG Junying	8	8	0
Ms. FENG Xia ⁽²⁾	4	2	2

Notes: (1) Appointed as member of the Nomination Committee of the Board of Supervisors on 28 May 2024.

(2) Resigned as member of the Nomination Committee of the Board of Supervisors on 28 May 2024.

Corporate Governance Report

Attendance at Shareholders' general meetings during the Reporting Period

During the Reporting Period, the Bank held four Shareholders' general meetings. The Board of Supervisors has designated representatives to attend such meetings to carry out on-site supervision over the legal compliance of the matters transacted at the meetings, procedures of the meetings and the voting process.

Attendance at Board meetings during the Reporting Period

During the Reporting Period, to strengthen the fundamental work of duty performance evaluation, our Supervisors attended Board meetings throughout the year as daily monitoring methods, which effectively enhanced the objectivity of the evaluation.

Trainings to the Directors and Supervisors during the Reporting Period

During the Reporting Period, all the Directors and Supervisors of the Bank accepted or participated in relevant trainings. The main contents of the trainings included trainings on reputational risk and anti-corruption, etc.

CHAIRMAN AND PRESIDENT

As at the date of this annual report, Mr. YU Jianzhong, as the secretary of the Party Committee and the Chairman, is responsible for any duties related to the Party Committee of the Bank and the Board. Mr. WU Hongtao, as our President, was responsible for the overall work of operation and management of the Bank.

COMPANY SECRETARIES

Ms. DONG Xiaodong and Dr. NGAI Wai Fung have been acting as our joint company secretaries since January 2021 and September 2015, respectively. Dr. NGAI Wai Fung is a director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited. Ms. DONG Xiaodong is the primary contact person for Dr. NGAI at the Bank. During the Reporting Period, Ms. DONG Xiaodong and Dr. NGAI Wai Fung had attended relevant professional trainings as required under Rule 3.29 of the Hong Kong Listing Rules.

RELATIONSHIPS BETWEEN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS

There are no financial, business or family relationships among the Directors, Supervisors and senior management officers of the Bank.

SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix C3 of the Hong Kong Listing Rules as its codes of conduct regulating securities transactions by the Directors and Supervisors.

Corporate Governance Report

After the Bank having made specific enquiries to all Directors and Supervisors, each of the Directors and Supervisors has confirmed that they complied with the Model Code during the Reporting Period.

SENIOR MANAGEMENT OFFICERS

The senior management officers have the powers vested by our Board of Directors to manage our daily operations. Our President is primarily responsible for carrying out the decisions made by our Board and shall report to our Board of Directors. We have also appointed three vice Presidents and other senior management officers to work with our President and perform their respective management responsibilities.

The Board of Directors of the Bank and the management led by the President exercise their respective powers in accordance with their responsibilities as set out in the Articles of Association. Under the Articles of Association, senior management of the Bank shall, in accordance with the needs of the Bank's operations, establish a well-developed internal control mechanism with the internal rules and regulations, the operational risk control system, the credit approval system, etc. as its key parts, and identify, measure, monitor and control effectively various risk that the Bank faces.

REMUNERATION OF SENIOR MANAGEMENT OFFICERS

Details of the remuneration of the members of the senior management officers for 2024 are set out in "Directors, Supervisors, Senior Management officers and Employees – Information on Remuneration paid to Directors, Supervisors and Senior Management officers".

AMENDMENT TO THE ARTICLES OF ASSOCIATION

There were no amendments to the Articles of Association during the Reporting Period.

COMMUNICATION WITH SHAREHOLDERS

The Bank values comments and recommendations of Shareholders, and has been strengthening communication and exchanges with Shareholders through the establishment of a dedicated service position, a service hotline, a customer service platform, stakeholder surveys and general meetings so as to maintain a good relationship, and satisfy the reasonable requests of Shareholders in a timely manner. During the Reporting Period, the Bank held 4 Shareholders' general meetings, 1 special stakeholder communication, and received more than 1,000 calls from Shareholders, achieving a good communication with Shareholders as a result.

Corporate Governance Report

Shareholders may direct their enquiries to the Board of Directors through the office of the Board. Contact details of the office of the Board are as follows:

Registered Address: No. 15 Youyi Road, Hexi District, Tianjin, the PRC

Postal Code: 300201

Tel: +86 2228405536

Fax: +86 2228405518

E-mail: ir@bankoftianjin.com

SHAREHOLDERS' RIGHTS

Procedures of Convening an Extraordinary General Meeting by the Shareholders

The Bank effectively protects the rights of Shareholders in strict compliance with applicable laws, regulations, the Hong Kong Listing Rules, the Articles of Association and its corporate governance system.

Pursuant to the Articles of Association and the Rules of Procedure for Shareholders' general meeting:

Shareholders individually or in aggregate holding 10% or more of the Bank's voting shares have the right to request that the Board of Directors convene an extraordinary general meeting or a separate class Shareholders' meeting, and such requests should be made in writing to the Board of Directors and state the topics of meeting. The Board of Directors shall, within ten days after receipt of such request, make feedback whether to convene an extraordinary general meeting or a separate class Shareholders' meeting in writing in accordance with provisions of the laws, regulations, regulatory requirements and the Articles of Association of the Bank. The shareholding of the above Shareholders is based on their shareholdings on the date of such request is proposed by the Shareholders in writing.

If the Board of Directors agrees to convene an extraordinary general meeting or a separate class Shareholders' meeting, it shall issue a notice of convening a Shareholders' general meeting or a separate class Shareholders' meeting within five days from the adoption of the resolution of the Board. Any change to the original request in the notice shall be made with the consent of relevant shareholders.

Where the Board of Directors disagrees to convene an extraordinary general meeting or a separate class Shareholders' meeting or fails to give any feedback within ten days after the receipt of such request, shareholders individually or jointly holding 10% or more of the Bank's voting shares are entitled to propose to the Board of Supervisors to convene an extraordinary general meeting or a separate class Shareholders' meeting by submitting a request in writing.

Where the Board of Supervisors agrees to convene an extraordinary general meeting or a separate class Shareholders' meeting, it shall, within five days after the receipt of such request, deliver a notice of convening a Shareholders' general meeting or a separate class Shareholders' meeting. Any change to the original request in the notice shall be made with the consent of relevant shareholders.

Corporate Governance Report

In the event that the Board of Supervisors fails to deliver such notice to convene a Shareholders' general meeting or a separate class Shareholders' meeting within the specified period, the Board of Supervisors shall be deemed not to convene or preside over the Shareholders' general meeting or a separate class Shareholders' meeting. Such shareholders individually or in aggregate holding 10% or more of the Bank's voting shares for at least 90 consecutive days may at their discretion convene and preside over the meeting.

Shareholders may refer to the Articles of Association published on the websites of the Hong Kong Stock Exchange and the Bank for further details.

Procedures for Submitting a Proposal at the Shareholders' General Meeting

Shareholders individually or in aggregate holding 3% or more of the Bank's voting shares may submit provisional proposals to the convener in writing ten days prior to the date of the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting with the content of such provisional proposals, upon review and satisfaction that such provisional proposals comply with the provisions in the Articles of Association, within two days after receipt thereof. Requirements otherwise provided in the listing rules of the stock exchange where the Bank's shares are listed shall also be met.

Except as provided in the precedent paragraph, the convener shall not alter the proposals in the notice of the Shareholders' general meeting or add new proposals after the issuance of the notice of the Shareholders' general meeting.

Shareholders may refer to the Articles of Association published on the websites of the Hong Kong Stock Exchange and the Bank for further details.

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The Bank's former auditors, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, have served as the Bank's domestic auditor and international auditor, respectively, since 2021 (collectively referred to as "PwC"). At the 2024 Third Extraordinary General Meeting held on 11 December 2024, the Bank considered and approved the termination of PwC and resolved to approve the appointment of KPMG Huazhen LLP as the domestic auditor of the Bank to audit the 2024 annual financial statements under the generally accepted accounting standards in the PRC, and the appointment of KPMG (collectively "KPMG") as the international auditor of the Bank to audit the 2024 annual financial statements under the International Financial Reporting Standards, in order to fill the vacancies created by the termination of appointment of PwC, and KPMG will hold the office until the conclusion of the next annual general meeting of the Bank.

The remuneration paid by the Bank to KPMG for the audit of the 2024 annual financial statements was RMB2.87 million, and the service fee paid by the Bank to PwC for reviewing the interim financial statements was RMB2.09 million. KPMG has not provided non-audit services to the Bank since it was appointed as the Bank's auditor and therefore no remuneration has been paid. KPMG serves as the auditor of the Bank for the first year, the engagement partners are Shi Jian, Huang Wanshan and Ge Mingyi and has been providing audit services to the Bank for 1 year.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

Our Board of Directors is responsible for ensuring the establishment and implementation of an adequate and effective risk management and internal control system, and the prudent operation of the commercial bank under the framework of laws and policies. The Board of Supervisors is responsible for supervising the Board of Directors and the senior management of the Bank to enhance the risk management and internal control system, and the fulfilment of risk management and internal control duties of the Board of Directors, the senior management and their members. The senior management is responsible for the execution of the decisions made by the Board of Directors, and ensuring the effective performance of risk management and internal control duties. Currently, the Bank has formulated the Internal Control Policy of Bank of Tianjin Co., Ltd. and the Administrative Methods of Internal Controls of Bank of Tianjin according to the Basic Rules on Enterprise Internal Control and the Internal Control Guidelines for Commercial Banks, covering five major aspects of internal control, namely internal environment, risk assessment, control activities, information and communication, and internal supervision.

Our well-developed Comprehensive Risk Management System covers major risks facing the Bank, including credit risks, market risks, operating risks, liquidity risks, information technology risks, etc. The Bank gradually developed and improved a comprehensive risk management structure with clear and definite terms of reference, checks and balances, and highly efficient operations, further strengthening the independence and professionalism of risk management. To ensure effective operation of our risk management system, the Bank established and improved our risk management procedures. By exercising prudence, the Bank identified, assessed, and managed risks arising from the Bank as a whole and various products, business lines, business processes, and departments at all levels. For more details of the risk management system of the Bank, please refer to “Management Discussion and Analysis – Risk Management”.

In March 2025, following the formal implementation of the Financial Institution Compliance Management Measures 《金融機構合規管理辦法》, the Bank obtained a Compliance Management Effectiveness Evaluation Report issued by China Chengxin Certification Co., Ltd. (中誠信認證有限公司), the authoritative agency, achieving a “Well-Managed” rating, which made the Bank as the first listed commercial bank to pass compliance management effectiveness evaluation. The assessment was conducted based on the Compliance Management System Requirements and Application Guidelines 《合規管理體系要求與使用指南》(GB/T 35770), the China’s recommended national standard, and the Compliance Management System Effectiveness Evaluation 《合規管理體系有效性評價》(ISO/DIS 37302), the latest international standard, while incorporating regulatory requirements from the Financial Institution Compliance Management Measures, the SASAC’s Corporate Compliance Management Measures, and the Hong Kong Stock Exchange’s Corporate Governance Code. Leveraging third-party audit and rating methodologies, the evaluation comprehensively assessed the effectiveness of commercial banks’ compliance management across multiple dimensions, including compliance management systems, operational mechanisms, safeguard measures, and compliance culture development. The report is one of the most authoritative compliance management evaluation reports in the industry.

During the Reporting Period, the Bank has further strengthened the existing corporate governance framework and internal control measures, standardised the implementation and evaluation procedures of the internal control system, and formulated comprehensive, systematic and standardised operation system and management system for operational and management activities, and established an audit mechanism regarding the compliance of such system. During the Reporting Period, relevant systems were amended and supplemented, which further regulated the operational management and business development. Besides, the Bank also provided regular compliance training, special examination and risk warning, so as to improve the compliance awareness of all the staff.

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The Bank has formulated systems including the Personnel Conduct Management Policy of Bank of Tianjin Co., Ltd., the Work Ethics and Code of Conduct of Bank of Tianjin and Interim Measures for Grid-based Management of Personnel Conduct in Bank of Tianjin, which further regulate the management of conducts of all employees at the Bank and improve our employees' awareness of compliance and self-discipline. At the same time, we have formulated the Administrative Measures on Reporting of Compliance and Honesty in Bank of Tianjin to further clarify the establishment of a reporting mechanism for compliance and honesty, increase the management responsibilities of relevant departments and smooth the reporting channels for compliance and honesty.

The Measures to Manage Disclosure of Information about Bank of Tianjin Co., Ltd., which was formulated by the Board of the Bank, expressly prescribes that our Board will be responsible for managing information disclosure. Our Board and the president will ensure the truthfulness, accuracy, and completeness of the information disclosed, for which they shall assume the corresponding legal responsibilities. The Bank shall make timely disclosure upon occurrence of "inside information" as defined under Part XIVA of the Securities and Futures Ordinance of Hong Kong or in case of timely disclosure of other matters as required under the relevant laws and regulations and the regulatory rules governing the listing of securities in the jurisdiction where the Bank is listed, unless exemptions are granted under the same.

The Bank further improved the accounting and audit system and accounting working procedures according to the relevant requirements under the China Accounting Standards for Business Enterprises and Basis Norms of Internal Audit Control, further specified the duties of different positions and comprehensively managed risks. By means of position set-up, granting level-based authorisation, position rotation, reviewing accounts and supervision and inspection, the Bank was able to effectively control the audit operation process, and ensured the truthfulness and fairness of the preparation of financial statements for the Bank. During the Reporting Period, the Bank was not aware of any significant deficiencies regarding the internal control in the financial report.

The Bank highly values effective information management, and has established a comprehensive set of guidance regarding internal communication and reporting duties, which specifies the requirements of internal communication and reporting duties and procedures, in view of ensuring the effective communication internally and externally. The Bank has formulated many systems including Operational Risk Management Policies of Bank of Tianjin Co., Ltd., Information Technology Risk Management Policies of Bank of Tianjin Co., Ltd., Business Continuity Management Policies of Bank of Tianjin and Management Measures for Business System of Bank of Tianjin to facilitate orderly division of work responsibilities among different working levels throughout implementing effective precautions against various risks. By clarifying the responsibility boundaries of departments and identifying the responsible departments for reporting and the reporting paths, the Bank has strengthened the existing internal system for internal information exchange and communication, ensuring that various departments and entities at all levels of the Bank can relay information on any updates in the Bank's strategies, policies, systems and relevant requirements to our working level in a timely manner, and simultaneously provide support across our working level for report of potential internal control issues to the management in real time.

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The Bank established a set of risk management framework and policies, which promotes adequate compliance culture and professional ethics, and enhanced the awareness to comply with the rules and regulations when carrying out business activities, and optimised the environment for controlling compliance and risk management. The Bank has formulated Compliance Risk Management Policies of Bank of Tianjin Co., Ltd. and Administrative Methods for Compliance Risk Management of Bank of Tianjin, which further enhanced the objectives of compliance risk management, clarified the responsibilities of compliance risk management and optimised the process of compliance risk management.

The Bank has paid great attention to the Basic Rules on Enterprise Internal Control and its supporting guidelines. First, the Bank has established a sound risk management system which covers various aspects of business operations, including corporate governance, loan extension business, treasury business, billing business, anti-money laundering, legal and compliance, internal audit and information technology management. Second, the Bank has separated the responsibilities of the front, middle and back offices of headquarters and branches as well as sub-branches, targeting effective check and balance mechanism and clear reporting lines. Third, the Bank timely supervised and monitored the progress of tackling the internal control issues identified during the internal audit and business review, continuously improving the internal control management capabilities and standards. Fourth, the Bank carried out evaluation of the internal control involving different departments at our headquarters, branches and sub-branches to ensure the internal control system of the Bank has been effectively implemented.

The risk management and internal control system of the Bank is, however, designed to manage and mitigate rather than eliminate risks, and can only provide reasonable and not absolute assurance against material misstatement or loss.

INTERNAL AUDIT

The Bank has established an independent internal audit organisational structure and the Board of Directors is ultimately responsible for the independence and effectiveness of the internal audit. The Audit Committee under the Board of Directors is responsible for consideration of and approving important internal audit systems, listening to audit work reports, approving annual audit plans and offering guidance and assessment of the internal audit work. The internal Audit Department of the Bank uniformly organises, manages and reports the audit work of the Bank and takes charge of reviewing, assessing and supervising the improvement of the business operations, risk management, internal control compliance and corporate governance effects of the Bank. The Bank adheres to the principles of independence, objectivity, solemnity, confidentiality, prudence and abstention throughout the internal audit work.

During the Reporting Period, the internal Audit Department enhanced the capabilities of internal audit with systematic and standardised methods, improved the various systems and processes of internal audit, conducted various audit assessments by on-site and off-site audit and expanded gradually the functions of internal audit.

Report of the Board of Directors

I. PRINCIPAL BUSINESS

The Bank is primarily engaged in banking businesses and related financial services, including corporate banking, retail banking, treasury business and other business.

II. BUSINESS REVIEW

(I) Review of the Bank's results and business

A review of the Bank's business during the Reporting Period is set out in the "Management Discussion and Analysis – Business Review". Results of the Bank for the year of 2024 are set out in the "Financial Statements – Consolidated Statement of Profit or Loss and Other Comprehensive Income" in this annual report.

(II) Analysis of key financial performance indicators during the year

Please refer to the sections headed "Summary of Accounting Data and Financial Indicators" and "Management Discussion and Analysis" of this annual report for details.

(III) Exposure to major risks

Please refer to "Management Discussion and Analysis – Risk Management" for the major risks the Bank had been exposed to during the Reporting Period.

(IV) Future development

A review of certain aspects of future development affecting the Bank is set out in "Management Discussion and Analysis – Environment and Prospects".

III. DIVIDEND

(I) Dividend policy and plan

The Bank considers stable and sustainable returns to Shareholders to be our goal and endeavours to maintain its stable Dividend Policy. Under the Dividend Policy, when deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account the Group's operating result, financial position, distributable profit for the year, liquidity sufficiency, capital requirements, future prospects and any other factors the Board may deem appropriate.

The profit distribution plan for 2023 of the Bank was considered and approved by the Shareholders of the Bank at the 2023 annual general meeting of the Bank held on 19 April 2024, with a dividend of RMB1.2 (inclusive of tax) for per ten Shares, i.e., a total dividend of RMB728.47 million (inclusive of tax), which was distributed to the holders of the H Shares and Domestic Shares on 12 June 2024.

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The Board has recommended the payment of a final dividend of RMB1.368 per ten Shares (inclusive of tax) in cash for the year ended 31 December 2024, representing a total payment of approximately RMB830.45 million. The final dividend is subject to approval at the forthcoming 2024 annual general meeting of the Bank. Subject to the approval at the 2024 annual general meeting of the Bank, the final dividend of the Bank for the year ended 31 December 2024 will be denominated and declared in Renminbi. Distribution of the dividends to holders of domestic shares of the Bank will be paid in Renminbi, while dividends to holders of H shares of the Bank will be paid in Hong Kong dollars. For such conversion, Renminbi will be converted into Hong Kong dollars based on the average middle exchange rate of the five business days preceding 17 April 2025 (inclusive), being the date of the Bank's 2024 annual general meeting, as announced by the People's Bank of China. If approved by the Bank's 2024 annual general meeting, it is expected the final dividend will be payable on 12 June 2025. The H shares register of members of the Bank will be closed from Friday, 25 April 2025 to Wednesday, 30 April 2025 (both days inclusive). Shareholders whose names appear on the register of H share register of members and domestic share register of members of the Bank on Wednesday, 30 April 2025 will be entitled to receive the final dividend. The holders of H Shares who qualify for receiving the final dividend must lodge all the transfer documents accompanied by the relevant H share certificates with the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to process the registration not later than 4:30 p.m. on Thursday, 24 April 2025.

(II) TAX RELIEF

Withholding and payment of foreign non-resident enterprises' enterprise income tax

Pursuant to the applicable provisions and the implementing regulations of the Enterprise Income Tax Law of the PRC, the Bank shall withhold and pay the enterprise income tax at the rate of 10% for non-resident enterprise holders of H Shares (including the H shares registered in the name of HKSCC Nominees Limited).

Withholding and payment of foreign non-resident individual shareholder's individual income tax

Pursuant to the applicable provisions and the implementing regulations of the Individual Income Tax Law of the PRC and Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 Issued by State Administration of Taxation, the Bank shall withhold and pay individual income tax from the holders of H Shares according to the following arrangement:

For an individual holder of H Shares who is a resident of Hong Kong, Macau or a country/region that has signed a tax treaty with the PRC stipulating a dividend rate of 10%, the Bank shall withhold and pay individual income tax at the rate of 10% on behalf of such H Shareholders when distributing the final dividend;

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For an individual holder of H Shares who is a resident of a country/region which has signed a tax treaty with the PRC stipulating a dividend rate of lower than 10%, the Bank shall temporarily withhold and pay individual income tax at the rate of 10% on behalf of such holders of H Shares while distributing the final dividend. In case the relevant holders of H Shares are to apply for refund of the tax over-withheld, the Bank will follow the Notice of Tax to handle the application of the relevant tax benefits on their behalf. The qualified holders of H Shares are required to timely submit the written authorisation and all application materials to the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited; the Bank will forward the received documents to the competent tax authorities for review, and if approved, the Bank will assist in handling the refund of the overwithheld tax;

For an individual holder of H Shares who is a resident of a country/region that has signed a tax treaty with the PRC stipulating a dividend rate higher than 10% but lower than 20%, the Bank shall withhold and pay individual income tax at the applicable rate stipulated in the relevant tax treaty while distributing the final dividend; and

For an individual holder of H Shares who is a resident of a country/region which has signed a tax treaty with the PRC stipulating a dividend rate of 20% or has no tax treaty with China or otherwise, the Bank shall withhold and pay individual income tax at the rate of 20% while distributing the final dividend.

IV. ENVIRONMENTAL POLICY AND PERFORMANCE

During recent years, the Bank has proactively borne social responsibility in relation to environmental policies.

The Bank actively implemented the green development strategy. We attached great importance to and took the initiative to fulfil ESG responsibilities by strategically advancing green finance business, further increasing financial support to green and low-carbon fields, and continuously enhancing the comprehensive capability of green finance services. The Bank continued to empower green finance with main focus on determining strategic plans, optimizing the credit orientation, enriching product systems and enhancing technological support. The Bank actively contributed to high-quality economic and social development and comprehensive green and low-carbon transformation.

The Bank took "creating a green bank" as the major development direction of the Bank so as to provide the effective guarantee for green finance development in terms of organisational structure, resource allocation and evaluation system. By improving the green finance development system, the Bank has coordinated the promotion of green and low-carbon transformation, product innovation and risk management. The Bank set up a professional team of green finance at the head office level, continued to improve the green finance institutional framework, strengthen business coordination and resource allocation, enrich the supply of green financial products, promote the concept of green finance development, and strive to enhance the professional service capabilities of employees. During the Reporting Period, the Bank successfully issued the first "Enterprise Green Code"-linked loan in Tianjin, the first EOD model project loan, and the first cross-border syndicated loan linked to sustainable development; as of the end of the Reporting Period, the Bank's green loan balance reached RMB34.406 billion, representing an increase of 41.30% as compared with the end of the previous year.

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To thoroughly implement Bank of Tianjin's green development philosophy and fulfill social responsibilities while effectively mitigating environmental, social, and governance (ESG) risks, the Bank has formulated the Environmental, Social, and Governance Risk Management Measures for the Bank of Tianjin Credit Business (Trial). Through provisions covering organizational governance, client categorization, process controls, and safeguard mechanisms, ESG risk management is embedded into the entire credit process and the comprehensive risk management framework. Classification criteria are established based on clients' ESG risk exposures, enabling targeted categorized management to effectively identify and mitigate ESG risks in credit operations, thereby substantively enhancing the Bank's ESG risk management capabilities. At the same time, the Bank was committed to integrating climate considerations into development. We added the special topic of climate risk management to the 2024 Credit Policy Guidelines of Bank of Tianjin, to assess the risks and opportunities brought to the Bank by climate change and clarify the relevant management initiatives.

In line with the national policies to save energy costs, we have implemented a series of measures, including: (i) renovation projects of bank outlet halls and buildings, achieving energy saving goal by adopting LED lighting system, optimising design and using highly efficient equipment; posting electricity-saving signs in the office area near lighting and air-conditioning switches, and calling for employees to turn off lights and air-conditioning in order to form employees' electricity-saving habits; (ii) in accordance with the Administrative Measures for Motor Vehicles of Bank of Tianjin 《天津銀行機動車輛管理辦法》, allocating vehicles on the principles of economical application, energy conservation and business-need first, strengthening fuel control with each motor vehicle registered with one account for use of gasoline, and establishing a "Record of Vehicle Fuel Usage" to regularly analyze fuel usage; encouraging video conferences so as to reduce carbon emission generated from transportation; (iii) continuing to strengthen the maintenance and management of our facilities and equipment, and conducting regular maintenance and timely repair of our lighting, office and water supply equipment to avoid abnormal consumption and waste of energy; (iv) advocating water conservation, and posting up water conservation signs in canteens, toilets, and water purifiers, in an effort to call on our employees to save water; (v) practicing waste sorting and reducing resource wastage; Tianjin region identified qualified recycling organisations through tender and issued relevant notices to further strengthen the management of recycling of waste consumables, effectively avoiding the random disposal of hazardous waste; purchasing sorting garbage cans and implementing waste sorting and recycling by head office; (vi) in accordance with the Administrative Measures for Real Estate and Land of Bank of Tianjin 《天津銀行房產土地管理辦法》, Management Measures for Office Premises of Bank of Tianjin 《天津銀行營業辦公用房管理辦法》, the Bank shall adhere to the principles of "safety, practicality, energy saving and conciseness" in acquiring real estate and land and purchasing office premises; users of real estate and land and office premises shall conduct regular inspections, formulate maintenance plans and organize their implementation. To ensure scientific organisation, strict control of standards, and attention to maintenance and improvement of use functions under the premise of safety, hygiene, energy saving and environmental protection, achieving economical, simple and applicable.

For details of the Bank's environmental policies and performance, please refer to the "2024 Social Responsibility Report of Bank of Tianjin Co., Ltd."

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V. RELATIONSHIP BETWEEN THE BANK AND ITS STAKEHOLDERS INCLUDING EMPLOYEES AND CUSTOMERS

(I) Relationship between the Bank and its Employees

The Bank adheres to the strategic philosophy that prosperous businesses driven by talents. We promote a market-oriented human resources system and continually strengthen our incentive assessments, training, and other complementary mechanisms. We have adopted a distinctive training system that could serve different needs of various groups of employees, which is characterised with a multiple-level training structure, systematic training programs and comprehensive training subjects. As a result, we managed to cultivate an innovative, pragmatic, studious, motivated and business-minded workforce. We also believe career planning of individual employees to be of great importance and have developed a clear career development path for different roles in the Bank, including management and professional sectors, which we believe could further encourage our employees to attempt to maximise his or her value.

We believe that our sustainable growth depends on the capability and dedication of our employees. We have developed an appraisal and training system, and aligned our development strategy with the career development of our employees. We are gradually building a scientific incentive and restraint mechanism which implements segmental assessment to align our compensation payment with the overall performance of the Bank and individual performance. We contribute to our employees' social insurance and other employee benefits, such as pension insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance and housing fund in accordance with the applicable PRC laws, rules and regulations.

Our labour union represents the interests of the employees and works closely with our management on labour related issues. During the Reporting Period, we have not experienced any strike or other material labour disputes that have affected our operation and we believe that the relationship between our management and the labour union has been satisfactory.

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(II) Relationship between the Bank and its Customers

The Bank is the only city commercial bank headquartered in Tianjin. Having been deeply rooted in the Tianjin region for nearly three decades, the Bank possess profound insights into the local economic structure and industrial layout. The Bank remains committed to aligning with regional economic development and corporate growth, actively implementing the spirit of the Central Financial Work Conference, practicing the important requirements of the “achieving four intended goals as planned”, serving the “Ten Projects” and advancing the “Three News” and “Stock, Increment and Quality” strategies. Guided by the overarching principle of “deepening roots in Tianjin while developing well across other five provinces,” the Bank accurately grasps local economic development policies, continuously strengthen collaboration with government agencies at all levels, and provide robust financial support for regional economic development. The Bank focuses on building a diversified customer ecosystem, extending services to public sectors including housing and urban-rural development, finance, taxation, social security, medical healthcare, housing provident fund, trade unions, hospitals, and education. The Bank has established long-term partnerships with numerous high-quality enterprises (particularly those in infrastructure, energy conservation, environmental protection, medical healthcare, advanced equipment manufacturing, education, tourism, and public services) as well as technology-oriented SMEs. Through headquarters-level strategic cooperation with key enterprises, the Bank leverages its geographical expertise, professional capabilities, and capital strengths to deliver comprehensive financial solutions integrating “financing + intellectual support” and “commercial banking + investment banking”, which enables the Bank to contribute the financial momentum to the local high-quality development.

The Bank insists on vigorously developing technology financial business and inclusive financial business as an important starting point to promote operational transformation, adjust and optimise business structure and achieve high-quality development, and continues to build a high-quality brand of “Small and Medium Enterprise Partner Bank”. We work hard and pay attention to key areas such as technology-based and inclusive small and micro businesses. By fully utilising and implementing the re-lending monetary policy tools, we transmit the policy dividends to small and micro businesses and technology innovation customer groups. The Bank actively adapts to market changes, focuses on customer needs and proactively change the way of acquiring customers and business models for small and micro businesses, and applies big data, intelligent risk control and other technologies, as well as digital loan products including 'e-Loan for taxpayers', 'e-Loan for supermarkets', 'Smart Business-Yongbei', 'e-Loan for residential mortgage' and 'e-Loan for enterprise taxpayers', to provide accurate, efficient and convenient financing support. We strengthen cooperation between banks and governments and banks and guarantees, and focus on scenarios to continuously enrich product lines and provide differentiated and scenario-based financial services. Focusing on serving scientific and technological innovation customers, the Bank provides service support through diversified and relay-style comprehensive means of "stocks, bonds, loans, funds, leases and guarantees" to tilt financial resources toward key technology-based enterprises.

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Meanwhile, with the core of supporting small and micro merchants, “Smart Connect Inclusive” has adhered to the guidance of technology, gave full play to the advantages of digital innovation, has been expanding horizontally and innovating vertically and has created a service ecosystem of “technology + culture + finance + scene” to realize “Easier Payment and Receipt, More Convenient Financing”. The Bank has actively connected with information platforms established by the government including “Jinxinrong and Xinyidai”, increased the application of multi-dimensional data on the platform, and used platform channels to provide more credit products and financial services to small and micro enterprises to achieve comprehensive access of credit funds to long-tail, first-time loan and inclusive customer bases and “precise drip irrigation” of financial vitality to small and micro customer bases, striving to solve the difficulties and pain points that restrict the financing of small and micro enterprises.

The Bank’s retail business is guided by the “1-3-6” development strategy; that is, adhering to the “three major tasks of financial work” as one center; strengthening the “3 constructions” (capacity building, scenario construction and digital bank construction) and the “6 focus” (focus on liabilities, focus on customers, focus on cost reduction, focuses on asset optimisation, focus on smart merchant connect scenarios and focus on marketing effectiveness) to efficiently promote various work measures, and achieve high-quality development of main operating indicators. The Bank has implemented the business philosophy of “deepening the region of Tianjin and optimizing other regions outside Tianjin” and built a customer-centered comprehensive service model. Relying on “Smart Merchant”, “Smart Rich Farmers”, “Smart Credit” to continue to deepen the in-depth application of digital technology, big data and other financial technology technologies, connect physical merchants and users through digital means, promote the deep integration of the digital economy and the real economy, and embrace the future together with users.

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Bank of Tianjin has always been committed to promoting financial service innovation, adhering to “horizontal expansion and vertical innovation”, fully utilizing the unique advantages of “Smart Connect Inclusive” in the field of digital inclusive finance, creating a “technology + culture + finance + scene” service ecosystem, integrating “collection and settlement” and “credit financing”, and realizing “Easier Payment and Receipt, More Convenient to Finance”. It has created an all-round, multi-layered and three-dimensional financial service ecosystem, making financial services “connected, active and integrated”, and closer to people’s livelihoods and enterprises. Taking “Smart Merchant” as a key, the Bank has taken root in inclusive finance based on the entity, and improved the quality and efficiency of services for individual entrepreneurs. Using “Smart Merchant • Tianhangyongbei” as a carrier, the Bank has solved financing difficulties and helped small and micro enterprises develop. With “Smart Credit” as the driver, the Bank has explored the potential of consumption, helped build an international consumption center city, and realised a better life for the people. With the “Smart Connect -Yunshangtianhang” as a means to create a “Finance +” service experience, the Bank has provided open digital inclusive financial services to serve enterprises and small and medium enterprise, and assisted in the high-quality development of the real economy.

During the Reporting Period, the Bank innovatively launched a series of peer activities, “Firewood Pickup Plan” to continuously expand its circle of friends. The Bank has continued to deepen cooperation with various financial institutions and promote the sharing of resources among local legal person financial institutions in terms of strategies, funds, assets, licenses, information technology; established a comprehensive financial “peer ecosystem” including various types of licensed financial institutions covering “stocks, bonds, loans, funds, leases and guarantees”, and dedicated its efforts to building a comprehensive financial service provider to better provide support and guarantee for serving the real economy.

(III) Protection of Consumer Rights

During the Reporting Period, the Bank attached great importance to the protection of financial consumers’ rights and interests, established and improved the management and system of consumer rights protection, strengthened presales review on the protection of consumer rights, protected consumers’ legitimate rights and interests from the source, promoted compliant sales management, and treated consumers in a fair manner. Product information was properly disclosed, and risks were effectively reminded. We continued to improve our inspection and supervision mechanism, and carried out overt and secret internal inspections of consumer protection services; we intensified the training on consumer protection to increase our performance in this area. During the Reporting Period, the Bank strengthened its customer complaint management and exercised rigorous control over consumer financial information protection to improve our service quality. We undertook the responsibility to educate our consumers, and vigorously carried out financial education activities to guide and cultivate the financial awareness and risk awareness of the public.

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To safeguard the consumer rights, the Bank was principally engaged in the following activities during the Reporting Period: (1) we further improved the system for consumer rights protection. The Bank revised 10 consumer rights protection systems and continued to set up a sound consumer rights protection system framework, to provide a strong guarantee for smooth implementation of consumer rights protection work. (2) We carried out financial knowledge publicity and education campaigns. Based on its business outlets, the Bank conducted more than 10 financial knowledge publicity and education activities on a continuous basis by bringing financial knowledge into the campus, into the community, into enterprises, and into the township by various media such as LED display, video player facilities, WeChat, and SMS. According to statistics, during the Reporting Period, the Bank held 6,683 indoor and outdoor publicity and education activities, and a total of more than 500 thousand sets of promotional materials were distributed. Financial knowledge was promoted by official WeChat for more than 260 times, and more than 7.0 million SMS were sent for publicity, benefiting over 7.5 million users.

In terms of handling consumer complaints, the Bank received a total of 849 complaints during the Reporting Period, in which those complaints included in the supervisory notification of complaints decreased significantly from 2023, all of which were effectively resolved within the prescribed time limit. The types of complaints included RMB deposit, loans, bank cards, etc., and the geographical distribution of complaints were mainly Tianjin, Beijing, Hebei, Shanghai, Shandong and Sichuan. Upon receiving consumer complaints, the Bank actively communicates with consumers, patiently explain to consumers and fully utilise diverse solutions to solve the complaints through negotiation; therefore, there were no continuous disturbing visits, group visits or major complaints involving public opinion and litigation.

For details of our relationship with stakeholders including employees and customers, please refer to the "2024 Social Responsibility Report of Bank of Tianjin Co., Ltd."

VI. COMPLIANCE WITH LAWS AND REGULATIONS

We have implemented an effective risk management system to control our exposure to (i) legal risks, which include risk of legal liability arising from violation of laws and regulations, breach of contracts, infringement on legal rights of others or otherwise in connection with any contract or business activity in which we are involved; and (ii) compliance risk, which refers to the possibility of the Bank or its employees incurring criminal, administrative, or civil legal liabilities, property damage, reputational damage, and other negative impacts as a result of the Bank's operational and managerial actions or employees' performance of their duties in violation of compliance norms.

Report of the Board of Directors

We have established a series of systems and measures to manage and control our exposure to legal risk. We have set up a legal document review and approval system where no legal document may be issued without the review and approval of the relevant functional departments at our head office as to the authenticity, validity, and completeness of such legal documents. We have put in place a legal enquiry mechanism where a legal enquiry hotline is set up at our head office which provides enquiry service for legal issues encountered by our various operational units in their daily operation and management work. We have engaged permanent legal advisor to provide group and professional legal support for our daily operation and management. We have also engaged external professional lawyers to provide professional legal services and support for our material business disputes and legal proceedings.

Our branches and sub-branches are responsible for their relevant legal proceedings and legal risk. To control and manage our exposure to compliance risk, we proactively promote our Corporate Business Departments to identify and assess compliance risk associated with our business operation, while coordinating them to organise and revise business related regulations and operation procedures so as to ensure the compliance of our various business workflows. We have established a compliance management reporting system, according to which we report the relevant compliance management status to senior management in a timely manner and establish operational risk warning mechanism to issue warnings on relevant risks in a timely manner and promote the operation of institutions at all levels in compliance with the laws and regulations. Meanwhile, we provide periodic compliance training to our staff, covering warning education on compliance and helping them better understand how to carry out business operations in compliance with the laws and regulations. Our business accountability administrative measures set up the method, level, principles, rules, organisational framework and responsibilities, procedures, and reporting system so as to determine the accountability of our relevant staff for their non-compliance and misconduct.

In line with the PRC Anti-Money Laundering Law and other applicable rules and regulations promulgated by the PBoC, we have managed our anti-money laundering through the establishment of a bank-wide and professional anti-money laundering team, an anti-money laundering internal control system, an anti-money laundering data monitoring and reporting system, an anti-money laundering internal audit, as well as relevant staff training.

Report of the Board of Directors

We have set up an anti-money laundering lead group office within our Internal Control and Compliance Department. Our anti-money laundering lead group presides over the bank-wide anti-money laundering work and takes charge of calling the meeting of the head office's anti-money laundering lead team, organising and promoting punishment on actions that breach relevant laws and regulations and undutiful behaviour, and improving the control over relevant risks through strengthening management. The Board of Directors is ultimately responsible for anti-money laundering risk management. The anti-money laundering lead group leads the bank-wide implementation of anti-money laundering policies and procedures. The head office, branches, and sub-branches have respective teams to execute anti-money laundering activities and operations on a day-to-day basis.

We have developed many internal policies and procedures with respect to anti-money laundering which are primarily related to customer due diligence and customer identification information, transaction record keeping, list management monitoring, and large and suspicious transaction reporting. We have also developed and have continuously updated our anti-money data supervision and reporting system which consists of eight functional modules: risk assessment, basic management, modeling laboratory, data reporting, statistical reporting, list monitoring, operation and maintenance management and risk analysis.

VII. OTHER REPORTING MATTERS

DIRECTORS

Please see the "Directors, Supervisors, Senior Management officers and Employees" section for biographies of incumbent Directors, as well as information on changes of Directors during the Reporting Period.

DONATIONS

The charitable and other donations made by the Bank amounted to RMB5.3 million for the year of 2024.

PERMITTED INDEMNITY PROVISION

At no time during the Reporting Period and as of the date of this annual report, there was no permitted indemnity provision being in force for the benefit of any of the Directors or Supervisors (whether made by the Bank or otherwise) or the Directors or Supervisors of an associated corporation of the Bank (if made by the Bank).

Report of the Board of Directors

MANAGEMENT CONTRACTS

Save for the service contracts entered into with the management of the Bank, the Bank has not entered into any other contract with any individual, company or body corporate in relation to the management or administration of the whole or any substantial part of any business of the Bank.

EQUITY-LINKED AGREEMENT

In order to actively implement the government's special bond policy, enhance the Bank's capital strength and risk resistance level, the Bank carries out the convertible negotiated deposit business to replenish other tier-one capital. On 20 September 2023, the 2023 second extraordinary general meeting, the 2023 first Domestic Share Class Meeting and the 2023 first H Share Class Meeting were held to consider and approve the engagement of convertible negotiated deposit business to replenish other tier-one capital and the issuance of Shares under Specific Mandate. Pursuant to the agreement on the convertible negotiated deposit (the "Agreement"), the Bank received not more than RMB6.7 billion in convertible negotiated deposit for replenishing the Bank's other tier-one capital. Subject to the fulfillment of the conditions for conversion, the convertible negotiated deposit can be converted to a maximum of 2,933,524,691 Domestic Shares and 1,202,277,777 H Shares of the Bank, with a par value of RMB1 per Share. Based on that and the estimated minimum conversion price of RMB1.62 per Share, no theoretical dilutive effect will be resulted from the conversion.

Pursuant to the Agreement, the conversion of the convertible negotiated deposit into the ordinary Shares of the Bank shall be subject to all the following conditions at the same time:

- ① The core tier-one capital adequacy ratio of the Bank is lower than 5.125%;
- ② Tianjin Finance Bureau consents to the conversion;
- ③ The class and number of the converted ordinary Shares and the shareholding structure of the Bank after the conversion shall satisfy the particular requirement of Hong Kong Stock Exchange for the minimum public float, otherwise all or part of the Shares shall be held by the Independent Third Parties or the conversion shall be terminated.

Report of the Board of Directors

The Agreement shall be terminated in any of the following circumstances:

- ① The parties reach consensus to terminate the Agreement;
- ② The convertible negotiated deposit cannot be implemented due to force majeure and other objective factors beyond the control of the parties;
- ③ The severe violation of the Agreement or applicable laws by any party of the Agreement makes it impossible to perform and complete the Agreement. In this case, the other party has the right to unilaterally terminate the Agreement through written notice.

The Bank has entered into the Agreement with Tianjin Finance Bureau. As at the date of this Annual Report, the conditions for conversion contained in the Agreement have not been fulfilled and the Bank has not yet issued any shares under the Agreement. Please refer to the Bank's circular dated 28 August 2023 for further details.

Save for the above information, during the Reporting Period, the Bank did not enter into or renew any other equity-linked agreement.

Major Events Subsequent to the end of the Reporting Period

For major events of the Bank subsequent to the end of the Reporting Period, please refer to "Important Events – Major Events Subsequent to the End of the Reporting Period".

On Behalf of the Board of Directors

YU Jianzhong

Chairman

Tianjin, China
20 March 2025

Report of the Board of Supervisors

In 2024, the Board of Supervisors of the Bank closely focused on the strategic development planning and central work of the Bank as a whole, actively performed duties and functions of the Board of Supervisors conferred by the Articles of Association, continuously strengthened the supervision over the performance of the Board of Directors and the senior management and its members, so as to effectively ensure the legitimate rights and interests of the Bank, shareholders, employees, creditors and other stakeholders. The major work of the Board of Supervisors in 2024 is set forth hereunder:

I. MAJOR WORK OF THE BOARD OF SUPERVISORS

(I) Continuously strengthen self-construction and lay a solid foundation for duty performance

1. Completion of the election of members of the Board of Supervisors. The Bank strictly implemented the laws and regulations, regulatory requirements and the Articles of Association, and effectively carried out the resignation and election of the relevant supervisors. The Bank ensured that the new chairman of Board of Supervisors took up his duty in May 2024 through the consideration and approval of the 22nd Meeting of the seventh session of the Board of Supervisors and at the same time completed the election of the new employee representative Supervisor as a member of the relevant specialised committee and business registration to ensure that the employee representative Supervisors are in compliance with the requirements. At the same time, the Board of Supervisors strictly complies with the requirements of the Hong Kong Stock Exchange for timely disclosure of information on changes in supervisors to ensure investors' right to know.
2. Strengthening the training of supervisors in performing their duties. A total of two special training sessions were organized for supervisors, covering prevention and control of reputational risks, anti-corruption and other aspects, so as to further enhance the professional capacity and performance level of supervisors.

Report of the Board of Supervisors

(II) Conscientiously implement supervision duties and strengthen special supervision

Focusing on the statutory duties and the central work of the Bank, the Board of Supervisors held 16 meetings, considered 78 proposals in total, and reviewed 39 reports, earnestly performing its supervisory duties.

1. Performance of duties supervision. Focusing on the Bank's strategic development and important matters of operation and management, the Board of Supervisors studied and considered the 2024 business operation plan, company performance appraisal indicators, investment plan report, investment plan adjustment report, institutional development plan, the annual performance appraisal index system for professional managers, the performance appraisal method for professional managers and other proposals, reviewed the business reports of the senior management to further strengthen the supervision on the performance of duties of the Board of Directors, senior management and their members, and strengthened the supervision on the scientificity and rationality of the salary plan of professional managers. The Bank continued to pay attention to the performance of the Board of Directors and the senior management in capital management, regularly listened to the work report of the senior management, and reviewed the revision of capital management policies, capital replenishment plan (2024-2026), issuance plan of capital replenishment instruments, internal capital adequacy assessment report for 2023, and semi-annual capital adequacy report for 2024, etc.
2. Financial supervision. The Board of Supervisors of the Bank strengthened its financial supervision duties by reviewing the 2023 annual report and results announcement, the 2024 interim report and results announcement, the 2023 financial final account and profit distribution, the 2024 financial budget report, etc., reviewing the audit opinions of the external audit institution carefully, and putting forward audit opinions on the compliance and rationality of regular reports and profit distribution plan prepared by the Bank, so as to continue to strengthen the supervision on the Bank's operating results, financial execution, profit distribution.
3. Risk management and supervision. The Board of Supervisors of the Bank effectively assumed the supervisory responsibility for comprehensive risk management, regularly reviewed comprehensive risk and risk management reports including major risks such as operational risk, liquidity risk, market risk, and reputation risk, reviewed and approved the 2024 risk preference statement, the policy on the management of Internet lending risk models and amendments to country risk management policies and other proposals, carefully reviewed the Report on Annual Information Technology Risk Management for 2023 and the Report on the Classification and Management of Financial Asset Risks, etc., and continuously strengthened the supervision on the performance of duties and responsibilities of the Board of Directors and senior management in terms of risk management. In particular, the Board of Supervisors implemented the

Report of the Board of Supervisors

regulatory requirements on Expected Credit Loss Law management of commercial banks, paid attention to the adjustments of the management system related to the implementation of the Expected Credit Loss Law, reviewed the important models and adjustments of key parameters related to the implementation of the Expected Credit Loss Law of the Bank, strengthened the supervision of the entire process of implementation of Expected Credit Loss Law, and reviewed the “the Report on the Pre-commissioning Validation of the Model of the Expected Credit Loss Law of Bank of Tianjin Co., Ltd.”, “the Report on the Post-commissioning Validation of the Model of the Expected Credit Loss Law of Bank of Tianjin Co., Ltd.” and “the Report on the Implementation of the Expected Credit Loss Law of Bank of Tianjin Co., Ltd. for 2023”, and attended the Board meetings to supervise the consideration of the aforesaid reports, so as to strengthen the expected credit loss management of the Bank.

4. Internal control and supervision. The Board of Supervisors of the Bank continued to pay attention to the construction of the internal control system, considered the internal control evaluation report, reviewed the work report of the senior management, focused on the fulfillment of the duties of the Board of Directors and senior management in crime prevention work, and supervised the implementation of the crime prevention and control work management system. In view of the weaknesses in internal control, the Board of Supervisors has strengthened regularized and continuous supervision, and promoted the improvement of mechanisms and the enhancement of foundation and quality. The Board of Supervisors supervised and promoted the role of internal audit, considered internal audit work reports and audit work plans, and regularly reviewed quarterly internal audit work report, special audit conclusions and opinions, etc., and played the role of internal audit supervision and improved the quality and efficiency of internal audit work. Focusing on key areas of corporate governance, the Board of Supervisors has strengthened supervision by considering reports on major related party transactions, regularly reviewing related party transactions and their management, supervising the performance of the Board of Directors and senior management in managing related party transactions to ensure that related party transactions complied with regulatory requirements and the Bank's system requirements.
5. Special supervision. The Board of Supervisors of the Bank implemented the work requirements of the regulators, financial management departments and higher authorities, and selected the areas of financial consumers' rights protection and business continuity management and other areas to carry out special supervision in light of the key areas of concern of the entire Bank. During the Period, the Board of Supervisors set up a special supervision leading group, formulated a supervision and inspection plan, actively promoted the implementation of the supervision and inspection work, completed the Work Report on Specialised Supervision of Financial Consumer's Rights Protection Work for 2024 of the Board of Supervisors of Bank of Tianjin Co., Ltd. and the Work Report on Specialised Supervision of Business Continuity Management for 2024 of the Board of Supervisors of Bank of Tianjin Co., Ltd., and fed back the results of the consideration to the Board of Directors and senior management of the Bank.

Report of the Board of Supervisors

6. Supervision of the rectification and implementation work of regulatory opinions. The Board of Supervisors of the Bank listened to reports on the implementation of regulatory opinions and the Bank's rectification work, paid close attention to the issues and suggestions raised by the regulatory authorities in the assessment of corporate governance supervision, annual supervisory circulars, joint supervisory meetings and special inspections, and urged comprehensive rectification of the issues. The Board of Supervisors has made the rectification and implementation of issues identified as important matter for supervision by the Board of Supervisors, continuously strengthened the supervision of the rectification and implementation work by the Board of Directors and the senior management of the Bank, and provided timely feedback on the supervisors' concerns and opinions to promote the further performance of the supervisory.

(III) Strictly implement regulatory requirements and complete performance evaluation on schedule

1. Performance interview. In March 2024, the Board of Supervisors selected some directors to conduct performance interviews, and attentively listened to directors' opinions and suggestions on the Bank's corporate governance, business development, strategic planning, etc. in light of the directors' annual performance of duties, and reviewed and approved the 2023 Report of the Board of Supervisors of Bank of Tianjin Co., Ltd. on the Performance Interviews with Directors.
2. Performance of evaluation work. The Bank's Board of Supervisors closely combined the performance evaluation system to organize and complete the 2023 annual performance evaluation of the Board of Directors and directors, the Board of Supervisors and supervisors, senior management and its members in terms of the fulfillment of the obligation of loyalty, the fulfillment of the obligation of diligence, the professionalism in performance of duties, the independence and ethical standards in performance of duties, and compliance in performance of duties of the directors and supervisors, and conducted a focused evaluation of the performance of the Board of Directors and the senior management on their performance of duties in the areas of promotion of reform and development, enhancement of risk management, strengthening of internal control and compliance and rectifying supervisory feedback, etc., implemented the process supervision of major matters and important decisions, and formulated a special report, which was reviewed and approved by the Board of Supervisors for submission to the Bank's 2023 annual general meeting.

Report of the Board of Supervisors

II. MAIN WORK OF SPECIAL COMMITTEES OF THE BOARD OF SUPERVISORS

(I) Work of the Supervision Committee

In 2024, the Bank held a total of 10 meetings of the Supervision Committee of the Board of Supervisors, deliberating 91 proposals. The Supervision Committee regularly reviewed reports on risk and risk management status, related party transactions and related party transaction management reports, and special internal audit conclusions and opinions to strengthen the supervision on the Bank's business decision-making, risk management and internal control; deliberated and approved off-balance-sheet business risk management measures and other systems to promote the construction of the Bank's business system.

(II) Work of the Nomination Committee

In 2024, the Bank held a total of 8 meetings of the Nomination Committee and reviewed 13 proposals. The Nomination Committee deliberated and approved the Bank's 2023 performance evaluation opinions of directors and senior management officers, the 2023 Board of Supervisors' evaluation report on the performance of the Board of Directors and directors, the 2023 Board of Supervisors' evaluation report on the performance of senior management and its members, the 2023 Board of Supervisors and supervisors' performance evaluation report, etc., and continuously strengthened the supervision on the performance of directors, supervisors and senior management officers; deliberated and approved the professional managers' 2023 annual and 2021-2023 tenure performance appraisal results and salary distribution plan and other proposals of the Bank, and continuously strengthened the supervision on the scientificity and rationality of the Bank's professional managers' remuneration plan.

III. INDEPENDENT OPINIONS ISSUED BY THE BOARD OF SUPERVISORS ON RELEVANT MATTERS

1. Legal operation. In 2024, the Bank adhered to operating in accordance with laws and regulations, and constantly improved the internal control system. The operating decision-making procedures complied with laws, regulations, regulatory requirements and the relevant provisions of the Articles of Association. Members of the Board of Directors and members of the senior management performed their duties conscientiously, and no behaviors that violated laws, regulations, regulatory requirements or damaged the interests of the Bank and its Shareholders were found in the performance of their duties.
2. Preparation of regular reports. In 2024, the preparation and review procedures of the Bank's regular reports complied with laws, regulations and regulatory requirements, and the contents of the reports truly, accurately and completely reflected the actual situation of the Bank.
3. Related party transactions. In 2024, the Board of Supervisors supervised the management of related party transactions of the Bank, and found no behavior that harmed the interests of the Bank and its Shareholders.

Report of the Board of Supervisors

4. Implementation of the resolutions of the general meetings. In 2024, the Board of Supervisors had no objection to the various reports and proposals submitted by the Board of Directors for consideration at the general meetings, supervised the implementation of the resolutions of the general meetings, and believed that the Board of Directors of the Bank could conscientiously implement the relevant resolutions of the general meetings.

On Behalf of the Board of Supervisors

HUANG Yongxin

Chairman of the Board of Supervisors

Tianjin, China

20 March 2025

Important Events

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

In the ordinary and usual course of business of the Bank, it provides commercial banking services and products to the public in China, which includes substantial Shareholders, certain Directors and Supervisors, the President and/or each of their respective associates. Each of the above is a connected person of the Bank under the Hong Kong Listing Rules. As these transactions are entered into on normal commercial terms in the ordinary and usual course of the business of the Bank, such transactions are exempt from the reporting, annual review, disclosure and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The details of the related party transactions conducted by the Bank in the ordinary and usual course of business during the Reporting Period are set out in note 48 to the financial statements. The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under the International Accounting Standard 24, "Related Party Disclosures", and its interpretations by the International Accounting Standards Board. Certain related party transactions set out in the notes to the financial statements also constitute connected transactions as defined under the Hong Kong Listing Rules, but none constitute a discloseable connected transaction as required under the Hong Kong Listing Rules.

The Bank confirms that it has complied with disclosure requirements in accordance with Chapter 14A of the Hong Kong Listing Rules.

OVERALL SITUATION OF RELATED PARTY TRANSACTIONS UNDER REGULATORY STANDARDS

According to the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions, the overall situation of related party transactions under the regulatory standards of the Bank during the Reporting Period is as follows:

(I) Identification of related parties

As of the end of the Reporting Period, the Bank's list of related parties includes 2,424 related natural persons and 925 related legal persons or other organizations. Among them, 569 related natural persons have been added, 621 related natural persons have been deleted and the information on 78 related natural persons have been changed; 125 related legal persons have been added, 15 related legal persons have been deleted and the information on 24 related legal persons have been changed.

(II) Filing and Approval of Related Transaction

During the Reporting Period, the Bank accepted a total of 142 related party transactions with a total filing amount of RMB51.961 billion, of which a total of 4 major related transactions of credit grant with a total amount of RMB25.0 billion were considered and approved, and accepted 138 general related transactions of credit grant with a total amount of RMB26.961 billion.

Important Events

(III) Related party transactions in key areas

Related party transactions regarding the credit extension: As at the end of the Reporting Period, the Bank's related party transactions regarding the credit extension business balance amounted to RMB18,216 million, of which the balance of credit granted by legal persons of related parties was RMB18,176 million and the balance of credit granted by natural persons of related parties was RMB40 million.

Related party transactions regarding the provision of services: During the Reporting Period, the Bank's related party transactions regarding the provision of services amounted to RMB53 million in total.

Deposits and other types of related party transactions: As at the end of the Reporting Period, the balance of the Bank's deposits and other types of related party transactions amounted to RMB8,393 million, of which the balance of deposits from legal persons of related parties amounted to RMB4,836 million; the balance of interbank deposits from related parties amounted to RMB3,283 million; and the balance of deposits from natural persons of related parties amounted to RMB274 million.

(IV) Implementation of regulatory ratios

As of the end of the Reporting Period, the credit balance of the largest single account accounted for 3.97% of the Bank's net capital, not exceeding the requirement of 10% stipulated by the regulation; the credit balance of the customers of the group in which the largest related legal person or other organization belongs to accounted for 7.92% of the Bank's net capital, not exceeding the requirement of 15% stipulated by the regulation; and the credit balance of all the related parties amounted to RMB18,216 million, accounting for 19.20% of the Bank's net capital, not exceeding the regulatory requirement of 50%.

During the Reporting Period, the Bank's credit granting business to related parties complied with the requirements of various regulatory indicators, and no irregularities, such as issuance of unsecured loans to related parties, the provision of credit by pledging the Bank's equity interests as collateral, or the provision of guarantees for related party financing were found.

USE OF PROCEEDS

The proceeds from the issuance of H Shares of the Bank had been used in accordance with the intended usage as disclosed in the prospectus of the Bank. The net proceeds raised from the global offering of the Bank (after deduction of the underwriting fees and commissions and estimated expenses payable by the Bank in connection with the global offering) had been completely applied to strengthen the capital of the Bank to support the ongoing growth of its business.

Important Events

ISSUANCE OF BONDS

Financial Bonds Issuance during the Reporting Period

On 20 May 2024, the Bank issued a total of RMB10 billion of 10-year fixed-rate Tier 2 capital bonds with a conditional issuer redemption option at the end of the fifth year at a coupon rate of 2.75%. All proceeds from the Bond Issue are used to replenish the Bank's Tier 2 capital in accordance with applicable laws and regulatory approvals.

On 20 June 2024, the Bank issued a total of RMB10 billion of 3-year fixed-rate financial bonds with a coupon rate of 2.12%. The proceeds from the Bond Issue are used to maintain the stability of the overall liability scale, optimise the liability structure, and be used for high-quality asset projects in line with the credit policy.

On 26 December 2024, the Bank issued a total of RMB5 billion of 3-year fixed-rate financial bonds with a coupon rate of 1.78%. The proceeds from the Bond Issue are used to maintain the stability of the overall liability scale, optimise the liability structure, and are used for high-quality asset projects in line with the credit policy.

MATERIAL LITIGATIONS AND ARBITRATIONS

As of the date of this annual report, the Bank does not expect any of our current and pending legal or arbitration proceedings to have, individually or in aggregate, a material adverse effect on our business, financial condition and result of operations after provision for impairment.

Litigation against our Tianbao Sub-branch in relation to customers' deposits

The Bank received a notice of responde to action in April 2020, as 5 companies, including Wuzhou Glory (Tianjin) Group Co. Ltd. and 4 individuals, including Wang Weiqiang and Zhang Li have, based on the same facts and reasons as the above-mentioned deposit dispute case, filed lawsuits against us again in relation to savings deposit contract dispute to the Secondary Intermediate People's Court of Tianjin. On 29 December 2023, the Secondary Intermediate People's Court of Tianjin ruled that the claims of the five enterprises and four individuals were rejected. Five enterprises and two individuals have filed appeals, which are currently being processed by the courts.

Important Events

Litigation against Zhejiang Chouzhou Commercial Bank Raised by Our Shanghai Branch in Relation to the Bills Held under a Resale Agreement

In April 2016, our Shanghai Branch filed a lawsuit against Zhejiang Chouzhou Commercial Bank with Shanghai High People's Court. The litigation involves the bank acceptances held under a resale agreement entered into between the Bank and Zhejiang Chouzhou Commercial Bank. On 13 January 2016, the Bank transferred an amount of RMB986 million to Zhejiang Chouzhou Commercial Bank. Upon maturity on 6 April 2016, the Bank failed to receive the payment of RMB786 million.

The case was heard by the Shanghai Financial Court, the Shanghai Municipal Higher People's Court and the Supreme People's Court, which ruled that Zhejiang Chouzhou Commercial Bank was liable to pay supplementary compensation to the extent of RMB40 million for the losses that could not be recovered by our Shanghai Branch through the criminal recovery process. Our Shanghai Branch has filed the supervisory proceeding.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF ASSETS AND BUSINESS MERGER

There was no significant investment of the Bank during the reporting year. During the Reporting Period, the Bank was not engaged in any material acquisition or disposal of assets or business merger.

PROPERTY AND EQUIPMENT

Details of the changes in property and equipment of the Bank during the Reporting Period are set out in Note 28 to the financial statements in this annual report.

CHANGES IN THE RESERVES

Details of changes in the reserves of the Bank during the Reporting Period are set out in the Consolidated Statement of Changes in Equity in the financial statements of the Bank.

DISTRIBUTABLE RESERVES

The distributable reserves of the Bank as of the end of the Reporting Period were RMB37.70 billion.

Important Events

RETIREMENT BENEFITS

Please refer to Notes 11 and 39 to the financial statements in this annual report for details of the retirement benefits provided to the employees of the Bank.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

Our five largest depositors accounted for less than 30% of the total deposits and the five largest borrowers accounted for less than 30% of the gross loans and advances to customers as of the end of the Reporting Period.

MAJOR EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No significant events occurred to the Bank and its subsidiaries after the Reporting Period.

Independent Auditor's Report

To the Shareholders of Bank of Tianjin Co., Ltd.

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Bank of Tianjin Co., Ltd. (the "Bank") and its subsidiaries (the "Group") set out on pages 195 to 338, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Expected credit losses for loans and advances to customers and financial assets measured at amortised cost

Refer to the accounting policies in "Note 2.9 to the Consolidated Financial Statements: Financial instruments", "Note 3.1 to the Consolidated Financial Statements: Impairment under ECL model", and "Note 12 to the Consolidated Financial Statements: Impairment losses", "Note 24 to the Consolidated Financial Statements: Financial assets measured at amortised cost", "Note 26 to the Consolidated Financial Statements: Loans and advances to customers", "Note 52.1 to the Consolidated Financial Statements: Credit risk".

The key audit matter	How the matter was addressed in our audit
<p>The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers and financial assets measured at amortised cost in accordance with IFRS 9, Financial instruments.</p> <p>The determination of loss allowance for loans and advances to customers and financial assets measured at amortised cost using the ECL model is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Extensive management judgement is involved in the selection of those parameters and the application of the assumptions.</p>	<p>Our audit procedures to assess ECL for loans and advances to customers and financial assets measured at amortised cost included the following:</p> <ul style="list-style-type: none">with the assistance of KPMG's IT specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of loans and advances to customers and financial assets measured at amortised cost, the credit risk staging process and the measurement of ECL for loans and advances to customers and financial assets measured at amortised cost.with the assistance of KPMG's financial risk specialists, assessing the appropriateness of the ECL model in determining loss allowances and the reasonableness of the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustments, and assessing the reasonableness of related key management judgement.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Expected credit losses for loans and advances to customers and financial assets measured at amortised cost *(Continued)*

Refer to the accounting policies in "Note 2.9 to the Consolidated Financial Statements: Financial instruments", "Note 3.1 to the Consolidated Financial Statements: Impairment under ECL model", and "Note 12 to the Consolidated Financial Statements: Impairment losses", "Note 24 to the Consolidated Financial Statements: Financial assets measured at amortised cost", "Note 26 to the Consolidated Financial Statements: Loans and advances to customers", "Note 52.1 to the Consolidated Financial Statements: Credit risk".

The key audit matter

How the matter was addressed in our audit

In particular, the determination of the loss allowance model is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL for corporate loans and advances and financial assets measured at amortised cost are derived from estimates including the historical losses, internal and external credit grading, and other adjustment factors. The ECL for personal loans and advances are derived from estimates including historical overdue data, the historical loss experience for personal loans and other adjustment factors.

- assessing the completeness and accuracy of data used in the ECL model. For key internal data, we compared the total balance of the loans and advances to customers and financial assets measured at amortised cost list used by management to assess the ECL with the general ledger to check the completeness of the data. We also selected samples to compare individual loan and advance to customers and financial assets measured at amortised cost information with underlying agreements and other related documentation, to assess the accuracy of the data. For key external data, we selected samples to check the accuracy of data by comparing them with public sources.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Expected credit losses for loans and advances to customers and financial assets measured at amortised cost *(Continued)*

Refer to the accounting policies in "Note 2.9 to the Consolidated Financial Statements: Financial instruments", "Note 3.1 to the Consolidated Financial Statements: Impairment under ECL model", and "Note 12 to the Consolidated Financial Statements: Impairment losses", "Note 24 to the Consolidated Financial Statements: Financial assets measured at amortised cost", "Note 26 to the Consolidated Financial Statements: Loans and advances to customers", "Note 52.1 to the Consolidated Financial Statements: Credit risk".

The key audit matter

How the matter was addressed in our audit

Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include the financial situation of the borrower, the security type, the seniority of the claim, the recoverable amount of collateral, and other repayment sources of the borrower. In assessing the value of collaterals, management refers to valuation reports of collateral issued by qualified third party valuers and considers the influence of various factors including the market price, status and use. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral.

- evaluating the reasonableness of management's assessment on whether the credit risk of the loans and advances to customers and financial assets measured at amortised cost has, or has not, increased significantly since initial recognition and whether the loans and advances to customers and financial assets measured at amortised cost are credit-impaired. On a sample basis, we checked loan overdue information, making enquiries of the credit managers about the borrowers' business operations, checking borrowers' financial information and researching market information about borrowers' business, to check the credit risk status of the borrower, and the reasonableness of the loans and advances to customers and financial investments' credit risk stage.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Expected credit losses for loans and advances to customers and financial assets measured at amortised cost *(Continued)*

Refer to the accounting policies in "Note 2.9 to the Consolidated Financial Statements: Financial instruments", "Note 3.1 to the Consolidated Financial Statements: Impairment under ECL model", and "Note 12 to the Consolidated Financial Statements: Impairment losses", "Note 24 to the Consolidated Financial Statements: Financial assets measured at amortised cost", "Note 26 to the Consolidated Financial Statements: Loans and advances to customers", "Note 52.1 to the Consolidated Financial Statements: Credit risk".

The key audit matter	How the matter was addressed in our audit
<p>We identified the determination of ECL of loans and advances to customers and financial assets measured at amortised cost as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.</p>	<ul style="list-style-type: none"> • evaluating the appropriateness of recoverable cash flow forecasts when conducting credit reviews on selected credit-impaired corporate customer loans and advances and financial assets measured at amortized cost. • assessing the accuracy of calculation of ECL for loans and advances to customers and financial assets measured at amortised cost by using the ECL model on a sample basis. • assessing the reasonableness of the disclosures in the financial statements in relation to expected credit losses for loans and advances to customers and financial assets measured at amortised cost against prevailing accounting standards.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Measurement of financial instruments' fair value

Refer to the accounting policies in "Note 2.9 to the Consolidated Financial Statements: Financial instruments", "Note 3.3 to the Consolidated Financial Statements: Fair value of financial instruments", and "Note 53 to the Consolidated Financial Statements: Fair value of financial instruments".

The key audit matter

How the matter was addressed in our audit

Financial instruments carried at fair value account for a significant part of the Group's assets and liabilities. The fair value adjustments of financial instruments may impact either the profit or loss or other comprehensive income.

The valuation of the Group's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data, in particular for level 1 and level 2 financial instruments in the fair value hierarchy, the valuation models for which use quoted market prices and observable inputs, respectively. Where one or more significant unobservable are involved in the valuation techniques, as in the case of level 3 financial instruments, then estimates need to be developed which can involve extensive management judgements.

We identified the measurement of financial instruments' fair value as a key audit matter because of the assets and liabilities measured at fair value are material to the Group and the degree of complexity involved in the valuation techniques and the degree of judgement exercised by management in determining the inputs used in the valuation models.

Our audit procedures to assess measurement of financial instruments' fair value included the following:

- assessing and evaluating the design, implementation and operating effectiveness of key internal controls of financial reporting for valuation of financial instruments.
- assessing the fair value of level 1 financial instruments, on a sample basis, by comparing the fair value applied by the Group with publicly available market data.
- with the assistance of KPMG's valuation specialists, assessing the fair value of level 2 and level 3 financial instruments, on a sample basis, by evaluating the appropriateness of the Group's valuation models, evaluating the reasonableness of the inputs and the appropriateness of the application used by the Group; or obtaining inputs independently and comparing our valuation results with that of the Group.
- assessing the reasonableness of the disclosures in the financial statements in relation to fair value of financial instruments against prevailing accounting standards.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Recognition of interests in and consolidation of structured entities

Refer to the accounting policies in "Note 2.4 to the Consolidated Financial Statements: Basis of preparation of consolidated financial statements", "Note 3.6 to the Consolidated Financial Statements: Consolidation of structured entities", and "Note 4.7 to the Consolidated Financial Statements: Structured entities".

The key audit matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.</p>	<p>Our audit procedures to assess the recognition of interests in and consolidation of structured entities included the following:</p>
<p>The Group may retain an ownership interest in a structured entity, through initiating, investing, or retaining shares in asset backed securities, funds, asset management plans, trust beneficial rights and wealth management products. The Group may also retain partial interests in derecognized assets due to guarantees or securitization structures.</p>	<ul style="list-style-type: none"> • assessing and evaluating the design, implementation and operating effectiveness of key internal controls of financial reporting over recognition of interests in and consolidation of structured entities. • selecting certain structured entities and performing the following procedures: <ul style="list-style-type: none"> – inspecting the related contracts, internal establishment documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity; – inspecting the risk and reward structure of the structured entity, including any capital or return guarantee, provision of liquidity support, commission paid and distribution of the returns, to assess management's judgement as to the exposure, or rights, to variable returns from the Group's involvement in such an entity;
<p>In determining whether the Group retains any partial interests in a structured entity or should consolidate a structured entity, management is required to consider the power it possesses, its exposure to variable returns, and its ability to use its power to affect returns. These factors are not purely quantitative and need to be considered collectively in the overall substance of the transactions.</p>	

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Measurement of interests in and consolidation of structured entities *(Continued)*

Refer to the accounting policies in "Note 2.4 to the Consolidated Financial Statements: Basis of preparation of consolidated financial statements", "Note 3.6 to the Consolidated Financial Statements: Consolidation of structured entities", and "Note 47 to the Consolidated Financial Statements: Structured entities".

The key audit matter

How the matter was addressed in our audit

We identified the recognition of interests in and consolidation of structured entities as a key audit matter because of the complex nature of certain of these structured entities and because of the judgement exercised by management in the qualitative assessment of the terms and the nature of each entity.

- inspecting management's analysis of the structured entity, including qualitative analysis and the calculation of the magnitude and variability associated with the Group's economic interests in the structured entity, to assess management's judgement over the Group's ability to affect its own returns from the structured entity;
- assessing management's judgement over whether the structured entity should be consolidated or not.
- assessing the reasonableness of the disclosures in the financial statements in relation to the measurement of interests in and consolidation of structured entities against prevailing accounting standards.

Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Yuen Shan.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

20 March 2025

Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended 31 December	
		2024	2023
Interest income		30,985,203	31,212,336
Interest expense		(19,670,894)	(19,791,966)
Net interest income	5	11,314,309	11,420,370
Investment income	6	2,601,463	2,926,224
Fee and commission income		2,208,566	2,084,626
Fee and commission expense		(529,401)	(514,454)
Net fee and commission income	7	1,679,165	1,570,172
Net trading gains	8	1,012,477	360,870
Net gain arising from derecognition of financial assets measured at amortised cost	9	245,926	30,719
Other income, gains or losses	10	(144,537)	147,520
Operating income		16,708,803	16,455,875
Operating expenses	11	(4,941,958)	(4,789,274)
Impairment losses	12	(7,583,363)	(7,770,265)
Share of results of associates		19,437	23,785
Profit before tax		4,202,919	3,920,121
Income tax expense	13	(373,904)	(153,226)
Profit for the year		3,829,015	3,766,895

Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended 31 December	
		2024	2023
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains on:			
– financial assets measured at fair value through other comprehensive income	42	2,932,831	1,345,921
Amount reclassified to profit or loss upon disposal of:			
– financial assets measured at fair value through other comprehensive income	42	(1,253,141)	(364,748)
Impairment loss for financial assets measured at fair value through other comprehensive income included in profit or loss	42	33,252	(123,001)
Income tax relating to items that may be reclassified subsequently	42	(428,235)	(214,543)
Other comprehensive income for the year, net of income tax		1,284,707	643,629
Total comprehensive income for the year		5,113,722	4,410,524
Profit for the year attributable to:			
Equity holders of the Bank		3,801,630	3,759,899
Non-controlling interests		27,385	6,996
		3,829,015	3,766,895
Total comprehensive income for the year attributable to:			
Equity holders of the Bank		5,086,337	4,403,528
Non-controlling interests		27,385	6,996
		5,113,722	4,410,524
Total comprehensive income for the year:			
– from continuing operations		5,113,722	4,410,524
Earnings per share attributable to equity holders of the Bank (Expressed in RMB Yuan per share)			
From continuing operations			
– Basic and diluted	14	0.63	0.62

The accompanying notes are an integral part of these consolidated financial statements.

Financial Statements

Consolidated Statement of Financial Position

as at 31 December 2024

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
Assets			
Cash and balances with central bank	17	57,383,746	45,093,912
Deposits with banks and other financial institutions	18	2,960,072	4,661,406
Placements with banks and other financial institutions	19	45,391,478	28,468,293
Derivative financial assets	20	27,650	82,886
Financial assets held under resale agreements	21	40,000	7,668,752
Financial investments:			
Financial assets at fair value through profit or loss	22	107,089,724	93,917,897
Debt instruments at fair value through other comprehensive income	23	102,333,006	88,863,192
Financial assets at amortised cost	24	152,331,765	162,245,189
Equity instruments at fair value through other comprehensive income	25	1,642,224	1,642,224
Loans and advances to customers	26	440,779,383	396,009,202
Deferred tax assets	27	5,419,733	4,113,462
Property and equipment	28	2,082,866	2,221,694
Right-of-use assets	29	920,429	1,019,906
Interests in associates	30	210,776	302,715
Other assets	31	7,380,803	4,460,730
Total assets		925,993,655	840,771,460
Liabilities			
Borrowings from central bank	32	80,966,411	78,201,369
Deposits from banks and other financial institutions	33	64,344,580	59,043,611
Placements from banks and other financial institutions	34	27,673,660	29,725,285
Financial assets sold under repurchase agreements	35	64,663,850	68,517,406
Derivative financial liabilities	20	271,706	3,212
Income tax payable		490,605	8,198
Lease liabilities	36	968,370	1,058,762
Due to customers	37	500,957,014	450,686,381
Debt securities issued	38	109,964,281	83,286,392
Other liabilities	39	6,283,035	5,211,188
Total liabilities		856,583,512	775,741,804

Financial Statements

Consolidated Statement of Financial Position

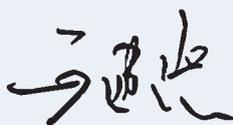
as at 31 December 2024

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
Equity			
Share capital	40	6,070,552	6,070,552
Capital reserve	41	10,732,161	10,731,130
Investment revaluation reserve	42	1,431,226	146,519
Surplus reserve	43	3,352,480	3,352,480
General reserve	44	9,255,979	9,227,306
Retained earnings		37,705,013	34,660,522
Equity attributable to equity holders of the Bank		68,547,411	64,188,509
Non-controlling interests		862,732	841,147
Total equity		69,410,143	65,029,656
Total equity and liabilities		925,993,655	840,771,460

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 195 to 338 were approved and authorised for issue by the Board of Directors on 20 March 2025 and are signed on its behalf by:



EXECUTIVE DIRECTOR



EXECUTIVE DIRECTOR

Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Attributable to equity holders of the Bank						Subtotal	Non-controlling interests	Total
		Share capital	Capital reserve	Investment revaluation reserve	Surplus reserve	General reserve	Retained earnings			
As at 1 January 2024		6,070,552	10,731,130	146,519	3,352,480	9,227,306	34,660,522	64,188,509	841,147	65,029,656
Profit for the year		-	-	-	-	-	3,801,630	3,801,630	27,385	3,829,015
Other comprehensive income for the year		-	-	1,284,707	-	-	-	1,284,707	-	1,284,707
Total comprehensive income for the year		-	-	1,284,707	-	-	3,801,630	5,086,337	27,385	5,113,722
Appropriation of profit										
- Appropriation to general reserve	44	-	-	-	-	28,673	(28,673)	-	-	-
- Dividend distribution to ordinary shareholders of the Bank	15	-	-	-	-	-	(728,466)	(728,466)	-	(728,466)
- Dividend distribution to non-controlling interests		-	-	-	-	-	-	-	(5,800)	(5,800)
Others										
- Others		-	1,031	-	-	-	-	1,031	-	1,031
As at 31 December 2024		6,070,552	10,732,161	1,431,226	3,352,480	9,255,979	37,705,013	68,547,411	862,732	69,410,143
As at 1 January 2023		6,070,552	10,731,130	(497,110)	3,352,480	9,221,377	30,906,552	59,784,981	834,151	60,619,132
Profit for the year		-	-	-	-	-	3,759,899	3,759,899	6,996	3,766,895
Other comprehensive income for the year		-	-	643,629	-	-	-	643,629	-	643,629
Total comprehensive income for the year		-	-	643,629	-	-	3,759,899	4,403,528	6,996	4,410,524
Appropriation to general reserve	44	-	-	-	-	5,929	(5,929)	-	-	-
As at 31 December 2023		6,070,552	10,731,130	146,519	3,352,480	9,227,306	34,660,522	64,188,509	841,147	65,029,656

The accompanying notes are an integral part of these consolidated financial statements.

Financial Statements

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

(Amounts in thousands of Renminbi, unless otherwise stated)

	Year ended 31 December	
	2024	2023
OPERATING ACTIVITIES		
Profit before tax	4,202,919	3,920,121
Adjustments for:		
Depreciation and amortisation	688,514	786,317
Impairment losses	7,583,363	7,770,265
Share of results of associates	(19,437)	(23,785)
Interest income arising from debt instruments at FVOCI and financial assets at amortised costs	(6,833,376)	(7,770,316)
Interest expense arising from lease liabilities	33,172	37,169
Interest expense arising from debt securities issued	2,460,843	2,119,880
Investment income	(2,601,463)	(2,926,224)
Net trading gains	(1,012,477)	(360,870)
Net gains arising from derecognition of financial assets measured at amortised cost	(245,926)	(30,719)
Dividend income from investment securities	(7,025)	(4,640)
Other income, gains or losses	(35,000)	(109,209)
Operating cash flows before movements in working capital	4,214,107	3,407,989
Decrease/(increase) in balances with central bank and deposits with banks and other financial institutions	951,597	(991,620)
Increase in placements with banks and other financial institutions	(17,069,276)	(3,026,517)
Decrease in financial assets held under resale agreements	7,621,207	3,383,645
Increase in financial assets held for trading and derivative financial	(4,695,607)	(1,691,890)
Increase in loans and advances to customers	(52,909,717)	(66,117,322)
Increase in borrowings from central bank	2,797,962	16,250,996
Increase in deposits from banks and other financial institutions	5,311,346	16,986,993
(Decrease)/increase in placements from banks and other financial institutions	(1,897,721)	6,311,887
Decrease in financial assets sold under repurchase agreements	(3,848,001)	(7,670,888)
Increase in due to customers	50,790,459	52,528,817
(Increase)/decrease in other operating assets	(912,389)	994,154
Increase in other operating liabilities	252,463	1,328,245
Cash (outflow)/inflow from operating activities	(9,393,570)	21,694,489
Income tax paid	(1,629,869)	(11,057)
Net cash (outflow)/inflow from operating activities	(11,023,439)	21,683,432

Financial Statements

Consolidated Statement of Cash Flows

For the year ended 31 December 2024
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Year ended 31 December	
		2024	2023
INVESTING ACTIVITIES			
Cash received from disposal and redemption of investment securities		282,113,990	179,631,956
Cash received from disposal of property and equipment and other assets		131,183	149,170
Cash paid for purchases of investment securities		(293,830,811)	(200,938,346)
Cash paid for purchase of property and equipment and other assets		(388,493)	(493,469)
Interest income received from investment securities		11,299,688	11,186,724
Dividend income received from investment securities		7,025	4,640
Net cash outflow from investing activities		(667,418)	(10,459,325)
FINANCING ACTIVITIES			
Cash received from debt securities issued	45	224,166,046	175,520,411
Repayment of debt securities issued	45	(199,620,000)	(187,160,000)
Repayment of lease liabilities	45	(301,434)	(320,357)
Interest paid on financing activities	45	(329,000)	(667,228)
Dividends paid		(733,846)	(23,557)
Net cash inflow/(outflow) from financing activities		23,181,766	(12,650,731)
Net increase/(decrease) in cash and cash equivalents		11,490,909	(1,426,624)
Cash and cash equivalents at the beginning of the year		20,648,971	22,058,157
Effect of foreign exchange rate changes		(3,919)	17,438
Cash and cash equivalents at the end of the year	46	32,135,961	20,648,971
Net cash generated by operating activities include:			
Interest received		28,983,870	26,613,075
Interest paid		(18,428,864)	(17,593,219)
Net interest received from operating activities		10,555,006	9,019,856

The accompanying notes are an integral part of these consolidated financial statements.

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

(Amounts in thousands of Renminbi, unless otherwise stated)

1 GENERAL INFORMATION

Bank of Tianjin Co., Ltd. (the “Bank”) is formerly known as Tianjin City Cooperative Bank Co., Ltd., a stock limited commercial bank established in Tianjin Municipality of the People’s Republic of China (the “PRC”) in November 1996 with the approval of the People’s Bank of China (“PBOC”). The Bank changed its name to Tianjin City Commercial Bank Co., Ltd. in August 1998 and then to Bank of Tianjin Co., Ltd. in February 2007.

The Bank is licensed as a financial institution by the National Financial Regulatory Administration (the “NFRA”) (formerly the China Banking and Insurance Regulatory Commission (the “CBIRC”)) Tianjin Bureau (No. B0108H212000001) and is registered as a business enterprise with the approval of Tianjin Market and Quality Supervision Administration (Unified Credit Record No. 911200001030702984). The Bank was listed on The Stock Exchange of Hong Kong Limited on 30 March 2016.

As at 31 December 2024 the Bank had a total of 14 tier-one branches, 9 of them are in Tianjin Municipality and 5 of them are located outside the Tianjin Municipality. In 2024, the Bank was approved to open 5 new branch. Information on the subsidiaries of the Bank is presented in Note 54.

The approved business scope of the Bank and its subsidiaries (collectively referred to as the “Group”) consists of deposit taking; granting of short-term, medium-term and long-term loans; handling domestic and overseas settlement; handling bill acceptance and discounting; issuing financial bonds; acting as agent to issue, settle and underwrite government bonds; trading of government bonds, financial bonds; engaging in inter-bank placement; bank cards business; providing letter of credit services and guarantee; acting as agent on inward and outward payments, acting as insurance agent; providing safe-box service; securities investment fund sales business; client transaction settlement funds custody business as a legal person bank; foreign currency deposit taking, granting of loans; foreign currency remittance, currency exchange; international settlement; foreign currency sale and settlement; inter-bank foreign currency placement; foreign currency guarantee; foreign currency borrowing; foreign currency bill acceptance and discount; credit investigation, consulting and business witness. proprietary and broker trading of foreign currency marketable securities other than stocks; proprietary and broker trading of foreign exchange; financial leasing; transfer of assets under finance lease; securities investment with fixed income, lease guarantee deposits from lessees; time deposit taking from non-bank shareholders with over 3 months (inclusive) maturity; inter-bank placements, borrowings from financial institutions, overseas borrowings; sales and disposal of leased properties; economic consulting, and other businesses as approved by the banking regulatory authorities under the State Council and other regulatory authorities (certain projects are subject to additional approval of authorities).

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Bank and its subsidiaries.

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(Amounts in thousands of Renminbi, unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas where estimates and judgement are significant to the consolidated financial statements are disclosed in Note 3.

2.3 Standards, amendments and Interpretations

Application of amendments effective date on 1 January 2024

On 1 January 2024, the Group adopted the following new standards, amendments and interpretations. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

IAS 1 Amendments (2020)	Classification of liabilities as current or non-current
IAS 1 Amendments (2022)	Non Current Liabilities with Covenants
IAS 7 and IFRS 7 Amendments	Supplier finance arrangements
IFRS 16 Amendments	Leases on Sale and Leaseback

The adoption of the above standards and amendments does not have significant impact on the operating results, financial position and comprehensive income of the Group for the year ended 31 December 2024.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Standards, amendments and Interpretations *(Continued)*

The Group has not applied the following new and amendments that have been issued but are not yet effective

		Effective for annual periods beginning on or after
IAS 21 Amendments	Lack of Exchangeability	1 January 2025
IFRS 9 and IFRS 7 Amendments	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

The Group is assessing the impact of adopting the above standards and amendments. The adoption of the above standards and amendments is not expected to have material impact on the Group's consolidated financial statements.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank, the subsidiaries and the structural entities controlled by the Group. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the equity holders of the Bank and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the equity holders of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Basis of consolidation *(Continued)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Bank.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of fair value of the consideration received and fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the equity holders of the Bank. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Investment in associate and joint venture

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement through a separate entity, and have rights to the net assets of the arrangement based on legal form, contract terms, and other facts and circumstances. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control or joint control over those policy decisions. Joint control is the contractually agreed sharing of control over an activity, and exists only when the decisions relating to the activity require the unanimous consent of the Group and other parties sharing the control.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Basis of consolidation *(Continued)*

Investment in associate and joint venture (Continued)

The post-acquisition profit or loss of an associate or a joint venture is incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate or a joint venture is initially recognized at cost and adjusted thereafter to recognize the Group's share of the net assets of the associate or joint venture. When the Group's share of loss of an associate or a joint venture equals or exceeds its interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further loss. Additional loss is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate or joint venture.

At the end of each reporting period, the Group considers whether there are circumstances that indicate the possibility of impairment of the Group's investment in an associate or a joint venture; when that is the case, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 — Impairment of Assets, as a single asset by comparing its recoverable amount (the higher of fair value less costs to sell and value in use) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of an impairment loss is recognized in accordance with IAS 36, to the extent that the recoverable amount of the investment subsequently increases.

When an entity in the Group transacts with the Group's associate or joint venture, profits and losses resulting from the transaction are recognized in the Group's consolidated financial statements only to the extent of the interest in the associate or joint venture that are not related to the Group. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Revenue

Specific recognition criteria for different nature of revenue are disclosed below.

Interest income and expense

Interest income and expense of financial instruments are calculated using the effective interest method and included in the current profit and loss.

The Group uses the effective interest method to calculate the interest income and expense of financial assets and liabilities measured at amortized cost, presented as “interest income” and “interest expense” respectively.

Fee and commission income

Fee and commission income is recognized when the Group fulfills its performance obligation, either over time or at a point in time when a customer obtains control of the service.

For the performance obligations satisfied at a point in time, the Group recognizes revenue when control is passed to the customer at a certain point in time, including insurance agency fee, merchant acquiring service fee, settlement & clearing services and bond underwriting fee, etc. For the performance obligations satisfied over time, the Group recognizes revenue according to the progress toward satisfaction of the obligation over the time, including consultancy and advisory fee and custodian fee, etc.

2.6 Foreign currencies

In preparing the financial statements of each involved group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in total comprehensive income for the year in which they arise.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Employee compensation

Employee benefits are all forms of consideration given and compensations incurred by the Group in exchange for services rendered by employees or the termination of the employment relationship, including short-term employee benefits, post-employment benefits, and early retirement benefits.

Short-term employee benefits

Short-term employee benefits include employee wages or salaries, bonus, allowance and subsidies, staff welfare, medical insurance, works injury insurance, maternity insurance, housing funds, union running costs, employee education costs, and so forth. Actual short-term employee benefits are recognised as a liability in the period in which the associated services are rendered by its employees, with a corresponding increase in the expense in profit or loss.

Post-employment benefits

The Group's post-employment benefit plan is defined contribution plan. Defined contribution plan is a post-employment benefit plan in which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. The Group pays contributions to basic retirement insurance, annuity scheme and unemployment insurance for the employees during the reporting period.

Defined contribution retirement schemes

The Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities. The Group makes contributions to the retirement schemes monthly at the applicable rates based on the amounts stipulated by the local government organisations. When employees retire, the local government labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees. During the accounting period in which the employees provide services, the amount payable in accordance with the above regulations are recognised as a liability and charged to the profit or loss.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Employee compensation *(Continued)*

Post-employment benefits (Continued)

Annuity plan

In addition to the statutory pension schemes, the Group's employees also participate in the annuity scheme set up in accordance with the state's corporate annuity regulations. The annuity contributions are paid by the Group in proportion to its employees' gross salaries, and are expensed in the consolidated statement of comprehensive income of the current period. Except for the fixed contribution into the Annuity Scheme, the Group has no further obligation if the Annuity Scheme does not have sufficient assets for the payment of any retirement benefits to employees funded by the Annuity Scheme.

Early retirement benefits

Early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date, as approved by management. The related benefit payments are made from the date of early retirement to the normal retirement date.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised except the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit/loss and does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Taxation *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Classification of financial instruments

Financial assets and liabilities are classified into the following three types on the basis of the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets or the purpose of assuming liabilities:

- Amortized cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

The business model reflects how the Group manages the financial assets in order to generate cash flows. The business model determines whether the cash flows of financial assets managed by the Group solely come from collecting the contractual cash flows from the assets, selling the financial assets, or both. Factors considered by the Group in determining the business model of a set of financial assets include how the cash flows of the Group were collected in the past, how the Group's performance was assessed and reported to key management personnel, how the risks were assessed and managed, and the way the business managers are paid.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cashflows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified as financial assets measured at fair value through profit or loss.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Classification of financial instruments (Continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

(i) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the business model for managing the financial assets is to collect contractual cash flows;
- the contractual terms of the financial assets specify that cash flows arising on specified dates are solely payments of principal and interest on the outstanding principal.

(ii) Financial assets measured at FVOCI

Financial assets are classified as financial assets measured at FVOCI when they are not designated at FVTPL and both of the following conditions are met:

- the assets are managed within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial assets specify that cash flows arising on specified dates are solely payments of principal and interest on the outstanding principal.

At inception, the Group may designate non-trading equity instruments as financial assets measured at FVOCI. Once the designation is made, it cannot be revoked. This designation is made on an investment-by-investment basis.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Classification of financial instruments (Continued)

(iii) Financial assets and liabilities measured at FVTPL

The Group classifies the financial assets other than those measured at amortized cost and measured at FVOCI as financial assets measured at FVTPL. The Group classifies the financial liabilities other than those measured at amortized cost as financial liabilities measured at FVTPL.

Financial assets and liabilities measured at FVTPL include those mandatory, and those designated at FVTPL.

The Group classifies the following financial assets at fair value through profit or loss:

- financial assets that do not qualify for measurement at either amortized cost or FVOCI; and
- it has no control, joint control and significant impact on the equity instrument and equity instruments for which the entity has not designated at FVOCI.

At initial recognition, the Group may designate financial assets as financial assets measured at FVTPL if the designation can eliminate or significantly reduce accounting mismatch. Once the designation is made, it cannot be revoked.

Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Financial liabilities are designated at FVTPL upon initial recognition when one of the following conditions is met:

- the designation can eliminate or significantly reduce accounting mismatch; or
- the formal written file of the Group's risk management or investment strategy have clearly stated that the financial liability portfolio, or the portfolio of financial assets and financial liabilities, are managed, evaluated and reported to key management personnel on the basis of fair value. Once the designation is made, it cannot be revoked.

(iv) Financial liabilities measured at amortized cost

Financial liabilities which other than those measured at FVTPL, are measured at amortized cost, using the effective interest method. Financial liabilities measured at amortized cost comprise deposits and placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers, debt securities issued and other financial liabilities.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Measurement of financial instruments

Initial measurement

For purchases or sales of financial assets in a regular way, the related assets and liabilities are recognized or sold assets are derecognized at the trade date. The trade date is the date on which the Group commits to purchase or sell the financial asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. For other classes of financial assets or financial liabilities, the relevant transaction costs are included in the initial recognized value.

Subsequent measurement

Subsequent measurement of financial instruments depends on the categories:

(i) Financial assets and liabilities measured at amortized cost

The amortized cost is determined at the financial assets or financial liabilities at initial recognition after being adjusted as follow:

- deducting the principal repaid;
- adding or deducting the cumulative amortization of any difference between the amount at initial recognition and the amount at the maturity date using the effective interest method;
- deducting any loss allowance (solely for financial assets).

The effective interest rate is the interest rate used to discount the estimated future cash flows of financial assets or financial liabilities over the estimated duration to the carrying amount (i.e., the amortized cost before any impairment allowance) of the financial assets or to the amortized cost of the financial liabilities. The expected credit losses are not considered in calculation, while the transaction costs, premiums or discounts, and fees paid or received that are integral to the effective interest rate are covered.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Measurement of financial instruments (Continued)

Subsequent measurement *(Continued)*

(i) *Financial assets and liabilities measured at amortized cost (Continued)*

The interest income is calculated by applying the effective interest rate to the carrying amount of a financial asset, with the following exceptions:

- a POCI financial asset, whose interest income is calculated since initial recognition by applying the credit-adjusted effective interest rate to its amortized cost;
- a financial asset that is not a POCI financial asset but has subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to its amortized cost. If, in a subsequent period, the financial asset improves its quality so that it is no longer credit-impaired and the improvement in credit quality can be related objectively to a certain event occurring after the application of the above-mentioned rule, then the interest income can again be calculated by applying the effective interest rate to its gross carrying amount.

(ii) *Debt instruments measured at FVOCI*

Movements in the carrying amount are recognized in other comprehensive income, except for the impairment gains or losses, interest income and foreign exchange gains and losses on the amortized cost of the financial assets which are recognized in profit or loss. Interest income from these financial assets is included in "interest income" using the effective interest rate method.

When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to profit or loss for the current period.

(iii) *Equity instruments measured at FVOCI*

Where an investment in an equity investment not held for trading is designated as a financial asset measured at FVOCI, the changes in fair value of the financial asset are recognized in the other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings. The dividend income on the investment is recognized in profit or loss only when the Group's right to receive payment of the dividends is established.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Measurement of financial instruments (Continued)

Subsequent measurement *(Continued)*

(iv) Financial assets measured at FVTPL

Financial assets measured at FVTPL are measured at fair value with all gains or losses recognized in the profit or loss of the current period.

(v) Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL are measured at fair value with all gains or losses recognized in the profit or loss of the current period, unless in the case of financial liabilities designated at FVTPL, where gains or losses on the financial liabilities are treated as follows:

- (a) changes in the fair value of such financial liabilities due to changes in the Group's own credit risk shall be recognized in other comprehensive income;
- (b) other changes in fair value of such financial liabilities shall be recognized in profit or loss for the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (a) will create or enlarge accounting mismatches in profit or loss, the Group shall recognize all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When the liabilities designated at FVTPL is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

(vi) Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of the reporting period. The resulting gain or loss is recognised in the consolidated income statement.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including financial assets at amortised cost, debt instruments at FVOCI), finance lease receivable and other items (loan commitments and financial guarantee contracts), which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group uses judgments, assumptions and estimates in measuring the expected credit losses in accordance with the accounting standards, including: grouping of risks, Classification of stages, Models and parameters, Forward-looking information.

For financial instruments whose impairment losses are measured using the ECL models, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

- Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage 1.
- Stage 2: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is moved to Stage 2.
- Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

Financial instruments in Stage 1 have their ECL measured at an amount equivalent to the ECL of the financial asset for the next 12 months (“12m ECL”). Financial instruments in Stage 2 or Stage 3 have their ECL measured at an amount equivalent to the ECL over the lifetime of the financial instruments (“Lifetime ECL”). Assessment is done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For purpose of classification of stages, the Group fully assesses available information on the credit entity and its credit exposures. The related information includes but is not limited to internal credit rating of the credit entity in the Bank; classification and overdue status of credit exposures, contract terms, etc.; changes of the Bank's credit strategies on the credit entity or credit risk management method; credit, external rating, changes in price of debts and equity, credit default swap prices, credit spread, public opinion, etc., relating to the credit entity; operating and financial information of the credit entity and its shareholder(s) and associate(s); macro-economics, industry development, technology innovation, climate changes, natural disasters, social, economic and financial policies, government support or aid measures that may have potential influence on the ability of the credit entity to repay, and other related information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- Overdue principal or interests by more than or equal to 30 days but less than 90 days; or
- Significant downgrade in internal rating compared with initial recognition, especially when the borrower is downgraded to grade 4 or below; or
- Significant downgrade in external rating compared with initial recognition, especially the borrower is downgraded to below A (domestic rating agency); or
- Credit situation deteriorate significantly without any overdue days; or
- The absolute or relative changes of default probability beyond a certain level; or
- Other situations indicating significant changes in credit risk.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk *(Continued)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than or equal to 30 days past due.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) 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.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers that default has occurred when the financial instruments is more than or equal to 90 days past due or loan quality classification is secondary, doubt or loss.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or the death of a natural person counterparty with no sufficient legacy to repay. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking in account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL *(Continued)*

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Type of product or business;
- Past-due status;
- Nature and industry distribution of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVOCI, loan commitments and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the investment revaluation reserve in relation to accumulated loss allowance.

(vi) Forward-looking information

Both the assessment of significant increase in credit risk and the calculation of expected credit losses involve forward-looking information. The Group identifies key economic indicators that affect credit risks and expected credit losses of all asset portfolios based on historical data analysis. Please refer to 52.1(3) Credit risk-incorporation of forward-looking information.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Derecognition/modification of financial instruments

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset or financial liabilities are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term.

Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Financial instruments *(Continued)*

Derecognition/modification of financial instruments (Continued)

Financial assets are derecognised when the rights to receive cash flows from the investments have expired, or when a financial asset is transferred, the Group has transferred substantially all risks and rewards of ownership, or when the Group neither transfers nor retains substantially all risks or rewards of ownership of the financial asset but has not retained control of the financial asset.

Financial liabilities are derecognised when they are extinguished (i.e., when the obligation specified in the contract is discharged, cancelled or expires).

2.10 Repurchase agreements and agreements to resell

Financial assets sold subject to repurchase agreements continue to be recognised, and are recorded in their respective balance sheet categories. The corresponding liability is included in “financial assets sold under repurchase agreements”. Financial assets held under agreements to resell at a specific future date at a fixed price are recorded as “financial assets held under resale agreements”.

The difference between purchase and sale price is recognised as interest expense or income in profit or loss over the life of the agreements using the effective interest method.

2.11 Dividend distribution

Dividend distribution to the Bank’s ordinary equity holders is recognised as a liability in the Group’s and the Bank’s financial statements in the period in which the dividends are approved by the ordinary equity holders in the annual general meeting of the Bank.

2.12 Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer 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 terms of a debt instrument.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.12 Financial guarantee contracts and loan commitments *(Continued)*

Financial guarantees are initially recognised at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of guarantee fees, and the best estimate of the expected credit loss provision required to settle the guarantee. Any increase in the liability relating to guarantees is taken to the consolidated statement of profit and loss.

The impairment allowance of loan commitments provided by the Group is measured by ECL. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined ECL exceed the gross carrying amount of the loan, the ECL are recognised as a provision.

2.13 Cash and cash equivalents

Cash and cash equivalents refer to short-term highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

2.14 Related parties

- (1) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group.

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2 MATERIAL ACCOUNTING POLICIES *(Continued)*

2.14 Related parties *(Continued)*

- (2) An entity is related to the Group if any of the following conditions applies:
- (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (c) Both entities are joint ventures of the same third party;
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) The entity is controlled or jointly controlled by a person identified in (1);
 - (f) A person identified in (1)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

The followings are the critical judgements and key sources of estimation uncertainty that the Group have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1 Impairment under ECL model

- Significant increase of credit risk: ECL are measured as an allowance equal to 12 months ("12m") ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition; and it comes to stage 3 when it is credit impaired (but it is not purchased or original credit impaired asset). In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.
- Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.
- Models and assumptions used: The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- Forward-looking information: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default ("PD"): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

3.1 Impairment under ECL model *(Continued)*

- Loss Given Default (“LGD”): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.
- The financial and economical uncertainty was taken into account in the ECL model when forecasted macroeconomic data were updated in the model. Details of these economic variables forecasted used were set out in Note 52.1(3).

3.2 Classification of financial assets

The critical judgments the Group has in determining the classification of financial assets include analysis of business models and characteristics of contractual cash flows.

The Group determines the business model for managing financial assets at the level of financial asset portfolio. The factors considered include evaluation and reporting of financial asset performance to key management personnel, risks affecting the performance of financial assets and their management methods, and related business management personnel, the way to get paid, etc.

When assessing whether the contractual cash flow of financial assets is consistent with the basic lending arrangement, the Group has the following main judgments: whether the principal may be subject to change in the duration or amount of money due to prepayments during the duration; whether interest only includes currency time value, credit risk, other basic borrowing risks, and considerations for costs and profits. For example, whether the amount paid in advance reflects only the outstanding principal and interest on the outstanding principal, as well as reasonable compensation for early termination of the contract.

3.3 Fair value of financial instruments

Certain of the Group’s financial assets, including primarily asset management plans, trust beneficiary rights, other debt financing instruments and unlisted equity instruments, with a carrying amount of RMB53,790 million as at 31 December 2024 (31 December 2023: RMB64,794 million) are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. See Note 53 for further disclosures.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

3.4 De-recognition of financial assets

In its normal course of business, the Group transfers financial assets through various types of transactions including regular way sales and transfers, securitization, financial assets sold under repurchase agreements and etc. The Group applies significant judgement in assessing whether it has transferred these financial assets which qualify for a full or partial de-recognition.

Where the Group enters into structured transactions by which it transfers financial asset to structured entities, the Group analyses whether the substance of the relationship between the Group and these structured entities indicates that it controls these structured entities to determine whether the Group needs to consolidate these structured entities. This will determine whether the following de-recognition analysis should be conducted at the consolidated level or at the entity level from which the financial assets was transferred.

The Group analyses the contractual rights and obligations in connection with such transfers to determine whether the de-recognition criteria are met based on the following considerations:

- whether it has transferred the rights to receive contractual cash flows from the financial assets or the transfer qualified for the “pass through” of those cash flows to independent third parties;
- the extent to which the associated risks and rewards of ownership of the financial assets are transferred. Significant judgment is applied in the Group’s assessment with estimated cash flows before and other factors that affect the degree of risk and reward transfer;
- where the Group neither retained nor transferred substantially all of the risks and rewards associated with their ownership, the Group analyses whether the Group has relinquished its controls over these financial assets, and if the Group has continuing involvement in these transferred financial assets.

3.5 Taxes

There are certain transactions and activities in the ordinary course of the Group’s business for which the ultimate tax effect is uncertain. The Group made certain estimation and judgement for items of uncertainty in the application of tax legislations, considering existing tax legislation and past practice of tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, based on management’s assessment, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

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3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

3.6 Consolidation of structured entities

Where the Group acts as asset manager of or investor in structured entities, the Group makes significant judgement on whether the Group controls and should consolidate these structured entities. When performing this assessment, the Group assesses the Group's contractual rights and obligations in light of the transaction structures, and evaluates the Group's power over the structured entities, performs analysis and tests on the variable returns from the structured entities, including but not limited to commission income and asset management fees earned as the asset manager, the retention of residual income, and, if any, the liquidity and other support provided to the structured entities. The Group also assesses whether it acts as a principal or an agent through analysis of the scope of its decision-making authority over the structured entities, the remuneration to which it is entitled for asset management services, the Group's exposure to variability of returns from its other interests in the structured entities, and the rights held by other parties in the structured entities.

4 SEGMENT ANALYSIS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors and relevant management committees (chief operating decision maker) for the purposes of allocating resources to segments and assessing their performance. The Group's chief operating decision maker reviews consolidated financial statements mainly based on operating segments for the purpose of allocating resources and performance assessment.

Measurement of segment assets and liabilities and segment income and result is based on the Group's accounting policies. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

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

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4 SEGMENT ANALYSIS *(Continued)*

The Group has no major customer which contributes to 10 percent or more of the Group's income. No geographical information is presented as most of the Group's operations are conducted and most of its non-current assets are located and therefore revenue is derived from activities in Mainland China.

Segment revenues, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating Segments

The Group provides a diversified range of banking and related financial services. The products and services offered to customers are organised into the following operating segments:

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit takings and other types of corporate intermediary services.

Personal banking

The personal banking segment provides financial products and services to individual customers. The products and services include personal loans, personal deposit, card business, personal wealth management services and other types of personal intermediary services.

Treasury operations

The Group's treasury operations conduct money market, foreign exchange, precious metal and derivatives transactions, and debt instruments investments for its own accounts or on behalf of customers.

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4 SEGMENT ANALYSIS (Continued)

Operating Segments (Continued)

Others

Others include head office operations as well as items that are not attributed to the above segments.

	Corporate banking	Personal banking	Treasury operations	Others	Total
Year ended 31 December 2024					
External interest income	16,252,614	5,852,286	8,880,303	–	30,985,203
External interest expense	(7,456,262)	(4,219,190)	(7,995,442)	–	(19,670,894)
Inter-segment interest (expense)/income	(2,406,654)	2,831,698	(425,044)	–	–
Net interest income	6,389,698	4,464,794	459,817	–	11,314,309
Investment income	–	–	2,601,463	–	2,601,463
Fee and commission income	1,324,446	346,069	538,051	–	2,208,566
Fee and commission expense	(43,813)	(441,456)	(44,132)	–	(529,401)
Net fee and commission income/(expense)	1,280,633	(95,387)	493,919	–	1,679,165
Net trading gains	–	–	1,012,477	–	1,012,477
Net gains arising from the derecognition of financial assets measured at amortised cost	–	–	245,926	–	245,926
Other income, gains or losses	(20,114)	(13,011)	(87,408)	(24,004)	(144,537)
Operating income	7,650,217	4,356,396	4,726,194	(24,004)	16,708,803
Operating expenses	(2,074,970)	(1,617,571)	(1,249,417)	–	(4,941,958)
Impairment losses	(3,237,325)	(3,472,314)	(873,724)	–	(7,583,363)
Share of results of associates	–	–	–	19,437	19,437
Profit/(loss) before tax	2,337,922	(733,489)	2,603,053	(4,567)	4,202,919
Income tax expense	–	–	–	–	(373,904)
Profit for the year	–	–	–	–	3,829,015
Depreciation and amortisation	(314,066)	(179,267)	(195,181)	–	(688,514)
Capital expenditure	(110,964)	(92,356)	(33,034)	(152,139)	(388,493)
As at 31 December 2024					
Segment assets	343,610,508	98,532,199	480,310,874	3,540,074	925,993,655
Segment liabilities	(306,534,421)	(201,164,265)	(348,399,698)	(485,128)	(856,583,512)
Supplementary information	–	–	–	–	–
Credit commitments	130,686,670	7,395,265	–	–	138,081,935

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4 SEGMENT ANALYSIS (Continued)

Operating Segments (Continued)

Others (Continued)

	Corporate banking	Personal banking	Treasury operations	Others	Total
Year ended 31 December 2023					
External interest income	13,210,567	8,189,340	9,812,429	–	31,212,336
External interest expense	(8,066,166)	(4,214,120)	(7,511,680)	–	(19,791,966)
Inter-segment interest income/(expense)	986,862	1,361,606	(2,348,468)	–	–
Net interest income	6,131,263	5,336,826	(47,719)	–	11,420,370
Investment income	–	–	2,926,224	–	2,926,224
Fee and commission income	769,596	368,676	946,354	–	2,084,626
Fee and commission expense	(43,031)	(437,518)	(33,905)	–	(514,454)
Net fee and commission income	726,565	(68,842)	912,449	–	1,570,172
Net trading gains	–	–	360,870	–	360,870
Net gains arising from the derecognition of financial assets measured at amortised cost	–	–	30,719	–	30,719
Other income, gains or losses	70,363	43,014	29,208	4,935	147,520
Operating income	6,928,191	5,310,998	4,211,751	4,935	16,455,875
Operating expenses	(1,927,194)	(1,848,530)	(1,013,550)	–	(4,789,274)
Impairment losses	(4,053,381)	(3,538,442)	(178,442)	–	(7,770,265)
Share of results of associates	–	–	–	23,785	23,785
Profit/(loss) before tax	947,616	(75,974)	3,019,759	28,720	3,920,121
Income tax expense					(153,226)
Profit for the year					3,766,895
Depreciation and amortisation	(330,400)	(253,737)	(202,180)	–	(786,317)
Capital expenditure	(190,419)	(177,438)	(29,651)	(95,961)	(493,469)
As at 31 December 2023					
Segment assets	293,055,272	111,644,184	434,462,199	1,609,805	840,771,460
Segment liabilities	(292,061,619)	(169,261,202)	(314,383,361)	(35,622)	(775,741,804)
Supplementary information					
Credit commitments	92,931,428	10,930,702	–	–	103,862,130

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5 NET INTEREST INCOME

	Year ended 31 December	
	2024	2023
Interest income:		
Loans and advances to customers, including:		
Corporate loans and advances	16,210,356	13,152,404
Personal loans and advances	5,852,286	8,189,340
Discounted bills	267,687	476,167
Finance lease	25,303	17,204
Balances with central bank	512,219	511,284
Deposits with banks and other financial institutions	16,066	15,445
Placements with banks and other financial institutions	953,859	927,672
Financial assets held under resale agreements	314,051	152,504
Investments, including:		
Debt instruments at FVOCI	2,605,048	2,296,311
Debt instruments at amortised cost	4,228,328	5,474,005
Subtotal	30,985,203	31,212,336
Interest expense:		
Borrowings from central bank	(1,860,461)	(1,761,005)
Deposits from banks and other financial institutions	(1,658,686)	(1,280,440)
Placements from banks and other financial institutions	(897,281)	(1,105,799)
Financial assets sold under repurchase agreements	(1,140,254)	(1,489,744)
Lease liabilities	(33,172)	(37,169)
Due to customers	(11,620,197)	(11,997,929)
Debt securities issued	(2,460,843)	(2,119,880)
Subtotal	(19,670,894)	(19,791,966)
Net interest income	11,314,309	11,420,370

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6 INVESTMENT INCOME

	Year ended 31 December	
	2024	2023
Investment income from financial instruments at fair value through profit or loss	2,601,463	2,926,224

Investment income includes income from debt securities, funds, trust beneficiary rights, asset management plans and wealth management products measured at FVTPL.

7 NET FEE AND COMMISSION INCOME

	Year ended 31 December	
	2024	2023
Fee and commission income		
Agency commissions and underwriting service fees	1,139,816	1,206,679
Settlement and clearing fees	667,046	439,546
Wealth management service fees	272,139	240,056
Acceptance and guarantee commitment fees	52,989	46,472
Bank card fees	49,642	58,247
Advisory and consultancy fees	25,370	87,120
Others	1,564	6,506
Subtotal	2,208,566	2,084,626
Fee and commission expense	(529,401)	(514,454)
Total	1,679,165	1,570,172

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8 NET TRADING GAINS

	Year ended 31 December	
	2024	2023
Net gains arising from trading of financial assets at fair value through profit or loss	(239,796)	24,893
Net gains on disposal of debt instruments at fair value through other comprehensive income	1,253,141	364,748
Net gains arising from derivative financial instruments	(868)	(28,771)
Total	1,012,477	360,870

9 NET GAIN ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

	Year ended 31 December	
	2024	2023
Net gain on disposal of financial assets measured at amortised cost	245,926	30,719

During the year ended 31 December 2024, the Group sold some financial assets measured at amortised cost to meet the demand of liquidity.

10 OTHER INCOME, GAINS OR LOSSES

	Year ended 31 December	
	2024	2023
Rental income	19,372	31,351
Dividend income	7,025	4,640
Government grants	3,606	204,020
Net losses on disposal of repossessed assets, property and equipment	(27,305)	(83,766)
Exchange differences	(94,794)	6,179
Others	(52,441)	(14,904)
Total	(144,537)	147,520

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11 OPERATING EXPENSES

	Notes	Year ended 31 December	
		2024	2023
Staff costs	(1)	2,606,357	2,448,617
Office expenses		484,144	408,626
Depreciation of right-of-use assets		277,824	283,275
Depreciation of property and equipment		259,745	349,289
Tax and surcharges		225,226	233,557
Amortization of intangible assets		150,945	153,753
Rental and property management expenses		99,672	84,966
Other general and administrative expenses	(2)	838,045	827,191
Total		4,941,958	4,789,274

(1) Staff costs

	Year ended 31 December	
	2024	2023
Salaries, bonuses and allowances	1,824,439	1,713,093
Social insurance	341,613	332,158
Housing funds	148,947	143,476
Staff welfare	107,480	95,123
Labor union fees and staff education expenses	50,406	42,988
Contribution to annuity funds	133,472	121,779
Total	2,606,357	2,448,617

(2) Included the Group's statutory audit fee for the year ended 31 December 2024 was RMB2.87 million (2023: RMB2.89 million).

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12 IMPAIRMENT LOSSES

	Year ended 31 December	
	2024	2023
Deposits with banks and other financial institutions	528	(18,011)
Placements with banks and other financial institutions	1,989	1,877
Financial assets held under resale agreements	6,894	–
Debt instruments at FVOCI	33,084	(14,700)
Financial assets at amortised cost	952,335	217,159
Loans and advances to customers at amortised cost	6,503,961	7,430,265
Loans and advances to customers at FVOCI	168	(8,800)
Credit commitments	100,248	(136,562)
Others	(15,844)	299,037
Total	7,583,363	7,770,265

13 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
Income tax expense comprises:		
Current income tax		
– PRC Enterprise Income Tax	2,100,134	5,718
Deferred taxation (Note 27)	(1,726,230)	147,508
Total	373,904	153,226

Except for Ningxia Yuanzhou Jinhui County Bank Co., Ltd. and Ningxia Tongxin Jinhui County Bank Co., Ltd. entitle to a preferential tax rate of 15%, the PRC enterprise income tax is calculated at 25% of the estimated taxable profits during the relevant period.

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13 INCOME TAX EXPENSE *(Continued)*

The reconciliation of income tax expense in the current period and profit before tax presented in the consolidated income statement is as follows:

	Note	Year ended 31 December	
		2024	2023
Profit before tax		4,202,919	3,920,121
Tax calculated at applicable statutory tax rate of 25%		1,050,730	980,030
Income tax at concessionary rate		(476)	(2,744)
The impact of utilizing the deductible temporary differences arising from the deferred tax assets that had not been recognized in previous periods		–	(15,312)
Income tax adjustment for prior years		146,422	150
Tax effect of expense not deductible for tax purpose		71,403	63,610
Tax effect of income not subject to tax	(1)	(894,175)	(872,508)
Income tax expense		373,904	153,226

(1) Tax effect of income not subject to tax mainly represents interest income arising from government bonds and funds, which are income tax free in accordance with the PRC tax regulations.

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14 EARNINGS PER SHARE

The calculation of basic earnings per share is as follows:

	Year ended 31 December	
	2024	2023
Earnings:		
Profit for the year attributable to equity holders of the Bank for the purpose of basic earnings per share	3,801,630	3,759,899
Numbers of shares:		
Weighted average number of shares in issue for the purpose of basic earnings per share (in thousand)	6,070,552	6,070,552
Basic earnings per share (RMB Yuan)	0.63	0.62

For the years ended 31 December 2024 and 2023, there are no potential dilutive ordinary shares in issue, so the diluted earnings per share is same as the basic earnings per share.

15 DIVIDENDS

A final dividend of RMB12 cents per share (tax inclusive) in respect of the year ended 31 December 2023 amounting in a total of RMB728 million was proposed by the Board of Directors and approved by the 2023 annual general meeting on 19 April 2024.

The Bank did not declare any dividends for 2022 to distribute in 2023.

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16 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND HIGHEST PAID INDIVIDUALS

(I) Directors' and supervisors' remunerations

Year ended 31 December 2024

Name	Fees	Paid remuneration and other benefits	Bonus	Contribution to pension schemes and other benefits	Total
Executive directors					
YU Jianzhong ⁽¹⁾	–	283	–	185	468
WU Hongtao	–	519	–	185	704
ZHENG Ke	–	434	–	217	651
DONG Xiaodong	–	598	388	185	1,171
Non-executive directors					
SUN Jingyu ^{(3) (4)}	–	–	–	–	–
DONG Guangpei ⁽³⁾	–	–	–	–	–
PENG Chong ^{(3) (5)}	–	–	–	–	–
Alistair Marshall Bulloch ⁽³⁾	–	–	–	–	–
ZHAO Wei ⁽³⁾	–	–	–	–	–
WANG Shunlong ⁽³⁾	–	–	–	–	–
LI Jun ⁽³⁾	–	–	–	–	–
Independent non-executive directors					
JIN Qingjun	202	–	–	–	202
HE Jia	212	–	–	–	212
ZENG Jianhua	202	–	–	–	202
LU Jianzhong	202	–	–	–	202
GU Zhaoyang ⁽⁷⁾	53	–	–	–	53
FENG Jinghua ⁽⁸⁾	–	–	–	–	–
PENG Bing ⁽⁸⁾	–	–	–	–	–
Supervisors					
HUANG Yongxin ⁽⁹⁾	–	173	–	125	298
FENG Xia ⁽¹⁰⁾	–	–	–	–	–
LIU Baorui	202	–	–	–	202
LAW Yee Kwan, Quinn	212	–	–	–	212
PENG Junying ⁽¹³⁾	–	451	–	181	632
WU Chong ⁽³⁾⁽¹⁴⁾	–	–	–	–	–
Total	1,285	2,458	388	1,078	5,209

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16 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND HIGHEST PAID INDIVIDUALS

(Continued)

(I) Directors' and supervisors' remunerations (Continued)

Year ended 31 December 2023

Name	Fees	Paid remuneration and other benefits	Bonus	Contribution to pension schemes and other benefits	Total
Executive directors					
YU Jianzhong ⁽¹⁾	–	185	395	117	697
SUN Liguo ⁽²⁾	–	92	180	58	330
WU Hongtao	–	1,171	1,693	175	3,039
ZHENG Ke	–	955	1,355	205	2,515
DONG Xiaodong	–	596	920	176	1,692
Non-executive directors					
SUN Jingyu ⁽³⁾⁽⁴⁾	–	–	–	–	–
DONG Guangpei ⁽³⁾	–	–	–	–	–
Alistair Marshall Bulloch ⁽³⁾	–	–	–	–	–
ZHAO Wei ⁽³⁾	–	–	–	–	–
WANG Shunlong ⁽³⁾	–	–	–	–	–
LI Jun ⁽³⁾	–	–	–	–	–
Independent non-executive directors					
JIN Qingjun	202	–	–	–	202
HUA Yaogang ⁽⁶⁾	202	–	–	–	202
HE Jia	212	–	–	–	212
ZENG Jianhua	202	–	–	–	202
LU Jianzhong	202	–	–	–	202
Supervisors					
FENG Xia ⁽¹⁰⁾	–	253	485	175	913
YU Yang ⁽¹¹⁾	–	–	–	–	–
LIU Baorui	202	–	–	–	202
JIANG Zhengjun ⁽¹²⁾	–	448	760	165	1,373
LAW Yee Kwan, Quinn	212	–	–	–	212
PENG Junying ⁽¹³⁾	–	–	–	–	–
WU Chong ⁽³⁾⁽¹⁴⁾	–	–	–	–	–
Total	1,434	3,700	5,788	1,071	11,993

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16 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND HIGHEST PAID INDIVIDUALS

(Continued)

(I) Directors' and supervisors' remunerations *(Continued)*

- (1) On 18 July 2023, Mr. Yu Jianzhong was nominated as executive director of the Bank and on 28 August 2023, Mr. Yu Jianzhong was nominated as the Chairman of the Bank.
- (2) On 11 May 2023, Mr. Sun Liguo no longer assumed the position of executive director of the Bank.
- (3) All non-executive directors and supervisors, Mr. Wu Chong were not remunerated by the Bank.
- (4) On 15 January 2024, Ms. Sun Jingyu no longer assumed the position of non-executive director of the Bank.
- (5) On 21 June 2024, Mr. Peng Chong was nominated as non-executive director of the Bank.
- (6) On 13 December 2023, Mr. Hua Yaogang no longer assumed the position of independent non-executive director of the Bank.
- (7) On 22 September 2024, Mr. Gu Zhaoyang was nominated as independent non-executive director of the Bank.
- (8) On 11 December 2024, Mr. Feng Jinghua and Mr. Peng Bing were nominated as the independent non-executive directors of the Bank, their appointments were approved by the CBIRC Tianjin Bureau on 24 January 2025.
- (9) On 28 May 2024, Mr. Huang Yongxin was nominated as supervisor of the Bank.
- (10) On 28 May 2024, Ms. Feng Xia no longer assumed the position of supervisor of the Bank.
- (11) On 18 April 2023, Mr. Yu Yang no longer assumed the position of supervisor of the Bank.
- (12) On 22 December 2023, Mr. Jiang Zhengjun no longer assumed the position of supervisor of the Bank.
- (13) On 22 December 2023, Ms. Peng Junying was nominated as supervisor of the Bank.
- (14) On 18 May 2023, Mr. Wu Chong was nominated as supervisor of the Bank.

The bonuses for executive directors and supervisors for the year ended 31 December 2024 have not yet been approved by the General Meeting and relevant PRC authorities. The bonuses for executive directors and supervisors for the year ended 31 December 2023 were restated based on the approved amounts. Bonuses for executive directors whose compensation is assessed and managed by the superior authority will be paid after the evaluation results are finalized.

In accordance with the approval by regulatory authorities, the tenure-based incentive compensation for the professional managers of the Bank during 2021-2023 will be distributed in equal annual installments of 50% over the two-year period from 2024 to 2025. The payout amounts are determined based on their respective tenure duration, performance appraisal outcomes, and other relevant criteria.

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16 EMOLUMENTS OF DIRECTORS, SUPERVISORS AND HIGHEST PAID INDIVIDUALS

(Continued)

(I) Directors' and supervisors' remunerations (Continued)

The executive directors' and supervisors' remunerations shown above were paid for their services in connection with the management of the affairs of the Bank and the Group.

The independent non-executive directors' remunerations shown above were paid for their services as directors of the Bank.

(II) Five highest paid individuals

The total remunerations payable to the five individuals whose remunerations were the highest in the Group for the year are as follows:

	Year ended 31 December	
	2024	2023
Salaries and other emoluments	2,723	1,158
Discretionary bonuses	2,525	9,456
Contribution to pension schemes and other benefits	947	610
Total	6,195	11,224

Remunerations of the five highest paid individuals were within the following bands:

	Year ended 31 December	
	2024	2023
HKD1,000,001 – HKD1,500,000	5	–
HKD1,500,001 – HKD2,000,000	–	1
HKD2,000,001 – HKD2,500,000	–	1
HKD2,500,001 – HKD3,000,000	–	3
Total	5	5

For the year ended 31 December 2024, The emoluments of the five highest paid individuals set out above include the emoluments of one (2023: Nil) Executive Director.

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17 CASH AND BALANCES WITH CENTRAL BANK

	Notes	31 December 2024	31 December 2023
Cash		1,177,589	1,393,197
Mandatory reserve deposits	(1)	28,412,759	29,430,140
Surplus reserve deposits	(2)	27,698,300	14,246,479
Other deposits	(3)	95,098	24,096
Total		57,383,746	45,093,912

- (1) The Group places mandatory reserve deposits with the PBOC. These reserves include RMB reserve deposits and foreign currency reserve deposits. They are not available for the Group's daily operations. The mandatory reserve deposits rates are as follow:

	As at 31 December 2024	As at 31 December 2023
RMB reserve deposits rates:		
The Bank	6.00%	7.00%
Bank of Tianjin Financial Leasing Co., Ltd.	5.00%	5.00%
Ningxia Yuanzhou Jinhui County Bank Co., Ltd.	5.00%	5.00%
Ningxia Tongxin Jinhui County Bank Co., Ltd.	5.00%	5.00%
Foreign currencies reserve deposits rates:		
The Bank	4.00%	4.00%

- (2) The surplus reserve deposits are maintained with the PBOC mainly for the purpose of clearing.
- (3) Other deposits mainly represent the required fiscal deposits placed with the PBOC, which are non-interest bearing.

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18 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December 2024	As at 31 December 2023
Banks and other financial institutions in Mainland China	2,543,248	4,142,450
Overseas banks	424,649	526,253
Subtotal	2,967,897	4,668,703
Allowance for 12m ECL	(7,825)	(7,297)
Total	2,960,072	4,661,406

19 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December 2024	As at 31 December 2023
Banks in Mainland China	300,071	355,801
Other financial institutions in Mainland China	45,101,197	28,120,293
Subtotal	45,401,268	28,476,094
Allowance for impairment losses Including: 12m ECL	(9,790)	(7,801)
Total	45,391,478	28,468,293

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20 DERIVATIVE FINANCIAL INSTRUMENTS

The derivatives held are primarily for risk management purposes.

	As at 31 December 2024			As at 31 December 2023		
	Contract/ Notional Principal	Assets	Liabilities	Contract/ Notional Principal	Assets	Liabilities
	Foreign exchange derivatives					
– Foreign exchange forward swap	9,331,641	26,577	(268,686)	4,613,529	79,219	–
Credit derivatives	636,000	1,073	(3,020)	1,726,000	3,667	(3,212)
Total	9,967,641	27,650	(271,706)	6,339,529	82,886	(3,212)

21 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

Analysed by counterparties:

	As at 31 December 2024	As at 31 December 2023
Banks in Mainland China	100,000	7,795,586
Other financial institutions in Mainland China	–	619,772
Subtotal	100,000	8,415,358
Allowance for impairment losses of ECL	(60,000)	(746,606)
Total	40,000	7,668,752

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21 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(Continued)*

Analysed by collateral type:

	As at 31 December 2024	As at 31 December 2023
Bills	100,000	993,500
Bonds	–	7,421,858
Subtotal	100,000	8,415,358
Allowance for impairment losses of ECL	(60,000)	(746,606)
Total	40,000	7,668,752

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22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	As at 31 December 2024	As at 31 December 2023
Held for trading purposes:			
Government bonds		34,128	–
Public entities and policy banks bonds		489,639	296,690
Financial institution bonds		9,317,563	5,952,147
Corporate bonds		8,551,094	3,133,446
Asset-backed securities		919,257	2,197,816
Funds	(1)	51,694,803	40,579,440
Asset management plans	(2)	10,508,903	21,791,270
Trust beneficiary rights	(3)	18,794,020	17,182,396
Wealth management products		4,000,284	–
Other debt financing products		1,054,215	1,054,215
Listed equity		565,351	140,312
Unlisted equity		1,160,467	1,590,165
Total		107,089,724	93,917,897
Listed in Hong Kong			
		–	107,378
Listed outside Hong Kong			
		71,211,798	52,192,472
Unlisted			
		35,877,926	41,618,047
Total		107,089,724	93,917,897

(1) Funds include money-market funds and bond funds.

(2) Asset management plans refer to designated asset management plans managed by securities companies and their subsidiaries for the Bank and mainly invested in money market instruments, bonds and other debt instruments.

(3) Trust beneficiary rights refer to beneficial right of trust plans, which mainly invested in money market instruments, bonds and trust loans. These trust plans were initiated and managed by trust companies.

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23 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2024	As at 31 December 2023
Government bonds	23,351,595	18,570,869
Public entities and policy banks bonds	53,078,963	39,951,827
Financial institution bonds	6,587,735	5,028,224
Corporate bonds	17,375,938	22,427,074
Asset-backed securities	1,938,775	2,885,198
Total	102,333,006	88,863,192
Listed in Hong Kong	2,344,809	3,431,998
Listed outside Hong Kong	99,686,181	84,715,074
Unlisted	302,016	716,120
Total	102,333,006	88,863,192

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24 FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at 31 December 2024	As at 31 December 2023
Government bonds	66,986,457	62,663,769
Public entities and policy banks bonds	56,483,780	45,875,889
Financial institution bonds	–	376,509
Corporate bonds	12,819,950	27,701,230
Asset-backed securities	2,015,477	5,149,463
Asset management plans	4,890,512	8,349,536
Trust beneficiary rights	1,141,680	1,168,132
Other debt financing products	10,536,503	12,819,592
Subtotal	154,874,359	164,104,120
Listed in Hong Kong	275,754	2,394,712
Listed outside Hong Kong	138,317,673	138,260,521
Unlisted	16,280,932	23,448,887
Subtotal	154,874,359	164,104,120
Allowance for impairment losses		
Including: 12m ECL	(113,149)	(145,277)
Lifetime ECL	(2,429,445)	(1,713,654)
Total	152,331,765	162,245,189

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25 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2024	As at 31 December 2023
Unlisted equity	1,642,224	1,642,224

26 LOANS AND ADVANCES TO CUSTOMERS

	Notes	As at 31 December 2024	As at 31 December 2023
Loans and advances to customers at amortised cost	(1)	433,025,403	385,917,157
Allowance for impairment losses		(12,876,070)	(11,441,318)
Subtotal		420,149,333	374,475,839
Loans and advances to customers at FVOCI	(2)	20,630,050	21,533,363
Total		440,779,383	396,009,202

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26 LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(1) Loans and advances to customers at amortised cost

	Note	As at 31 December 2024	As at 31 December 2023
Corporate loans and advances			
– Loans		333,991,409	274,018,954
– Discounted bills		819,697	1,103,333
– Finance lease receivable	(i)	902,757	206,044
Subtotal		335,713,863	275,328,331
Personal loans and advances			
– Personal loans for consumption		42,173,361	48,451,865
– Personal loans for business purposes		33,983,799	37,434,556
– Residential mortgage loans		21,154,380	24,702,405
Subtotal		97,311,540	110,588,826
Gross loans and advances to customers		433,025,403	385,917,157
Allowance for impairment losses			
Including: 12m ECL		(4,592,570)	(3,792,523)
Lifetime ECL		(8,283,500)	(7,648,795)
Net loans and advances to customers		420,149,333	374,475,839

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26 LOANS AND ADVANCES TO CUSTOMERS *(continued)*

(1) Loans and advances to customers at amortised cost *(Continued)*

(i) Finance lease receivable

	As at 31 December 2024	As at 31 December 2023
Minimum finance lease receivables:		
Within 1 year (inclusive)	359,467	192,493
1 – 2 years (inclusive)	236,570	12,339
2 – 3 years (inclusive)	183,678	5,918
3 – 4 years (inclusive)	118,055	–
4 – 5 years (inclusive)	102,934	–
Gross amount of finance lease receivables	1,000,704	210,750
Less: Unearned finance income	(97,947)	(4,706)
Net amount of finance lease receivables	902,757	206,044
Less: Allowance for impairment losses	(153,125)	(20,943)
Carrying amount of finance lease receivables	749,632	185,101
Present value of minimum finance lease receivables:		
Within 1 year (inclusive)	317,803	188,954
1 – 2 years (inclusive)	208,167	11,775
2 – 3 years (inclusive)	167,107	5,315
3 – 4 years (inclusive)	109,631	–
4 – 5 years (inclusive)	100,049	–
Total	902,757	206,044

- (2) Loss allowance of RMB36 million (31 December 2023: RMB36 million) was recorded for loan and advances to customers at FVOCI and was credited to other comprehensive income.

Movements of allowance on loans and advances to customers in 2024 and 2023 are disclosed in Note 52.1.

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27 DEFERRED TAXATION

The followings are the major deferred tax assets and liabilities recognised and movements thereon:

	As at 31 December 2024		As at 31 December 2023	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Provision for impairment of assets	19,403,786	4,841,354	13,749,981	3,427,902
Accrued but unpaid staff cost	1,809,941	451,973	1,515,560	378,378
Fair value changes of FVTPL	1,796,684	449,171	983,766	245,942
Lease Liabilities	965,785	241,446	1,055,725	263,931
Provisions	366,745	91,686	266,497	66,624
Liabilities of early retirement benefits	81,090	20,272	74,094	18,523
Interest adjustments and others	48,980	12,244	86,262	21,565
Deductible losses	–	–	4,139	1,035
Depreciation of property, plant and equipment	(183,875)	(45,969)	(255,533)	(63,883)
Right-of-use assets	(877,693)	(219,423)	(973,824)	(243,456)
Fair value changes and ECL of FVOCI	(1,692,089)	(423,021)	(12,400)	(3,099)
Total	21,719,354	5,419,733	16,494,267	4,113,462

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27 DEFERRED TAXATION (Continued)

	Provision for impairment of assets	Accrued salaries, bonuses and allowances	Provision related to credit commitments and litigation	Fair value changes of FVOCI	Fair value changes of FVTPL	Deductible losses	Others	Total
As at 1 January 2023	2,919,387	343,297	100,765	242,194	245,516	610,816	13,538	4,475,513
Credit/(charge) to profit or loss (Note 13)	508,515	35,081	(34,141)	-	426	(609,781)	(16,858)	(116,758)
Charge to other comprehensive income	-	-	-	(245,293)	-	-	-	(245,293)
As at 31 December 2023	3,427,902	378,378	66,624	(3,099)	245,942	1,035	(3,320)	4,113,462
Credit/(charge) to profit or loss (Note 13)	1,405,048	73,595	25,062	-	203,229	(1,035)	12,018	1,717,917
Charge to other comprehensive income	-	-	-	(419,922)	-	-	-	(419,922)
Purchase interests in associates	8,404	-	-	-	-	-	(128)	8,276
As at 31 December 2024	4,841,354	451,973	91,686	(423,021)	449,171	-	8,570	5,419,733

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28 PROPERTY AND EQUIPMENT

	Buildings	Electronic equipment	Motor vehicles	Furniture and fixtures	Construction in progress	Total
Cost						
As at 1 January 2023	2,678,555	1,384,010	41,101	321,075	134,859	4,559,600
Additions	2,045	87,418	–	38,455	135,488	263,406
Transfers	3,414	–	–	9,873	(13,287)	–
Transfers out	–	–	–	–	(121,737)	(121,737)
Disposals	(368)	(16,906)	–	(62,629)	–	(79,903)
As at 31 December 2023	2,683,646	1,454,522	41,101	306,774	135,323	4,621,366
Additions	–	60,243	–	9,614	122,743	192,600
Purchase interests in associates	73,238	2,716	785	6,666	–	83,405
Transfers	–	1,329	–	3,172	(4,501)	–
Transfers out	–	–	–	–	(108,318)	(108,318)
Disposals	(350)	(90,610)	–	(11,667)	–	(102,627)
As at 31 December 2024	2,756,534	1,428,200	41,886	314,559	145,247	4,686,426
Accumulated depreciation						
As at 1 January 2023	(878,500)	(1,010,470)	(37,528)	(177,391)	–	(2,103,889)
Provided for the year	(90,138)	(209,625)	(763)	(48,763)	–	(349,289)
Disposals	–	16,410	–	37,096	–	53,506
As at 31 December 2023	(968,638)	(1,203,685)	(38,291)	(189,058)	–	(2,399,672)
Provided for the year	(90,134)	(127,975)	(770)	(40,866)	–	(259,745)
Purchase interests in associates	(32,320)	(2,293)	(564)	(6,048)	–	(41,225)
Disposals	–	87,268	–	9,814	–	97,082
As at 31 December 2024	(1,091,092)	(1,246,685)	(39,625)	(226,158)	–	(2,603,560)
Net book value						
As at 31 December 2023	1,715,008	250,837	2,810	117,716	135,323	2,221,694
As at 31 December 2024	1,665,442	181,515	2,261	88,401	145,247	2,082,866

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28 PROPERTY AND EQUIPMENT *(Continued)*

The carrying amount of buildings of the Group which is still in the process with incomplete title deeds as at 31 December 2024 amounted to RMB54.45 million (31 December 2023: RMB56.93 million). The directors of the Bank are of the opinion that these incomplete title deeds would not cause any significant impact on the Group's operations.

As at 31 December 2024 and 2023, the Group had no buildings rented to third.

29 RIGHT-OF-USE ASSETS

	Buildings	Land use rights	Total
As at 31 December 2024			
Carrying amount	882,629	37,800	920,429
As at 31 December 2023			
Carrying amount	980,734	39,172	1,019,906
For the year ended 31 December 2024			
Depreciation charge	(276,452)	(1,372)	(277,824)
For the year ended 31 December 2023			
Depreciation charge	(281,903)	(1,372)	(283,275)
		As at	As at
		31 December	31 December
		2024	2023
Expense relating to short-term leases		11,045	10,874
Total cash outflow for leases		301,434	320,357
Additions to right-of-use assets		180,216	193,402

For both years, the Group leases various buildings for its operations. Lease contracts are entered into for fixed term of 1 to 10 years.

Details of the lease maturity analysis of lease liabilities are set out in Notes 36 and 52.2.

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30 INTERESTS IN ASSOCIATES

The balance of interests in associates is as follows:

	As at 31 December 2024	As at 31 December 2023
Unlisted shares, at cost	118,000	223,000
Share of post-acquisition losses and other comprehensive income	92,776	79,715
Total	210,776	302,715

Details of the Bank's associates as at 31 December 2024 are set out below:

Name of entity	Type of legal entity	Place of incorporation/ establishment	Date of incorporation/ establishment	Share capital/ registered capital as at 31 December 2024 (In RMB'000)	Proportion of ownership and voting rights held by the Group		Principal activities
					As at 31 December 2024 %	As at 31 December 2023 %	
AlaEr JinHui County Bank Company Limited (阿拉爾津匯村鎮銀行有限責任公司)	Limited liability company	Xinjiang, PRC	August 2016	50,000	40	40	Banking
Tiemenguan JinHui County Bank Company Limited (鐵門關津匯村鎮銀行有限責任公司)	Limited liability company	Xinjiang, PRC	September 2016	50,000	49	49	Banking
HuTuBi JinHui County Bank Company Limited (呼圖壁津匯村鎮銀行有限責任公司)	Limited liability company	Xinjiang, PRC	September 2016	50,000	49	49	Banking
TaCheng JinHui County Bank Company Limited (塔城津匯村鎮銀行有限責任公司)	Limited liability company	Xinjiang, PRC	June 2017	50,000	49	49	Banking
FuKang JinHui County Bank Company Limited (阜康津匯村鎮銀行有限責任公司)	Limited liability company	Xinjiang, PRC	August 2017	50,000	49	49	Banking

For the year ended 31 December 2024, the total amount of operating income of the associates was RMB113 million (2023: RMB143 million). Total assets and total equity of these associates as at 31 December 2024 were RMB4,162 million (31 December 2023: RMB5,209 million) and RMB455 million (31 December 2023: RMB760 million) respectively. The Group's share of these amounts represents 0.32%, 0.21% and 0.30% (31 December 2023: 0.39%, 0.27% and 0.48%) to the Group's operating income, total assets, and total equity respectively. Directors of the Bank consider that these associates are immaterial to the Group.

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30 INTERESTS IN ASSOCIATES *(Continued)*

For the year ended 31 December 2024, the Bank acquired Tianjin Jizhou County Bank Company Limited (天津市薊州村鎮銀行股份有限公司) and converted it into a branch of the Bank. Tianjin Jizhou County Bank Company Limited has been approved for dissolution.

31 OTHER ASSETS

	Note	As at 31 December 2024	As at 31 December 2023
Amount pending for settlement		3,779,102	1,168,559
Reposessed assets	(1)	1,819,362	2,012,077
Intangible assets		592,862	517,784
Investment prepayments		500,000	–
Other receivables		456,591	492,554
Prepaid expense and others		232,886	269,756
Total		7,380,803	4,460,730

- (1) The Group obtained the following assets during the year by taking possession of collateral held as security against loans and advances and held at the year end. The Group's policy is to realise collateral on a timely basis. The Group does not use non-cash collateral for its operations.

	As at 31 December 2024	As at 31 December 2023
Properties	1,818,193	2,012,077
Others	1,169	–
Total	1,819,362	2,012,077

The balance of provision for impairment losses of reposessed assets is RMB86 million (31 December 2023: RMB90 million).

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32 BORROWINGS FROM CENTRAL BANK

	As at 31 December 2024	As at 31 December 2023
Medium-term lending facilities	62,097,525	61,330,437
Refinancing	16,618,294	15,001,200
Rediscounting	2,250,592	1,854,780
Carbon-reduction supporting tool	-	14,952
Total	80,966,411	78,201,369

33 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December 2024	As at 31 December 2023
Banks in Mainland China	26,977,771	23,521,660
Other financial institutions in Mainland China	37,366,809	35,521,951
Total	64,344,580	59,043,611

34 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December 2024	As at 31 December 2023
Banks in Mainland China	24,723,863	22,796,596
Other domestic financial institutions	2,103,216	500,125
Overseas banks	846,581	6,428,564
Total	27,673,660	29,725,285

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35 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

Analysed by counterparties:

	As at 31 December 2024	As at 31 December 2023
Banks in Mainland China	58,438,966	66,821,659
Other domestic financial institutions	6,224,884	1,695,747
Total	64,663,850	68,517,406

Analysed by collateral type:

	As at 31 December 2024	As at 31 December 2023
Bonds	48,732,661	49,265,182
Bills	15,931,189	19,252,224
Total	64,663,850	68,517,406

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36 LEASE LIABILITIES

	As at 31 December 2024	As at 31 December 2023
Lease liabilities payable		
Within one year	284,638	228,492
Within a period of more than one year but not more than two years	213,921	212,944
Within a period of more than two year but not more than five years	266,994	363,827
Within a period of more than five years	202,817	253,499
Total	968,370	1,058,762

The weighted average incremental borrowing rates applied to lease liabilities range from 2.15% to 4.66% (31 December 2023: from 3.18% to 4.66%).

37 DUE TO CUSTOMERS

	As at 31 December 2024	As at 31 December 2023
Demand deposits		
Corporate customers	198,111,048	200,619,699
Individual customers	28,334,452	25,536,808
Time deposits		
Corporate customers	83,318,690	62,930,576
Individual customers	169,231,329	140,266,055
Pledged deposits	21,936,918	21,254,803
Others	24,577	78,440
Total	500,957,014	450,686,381

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37 DUE TO CUSTOMERS *(Continued)*

(1) Pledged deposits analysed by products for which deposits are required:

	As at 31 December 2024	As at 31 December 2023
Acceptances	14,123,076	12,678,642
Letters of credit	5,999,162	3,611,512
Letters of guarantee	1,201,407	673,726
Credit	286,721	3,542,725
Others	326,552	748,198
Total	21,936,918	21,254,803

38 DEBT SECURITIES ISSUED

	Notes	As at 31 December 2024	As at 31 December 2023
24 Bank of Tianjin Tier-2 capital bonds 01	(1)	10,162,989	–
24 Tianjin Bank bonds 01	(2)	10,108,684	–
23 Bank of Tianjin Tier-2 capital bonds 01	(3)	7,234,381	7,233,341
24 Tianjin Bank bonds 02	(4)	4,999,386	–
Tianjin Bank 1-month negotiable certificates of deposit	(5)	949,368	1,617,477
Tianjin Bank 3-month negotiable certificates of deposit	(6)	13,485,581	21,781,950
Tianjin Bank 6-month negotiable certificates of deposit	(7)	18,690,368	17,460,203
Tianjin Bank 9-month negotiable certificates of deposit	(8)	6,022,440	3,969,450
Tianjin Bank 1-year negotiable certificates of deposit	(9)	38,311,084	31,223,971
Total		109,964,281	83,286,392

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38 DEBT SECURITIES ISSUED (Continued)

- (1) On 20 May, 2024, the Bank issued tier-2 capital bonds with a maturity of 10 years and a face value of RMB10.0 billion, with a fixed coupon rate of 2.75% per annum and an annual interest payment. These bonds pay fixed interest rate with a conditional issuer call right at the end of the fifth year, the issuer has the right to redeem part or all of the face value of the bonds subject to the approval of the relevant regulatory authority. In the event of a regulatory trigger event specified in the offering documents, the Bank has the right to write down the principal amount of the bonds in full and any accumulated interest payable that has not been paid will no longer be paid. According to the relevant regulations of the NFRA (formerly the "CBIRC"), these tier-2 capital bonds are qualified tier-2 capital instruments.
- (2) On 20 June, 2024, the Bank issued 3 year fixed-rate financial bonds at a face value of RMB10.0 billion with a fixed rate of 2.12% per annum, payable annually.
- (3) On 10 April, 2023, the Bank issued tier-2 capital bonds with a maturity of 10 years and a face value of RMB7.0 billion, with a fixed coupon rate of 4.70% per annum and an annual interest payment. These bonds pay fixed interest rate with a conditional issuer call right at the end of the fifth year, the issuer has the right to redeem part or all of the face value of the bonds subject to the approval of the relevant regulatory authority. In the event of a regulatory trigger event specified in the offering documents, the Bank has the right to write down the principal amount of the bonds in full and any accumulated interest payable that has not been paid will no longer be paid. According to the relevant regulations of the NFRA (formerly the "CBIRC"), these tier-2 capital bonds are qualified tier-2 capital instruments.
- (4) On 26 December, 2024, the Bank issued 3-year fixed-rate financial bonds at a face value of RMB5.0 billion with a fixed coupon rate of 1.78% per annum, payable annually.
- (5) The Bank issued a series of 1-month negotiable certificates of deposit ("CD") at a discount. As at 31 December 2024, the face value of outstanding CD amounted to RMB1.0 billion, with a reference interest rate range of 1.70%-1.85% (31 December 2023: 2.60%-2.80%) per annum, payable at maturity.
- (6) The Bank issued a series of 3-month CD at a discount. As at 31 December 2024, the face value of outstanding CD amounted to RMB13.5 billion, with a reference interest rate range of 1.70% – 1.99% (31 December 2023: 2.35% – 2.87%) per annum, payable at maturity.
- (7) The Bank issued a series of 6-month CD at a discount. As at 31 December 2024, the face value of outstanding CD amounted to RMB18.8 billion, with a reference interest rate range of 1.70%-2.03% (31 December 2023: 2.17%-2.87%) per annum, payable at maturity.
- (8) The Bank issued a series of 9-month CD at a discount. As at 31 December 2024, the face value of outstanding CD amounted to RMB6.1 billion, with a reference interest rate range of 1.87% – 2.22% (31 December 2023: 2.26% – 2.88%) per annum, payable at maturity.
- (9) The Bank issued a series of 1-year CD at a discount. As at 31 December 2024, the face value of outstanding CD amounted to RMB38.8 billion, with a reference interest rate range of 1.79% – 2.55% (31 December 2023: 2.36% – 2.88%) per annum, payable at maturity.

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39 OTHER LIABILITIES

	Notes	As at 31 December 2024	As at 31 December 2023
Settlement payable		2,782,640	2,404,223
Salaries and benefits payable	(a)	1,911,568	1,609,156
Other payables		898,413	591,654
Sundry taxes payable		309,538	325,946
Provision related to credit commitments	(b)	366,745	266,497
Dividends payable		14,131	13,712
Total		6,283,035	5,211,188

(a) Salaries and benefits payable are listed below:

	Notes	As at 1 January 2024	Increase	Decrease	As at 31 December 2024
Salaries, bonuses, allowances and subsidies payable		1,534,000	1,824,439	(1,528,799)	1,829,640
Social insurance		–	141,109	(141,109)	–
Housing fund		–	148,947	(148,947)	–
Employee benefits		–	82,979	(82,979)	–
Early retirement benefits	(i)	74,094	24,501	(17,506)	81,089
Labor union expenditure and education costs		1,062	50,406	(50,629)	839
Defined contribution plans					
Basic endowment insurance		–	194,435	(194,435)	–
Unemployment insurance		–	6,069	(6,069)	–
Annuity schemes	(ii)	–	133,472	(133,472)	–
Total		1,609,156	2,606,357	(2,303,945)	1,911,568

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39 OTHER LIABILITIES *(Continued)*

(a) Salaries and benefits payable are listed below: *(Continued)*

	Notes	As at 1 January 2023	Increase	Decrease	As at 31 December 2023
Salaries, bonuses, allowances and subsidies payable		1,401,152	1,713,093	(1,580,245)	1,534,000
Social insurance		–	138,928	(138,928)	–
Housing fund		–	143,476	(143,476)	–
Employee benefits		–	78,667	(78,667)	–
Early retirement benefits	(i)	76,007	16,456	(18,369)	74,094
Labor union expenditure and education costs		1,087	42,988	(43,013)	1,062
Defined contribution plans					
Basic endowment insurance		–	186,776	(186,776)	–
Unemployment insurance		–	6,454	(6,454)	–
Annuity schemes	(ii)	–	121,779	(121,779)	–
Total		1,478,246	2,448,617	(2,317,707)	1,609,156

(i) Early retirement benefits contain cost of living, subsidies, social insurance and housing fund. The related benefit payments are made from the date of early retirement to the normal retirement date.

(ii) Employees who retire after year 2007 can voluntarily participate in an annuity plan set up by the Bank pursuant to related state corporate annuity regulations. The Bank contributes to the annuity plan based on certain percentage of the employees' gross salary of previous year and the contribution is recognised in profit or loss as incurred.

(b) Movement of provision related to credit commitments is disclosed in Note 52.1.

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40 SHARE CAPITAL

	As at 31 December 2024	As at 31 December 2023
Issued and fully paid at RMB1 per share	6,070,552	6,070,552

41 CAPITAL RESERVE

The balance of capital reserve mainly represents share premium arising from the Bank's initial public offering of H shares (net of listing expense) and other share issuances in prior years. It also included the difference between the carrying amount of net assets and the amount contributed by non-controlling shareholders during the capital injection of its subsidiary.

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42 INVESTMENT REVALUATION RESERVE

	Gross amount	Tax effect	Net amount
As at 1 January 2023	(662,813)	165,703	(497,110)
Fair value changes in financial assets at fair value through other comprehensive income	1,345,921	(336,480)	1,009,441
Amount reclassified to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	(364,748)	91,187	(273,561)
Impairment loss for financial assets at fair value through other comprehensive income	(123,001)	30,750	(92,251)
As at 31 December 2023	195,359	(48,840)	146,519
Fair value changes in financial assets at fair value through other comprehensive income	2,932,831	(733,208)	2,199,623
Amount reclassified to profit or loss upon disposal of debt instruments at fair value through other comprehensive income	(1,253,141)	313,286	(939,855)
Impairment loss for financial assets at fair value through other comprehensive income	33,252	(8,313)	24,939
As at 31 December 2024	1,908,301	(477,075)	1,431,226

43 SURPLUS RESERVE

Under the relevant PRC Laws, corporation is required to transfer 10% of its net profit, determined under the PRC accounting standards, to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve has been ceased for year ended 31 December 2024 as the balance of this reserve has reached 50% of the share capital.

After making the appropriation to the statutory surplus reserve, the corporation may also appropriate its profit for the year to a discretionary surplus reserve upon approval by the shareholders in the shareholders' general meeting. Subject to the approval by the shareholders' general meeting, the discretionary surplus reserve may be used to offset accumulated losses of the corporation, if any, and may be converted into capital.

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44 GENERAL RESERVE

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance of the PRC, in addition to the individual and collective allowances for impairment losses, financial enterprise is required to establish and maintain a general reserve within equity to address potential unidentified impairment losses.

45 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2024								
	As at 1 January	Cash received from financing activities	Repayment		Interest accruals	Interest payments	New leases	Others	As at 31 December
			of financing activities						
Lease liabilities (Note 36)	1,058,762	-	(301,434)	33,172	-	177,870	-	968,370	
Debt securities issued (Note 38)	83,286,392	224,166,046	(199,620,000)	2,460,843	(329,000)	-	-	109,964,281	

	2023								
	As at 1 January	Cash received from financing activities	Repayment		Interest accruals	Interest payments	New leases	Others	As at 31 December
			of financing activities						
Lease liabilities (Note 36)	1,154,111	-	(320,357)	37,169	-	198,217	(10,378)	1,058,762	
Debt securities issued (Note 38)	93,473,329	175,520,411	(187,160,000)	2,119,152	(666,500)	-	-	83,286,392	

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46 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following balances with an original maturity of less than three months:

	As at 31 December 2024	As at 31 December 2023
Cash	1,177,589	1,393,197
Balances with central bank	27,698,300	14,246,479
Deposits with banks and other financial institutions	2,960,072	4,655,160
Placements with banks and other financial institutions	300,000	354,135
Total	32,135,961	20,648,971

47 STRUCTURED ENTITIES

(1) Structured entities sponsored by third party institutions in which the Group holds interests

The Group holds interests in these structured entities sponsored by third party institutions through investments in the rights or plans issued relating to these structured entities. The Group does not consolidate these structured entities. Such structured entities include asset-backed securities, wealth management products issued by financial institutions, asset management plans, trust plans and funds.

The following table set out an analysis of the gross carrying amounts of interests held by the Group as at 31 December 2024 in the structured entities sponsored by third-party institutions.

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47 STRUCTURED ENTITIES *(Continued)*

(1) Structured entities sponsored by third party institutions in which the Group holds interests *(Continued)*

	As at 31 December 2024	As at 31 December 2023
Asset-backed securities	4,873,509	10,232,477
Funds	51,694,803	40,579,440
Asset management plans	15,399,415	30,140,806
Trust beneficiary rights	19,935,700	18,350,528
Wealth management products	4,000,284	–
Total	95,903,711	99,303,251

All of these unconsolidated structured entities are recorded in financial assets at fair value through profit or loss (Note 22), debt instruments at fair value through other comprehensive income (Note 23) and debt investments at amortised cost (Note 24).

(2) Unconsolidated structured entities sponsored by the Group in which the Group holds interests

The types of unconsolidated structured entities sponsored by the Group mainly include net value-based wealth management products. The purpose of sponsoring these structured entities is to generate fees from managing assets on behalf of investors. The variable return that the Group has in relation to the net value-based wealth management products is not significant, therefore these wealth management products are not consolidated by the Group.

As at 31 December 2024, the amount of assets held by the unconsolidated structured entities sponsored by the Group amounted to RMB62,581 million (31 December 2023: RMB63,059 million). During the year ended 31 December 2024, the Group's interest in these wealth management products included net fee and commission income of RMB272 million (2023: RMB240 million).

The Group did not provide any financial or other support to these unconsolidated structured entities during the year.

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48 RELATED PARTY TRANSACTIONS

(1) Major shareholders of the Bank

(a) The following major shareholders held more than 5% interest of the Bank directly or indirectly

	Shareholding ratio		Main business	Legal representative	Place of registration	Registered capital	
	31 December	31 December				31 December	31 December
	2024	2023				2024	2023
Tianjin Bonded Zone Investment Co., Ltd.	15.94%	15.94%	Investment and management	Dong Guangpei	Tianjin	10,688,895	10,288,895
Australia and New Zealand Banking Group Limited	11.95%	11.95%	Financial business	Not applicable	Melbourne Australia	Not applicable	Not applicable
Tianjin Bohai Chemical Industry Group Co., Ltd. (i)	8.07%	8.07%	Investment and management	Wang Junming	Tianjin	8,574,791	8,574,791
Tianjin Pharmaceutical Holdings Ltd. (ii)	8.06%	8.06%	Investment and management	Zhang Mingrui	Tianjin	5,492,950	5,492,950

- (i) Tianjin Bohai Chemical Industry Group Co., Ltd. directly holds 487,078,366 shares, owning 8.024% equity; and through a number of controlled corporations, holds another aggregate of 2,778,686 shares, totalling 0.046% equity. As such, Tianjin Bohai Chemical Industry Group Co., Ltd. is controlling a total of 489,857,052 shares of the Bank, representing 8.07% equity.
- (ii) Tianjin Pharmaceutical Holdings Ltd. directly holds 487,713,488 shares, owning 8.034% equity; and through a number of controlled corporations, holds another aggregate of 1,393,695 shares, totalling 0.023% equity. As such, Tianjin Pharmaceutical Holdings Ltd. is controlling a total of 489,107,183 shares of the Bank, representing 8.06% equity.

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(1) Major shareholders of the Bank *(Continued)*

(b) *The following major shareholders held less than 5% of the Bank's shares but have significant influence*

	Main business	Legal representative	Place of registration	Registered capital	
				As at	As at
				31 December 2024	31 December 2023
CSSC International Holding Company Limited	Investment and management	Not applicable	Hong Kong	Not applicable	Not applicable
Tianjin Financial Investment And Services Group	Investment and management	Liu Zhi	Tianjin	5,322,331	5,322,331

Balances and transactions between the Group and these major shareholders and entities under their control

During the year, the Group had the following balances and entered into the following transactions with major shareholders and entities under their control. These transactions were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties, or in accordance with the Group's contractual agreements, and are subject to approval by the appropriate decision-making bodies, depending on the type and content of the transaction.

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(1) Major shareholders of the Bank *(Continued)*

*Balances and transactions between the Group and these major shareholders and entities under their control
(Continued)*

	As at 31 December 2024	As at 31 December 2023
Assets		
Loans and advances to customers	13,411,943	10,036,343
Financial assets at fair value through profit or loss	486,723	171,052
Financial assets at amortised cost	102,400	206,001
Debt instruments at fair value through other comprehensive income	306,720	422,209
Total	14,307,786	10,835,605
Liabilities		
Deposits from banks and other financial institutions	682,200	1,104,602
Due to customers	4,836,136	4,780,573
Total	5,518,336	5,885,175
Off-Balance Sheet		
Bank acceptance	1,495,499	1,717,235
Letters of credit	400,000	900,000
Unused credit	149,057	135,953
Total	2,044,556	2,753,188

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(1) Major shareholders of the Bank *(Continued)*

*Balances and transactions between the Group and these major shareholders and entities under their control
(Continued)*

	Year ended 31 December	
	2024	2023
Transactions during the year:		
Interest income	700,989	693,625
Interest expense	70,055	57,657
Fee and commission income	52,740	–
Trading net profit and loss	23,803	73,635
Interest rate ranges during the year:		
Financial assets at amortised cost	3.43%	3.43% – 7.50%
Debt instruments at fair value through other comprehensive income	2.69% – 7.00%	3.24% – 7.00%
Loans and advances to customers	3.00% – 8.50%	3.20% – 8.50%
Due to customers	0.10% – 4.05%	0.005% – 4.05%

Material related party transaction refers to the transaction in which the amount of a single transaction between the Bank and the same related party accounts for more than 1% of the Bank's net capital, or the accumulated transaction amounts account for more than 5% of the Bank's net capital. As of 31 December 2024, the Bank granted Tianjin State-owned Capital Investment Management Ltd. an additional RMB11,000 million one-year line of credit, the balance of loans was RMB6,486 million for TSCIM by the end of the year (As of 31 December 2023, the Bank granted TSCIM an additional RMB10,600 million one-year line of credit, the balance of loans was RMB5,478 million for TSCIM by the end of the year).

As of 31 December 2024, the Bank granted Tianjin Free Trade Zone Investment Holdings Group Co., Ltd. an additional RMB8,000 million two-years line of credit, with the balance of outstanding loans RMB5,660 million. (As of 31 December 2023, the Bank granted Tianjin Free Trade Zone Investment Holdings Group Co., Ltd. an additional RMB8,000 million two-years line of credit, with the balance of outstanding loans RMB3,790 million).

As of 31 December 2024, the Bank granted Tianjin NGS Hongda General Company an additional RMB6,000 million one-year line of credit, while the balance of outstanding loans was RMB1,266 million. (As of 31 December 2023, the Bank granted Tianjin NGS Hongda General Company an additional RMB1,180 million one-year line of credit, while the balance of outstanding loans was RMB719 million).

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48 RELATED PARTY TRANSACTIONS (Continued)

(1) Major shareholders of the Bank (Continued)

Balances and transactions between the Group and these major shareholders and entities under their control
(Continued)

Related Party name	Main business	Legal representative	Registered place	Registered capital on	Registered capital on	Relationship with the Bank
				31 December 2024	31 December 2023	
Tianjin State-owned Capital Investment and Operation Co., Ltd.	Investment and Management	Hou Yufeng	Tianjin	19,174,755	19,160,755	The controlling shareholder of major shareholder of the Bank
Tianjin Free Trade Zone Investment Holdings Group Co., Ltd	Investment and Management	Zhong Xiaolong	Tianjin	26,905,714	26,563,032	The controlling shareholder of major shareholder of the Bank
Tianjin NGS Hongda General Company	Agriculture	Tang Jinliang	Tianjin	408,000	240,000	Other related party of major shareholder of the Bank

(2) An associate

The basic information of the associates is detailed in Note 30.

During the year, the Group had the following balances and transactions with associates. The Group's transactions with associates are priced on the basis of market prices, processed in the normal course of business, or in accordance with the Group's contractual agreements, and are subject to approval by the appropriate decision-making bodies, depending on the type and content of the transaction.

	As at 31 December 2024	As at 31 December 2023
Deposits from banks and other financial institutions	607,067	1,058,515

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(2) An associate *(Continued)*

	Year ended 31 December	
	2024	2023
Transactions during the year:		
Interest expense	39,151	25,392
Interest rate ranges during the year:		
Deposit from banks and other financial institutions	1.40% – 2.70%	0.35% – 2.75%

In 2024 and 2023, the proportion of transactions between the Group and its associates is not significant.

(3) Subsidiaries controlled by the Bank

The basic information about the subsidiaries controlled by the Bank is detailed in Note 54.

There are certain related party transactions between the Bank and its subsidiaries. All transactions shall be based on market prices and shall be handled in accordance with normal business procedures or in accordance with the provisions of the Bank's contracts, and shall be approved by the relevant decision-making bodies according to the type and content of transactions.

In 2024 and 2023, transactions between the Bank and its subsidiaries include lending of funds, inter-bank deposits and guarantees, etc.

On 31 December 2024 and 31 December 2023, the Bank's principal balance of loans to subsidiaries is RMB1,700 million and RMB400 million respectively. The principal balance of funds deposited by the subsidiaries with the Bank was RMB1,994 million and RMB855 million respectively. Guarantee given to PBOC for a subsidiary was RMB33 million and RMB53 million respectively.

In 2024 and 2023, the interest income corresponding to transactions between the Bank and its subsidiaries was RMB22 million and RMB93 million respectively, and the interest expense was RMB17 million and RMB8 million respectively.

In 2024 and 2023, the amount of other transactions between the Bank and its subsidiaries is not material.

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(4) Other related parties

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

During the year, the Group had the following material balances and entered into the following material transactions with other related entities. These transactions were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

	As at 31 December 2024	As at 31 December 2023
Assets		
Loans and advances to customers	396,773	–
Liabilities		
Due to customers	106	–

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(4) Other related parties *(Continued)*

	Year ended 31 December	
	2024	2023
Transactions during the year:		
Interest income	18,184	–
Interest expense	1	–
Interest rate ranges during the year:		
Loans and advances to customers	4.90%	–
Due to customers	0.10%	–

In 2024 and 2023, the amount of other transactions between the Bank and its other related parties is not material.

(5) Key management personnel

Key management personnel include directors, supervisors and senior management team members.

No major transactions have been entered into with the key management personnel for the year ended 31 December 2024 other than the emoluments paid to them.

	Note	Year ended 31 December	
		2024	2023
Fees		1,285	1,434
Basic salaries, bonuses and allowances	(a)	5,243	13,584
Contribution to pension schemes and others		1,646	1,454
Total		8,174	16,472

(a) Bonuses for 2024 can only be determined after the shareholders' general meeting and regulatory approval. Bonuses for 2023 has been restated as per the approved amounts.

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48 RELATED PARTY TRANSACTIONS *(Continued)*

(6) Transactions with Connected Natural Persons

As at 31 December 2024, the Bank's balance of loans to the connected natural persons as defined in the regulations issued by the NFRA totalled RMB40 million (31 December 2023: RMB48 million).

(7) Annuity scheme

Apart from the obligations for defined contributions to the Annuity scheme and normal banking transactions, no other transactions were conducted between the Group and the Annuity scheme for the years ended 31 December 2024 and 2023.

49 CONTINGENT LIABILITIES AND COMMITMENTS

Legal proceedings

The Bank and its subsidiaries, as defendants, are involved in certain lawsuits arising from the normal business operations. As at 31 December 2024 and 2023, the Group has assessed and measured the impact of those pending lawsuits, and no provision related to these lawsuits has been recognized.

Credit commitments

The Group's credit commitments take the form of loan commitments, credit card commitments, financial guarantees, letters of credit and bank acceptances.

Loan commitments and credit card commitments represent the undrawn amount of approved loans with signed contracts and credit card limits. Financial guarantees and letters of credit represent guarantees provided by the Group to guarantee the performance of customers to third parties. Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects the majority of acceptances to be settled simultaneously with the reimbursement from customers.

The contractual amounts of credit commitments by categories are set out below. The amounts disclosed irrespective of loan commitments and credit card commitments that are drawn down. The amounts of guarantees, letters of credit and acceptances represent the maximum potential loss that would be recognised at the reporting date if counterparties failed to perform as contracted.

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49 CONTINGENT LIABILITIES AND COMMITMENTS *(Continued)*

Credit commitments *(Continued)*

	As at 31 December 2024	As at 31 December 2023
Loan commitments		
– with an original maturity within one year	3,485,076	5,153,412
– with an original maturity of one year or above	22,387,527	21,069,984
Acceptances	66,867,071	44,295,975
Letters of credit issued	28,466,281	16,479,025
Credit card commitments	7,395,265	10,930,702
Letters of guarantee issued	9,480,715	5,933,032
Total	138,081,935	103,862,130

Collateral

Assets pledged

The carrying amount of financial assets pledged as collateral in the Group's ordinary course of business, including repurchase agreements, etc., are disclosed as below:

	As at 31 December 2024	As at 31 December 2023
Debt securities	51,173,900	52,626,600
Discounted bills	15,939,977	19,272,362
Total	67,113,877	71,898,962

As at 31 December 2024 and 31 December 2023, the Group's liabilities related to the above collateral were due within 12 months from the effective dates of these agreements and title of these collateral was not transferred to counterparties.

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49 CONTINGENT LIABILITIES AND COMMITMENTS *(Continued)*

Capital commitments

	As at 31 December 2024	As at 31 December 2023
Contracted but not provided for-commitments for the acquisition of property and equipment	163,798	320,450

Redemption commitments of government bond

The Group is authorised by the Ministry of Finance to underwrite certificate government bonds and e-saving bonds. The investors of these bonds can redeem before maturity date and the Group has the obligation to pay the principal and related interests to investors.

As at 31 December 2024, the principal balance of certificate government bonds which the Group had an obligation to pay in advance amounted to RMB1,854 million (31 December 2023: RMB1,832 million) and the principal balance of e-saving bonds amounted to RMB1,502 million (31 December 2023: RMB1,500 million). The original terms of these bonds are from 3 to 5 years.

The Ministry of Finance does not pay the principal and interest of the certificate government bonds before the expiry date, but pays the principal and interest of the e-savings bonds on a regular basis based on the payment approach for the e-savings bonds.

50 FIDUCIARY ACTIVITIES

The Group commonly acts as asset manager or in other fiduciary capacities, that results in it holding or managing assets on behalf of individuals or corporations. These assets and any gains or losses arising thereon are not included in the financial statements of the Group as they are not the Group's assets.

As at 31 December 2024, the entrusted loans balance of the Group amounted to RMB4,164 million (31 December 2023: RMB2,704 million).

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51 TRANSFER OF FINANCIAL ASSETS

Repurchase agreement

The Group entered into repurchase agreements with certain counterparties to sell bonds or bills of carrying amount of RMB67,114 million as at 31 December 2024 (31 December 2023: RMB71,899 million) which are subject to the simultaneous agreements with commitments to repurchase at specified future dates and prices. The proceeds from selling such bonds or bills totaling RMB64,664 million (31 December 2023: RMB68,517 million) is presented as “financial assets sold under repurchase agreements” (Note 35) as at the end of the year.

As stipulated in the repurchase agreements, there is no transfer of the legal ownership of these bonds or bills to the counterparties during the covered period. However, the Group is not allowed to sell or pledge these securities during the covered period unless both parties mutually agree with such arrangement. Accordingly, the Group has determined that it retains substantially all the risks and rewards of these bonds or bills and therefore have not derecognised them from the financial statements but regarded as “collateral” for the secured lending from the counterparties. The counterparty’s recourse is not limited to the transferred assets.

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52 FINANCIAL RISK MANAGEMENT

Overview

The primary objectives of risk management of the Group are to maintain risk within acceptable parameters and satisfy the regulatory requirements.

The Group has designed risk management policies and set up risk controls to identify, analyse, monitor and report risks by means of relevant and up-to-date information systems. The Group regularly reviews its risk management policies and systems to address changes in markets, products and emerging best practices.

Details of the financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments include credit risk, liquidity risk and market risk (interest rate risk, currency risk and other price risk). The policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Risk management framework

The Bank has a Risk Management Committee, of which an executive director acts as the chairman. Risk Management Committee is responsible for setting the overall risk management and internal control strategies of the Group, monitoring the credit risk, liquidity risk, market risk and operation risk, and periodically assesses the overall risk position, risk acceptance and management capabilities, and makes recommendations and suggestions on risk management and internal control of the Group.

Following the risk management strategies set by the Risk Management Committee, the Risk Management Department of the Bank formulates and implements relevant risk management policies and procedures to monitor the risk arising from financial instruments of the Group.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations. Credit risk can also arise from operational failures that result in an unauthorised or inappropriate advance, commitment or investment of funds. Credit risk mainly arises from loans and advances to customers, debt instruments at FVOCI and debt instruments at amortised cost. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

(1) *Credit risk management*

The Group manages the Group's credit risk through the following processes:

- Ensuring that the Group has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's stated policies and procedures and relevant supervisory guidance.
- Monitoring, identifying, assessing, measuring, reporting, controlling and mitigating credit risk across the Group, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Group's processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.
- Ensuring that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(2) *Significant increase in credit risk*

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

Internal credit risk ratings

In order to manage credit risk, the Group has developed and maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Group's credit risk grading framework comprises 12 categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The following data are typically used to monitor the Group's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilisation of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For personal exposures: internally generated data of customer behaviour, affordability metrics etc; and
- For corporate exposures: information obtained by periodic review of customer files including audited financial statements review, market data such as prices of quoted bonds where available, changes in the sector the customer operates etc.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(2) Significant increase in credit risk (Continued)

Internal credit risk ratings *(Continued)*

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The table below provides a mapping of the Group's internal credit risk grades to external ratings.

Group's credit risk grades (Internal rating)	External rating
1	AAA
2	AA+
3	AA
4	AA-
5	A+
6	A, A-
7	BBB+ to BBB-
8	BB+ to BB-
9	B+ to B-
10	CCC, CC+
11	CC to C+
12	C, C-

The Group analyses all data collected using statistical models and estimates the remaining lifetime PD of exposures and how these are expected to change over time.

The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used include both quantitative changes in PDs as well as qualitative factors.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(3) *Incorporation of forward-looking information*

Based on historical data analysis, the Group classifies the credit exposures by credit risk characteristics. The credit risk modelling process is combined external authority data with internal historical data to identify key economic indicators that affect credit risks and expected credit losses of all asset portfolios. The Group uses forward-looking information in its measurement of ECL with consideration of the leading and lagging effects of economic indicators. The Group employs economic factors including M1: year-on-year (2025, Base: - 11.41%), PPI: all manufactured goods: year-on-year for the month (2025, Base: -0.83%), China commodity price index: total index (2025, Base: 181.71%), Commercial housing sales area: residential: existing housing: cumulative year-on-year (2025, Base: 10.83%), to determine an overall adjustment to the base ECL. Similar to other economic projections, there is a high degree of inherent uncertainty in the estimation of expected values and likelihood of occurrence, so actual results may differ materially from forecasts. The Group updates the expected values of macroeconomic indicators periodically.

The Group has adopted three economic scenarios (Base, Upside and Downside) and applied weightings for them respectively, on the basis of a combination of the macroeconomic information, statistical analysis and expert judgment. As at 31 December 2024, the baseline scenario has the highest weighting with the remaining individual scenarios having a weighting of lower than 30%. The Group measures its credit loss allowance based on probability weighted ECL under different scenarios.

Relatively substantial management judgements are involved in the weighting scheme of macroeconomic scenarios, macroeconomic forecasts, and significant increase in credit risk in expected credit loss models. The variation of key inputs above will inevitably lead to changes in expected credit loss as a result of model's inherent complexity. The Group has analysed sensitivity of ECL model by considering changes in macroeconomic scenario weightings.

Assuming the weighting of the Upside scenario or Downside scenario would increase by 5% and the weighting of the base scenario would decrease by 5%, the absolute change rate of the balance of loss allowance as at 31 December 2024 would be no more than 5%.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(4) *Measurement of ECL*

The key inputs used for measuring ECL are:

- probability of default (PD); and
- loss given default (LGD); and
- exposure at default (EAD).

As explained above these figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from types of guarantee, time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modeling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(4) *Measurement of ECL (Continued)*

The measurement of ECL is based on probability weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items).

(5) *Risk concentration of loans and advances to customers at amortised cost and at FVOCI*

Analysed by geographical area

	As at 31 December			
	2024		2023	
	Gross amount of loans and advances to customers	%	Gross amount of loans and advances to customers	%
Tianjin	313,852,350	69.3	297,622,444	73.1
Hebei	45,584,108	10.0	35,067,238	8.6
Sichuan	35,816,458	7.9	25,180,521	6.2
Shandong	26,933,793	5.9	20,697,469	5.1
Beijing	22,253,120	4.9	18,443,094	4.5
Shanghai	8,349,927	1.8	9,472,417	2.3
Ningxia	865,697	0.2	967,337	0.2
Total	453,655,453	100.0	407,450,520	100.0

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(5) *Risk concentration of loans and advances to customers at amortised cost and at FVOCI (Continued)*

Analysed by industry

	As at 31 December			
	2024		2023	
	Gross Amount	% of total	Gross Amount	% of total
Corporate loans and advances				
Leasing and business services	122,401,632	27.1	85,267,431	21.0
Water, environment and public facilities management	34,477,737	7.6	31,190,324	7.7
Real estate	32,736,809	7.2	30,950,254	7.6
Wholesale and retail	30,469,265	6.7	25,741,677	6.3
Construction	28,351,261	6.2	30,419,767	7.5
Manufacturing	17,701,169	3.9	19,637,500	4.8
Finance	16,698,062	3.7	16,060,045	3.9
Scientific research and technical services	15,862,985	3.5	11,807,480	2.9
Transportation, storage and postal services	11,276,588	2.5	7,184,567	1.8
Agriculture, forestry, animal husbandry and fishery	8,205,607	1.8	2,267,504	0.5
Production and supply of electricity, heat, gas and water	5,248,059	1.2	3,822,569	0.9
Resident services, repair and other services	4,035,382	0.9	2,500,277	0.6
Mining	2,893,547	0.6	2,083,860	0.5
Information transmission, software and information technology services	1,482,393	0.3	1,506,331	0.4
Culture, sports and entertainment	1,105,604	0.2	2,033,909	0.5
Accommodation and catering	980,261	0.2	939,356	0.2
Health and social services	647,404	0.1	560,855	0.1
Education	320,401	0.1	251,292	0.1
Subtotal	334,894,166	73.8	274,224,998	67.3
Discounted bills	21,449,747	4.7	22,636,696	5.6
Corporate loans and advances	356,343,913	78.5	296,861,694	72.9
Personal loans and advances	97,311,540	21.5	110,588,826	27.1
Gross amount of loans and advances to customers	453,655,453	100.0	407,450,520	100.0

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(5) *Risk concentration of loans and advances to customers at amortised cost and at FVOCI (Continued)*

Analysed by contractual maturity and security type

	As at 31 December 2024			Total
	Up to 1 year	1 to 5 years	Over 5 years	
Unsecured	79,290,282	51,678,448	4,419,579	135,388,309
Guaranteed	31,540,093	92,791,696	94,074,941	218,406,730
Collateralised	4,768,429	25,159,334	43,900,187	73,827,950
Pledged	3,985,003	9,482,073	12,565,388	26,032,464
Total	119,583,807	179,111,551	154,960,095	453,655,453

	As at 31 December 2023			Total
	Up to 1 year	1 to 5 years	Over 5 years	
Unsecured	101,971,823	36,540,362	2,609,602	141,121,787
Guaranteed	47,826,193	68,268,440	48,463,547	164,558,180
Collateralised	23,452,074	14,455,353	37,255,111	75,162,538
Pledged	4,259,618	17,878,573	4,469,824	26,608,015
Total	177,509,708	137,142,728	92,798,084	407,450,520

Analysed by borrowers

As at 31 December 2024, the largest 10 borrowers (measured in terms of individual legal entities) of the Group amounted to RMB37,302 million (31 December 2023: RMB35,076 million) accounted for 8.22% (31 December 2023: 8.61%) of loans and advances to customers.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(6) Credit commitments

	As at 31 December 2024	As at 31 December 2023
Undrawn corporate loans limit	25,872,603	26,223,396
Letters of credit	28,466,281	16,479,025
Acceptances	66,867,071	44,295,975
Undrawn credit card limit	7,395,265	10,930,702
Letters of guarantee	9,480,715	5,933,032
Total	138,081,935	103,862,130

Credit commitments represent general facility limits granted to customers. These credit facilities may be drawn in the form of loans and advances or through the issuance of letters of credit, acceptances or letters of guarantee.

Credit risk weighted amounts for credit commitments

	As at 31 December 2024	As at 31 December 2023
Credit commitments	32,951,830	20,289,938

The credit risk-weighted amount of credit commitments at 31 December 2024 is calculated in accordance with the Regulation Governing the Capital of Commercial Banks (“商業銀行資本管理辦法”) promulgated by the NFRA. The credit risk-weighted amount of credit commitments at 31 December 2023 represents the amount calculated with reference to the guidelines issued by the former China Banking Regulatory Commission (“former CBRC”).

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(7) *Maximum credit risk exposure without taking into account any collateral or other credit enhancements*

The maximum exposure to credit risk represents the credit risk exposure per class of financial assets and "stage" to the Group at the end of the reporting period without taking into account any collateral held or other credit enhancements. The exposure to credit risk mainly arises from loans and advances to customers, investment securities, and treasury operations of its banking activities.

Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

At the end of the reporting period, maximum exposure to credit risk is as follows:

	As at 31 December 2024	As at 31 December 2023
Balances with central bank	56,206,157	43,700,715
Deposits with banks and other financial institutions	2,960,072	4,661,406
Placements with banks and other financial institutions	45,391,478	28,468,293
Financial assets held under resale agreements	40,000	7,668,752
Derivative financial assets	27,650	82,886
Loans and advances to customers	440,779,383	396,009,202
Financial investments:		
Financial assets at fair value through profit or loss	107,089,724	93,917,897
Debt instruments at fair value through other comprehensive income	102,333,006	88,863,192
Financial assets at amortised cost	152,331,765	162,245,189
Other financial assets	4,735,693	1,661,113
Subtotal	911,894,928	827,278,645
Loan commitments	138,081,935	103,862,130
Total	1,049,976,863	931,140,775

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(7) *Maximum credit risk exposure without taking into account any collateral or other credit enhancements*
(Continued)

Loans and advances to customers

	As at 31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1 – 5	419,276,464	11,440,459	660,089	431,377,012
Internal grade 6 – 9	–	12,873,600	1,795,383	14,668,983
Internal grade 10 – 12	–	–	7,609,458	7,609,458
Total gross carrying amount	419,276,464	24,314,059	10,064,930	453,655,453
Loss allowance	(4,592,570)	(4,178,803)	(4,104,697)	(12,876,070)
Carrying amount	414,683,894	20,135,256	5,960,233	440,779,383
	As at 31 December 2023			
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	Total
Internal grade 1 – 5	373,647,953	11,583,190	3,369,290	388,600,433
Internal grade 6 – 9	–	11,117,353	916,939	12,034,292
Internal grade 10 – 12	–	–	6,815,795	6,815,795
Total gross carrying amount	373,647,953	22,700,543	11,102,024	407,450,520
Loss allowance	(3,792,523)	(3,180,441)	(4,468,354)	(11,441,318)
Carrying amount	369,855,430	19,520,102	6,633,670	396,009,202

No loss allowance is recognised in the statement of financial position for loans and advances to customers measured at FVOCI as the carrying amount is at fair value.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(7) *Maximum credit risk exposure without taking into account any collateral or other credit enhancements*
(Continued)

Financial assets at amortised cost

	As at 31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1 – 5	144,342,560	–	–	144,342,560
Internal grade 6 – 9	–	8,704,864	–	8,704,864
Internal grade 10 – 12	–	–	1,826,935	1,826,935
Total gross carrying amount	144,342,560	8,704,864	1,826,935	154,874,359
Loss allowance	(113,149)	(1,018,811)	(1,410,634)	(2,542,594)
Carrying amount	144,229,411	7,686,053	416,301	152,331,765
	As at 31 December 2023			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1-5	149,629,249	–	–	149,629,249
Internal grade 6-9	–	10,308,535	–	10,308,535
Internal grade 10-12	–	–	4,166,336	4,166,336
Total gross carrying amount	149,629,249	10,308,535	4,166,336	164,104,120
Loss allowance	(145,277)	(454,492)	(1,259,162)	(1,858,931)
Carrying amount	149,483,972	9,854,043	2,907,174	162,245,189

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(7) *Maximum credit risk exposure without taking into account any collateral or other credit enhancements*
(Continued)

Debt instruments at FVOCI

	As at 31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1 – 5	101,857,343	–	–	101,857,343
Internal grade 6 – 9	–	299,024	–	299,024
Internal grade 10 – 12	–	–	176,639	176,639
Total gross carrying amount	101,857,343	299,024	176,639	102,333,006
Loss allowance	(26,808)	(5,326)	(147,602)	(179,736)

	As at 31 December 2023			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1 – 5	88,388,306	–	–	88,388,306
Internal grade 6 – 9	–	305,746	–	305,746
Internal grade 10 – 12	–	–	169,140	169,140
Total gross carrying amount	88,388,306	305,746	169,140	88,863,192
Loss allowance	(33,741)	(11,347)	(101,564)	(146,652)

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

- (7) *Maximum credit risk exposure without taking into account any collateral or other credit enhancements*
(Continued)

Credit commitments

	As at 31 December 2024			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1 – 5	138,049,484	–	–	138,049,484
Internal grade 6 – 9	–	22,987	–	22,987
Internal grade 10 – 12	–	–	9,464	9,464
Total gross carrying amount	138,049,484	22,987	9,464	138,081,935
Loss allowance	(357,921)	(5,681)	(3,143)	(366,745)

	As at 31 December 2023			Total
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	
	ECL	ECL	ECL	
Internal grade 1 – 5	103,743,202	–	–	103,743,202
Internal grade 6 – 9	–	20,649	–	20,649
Internal grade 10 – 12	–	–	98,279	98,279
Total gross carrying amount	103,743,202	20,649	98,279	103,862,130
Loss allowance	(231,397)	(5,125)	(29,975)	(266,497)

The carrying amount of the Group's derivative financial instruments and financial assets at FVTPL as disclosed in Note 20 and Note 22 best represents the assets' maximum exposure to credit risk.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) Credit quality

(i) Loss allowance

The table below summarises the loss allowance as of the year end by class of assets.

	As at 31 December 2024	As at 31 December 2023
Loans and advances to customers	12,912,546	11,477,626
Financial assets at amortised cost	2,542,594	1,858,931
Debt instruments at FVOCI	179,736	146,652
Credit commitments	366,745	266,497
Total	16,001,621	13,749,706

No loss allowance is recognised in the statement of financial position for loans and advances to customers and debt instruments at FVOCI as the carrying amount is at fair value.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(ii) Movement of loss allowance

The tables below analyse the movement of the loss allowance during the year per class of assets.

Loans and advances to customers

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	3,828,831	3,180,441	4,468,354	11,477,626
Changes in the loss allowance				
Transfer to stage 1	487,600	(487,600)	–	–
Transfer to stage 2	(24,796)	530,561	(505,765)	–
Transfer to stage 3	(9,362)	(110,323)	119,685	–
Charge for the year	334,870	1,059,586	5,109,673	6,504,129
Write-offs	–	–	(6,182,812)	(6,182,812)
Recovery after write-off	–	–	1,114,987	1,114,987
Others	11,903	6,138	(19,425)	(1,384)
As at 31 December 2024	4,629,046	4,178,803	4,104,697	12,912,546

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(ii) **Movement of loss allowance** *(Continued)*

Loans and advances to customers (Continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	3,138,056	2,678,080	4,260,623	10,076,759
Changes in the loss allowance				
Transfer to stage 1	43,719	(43,719)	–	–
Transfer to stage 2	(154,258)	212,358	(58,100)	–
Transfer to stage 3	–	(1,638,362)	1,638,362	–
Charge for the year	801,314	1,972,084	4,648,067	7,421,465
Write-offs	–	–	(7,084,245)	(7,084,245)
Recovery after write-off	–	–	1,187,647	1,187,647
Others	–	–	(124,000)	(124,000)
As at 31 December 2023	3,828,831	3,180,441	4,468,354	11,477,626

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(ii) **Movement of loss allowance** *(Continued)*

Financial assets at amortised cost

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	145,277	454,492	1,259,162	1,858,931
Changes in the loss allowance				
Transfer to stage 2	–	189,954	(189,954)	–
(Reversal)/charge for the year	(32,128)	374,365	610,098	952,335
Write-offs	–	–	(268,672)	(268,672)
As at 31 December 2024	113,149	1,018,811	1,410,634	2,542,594
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	139,546	269,230	1,232,996	1,641,772
Changes in the loss allowance				
Transfer to stage 2	(2,328)	2,328	–	–
Charge for the year	8,059	182,934	26,166	217,159
As at 31 December 2023	145,277	454,492	1,259,162	1,858,931

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(ii) **Movement of loss allowance** *(Continued)*

Debt instruments at FVOCI

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	33,741	11,347	101,564	146,652
Changes in the loss allowance (Reversal)/charge for the year	(6,933)	(6,021)	46,038	33,084
As at 31 December 2024	26,808	5,326	147,602	179,736
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	8,853	1,118	250,881	260,852
Changes in the loss allowance				
Transfer to stage 2	(75)	75	–	–
Charge/(reversal) for the year	24,963	10,154	(149,317)	(114,200)
As at 31 December 2023	33,741	11,347	101,564	146,652

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(ii) **Movement of loss allowance** *(Continued)*

Credit commitments

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	231,397	5,125	29,975	266,497
Changes in the loss allowance				
Transfer to stage 1	1,072	(1,010)	(62)	–
Transfer to stage 2	(93)	93	–	–
Transfer to stage 3	(35)	(224)	259	–
Charge/(reversal) for the year	125,580	1,697	(27,029)	100,248
As at 31 December 2024	357,921	5,681	3,143	366,745
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	393,784	2,350	6,925	403,059
Changes in the loss allowance				
Transfer to stage 1	861	(861)	–	–
Transfer to stage 2	(454)	937	(483)	–
Transfer to stage 3	–	(412)	412	–
(Reversal)/charge for the year	(162,794)	3,111	23,121	(136,562)
As at 31 December 2023	231,397	5,125	29,975	266,497

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(iii) Changes in gross carrying amount of financial assets and credit commitments that contributed to movement of the loss allowance

More information about the significant changes in the gross carrying amount of financial assets and credit commitments during the year that contributed to movement of the loss allowance, is provided at the table below:

Loans and advances to customers

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	373,647,953	22,700,543	11,102,024	407,450,520
Changes in the gross amount				
Transfer to stage 1	2,890,601	(2,890,601)	–	–
Transfer to stage 2	(2,442,359)	4,542,521	(2,100,162)	–
Transfer to stage 3	(1,917,007)	(1,035,067)	2,952,074	–
Net transactions during the year	47,097,276	996,663	4,293,806	52,387,745
Write-offs	–	–	(6,182,812)	(6,182,812)
As at 31 December 2024	419,276,464	24,314,059	10,064,930	453,655,453
Allowances for impairment loss as at 31 December 2024	(4,629,046)	(4,178,803)	(4,104,697)	(12,912,546)

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(iii) **Changes in gross carrying amount of financial assets and credit commitments that contributed to movement of the loss allowance** *(Continued)*

Loans and advances to customers (Continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	306,476,377	26,254,049	14,698,382	347,428,808
Changes in the gross amount				
Transfer to stage 1	104,407	(104,407)	–	–
Transfer to stage 2	(12,167,648)	12,218,384	(50,736)	–
Transfer to stage 3	–	(9,470,185)	9,470,185	–
Net transactions during the year	79,234,817	(6,197,298)	(5,931,563)	67,105,956
Write-offs	–	–	(7,084,244)	(7,084,244)
As at 31 December 2023	373,647,953	22,700,543	11,102,024	407,450,520
Allowances for impairment loss as at 31 December 2023	(3,828,831)	(3,180,441)	(4,468,354)	(11,477,626)

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(iii) Changes in gross carrying amount of financial assets and credit commitments that contributed to movement of the loss allowance *(Continued)*

Financial assets at amortised cost

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	149,629,249	10,308,535	4,166,336	164,104,120
Changes in the gross amount				
Transfer to stage 2	–	1,886,003	(1,886,003)	–
Net transactions during the year	(5,286,689)	(3,489,674)	(184,726)	(8,961,089)
Write-offs	–	–	(268,672)	(268,672)
As at 31 December 2024	144,342,560	8,704,864	1,826,935	154,874,359
Allowances for impairment loss as at 31 December 2024	(113,149)	(1,018,811)	(1,410,634)	(2,542,594)
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	161,842,620	10,796,251	9,136,800	181,775,671
Changes in the gross amount				
Transfer to stage 2	(722,137)	722,137	–	–
Net transactions during the year	(11,491,234)	(1,209,853)	(4,970,464)	(17,671,551)
As at 31 December 2023	149,629,249	10,308,535	4,166,336	164,104,120
Allowances for impairment loss as at 31 December 2023	(145,277)	(454,492)	(1,259,162)	(1,858,931)

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52 FINANCIAL RISK MANAGEMENT (Continued)

52.1 Credit risk (Continued)

(8) Credit quality (Continued)

(iii) Changes in gross carrying amount of financial assets and credit commitments that contributed to movement of the loss allowance (Continued)

Debt instruments at FVOCI

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	88,388,306	305,746	169,140	88,863,192
Changes in the gross amount				
Net transactions during the year	13,469,037	(6,722)	7,499	13,469,814
As at 31 December 2024	101,857,343	299,024	176,639	102,333,006
Allowances for impairment				
loss as at 31 December 2024	(26,808)	(5,326)	(147,602)	(179,736)
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	65,076,675	156,140	259,229	65,492,044
Changes in the gross amount				
Transfer to stage 2	(133,906)	133,906	–	–
Net transactions during the year	23,445,537	15,700	(90,089)	23,371,148
As at 31 December 2023	88,388,306	305,746	169,140	88,863,192
Allowances for impairment loss as				
at 31 December 2023	(33,741)	(11,347)	(101,564)	(146,652)

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(iii) **Changes in gross carrying amount of financial assets and credit commitments that contributed to movement of the loss allowance** *(Continued)*

Credit commitments

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	103,743,202	20,649	98,279	103,862,130
Changes in the gross amount				
Transfer to stage 1	12,013	(11,875)	(138)	–
Transfer to stage 2	(39,406)	39,406	–	–
Transfer to stage 3	(11,592)	(731)	12,323	–
Net transactions during the year	34,345,267	(24,462)	(101,000)	34,219,805
As at 31 December 2024	138,049,484	22,987	9,464	138,081,935
Allowances for impairment loss as at 31 December 2024	(357,921)	(5,681)	(3,143)	(366,745)

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(iii) **Changes in gross carrying amount of financial assets and credit commitments that contributed to movement of the loss allowance** *(Continued)*

Credit commitments (Continued)

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2023	93,184,381	9,548	22,871	93,216,800
Changes in the gross amount				
Transfer to stage 1	4,125	(4,125)	–	–
Transfer to stage 2	(117,178)	119,114	(1,936)	–
Transfer to stage 3	–	(96,798)	96,798	–
Net transactions during the year	10,671,874	(7,090)	(19,454)	10,645,330
As at 31 December 2023	103,743,202	20,649	98,279	103,862,130
Allowances for impairment loss as at 31 December 2023	(231,397)	(5,125)	(29,975)	(266,497)

Net transactions during the year mainly include changes in carrying amounts due to purchase or de-recognition.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) Credit quality (Continued)

(iv) Collateral held as security and other credit enhancements

The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The main types of collateral and the types of assets associated with are listed in the table below.

	Type of collateral held
Loans and advances to customer	Residential properties, land and properties and other assets of the borrowers, equity instruments and certificates of time deposit
Debt instruments at amortised cost	Certificates of deposit, equity instruments and other property rights
Financial assets held under resale agreements	Bills

The aggregate fair value of collateral in respect of loans and advances to customers amounted to RMB367,898 million (31 December 2023: RMB327,217 million) as at 31 December 2024. The Group did not hold collateral for financial assets held under resale agreements as at 31 December 2024. (The aggregate fair value of collateral held for financial assets held under resale agreements amounted to RMB7,804 million as at 31 December 2023).

The Group requests collateral and guarantees for some financial assets including loans and advances to customers and debt instruments measured at amortised cost and FVOCI. The most relevant indicator of their creditworthiness is an analysis of their financial performance and their liquidity, leverage, management effectiveness and growth ratios. For this reason, the valuation of collateral held against corporate lending is not routinely updated. The valuation of such collateral is updated if specific financial asset is put on "watch-list" and is therefore monitored more closely.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(iv) Collateral held as security and other credit enhancements *(Continued)*

For credit-impaired of those financial assets the Group obtains appraisals of collateral to assess its credit risk. At 31 December 2024 the net carrying amount of loans and advances to those financial assets was RMB5,960 million (31 December 2023: RMB6,634 million) and the value of the respective collateral was RMB6,153 million (31 December 2023: RMB7,930 million).

As at 31 December 2024, the balances of customer deposits that were secured by the Group's debt instruments amounted to RMB619 million (31 December 2023: RMB2,654 million), of which RMB619 million (31 December 2023: RMB2,654 million) were due over twelve months from inception.

As at 31 December 2024, the balances of borrowings from central bank that were secured by the Group's debt instruments amounted to RMB76,173 million (31 December 2023: RMB96,139 million).

(v) Bond investments are analysed by external credit rating as follows:

	As at 31 December 2024					Total
	AAA	AA ^(a)	A	Below A	Unrated ^(b)	
Government bonds	60,551,974	-	-	-	29,820,206	90,372,180
Public entities, Policy banks and Financial institutions bonds	77,981,167	1,638,793	-	-	46,337,720	125,957,680
Corporate bonds	13,369,623	23,605,442	113,562	690,254	968,101	38,746,982
Asset-backed securities	4,251,495	204,171	-	-	417,843	4,873,509
Total	156,154,259	25,448,406	113,562	690,254	77,543,870	259,950,351

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.1 Credit risk *(Continued)*

(8) *Credit quality (Continued)*

(v) **Bond investments are analysed by external credit rating as follows:** *(Continued)*

	As at 31 December 2023					
	AAA	AA ^(a)	A	Below A	Unrated ^(b)	Total
Government bonds	44,401,120	–	–	–	36,833,518	81,234,638
Public entities, Policy banks and Financial institutions bonds	11,081,538	270,723	–	–	86,129,025	97,481,286
Corporate bonds	19,096,684	31,846,761	302,825	1,664,142	351,338	53,261,750
Asset-backed securities	9,048,414	433,283	409,137	313,696	27,947	10,232,477
Total	83,627,756	32,550,767	711,962	1,977,838	123,341,828	242,210,151

(a) Credit rating of AA represent a range of rating from AA – to AA+.

(b) The unrated bond investments held by the Group mainly represent bonds issued by the Ministry of Finance of the PRC (“MOF”), policy banks and issuers which are creditworthy in the market, but are not rated by independent rating agencies.

52.2 Liquidity risk

Liquidity risk is the risk that the Group cannot acquire sufficient capital at a reasonable price to cover liabilities as they fall due, to perform other payment obligations, or to meet indispensable business capital needs. This may arise from cash flow or maturity mis-matches of assets or liabilities.

The Group manages the liquidity risk via:

- Setting target ratio on assets and liabilities structure in accordance with the regulatory requirements and business plan;
- Maintaining stability of deposit base; and
- Making advanced projection on future cash flows and evaluating the appropriate current assets position.

The Group has access to inter-bank placement or repurchase market for liquidity management. It can also issue debt securities for long-term funding management.

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52 FINANCIAL RISK MANAGEMENT (Continued)

52.2 Liquidity risk (Continued)

Analysis of the remaining maturity of assets and liabilities

The tables below summarise the maturity analysis of assets and liabilities by remaining contractual maturities at the end of the year.

	As at 31 December 2024							Total
	Past due/ indefinite	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and balances with central bank	28,507,858	28,875,888	-	-	-	-	-	57,383,746
Deposits with banks and other financial institutions	-	2,960,072	-	-	-	-	-	2,960,072
Placements with banks and other financial institutions	-	-	15,608,176	8,263,475	20,573,427	946,400	-	45,391,478
Derivative financial assets	-	-	-	122	26,612	916	-	27,650
Financial assets held under resale agreements	40,000	-	-	-	-	-	-	40,000
Financial assets at fair value through profit or loss	22,014,850	47,978,993	566,398	1,124,659	8,243,865	19,230,585	7,930,374	107,089,724
Debt instruments at fair value through other comprehensive income	176,640	-	166,969	3,004,116	18,763,006	52,227,181	27,995,094	102,333,006
Loans and advances to customers	7,857,193	-	7,069,198	27,155,850	111,484,645	187,990,223	99,222,274	440,779,383
Debt instruments at amortised cost	392,004	-	3,920,587	5,232,228	26,048,984	63,753,528	52,984,434	152,331,765
Equity instruments at fair value through other comprehensive income	1,642,224	-	-	-	-	-	-	1,642,224
Other financial assets	248,749	4,316,017	8,835	-	162,092	-	-	4,735,693
Total assets	60,879,518	84,130,970	27,340,163	44,780,450	185,302,631	324,148,833	188,132,176	914,714,741
Borrowings from central bank	-	-	13,878,462	13,621,390	53,466,559	-	-	80,966,411
Deposits from banks and other financial institutions	-	11,627,234	15,860,689	9,817,606	27,039,051	-	-	64,344,580
Placements from banks and other financial institutions	-	-	10,484,524	4,825,921	10,862,187	1,501,028	-	27,673,660
Financial assets sold under repurchase agreements	-	-	62,930,378	1,733,472	-	-	-	64,663,850
Derivative financial liabilities	-	-	-	143,969	127,737	-	-	271,706
Lease liabilities	-	-	4,502	14,008	266,128	480,915	202,817	968,370
Due to customers	-	228,082,634	29,228,755	35,161,345	113,383,308	95,099,826	1,146	500,957,014
Debt securities issued	-	-	8,980,099	23,779,407	44,699,335	32,505,440	-	109,964,281
Other financial liabilities	-	3,143,070	21,973	211,215	138,969	179,957	-	3,695,184
Total liabilities	-	242,852,938	141,389,382	89,308,333	249,983,274	129,767,166	203,963	853,505,056
Net position	60,879,518	(158,721,968)	(114,049,219)	(44,527,883)	(64,680,643)	194,381,667	187,928,213	61,209,685

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52 FINANCIAL RISK MANAGEMENT (Continued)

52.2 Liquidity risk (Continued)

Analysis of the remaining maturity of assets and liabilities (Continued)

	As at 31 December 2023							Total
	Past due/ indefinite	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and balances with central bank	29,454,236	15,639,676	-	-	-	-	-	45,093,912
Deposits with banks and other financial institutions	-	4,661,406	-	-	-	-	-	4,661,406
Placements with banks and other financial institutions	1,350,177	-	2,275,030	2,561,407	22,180,942	100,737	-	28,468,293
Derivative financial assets	-	-	31,517	26,025	26,802	(1,458)	-	82,886
Financial assets held under resale agreements	246,895	-	7,421,857	-	-	-	-	7,668,752
Financial assets at fair value through profit or loss	4,275,372	-	49,837,085	2,431,678	9,302,012	14,512,569	13,559,181	93,917,897
Debt instruments at fair value through other comprehensive income	169,140	-	874,596	1,177,999	17,273,683	48,462,588	20,905,186	88,863,192
Loans and advances to customers	5,226,086	-	9,024,168	20,967,045	136,933,631	133,086,599	90,771,673	396,009,202
Debt instruments at amortised cost	1,005,960	-	1,380,681	6,087,564	24,007,644	75,591,793	54,171,547	162,245,189
Equity instruments at fair value through other comprehensive income	1,642,224	-	-	-	-	-	-	1,642,224
Other financial assets	316,714	1,211,029	21,798	-	111,572	-	-	1,661,113
Total assets	43,686,804	21,512,111	70,866,732	33,251,718	209,836,286	271,752,828	179,407,587	830,314,066
Borrowings from central bank	-	-	10,899,640	12,941,176	54,360,553	-	-	78,201,369
Deposits from banks and other financial institutions	-	17,565,651	14,494,873	10,726,564	16,256,523	-	-	59,043,611
Placements from banks and other financial institutions	-	-	15,304,297	6,757,722	5,723,898	1,939,368	-	29,725,285
Financial assets sold under repurchase agreements	-	-	68,447,724	69,682	-	-	-	68,517,406
Derivative financial liabilities	-	-	-	176	-	3,036	-	3,212
Lease liabilities	-	-	4,027	17,844	206,621	576,771	253,499	1,058,762
Due to customers	-	231,094,751	25,449,557	25,540,731	73,357,542	95,207,115	36,685	450,686,381
Debt securities issued	-	-	7,160,408	32,634,377	36,495,577	6,996,030	-	83,286,392
Other financial liabilities	-	1,506,821	625,586	212,746	468,640	195,796	-	3,009,589
Total liabilities	-	250,167,223	142,386,112	88,901,018	186,869,354	104,918,116	290,184	773,532,007
Net position	43,686,804	(228,655,112)	(71,519,380)	(55,649,300)	22,966,932	166,834,712	179,117,403	56,782,059

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52 FINANCIAL RISK MANAGEMENT (Continued)

52.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows

The tables below present the cash flows of non-derivatives financial assets and financial liabilities and derivative financial instruments that will be settled on a net basis by remaining contractual maturities at the end of the year. The amounts disclosed in the tables are the undiscounted contractual cash flows.

	As at 31 December 2024							Total
	Past due/ indefinite	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and balances with central bank	28,507,858	28,875,888	-	-	-	-	-	57,383,746
Deposits with banks and other financial institutions	-	2,960,072	-	-	-	-	-	2,960,072
Placements with banks and other financial institutions	-	-	15,611,943	8,302,424	20,929,748	971,961	-	45,816,076
Financial assets held under resale agreements	100,000	-	-	-	-	-	-	100,000
Financial assets at fair value through profit or loss	22,014,851	47,978,993	566,721	1,129,372	8,288,462	19,565,483	8,065,267	107,609,149
Debt instruments at fair value through other comprehensive income	176,639	-	167,309	3,023,254	19,464,360	55,337,657	35,102,554	113,271,773
Loans and advances to customers	8,105,942	-	7,075,721	27,340,387	113,714,866	208,299,928	142,692,580	507,229,424
Debt instruments at amortised cost	392,004	-	3,924,692	5,262,463	26,545,419	75,494,683	63,202,727	174,821,988
Equity instruments at fair value through other comprehensive income	1,642,224	-	-	-	-	-	-	1,642,224
Other financial assets	248,749	4,360,668	8,835	-	162,092	-	-	4,780,344
Total financial assets	61,188,267	84,175,621	27,355,221	45,057,900	189,104,947	359,669,712	249,063,128	1,015,614,796
Borrowings from central bank	-	-	13,892,921	13,675,722	54,285,788	-	-	81,854,431
Deposits from banks and other financial institutions	-	11,627,234	15,870,778	9,855,138	27,407,437	-	-	64,760,587
Placements from banks and other financial institutions	-	-	10,489,025	4,843,050	11,033,206	1,555,581	-	27,920,862
Financial assets sold under repurchase agreements	-	-	62,948,438	1,737,218	-	-	-	64,685,656
Lease liabilities	-	-	4,502	15,930	266,070	535,339	242,421	1,064,262
Due to customers	-	228,082,634	29,244,432	35,256,151	114,759,240	99,569,667	1,255	506,913,379
Debt securities issued	-	-	8,990,709	23,862,609	45,281,019	38,688,714	-	116,823,051
Other financial liabilities	-	3,143,070	21,973	211,215	138,969	179,957	-	3,695,184
Total financial liabilities	-	242,852,938	141,462,778	89,457,033	253,171,729	140,529,258	243,676	867,717,412
Net position	61,188,267	(158,677,317)	(114,107,557)	(44,399,133)	(64,066,782)	219,140,454	248,819,452	147,897,384
Derivative financial instruments settled on a net basis	-	-	-	144,091	154,349	916	-	299,356

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52 FINANCIAL RISK MANAGEMENT (Continued)

52.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

	As at 31 December 2023							Total
	Past due/ indefinite	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and balances with central bank	29,454,236	15,639,676	-	-	-	-	-	45,093,912
Deposits with banks and other financial institutions	-	4,668,703	-	-	-	-	-	4,668,703
Placements with banks and other financial institutions	1,350,280	-	2,354,294	2,704,749	22,448,046	101,818	-	28,959,187
Financial assets held under resale agreements	993,500	-	7,422,154	-	-	-	-	8,415,654
Financial assets at fair value through profit or loss	4,275,372	-	49,847,463	2,499,961	9,618,534	15,258,279	13,895,537	95,395,146
Debt instruments at fair value through other comprehensive income	322,500	-	1,113,896	1,466,716	19,832,458	54,158,570	24,734,708	101,628,848
Loans and advances to customers	11,693,418	-	8,878,697	23,788,963	149,609,236	169,107,876	125,612,360	488,690,550
Debt instruments at amortised cost	2,021,765	-	1,596,400	6,809,115	28,107,283	88,275,585	63,154,426	189,964,574
Equity instruments at fair value through other comprehensive income	1,642,224	-	-	-	-	-	-	1,642,224
Other financial assets	617,866	1,255,682	21,798	-	111,572	-	-	2,006,918
Total financial assets	52,371,161	21,564,061	71,234,702	37,269,504	229,727,129	326,902,128	227,397,031	966,465,716
Borrowings from central bank	-	-	10,911,084	13,079,160	55,291,237	-	-	79,281,481
Deposits from banks and other financial institutions	-	17,565,651	14,574,664	10,845,871	16,446,660	-	-	59,432,846
Placements from banks and other financial institutions	-	-	15,341,180	6,793,346	5,774,350	2,001,780	-	29,910,656
Financial assets sold under repurchase agreements	-	-	68,479,633	70,000	-	-	-	68,549,633
Lease liabilities	-	-	4,597	19,992	240,786	604,248	257,877	1,127,500
Due to customers	-	231,094,751	25,489,055	25,793,151	74,392,110	100,704,883	77,376	457,551,326
Debt securities issued	-	-	7,170,000	32,800,000	37,109,000	8,316,000	-	85,395,000
Other financial liabilities	-	1,506,821	625,586	212,746	468,640	195,796	-	3,009,589
Total financial liabilities	-	250,167,223	142,595,799	89,614,266	189,722,783	111,822,707	335,253	784,258,031
Net position	52,371,161	(228,603,162)	(71,361,097)	(52,344,762)	40,004,346	215,079,421	227,061,778	182,207,685
Derivative financial instruments settled on a net basis	-	-	31,517	25,849	26,802	(4,494)	-	79,674

As disclosed in Note 38, there are early redemption rights embedded in certain debt securities issued and therefore the cash outflows for these instruments are compiled on the basis that these rights will be exercised.

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52 FINANCIAL RISK MANAGEMENT *(Continued)*

52.2 Liquidity risk *(Continued)*

Analysis of off-balance sheet items

Off-balance sheet items of the Group mainly include credit commitments. The tables below set forth the amounts of the off-balance sheet credit commitments by the earliest period in which they are required to be paid.

	As at 31 December 2024				Total
	On demand	Less than 1 year	1 – 5 years	Over 5 years	
Acceptances	-	66,867,071	-	-	66,867,071
Letters of credit	-	28,466,281	-	-	28,466,281
Undrawn corporate loans limit	25,872,603	-	-	-	25,872,603
Letters of guarantee	-	3,274,591	6,206,124	-	9,480,715
Undrawn credit card limit	7,395,265	-	-	-	7,395,265
Total	33,267,868	98,607,943	6,206,124	-	138,081,935

	As at 31 December 2023				Total
	On demand	Less than 1 year	1 – 5 years	Over 5 years	
Acceptances	-	44,295,975	-	-	44,295,975
Letters of credit	-	16,479,025	-	-	16,479,025
Undrawn corporate loans limit	26,223,396	-	-	-	26,223,396
Letters of guarantee	-	2,081,291	3,851,741	-	5,933,032
Undrawn credit card limit	10,930,702	-	-	-	10,930,702
Total	37,154,098	62,856,291	3,851,741	-	103,862,130

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.3 Market risk

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from adverse movements in market rates including foreign exchange rates, interest rates, commodity and stock prices. Market risk arises from both the Group's trading and non-trading businesses.

The market risk which the Group is primarily exposed to includes currency risk and interest rate risk.

The Group's foreign currency risk is the risk of loss in respect of its foreign currency exposures, arising from transactions taken on foreign currency denominated assets and liabilities, which results from movements in foreign currency exchange rates.

The Group is primarily exposed to interest rate risk arising from proprietary business and corporate and personal banking business. Interest rate risk is inherent in many of its businesses and largely arises from mis-matches between the re-pricing dates of interest-generating assets and those of interest-bearing liabilities.

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.3 Market risk *(Continued)*

Foreign currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD and, to a lesser extent other currencies. Transactions in foreign currencies mainly arise from the Group's treasury exposures.

	As at 31 December 2024				Total
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and balances with central bank	56,973,098	408,821	552	1,275	57,383,746
Deposits with banks and other financial institutions	2,317,217	494,300	9,799	138,756	2,960,072
Placements with banks and other financial institutions	43,972,443	1,419,035	-	-	45,391,478
Derivative financial assets	27,650	-	-	-	27,650
Financial assets held under resale agreements	40,000	-	-	-	40,000
Financial assets at fair value through profit or loss	106,837,482	252,242	-	-	107,089,724
Debt instruments at fair value through other comprehensive income	98,799,177	3,533,829	-	-	102,333,006
Loans and advances to customers	439,707,924	1,056,360	-	15,099	440,779,383
Debt instruments at amortised cost	151,561,202	770,563	-	-	152,331,765
Equity instruments at fair value through other comprehensive income	1,642,224	-	-	-	1,642,224
Other financial assets	4,735,691	1	-	1	4,735,693
Total financial assets	906,614,108	7,935,151	10,351	155,131	914,714,741
Borrowings from central bank	80,966,411	-	-	-	80,966,411
Deposits from banks and other financial institutions	64,343,424	1,156	-	-	64,344,580
Placements from banks and other financial institutions	21,784,823	5,873,735	-	15,102	27,673,660
Financial assets sold under repurchase agreements	64,663,850	-	-	-	64,663,850
Derivative financial liabilities	271,706	-	-	-	271,706
Lease liabilities	968,370	-	-	-	968,370
Due to customers	490,931,998	922,908	3,672	9,098,436	500,957,014
Debt securities issued	109,964,281	-	-	-	109,964,281
Other financial liabilities	3,694,435	748	-	1	3,695,184
Total financial liabilities	837,589,298	6,798,547	3,672	9,113,539	853,505,056
Net exposure	69,024,810	1,136,604	6,679	(8,958,408)	61,209,685
Derivatives forward purchased	-	35,942	-	8,908,914	8,944,856
Total	69,024,810	1,172,546	6,679	(49,494)	70,154,541

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.3 Market risk *(Continued)*

Foreign currency risk (Continued)

	As at 31 December 2023				Total
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and balances with central bank	44,774,320	316,733	609	2,250	45,093,912
Deposits with banks and other financial institutions	4,015,492	593,784	10,047	42,083	4,661,406
Placements with banks and other financial institutions	27,118,097	1,350,196	–	–	28,468,293
Derivative financial assets	82,886	–	–	–	82,886
Financial assets held under resale agreements	7,668,752	–	–	–	7,668,752
Financial assets at fair value through profit or loss	93,810,519	107,378	–	–	93,917,897
Debt instruments at fair value through other comprehensive income	83,481,190	5,382,002	–	–	88,863,192
Loans and advances to customers	391,581,172	4,428,030	–	–	396,009,202
Debt instruments at amortised cost	158,963,702	3,281,487	–	–	162,245,189
Equity instruments at fair value through other comprehensive income	1,642,224	–	–	–	1,642,224
Other financial assets	1,661,113	–	–	–	1,661,113
Total financial assets	814,799,467	15,459,610	10,656	44,333	830,314,066
Borrowings from central bank	78,201,369	–	–	–	78,201,369
Deposits from banks and other financial institutions	59,042,473	1,138	–	–	59,043,611
Placements from banks and other financial institutions	20,865,055	8,835,121	–	25,109	29,725,285
Financial assets sold under repurchase agreements	68,517,406	–	–	–	68,517,406
Derivative financial liabilities	3,212	–	–	–	3,212
Lease liabilities	1,058,762	–	–	–	1,058,762
Due to customers	444,078,002	4,533,751	3,679	2,070,949	450,686,381
Debt securities issued	83,286,392	–	–	–	83,286,392
Other financial liabilities	2,840,585	168,397	–	607	3,009,589
Total financial liabilities	757,893,256	13,538,407	3,679	2,096,665	773,532,007
Net exposure	56,906,211	1,921,203	6,977	(2,052,332)	56,782,059
Derivatives forward purchased	–	(1,167,229)	–	2,029,760	862,531
Total	56,906,211	753,974	6,977	(22,572)	57,644,590

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.3 Market risk *(Continued)*

Foreign currency risk (Continued)

The table below indicates the potential effect of a 5% appreciation or depreciation of RMB spot and forward exchange rates against all other currencies on net profit and other comprehensive income.

	Effect on net profit		Effect on other comprehensive income	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
5% appreciation	90,154	174,136	(132,519)	(201,825)
5% depreciation	(90,154)	(174,136)	132,519	201,825

The impact on net profit arises from the effects of movement in RMB exchange rate on i) translation of the net position of foreign currency monetary assets and liabilities, which results in an increase/decrease in net profit of RMB425.6 million (31 December 2023: RMB206.5 million); and ii) an offsetting decrease/increase in fair value of RMB335.4 million (31 December 2023: RMB32.3 million) arising from foreign exchange forward swaps.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from the mismatches between contractual maturities or repricing dates of interest-generating assets and interest-bearing liabilities.

The risk of fair value and cash flows changes due to interest rate changes are mainly related to the Group's fixed rates and floating rates financial instruments.

The Group manages its interest rate risk by:

- Regularly monitoring the macro-economic factors that may impact the PBOC benchmark interest rates and market interest rates;
- Minimising the mis-matches between repricing dates (or contractual maturities) of interest-generating assets and interest-bearing liabilities; and
- Enhancing the interest rate margin between the interest-generating assets and interest-bearing liabilities with reference to the prevailing PBOC benchmark interest rates and market interest rates.

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.3 Market risk *(Continued)*

Interest rate risk (Continued)

The tables below summarise the contractual maturity or re-pricing date, whichever is earlier, of the Group's financial assets and financial liabilities.

	As at 31 December 2024						Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Cash and balances with central bank	56,111,058	-	-	-	-	1,272,688	57,383,746
Deposits with banks and other financial institutions	2,948,891	-	-	-	-	11,181	2,960,072
Placements with banks and other financial institutions	15,572,824	8,836,149	20,390,190	299,974	-	292,341	45,391,478
Derivative financial assets	-	-	-	-	-	27,650	27,650
Financial assets held under resale agreements	40,000	-	-	-	-	-	40,000
Financial assets at fair value through profit or loss	84,458,543	1,120,356	3,068,596	13,930,971	609,051	3,902,207	107,089,724
Debt instruments at fair value through other comprehensive income	306,836	2,956,424	18,591,059	51,823,665	27,571,904	1,083,118	102,333,006
Loans and advances to customers	46,382,800	47,236,145	132,606,273	158,646,359	50,190,513	5,717,293	440,779,383
Debt instruments at amortised cost	4,206,410	5,120,594	25,707,771	62,568,621	51,903,417	2,824,952	152,331,765
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,642,224	1,642,224
Other financial assets	-	-	-	-	-	4,735,693	4,735,693
Total financial assets	210,027,362	65,269,668	200,363,889	287,269,590	130,274,885	21,509,347	914,714,741
Borrowings from central bank	13,585,128	13,387,502	53,296,256	-	-	697,525	80,966,411
Deposits from banks and other financial institutions	27,442,663	9,784,500	26,984,000	-	-	133,417	64,344,580
Placements from banks and other financial institutions	10,441,108	4,793,347	10,808,144	1,500,000	-	131,061	27,673,660
Financial assets sold under repurchase agreements	62,905,493	1,731,857	-	-	-	26,500	64,663,850
Derivative financial liabilities	-	-	-	-	-	271,706	271,706
Lease liabilities	4,502	14,008	266,128	480,915	202,817	-	968,370
Due to customers	254,473,849	34,279,906	110,626,544	92,350,711	1,106	9,224,898	500,957,014
Debt securities issued	8,980,099	23,779,407	44,699,335	31,987,287	-	518,153	109,964,281
Other financial liabilities	-	-	-	-	-	3,695,184	3,695,184
Total financial liabilities	377,832,842	87,770,527	246,680,407	126,318,913	203,923	14,698,444	853,505,056
Interest rate gap	(167,805,480)	(22,500,859)	(46,316,518)	160,950,677	130,070,962	6,810,903	61,209,685

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52 FINANCIAL RISK MANAGEMENT (continued)

52.3 Market risk (Continued)

Interest rate risk (Continued)

	As at 31 December 2023						Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Cash and balances with central bank	43,676,619	–	–	–	–	1,417,293	45,093,912
Deposits with banks and other financial institutions	4,655,867	–	–	–	–	5,539	4,661,406
Placements with banks and other financial institutions	3,594,649	2,499,316	21,880,670	99,813	–	393,845	28,468,293
Derivative financial assets	–	–	–	–	–	82,886	82,886
Financial assets held under resale agreements	7,668,752	–	–	–	–	–	7,668,752
Financial assets at fair value through profit or loss	51,663,234	2,400,861	9,225,744	14,512,568	13,559,182	2,556,308	93,917,897
Debt instruments at fair value through other comprehensive income	912,822	1,211,598	17,123,013	47,729,869	20,707,529	1,178,361	88,863,192
Loans and advances to customers	23,238,786	17,455,022	182,811,850	119,108,655	46,995,615	6,399,274	396,009,202
Debt instruments at amortised cost	2,180,859	5,841,994	23,670,612	74,029,062	53,332,838	3,189,824	162,245,189
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	1,642,224	1,642,224
Other financial assets	–	–	–	–	–	1,661,113	1,661,113
Total financial assets	137,591,588	29,408,791	254,711,889	255,479,967	134,595,164	18,526,667	830,314,066
Borrowings from central bank	10,659,015	12,682,973	54,128,935	–	–	730,446	78,201,369
Deposits from banks and other financial institutions	14,454,000	28,255,091	16,192,000	–	–	142,520	59,043,611
Placements from banks and other financial institutions	15,270,302	6,632,578	5,708,532	1,920,000	–	193,873	29,725,285
Financial assets sold under repurchase agreements	68,415,837	69,515	–	–	–	32,054	68,517,406
Derivative financial liabilities	–	–	–	–	–	3,212	3,212
Lease liabilities	4,027	17,844	206,621	576,771	253,499	–	1,058,762
Due to customers	255,010,312	23,822,086	70,910,588	92,102,672	35,669	8,805,054	450,686,381
Debt securities issued	7,160,409	32,634,377	36,258,265	6,996,030	–	237,311	83,286,392
Other financial liabilities	–	–	–	–	–	3,009,589	3,009,589
Total financial liabilities	370,973,902	104,114,464	183,404,941	101,595,473	289,168	13,154,059	773,532,007
Interest rate gap	(233,382,314)	(74,705,673)	71,306,948	153,884,494	134,305,996	5,372,608	56,782,059

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.3 Market risk *(Continued)*

Interest rate risk (Continued)

The following table illustrates the potential impact of a parallel upward or downward shift of 100 basis points in RMB's yield curve on profit or loss and other comprehensive income, based on the Group's position of interest-generating assets and interest-bearing liabilities at the end of the year.

	2024		2023	
	Profit or loss	Other comprehensive income	Profit or loss	Other comprehensive income
+100 basis points	(2,580,992)	330,555	(307,927)	(2,965,637)
- 100 basis points	2,580,992	(330,555)	307,927	3,260,890

The sensitivity analysis is carried out based on reasonably possible changes in interest rates in the coming year with the assumption that the structure of financial assets and financial liabilities held at the end of the year remains unchanged. The impacts on profit or loss takes into account only the changes in interest income and expense generated by interest-bearing financial assets or liabilities; the impacts on other comprehensive income takes into account the fair value changes in debt instruments at fair value through other comprehensive income.

52.4 Operational risk

Operational risk refers to the risk arising from inadequate or failed internal control procedures, personnel and information technology systems, or external events. The primary operational risks the Group faces include internal and external frauds, worksite safety failures, business interruptions and failure in the information technology system.

The Board of Directors is ultimately responsible for the Group's operational risk management. The Group's senior management leads the group-wide operational risk management on a day-to-day basis. The Group has established "three lines of defence" to manage operational risk on an end-to-end basis. The business lines and functions are the first line of defence against operational risks, taking direct responsibilities for operational risk management. The internal control and compliance department is the second line of defence against operational risks, responsible for the establishment of operational risk management regulations and procedures and the coordination, support and supervision of operational risk management. The audit department is the third line of defence against operational risk, responsible for evaluating the adequacy and effectiveness of operational risk management policies and procedures and assessing the Group's internal control system and compliance.

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52 FINANCIAL RISK MANAGEMENT *(continued)*

52.5 Capital management

The Group's objectives on capital management are to:

- safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- support the Group's stability and growth;
- allocate capital in an efficient and risk based approach to optimise risk adjusted return to shareholders; and
- maintain an adequate capital base to support the development of its business.

Since January 1, 2024, the Group calculates its capital adequacy ratios in accordance with Regulation Governing the Capital of Commercial Banks ("商業銀行資本管理辦法") and other relevant regulations promulgate.

For non-systematically important banks, their core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio of 7.50%, 8.50% and 10.50%, respectively.

During the year, the Group has complied with the capital requirements imposed by the Regulation Governing the Capital of Commercial Banks ("商業銀行資本管理辦法") and other relevant regulations promulgate.

53 FAIR VALUE OF FINANCIAL INSTRUMENTS

Most of the balance sheet items of the Group are financial assets and financial liabilities. The fair value measurement of non-financial assets and non-financial liabilities will not have a significant impact on the Group's overall financial performance.

For the years ended 31 December 2024 and 2023, the Group has no assets or liabilities which were discontinued being measured at fair value.

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53 FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(1) Valuation techniques, input parameters and processes

The fair value of financial assets and financial liabilities is determined according to the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in an active circulation market is determined by reference to the market price.
- For non-option derivative financial instruments, the fair value is determined by discounted cash flow analysis using the applicable yield curve within the term of the instrument.
- The fair value of other financial assets and financial liabilities is determined according to the generally accepted pricing model or the current market price observable for similar instruments based on the discounted cash flow analysis. If there is no observable market transaction price for similar instruments, the net assets are used for valuation, and the price is analysed by the management.

The Group has established an independent valuation process for financial assets and financial liabilities. According to the division of responsibilities, relevant departments are respectively responsible for valuation, model verification and accounting treatment.

For the years ended 31 December 2024 and 2023, there was no significant change in the valuation technology and input value used in the fair value measurement of the Group's financial statements.

(2) Fair value hierarchy

Financial instruments at fair value are classified into the following three levels of measurement hierarchy:

Level 1: Fair value is determined based on quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

The main parameters used in valuation techniques include bond prices, interest rates, foreign exchange rates, equity and stock prices and others, which are all observable and obtainable from the open market.

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53 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(2) Fair value hierarchy (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

	As at 31 December 2024			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Government bonds	–	34,128	–	34,128
Public entities and policy banks bonds	–	489,639	–	489,639
Financial institution bonds	–	9,317,563	–	9,317,563
Corporate bonds	–	8,551,094	–	8,551,094
Asset-backed securities	–	919,257	–	919,257
Funds	–	51,694,803	–	51,694,803
Asset management plans	–	–	10,508,903	10,508,903
Trust beneficiary rights	–	–	18,794,020	18,794,020
Wealth management products	–	4,000,284	–	4,000,284
Other debt financing products	–	–	1,054,215	1,054,215
Listed equity	565,351	–	–	565,351
Unlisted equity	–	–	1,160,467	1,160,467
Subtotal	565,351	75,006,768	31,517,605	107,089,724
Debt instruments at FVOCI				
Government bonds	–	23,351,595	–	23,351,595
Public entities and policy banks bonds	–	53,078,963	–	53,078,963
Financial institution bonds	–	6,587,735	–	6,587,735
Corporate bonds	–	17,375,938	–	17,375,938
Asset-backed securities	–	1,938,775	–	1,938,775
Subtotal	–	102,333,006	–	102,333,006
Equity instruments at FVOCI				
Unlisted equity	–	–	1,642,224	1,642,224
Loans and advances to customers at FVOCI	–	–	20,630,050	20,630,050
Derivative financial assets	–	27,650	–	27,650
Derivative financial liabilities	–	(271,706)	–	(271,706)
Total	565,351	177,095,718	53,789,879	231,450,948

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53 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(2) Fair value hierarchy (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at 31 December 2023			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Public entities and policy banks bonds	–	296,690	–	296,690
Financial institution bonds	–	5,952,147	–	5,952,147
Corporate bonds	–	3,133,446	–	3,133,446
Asset-backed securities	–	2,197,816	–	2,197,816
Funds	200,000	40,379,440	–	40,579,440
Asset management plans	–	–	21,791,270	21,791,270
Trust beneficiary rights	–	–	17,182,396	17,182,396
Other debt financing products	–	–	1,054,215	1,054,215
Listed equity	140,312	–	–	140,312
Unlisted equity	–	–	1,590,165	1,590,165
Subtotal	340,312	51,959,539	41,618,046	93,917,897
Debt instruments at FVOCI				
Government bonds	–	18,570,869	–	18,570,869
Public entities and policy banks bonds	–	39,951,827	–	39,951,827
Financial institution bonds	–	5,028,224	–	5,028,224
Asset-backed securities	–	2,885,198	–	2,885,198
Corporate bonds	–	22,427,074	–	22,427,074
Subtotal	–	88,863,192	–	88,863,192
Equity instruments at FVOCI				
Unlisted equity	–	–	1,642,224	1,642,224
Loans and advances to customers at FVOCI				
Loans and advances to customers at FVOCI	–	–	21,533,363	21,533,363
Derivative financial assets	–	82,886	–	82,886
Derivative financial liabilities	–	(3,212)	–	(3,212)
Total	340,312	140,902,405	64,793,633	206,036,350

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53 FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(2) Fair value hierarchy *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at fair value through profit or loss	Equity instruments measured at FVOCI	Loans and Advances to customers at FVOCI	
Asset				
Balance at 1 January 2024	41,618,046	1,642,224	21,533,363	
Total gain/loss				
– in loss	(381,239)	–	(6,838)	
– in OCI	–	–	(36,476)	
Acquisitions	9,741,747	–	20,673,364	
Disposals and settlements	(19,460,949)	–	(21,533,363)	
Balance at 31 December 2024	31,517,605	1,642,224	20,630,050	
	Financial assets at fair value through profit or loss	Debt instruments measured at FVOCI	Equity instruments measured at FVOCI	Loans and advances to customers at FVOCI
Asset				
Balance at 1 January 2023	48,045,422	90,089	1,642,224	37,480,136
Total gain/loss				
– in profit or loss	98,916	–	–	(46,109)
– in OCI	–	–	–	(36,308)
Acquisitions	11,757,164	–	–	21,615,780
Disposals and settlements	(18,283,456)	(90,089)	–	(37,480,136)
Balance at 31 December 2023	41,618,046	–	1,642,224	21,533,363

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53 FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(2) Fair value hierarchy *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets (Continued)

There were no significant transfers between level 1, level 2 and level 3 during the year.

The main valuation technique used by the Group are discounted cash flow model and market comparison approach for financial instruments. The main inputs used in discounted cash flow model are contractual cash flows and yield curves reflecting credit risks of counterparties. The fair valuation measurement of these categorised Level 2 or Level 3, depending on whether the relevant yield curves are observable (for debt securities traded on China Inter-Bank Bond Market and fair values are provided by China Central Depository & Clearing Co., Ltd.) or not. Level 3 valuations are usually performed by respective business departments which manage the financial instruments, and reviewed by finance department. The discount rates used in Level 3 valuations ranges from 0.001% to 7.00% and liquidity discounts from 17.22% to 30.46%(31 December 2023: The discount rates used in Level 3 valuations ranges from 1.00% to 7.23% and liquidity discounts from 17.22% to 30.46%).

Of the total gains or losses for the period included in profit and loss was RMB0 million relates to unrealised losses arising from financial assets at fair value through profit or loss measured at Level 3 fair value held at the end of the current reporting period (For the year ended 31 December 2023: gain RMB98.9 million). Such fair value gains or losses are included in “net trading losses” and “investment income”.

In other comprehensive income, there was no debt instruments at FVOCI measured at Level 3 fair value held by the Group at 31 December 2024 and 2023.

A 100-basis point increase/decrease in the discount rate holding other variables constant will result in a decrease/increase in carrying amount of financial assets measured at Level 3 fair values as at 31 December 2024, by RMB69.2 million/RMB53.8 million, respectively (31 December 2023: RMB83.2 million/RMB86.5 million).

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53 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(2) Fair value hierarchy (Continued)

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

	As at 31 December 2024		As at 31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost	152,331,765	154,608,761	162,245,189	162,449,423
Financial liabilities				
Debt securities issued	109,964,281	110,639,530	83,286,392	83,711,353

The following table gives the information about how the fair values of these financial assets and financial liabilities are determined, in particular, the valuation technique(s) and input(s) used.

	Fair value at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 December 2024	As at 31 December 2023		
Financial assets at amortised costs	139,700,037	142,087,657	Level 2	See note 1.
Financial assets at amortised costs	14,908,724	20,361,766	Level 3	Discounted cash flows. Future cash flows are estimated based on contractual amounts, discounted at rates that reflect the credit risk of various counterparties.
Debt securities issued	110,639,530	83,711,353	Level 2	See note 1.

Note 1: Debt securities at amortised costs and debt securities issued are classified into Level 2, fair values of debt securities are based on market prices.

Other financial assets and financial liabilities include balances with central bank, deposits and placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers at amortised costs, borrowing from central bank, deposits and placements from banks, financial assets sold under repurchase agreements and due to customers, their carrying values approximate their fair values.

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54 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Bank's subsidiaries as at 31 December 2024 are set out below:

Name of entity	Type of legal entity	Place of incorporation/ Establishment/ operations	Date of incorporation/ establishment	Registered capital as at 31 December 2024 (In RMB'000)	Proportion of ownership held by the Group		Proportion of voting rights held by the Group		Principal activities
					As at 31 December 2024 %	As at 31 December 2023 %	As at 31 December 2024 %	As at 31 December 2023 %	
Ningxia Yuanzhou Jinhui County Bank Co., Ltd. (寧夏原州津匯村鎮銀行有限責任公司)	Limited liability company	Ningxia, PRC	July 2016	50,000	51.00	51.00	51.00	51.00	Banking
Ningxia Tongxin Jinhui County Bank Co., Ltd. (寧夏同心津匯村鎮銀行有限責任公司)	Limited liability company	Ningxia, PRC	August 2016	50,000	51.00	51.00	51.00	51.00	Banking
Bank of Tianjin Financial Leasing Co., Ltd. (天銀金融租賃股份有限公司)	Limited company	Tianjin, PRC	October 2016	1,700,000	65.88	65.88	65.88	65.88	Financial Leasing

55 EVENTS AFTER THE REPORTING PERIOD

On 20 March 2025, the Board of Directors of the Bank was resolved to make the following profit appropriations of the Bank for the year ended 31 December 2024:

- (i) No appropriation to the statutory surplus reserve, due to the fact that the balance of such reserve has reached 50% of the share capital;
- (ii) An appropriation to the general reserve;
- (iii) Cash dividend distribution of RMB830 million in aggregate.

The appropriation to the dividend distribution was subject to shareholders' approval.

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(Amounts in thousands of Renminbi, unless otherwise stated)

56 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK

Statement of financial position as at 31 December 2024

	As at 31 December	
	2024	2023
Assets		
Cash and balances with central bank	57,275,331	44,975,595
Deposits with banks and other financial institutions	2,945,511	4,646,858
Placements with banks and other financial institutions	46,592,590	28,871,354
Derivative financial instruments	27,650	82,886
Financial assets held under resale agreements	40,000	7,668,752
Financial investments:		
Financial assets at fair value through profit or loss	106,951,947	93,779,799
Debt instruments at fair value through other comprehensive income	102,333,006	88,863,192
Financial assets at amortised cost	152,331,765	162,245,189
Equity instruments at fair value through other comprehensive income	1,642,224	1,642,224
Loans and advances to customers	427,485,537	385,323,670
Deferred tax assets	5,152,326	3,976,498
Property and equipment	2,058,493	2,181,274
Right-of-use assets	915,493	1,012,996
Interests in associates	210,776	302,715
Investments in subsidiaries	1,180,000	1,180,000
Other assets	7,282,555	4,265,060
Total assets	914,425,204	831,018,062

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024
(Amounts in thousands of Renminbi, unless otherwise stated)

56 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

Statement of financial position as at 31 December 2024 (Continued)

	As at 31 December	
	2024	2023
Liabilities		
Borrowings from central bank	80,933,201	78,148,361
Deposits from banks and other financial institutions	66,337,977	59,897,529
Placements from banks and other financial institutions	16,989,567	21,875,407
Derivative financial instruments	271,706	3,212
Financial assets sold under repurchase agreements	64,663,850	68,517,406
Income tax payable	397,221	3,920
Lease liabilities	965,785	1,055,725
Due to customers	499,696,829	449,300,453
Debt securities issued	109,964,281	83,286,392
Other liabilities	6,041,400	5,071,031
Total liabilities	846,261,817	767,159,436
Equity		
Share capital	6,070,552	6,070,552
Capital reserve	10,700,842	10,699,811
Investment revaluation reserve	1,431,226	146,519
Surplus reserve	3,352,480	3,352,480
General reserve	9,062,761	9,062,761
Retained earnings	37,545,526	34,526,503
Total equity	68,163,387	63,858,626
Total equity and liabilities	914,425,204	831,018,062

Financial Statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

(Amounts in thousands of Renminbi, unless otherwise stated)

56 STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

Statement of changes in equity for the year ended 31 December 2024

	2024							Total
	Share capital	Capital reserve	Investment revaluation reserve	Surplus reserve	General reserve	Retained earnings		
As at 1 January 2024	6,070,552	10,699,811	146,519	3,352,480	9,062,761	34,526,503	63,858,626	
Profit for the year	-	-	-	-	-	3,747,489	3,747,489	
Other comprehensive income for the year	-	-	1,284,707	-	-	-	1,284,707	
Total comprehensive income for the year	-	-	1,284,707	-	-	3,747,489	5,032,196	
Appropriation of profit								
- Dividend distribution to ordinary shareholders of the Bank	-	-	-	-	-	(728,466)	(728,466)	
Others								
- Others	-	1,031	-	-	-	-	1,031	
As at 31 December 2024	6,070,552	10,700,842	1,431,226	3,352,480	9,062,761	37,545,526	68,163,387	
	2023							Total
	Share capital	Capital reserve	Investment revaluation reserve	Surplus reserve	General reserve	Retained earnings		
As at 1 January 2023	6,070,552	10,699,811	(497,110)	3,352,480	9,062,761	30,796,864	59,485,358	
Profit for the year	-	-	-	-	-	3,729,639	3,729,639	
Other comprehensive income for the year	-	-	643,629	-	-	-	643,629	
As at 31 December 2023	6,070,552	10,699,811	146,519	3,352,480	9,062,761	34,526,503	63,858,626	

Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

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

LIQUIDITY RATIOS, LIQUIDITY COVERAGE RATIOS AND NET STABLE FUNDING RATIO

Liquidity Ratios

	As at 31 December 2024	As at 31 December 2023	Rate of change (%)
RMB current assets to RMB current liabilities (%)	59.7	48.2	11.5
Foreign currency current assets to foreign currency current liabilities (%)	170.9	233.7	(62.8)

Average for the year ended

	31 December 2024	2023	Rate of change (%)
RMB current assets to RMB current liabilities (%)	46.65	51.91	(5.26)
Foreign currency current assets to foreign currency current liabilities (%)	187.93	221.73	(33.80)

Liquidity Coverage Ratios

	As at 31 December 2024	As at 31 December 2023	Rate of change (%)
Qualified high-quality liquid assets	116,938,654.5	104,667,366.2	11.72
Net cash outflows in the next 30 days	53,295,033.3	65,149,799.1	(18.20)
Liquidity Coverage ratios (%)	219.42	160.66	36.57

Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

Net Stable Funding Ratio

	As at 31 December 2024	As at 30 September 2024	Rate of change (%)
Total stable funding available	502,568,809.3	480,405,191.6	4.61
Total stable funding required	450,392,236.8	440,157,794.1	2.33
Net stable funding ratio (%)	111.58	109.14	2.44

Pursuant to the Disclosure of Net Stable Funding Ratio Information of Commercial Bank (Yin Bao Jian Fa [2019] No. 11), the Bank shall disclose relevant information on the net stable funding ratio for the latest two quarters.

CURRENCY CONCENTRATIONS

	Equivalent in Renminbi			Total
	US Dollars	Hong Kong Dollars	Other	
As at 31 December 2024				
Spot assets	7,972,895	11,371	157,642	8,141,908
Spot liabilities	(6,803,267)	(3,672)	(9,113,560)	(15,920,499)
Forward purchases	37,020	–	9,102,307	9,139,327
Forward sales	(1,078)	–	(193,393)	(194,471)
Net position	1,205,570	7,699	(47,004)	1,166,265
As at 31 December 2023				
Spot assets	15,459,610	10,656	44,333	15,514,599
Spot liabilities	(13,538,407)	(3,679)	(2,096,665)	(15,638,751)
Forward purchases	729,518	–	2,035,262	2,764,780
Forward sales	(1,875,499)	–	(5,223)	(1,880,722)
Net position	775,222	6,977	(22,293)	759,906

The above information is computed in accordance with the provisions of the NFRA. The Group has no structural position as at the end of each Reporting Period.

Note: Add data related to "forward purchases" and "forward sales".

Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

INTERNATIONAL CLAIMS

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

International claims mainly include deposits with banks, placements with banks and loans.

International claims have been disclosed by different countries or geographical areas. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a third party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	As at 31 December 2024	As at 31 December 2023	Rate of change (%)
INTERNATIONAL CLAIMS – deposits with banks and placements with banks			
Asia Pacific (excluding mainland China)	24,012	13,305	80.47
– of which: attributed to Hong Kong	9,577	9,672	(0.98)
Europe	715	20,388	(96.49)
North America	399,922	492,560	(18.81)
Total	424,649	526,253	(19.31)
	As at 31 December 2024	As at 31 December 2023	Rate of change (%)
INTERNATIONAL CLAIMS – loans			
Asia Pacific (excluding mainland China)	870,687	435,890	99.75
– of which: attributed to Hong Kong	215,652	435,890	(50.53)
North America	–	–	–
Total	870,687	435,890	99.75

Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

EXPOSURES TO MAINLAND CHINA NON-BANK ENTITIES

	As at 31 December 2024	As at 31 December 2023	Rate of change (%)
On-balance sheet exposure	440,779,383	396,009,202	11.3
Off-balance sheet exposure	138,081,935	103,862,130	32.9

List of Branches

As of the end of the Reporting Period, details of the branches of the Bank are set out as below:

No.	Name of Branch	Address	Postcode
1	Bank of Tianjin, Sales Department	Attached Building, No.15, Youyi Road, Hexi District, Tianjin	300201
2	Bank of Tianjin, Dongli sub-branch	No. 77, Yuejin Road, Dongli District, Tianjin	300300
3	Bank of Tianjin, Junliang City sub-branch	No. 1-7, Block 29, Junhua Yard, Xinshi Town, Junliang City, Xingnong Road, Dongli District, Tianjin	300301
4	Bank of Tianjin, Jinnan sub-branch	No. 1, Ground Floor, Building 2, Jingming Garden, east side of Jingu Road and north side of Xianshuigu Hospital, Xianshuigu Town, Jinnan District, Tianjin	300350
5	Bank of Tianjin, Lushui Road sub-branch	No. 15 & 16, Ground Floor Store, Block 10, Baojujiayuan, Southern side of the Wushui Road, Jinnan District, Tianjin	300000
6	Bank of Tianjin, Jingu Road sub-branch	No. 1-3, Ground Floor, Zonglv Yuan 4, Gelinxiaocheng, west side of Jingu Road, Shuanggang Town, Jinnan District, Tianjin	300350
7	Bank of Tianjin, Xiqing sub-branch	1-A-2-01-05, 1/F New City Center I-A, 3 Wanhui Road, Zhongbei Town, Xiqing District, Tianjin	300393
8	Bank of Tianjin, Zhangjiawo sub-branch	No. 60, Yutai Road, Xiqing District, Tianjin	300380
9	Bank of Tianjin, Yangliuqing Town sub-branch	B-1-30, 31, 32, 33, 34, 34A, 35, Yangliuqing Commercial Street, Xiqing District, Tianjin	300380
10	Bank of Tianjin, Changling Road sub-branch	(Ground Floor, No.102, Apartment block) Block A-F, Yueya Garden, Lingkou Village, Liqizhuang Street, Xiqing District, Tianjin	300381
11	Bank of Tianjin, Beichen sub-branch	1185, 1186, 1187, 2170, 3180, Building 1-3, Changying Commercial Plaza, northwest side at the Junction of Jingjin Road and Longzhou Road, Beichen District, Tianjin	300340
12	Bank of Tianjin, Jingjin Road sub-branch	Extension No. 9-10, No. 352, south at the junction of Jingjin Road and Guoyuan North Road, Beichen District, Tianjin	300400
13	Bank of Tianjin, Xinyibai Avenue sub-branch	3-41 and 3-43, Ground Floor, Building 14, Puwangli (Wanda New Town), Beichen District, Tianjin	300420
14	Bank of Tianjin, Wuqing sub-branch	No. 143, Quanwang Road, Wuqing District, Tianjin	301799

List of Branches

No.	Name of Branch	Address	Postcode
15	Bank of Tianjin, Jinghu sub-branch	Ground Floor, Scientific Research Service Building, Huidareli Group, Jianing Road, Xiazhuozhuang Street, Wuqing District, Tianjin	301700
16	Bank of Tianjin, Huangzhuang sub-branch	Ground Floor, Building 74, Commercial Street, Junction of Weiyi Road and Jingba Road, Huangzhuang Street, Wuqing District, Tianjin	301700
17	Bank of Tianjin, Yongyangxi Road sub-branch	Ground Floor, No. 12-2, Shengshixinyuan, Southern side of Yongyangxi Road, Xincheng, Wuqing District, Tianjin	301799
18	Bank of Tianjin, Baodi sub-branch	No. 52, Nancheng Road, Baodi District, Tianjin	301800
19	Bank of Tianjin, Kaiyuan Road sub-branch	2-113, 2-114, 2-115, 2-213, 2-214, Huifeng Building 2, south side of Nanhuan Road, Baodi District, Tianjin	301800
20	Bank of Tianjin, Tianbao Industrial Park sub-branch	North side of Tongtang Road and east side of Tianbao Road, Economic Development Zone, Baodi District, Tianjin (Ground Floor, East Building, No. 6, Nanhuan Road)	301800
21	Bank of Tianjin, Jizhou sub-branch	No. 1 (south side of the first and third floors), People's West Road, North Bus Station, west side of Zhongchang Road, Jizhou District, Tianjin	301900
22	Bank of Tianjin, Renmin West Avenue sub-branch	No. 2-188, No. 2-188A, 2-204, Jinding Building, north side of Renmin West Avenue West, Jizhou District, Tianjin	301900
23	Bank of Tianjin, Zhouhewan sub-branch	Extension No. 8, No. 5, Qingchi West Street, Zhouhewan, Xincheng, Jizhou District, Tianjin	301900
24	Bank of Tianjin, Kangping Road sub-branch	No. 105, 107, 109 Kangping Road, Jizhou District, Tianjin	301900
25	Bank of Tianjin, Xinghua Street sub-branch	Ext-1, No. 53 Xinghua Street, Yuyang Town, Jizhou District, Tianjin	301900
26	Bank of Tianjin, Bangjun Town sub-branch	South of Beijing-Harbin Highway and west of the land boundary of Xinan Dao Villagers' Committee, Bangjun Town, Jizhou District, Tianjin	301901
27	Bank of Tianjin, Liming Zhuang sub-branch	Sub-1, No. 4 Panlongshan Road, Jizhou District, Tianjin	301907
28	Bank of Tianjin, Xincheng sub-branch	Ext-5, No. 8 Qingchi West Street, North Park, Zhouhewan, West of Zhongchangnan Avenue and North of Daqin Railway, Jizhou District, Tianjin	301999

List of Branches

No.	Name of Branch	Address	Postcode
29	Bank of Tianjin, Jinghai sub-branch	105 & 106, Building 7, Jinxiujiayuan (location of original Jinghai County Party Committee), Jinghai District, Tianjin	301600
30	Bank of Tianjin, Dongfanghong Road sub-branch	Commercial Area B, Haixinyuan, Dongfanghong Road, Jinghai District, Tianjin	301600
31	Bank of Tianjin, Ninghe sub-branch	No. 66, Guangming Road, Lutai Town, Ninghe District, Tianjin	301500
32	Bank of Tianjin, First central sub-branch	Kangning Building, Junction of Xikang Road and Hanyang Road, Heping District, Tianjin	300070
33	Bank of Tianjin, Rongsheng sub-branch	No. 179 & 181, Chengdu Road, Heping District, Tianjin	300070
34	Bank of Tianjin, Kaifeng sub-branch	No. 11, Nanma Road, Heping District, Tianjin	300022
35	Bank of Tianjin, Jianye sub-branch	No. 33, Qixiangtai Road, Heping District, Tianjin	300070
36	Bank of Tianjin, Baoli sub-branch	Block B, No. 18, Guizhou Road, Heping District, Tianjin	300051
37	Bank of Tianjin, Hongtong sub-branch	No. 75, Yingkou Road, Heping District, Tianjin	300040
38	Bank of Tianjin, Laolian sub-branch	No. 95, Jianshe Road, Heping District, Tianjin	300041
39	Bank of Tianjin, Huafeng sub-branch	No. 74, Jianshe Road, Heping District, Tianjin	300040
40	Bank of Tianjin, Jianshe Road sub-branch	By the side of No. 82, Jianshe Road, Heping District, Tianjin	300042
41	Bank of Tianjin, Xiangsheng sub-branch	Ground Floor, Block B, Building 5, Changshou Apartment, Rongye Street, Heping District, Tianjin	300021
42	Bank of Tianjin, Jinsheng sub-branch	No. 32, Xinxing Road, Heping District, Tianjin	300070
43	Bank of Tianjin, Jingong sub-branch	No. 72, Jiefang North Road, Heping District, Tianjin	300041
44	Bank of Tianjin, Shiye sub-branch	No. 157, Dagu North Road, Heping District, Tianjin	300040
45	Bank of Tianjin, Dali Road sub-branch	No. 86, Dali Road, Heping District, Tianjin	300050
46	Bank of Tianjin, Small Business Financial Services Center	2/F, No. 86, Dali Road, Heping District, Tianjin	300050
47	Bank of Tianjin, Baoding Road sub-branch	No. 01, Ground Floor, 1/F & No. 01, Ground Floor, 2/F, Tower A, Xinhua Building, No. 33-39, Baoding Road, Heping District, Tianjin	300040
48	Bank of Tianjin, Jinmao Plaza sub-branch	No. 2111, 1/F, Office Building 2, Tianjin Federation of Trade Unions, No. 4 Guanghua Road, Hedong District, Tianjin	300170

List of Branches

No.	Name of Branch	Address	Postcode
49	Bank of Tianjin, Chengxiang West Road sub-branch	No 912, Chengxiang West Road, Nankai District, Tianjin	300100
50	Bank of Tianjin, Second central sub-branch	Zhonghao International Automobile Building, No. 62, Longchang Road, Hexi District, Tianjin	300201
51	Bank of Tianjin, Jinhe sub-branch	No. 676, Dagu South Road, Hexi District, Tianjin	300200
52	Bank of Tianjin, Jincai sub-branch	By the side of Donglou Bridge, Dagu South Road, Hexi District, Tianjin	300200
53	Bank of Tianjin, Dagu South Road sub-branch	No. 04-05, Ground Floor, Building 1, Liuyuan Apartment, Dagu South Road, Hexi District, Tianjin	300222
54	Bank of Tianjin, Ruide sub-branch	No 3, Yongan Road, Hexi District, Tianjin	300204
55	Bank of Tianjin, Jinxi sub-branch	Extension No. 9, No. 89, Qixiangtai Road, Heping District, Tianjin	300074
56	Bank of Tianjin, Xilian sub-branch	Ground Floor, Tianjin Library, Tianjin Culture Center, Pingjiang Road, Hexi District, Tianjin	300201
57	Bank of Tianjin, Shaoxing Road sub-branch	Bank of Tianjin and 6B, 6C, 6D, 1st Floor, North Finance Building, No.5, Youyi Road, Hexi District, Tianjin	300201
58	Bank of Tianjin, Chentang Park sub-branch	106 Chentang Science and Technology Business Service Center, No. 20, Dongting Road, Hexi District, Tianjin	300220
59	Bank of Tianjin, Jinhua sub-branch	Extension No. 14, No. 16, Heiniucheng Road, Hexi District, Tianjin	300210
60	Bank of Tianjin, Rongcheng sub-branch	No. 75, Heiniucheng Road, Hexi District, Tianjin	300061
61	Bank of Tianjin, Donghai sub-branch	No. 33, Huanhu Middle Road, Hexi District, Tianjin	300060
62	Bank of Tianjin, Yinlian sub-branch	No. 26 & 28, Shuangshui Road, Hexi District, Tianjin	300222
63	Bank of Tianjin, Xietong sub-branch	1/F Jinhuang Building, No.20, Nanjing Road, Hexi District, Tianjin.	300042
64	Bank of Tianjin, Huiyuan sub-branch	South Ground Floor, Building 1, Huaxiafuyu Plaza, Jiefang South Road, Hexi District, Tianjin	300202
65	Bank of Tianjin, Guhai Road sub-branch	No. 423, Jiefang South Road, Hexi District, Tianjin	300210
66	Bank of Tianjin, Jiefang South Road sub-branch	No. 473, Jiefang South Road, Hexi District, Tianjin (Ground Floor of Bohai Sea International Commerce Block)	300221
67	Bank of Tianjin, Tianma sub – branch	1/F to 2/F, No. 10, Lianshuiyuan, southeastern side of the junction of Youyi South Road and Zhujiang Road, Hexi District, Tianjin	300221

List of Branches

No.	Name of Branch	Address	Postcode
68	Bank of Tianjin, Tanjiang Road sub-branch	Unit 17, Ground Floor, Chuanshuiyuan Estate (Public Building III), Suijiang Street, Hexi District, Tianjin	300221
69	Bank of Tianjin, Zhujiang Road sub-branch	Junction of Zhujiang Road and Xueyuan Road, Hexi District, Tianjin	300222
70	Bank of Tianjin, Limin Road sub-branch	No. 89, Xinanlou Weidi Road, Hexi District, Tianjin	300201
71	Bank of Tianjin, South and North Avenue sub-branch	Door 1, Ground Floor, Building 2, Meining Apartment, South and North Avenue, Hexi District, Tianjin	300210
72	Bank of Tianjin, Third central sub-branch	Area A2, Shengxinyuan, Nanmenwai Street, Nankai District, Tianjin	300100
73	Bank of Tianjin, Jinhui sub-branch	No. 248, Baidi Road, Nankai District, Tianjin	300192
74	Bank of Tianjin, Xingke sub-branch	No. 200, Anshan West Road, 1895 Tianjin University Architecture and Creation Building, Nankai District, Tianjin	300073
75	Bank of Tianjin, Kemao Street sub-branch	No. 428, Anshan West Road, Nankai District, Tianjin	300193
76	Bank of Tianjin, Xinyuan sub-branch	21-2-101A, Guli Garden, northwest of the intersection of Xishi Street and Guangkai Street, Nankai District, Tianjin	300102
77	Bank of Tianjin, Changkang sub-branch	Extension No. 18, No. 628, Changjiang Road, Nankai District, Tianjin	300111
78	Bank of Tianjin, Yinshan sub-branch	Ground Floor, Xingtai Apartment, No. 66, Nanfeng Road, Nankai District, Tianjin	300192
79	Bank of Tianjin, Jinshan sub-branch	102-103, No. 1289, Nanma Road, Nankai District, Tianjin	300100
80	Bank of Tianjin, Rongyuan sub-branch	No. 467, Huanghe Road, Nankai District, Tianjin	300110
81	Bank of Tianjin, Guangkaiwuma Road sub-branch	No. 294, Huanghe Road, Nankai District, Tianjin	300110
82	Bank of Tianjin, Xingnan sub-branch	No. 14, 16 & 18, Huaianhuan Road, Nankai District, Tianjin	300193
83	Bank of Tianjin, Lingbin Road sub-branch	No. 96-98, Lingbin Road, Nankai District, Tianjin	300381
84	Bank of Tianjin, Xianyang Road sub-branch	No. 82-84, Xianyang Road, Nankai District, Tianjin	300113
85	Bank of Tianjin, Huanghe Road sub-branch	Extension No. 10 & 11, No. 65, Xianyang Road, Nankai District, Tianjin	300111

List of Branches

No.	Name of Branch	Address	Postcode
86	Bank of Tianjin, Shuishang Gongyuan Road sub-branch	No. 46, Shuishang Gongyuan West Road, Nankai District, Tianjin	300191
87	Bank of Tianjin, Huayuan sub-branch	No. 25 & 27, Yashi Road, Nankai District, Tianjin	300380
88	Bank of Tianjin, Weijin South Road sub-branch	No. 70, Weijin South Road, Nankai District, Tianjin	300381
89	Bank of Tianjin, Tianda 1st sub-branch	Junction of Hubin Road and Nanfeng Road (No. 10 Hubin Road), Four Seasons Village, Tianjin University, Nankai District, Tianjin	300072
90	Bank of Tianjin, Yuanyin Road sub-branch	Ground Floor, Building 8, Yuanyinbeili, Yuanyin Road, Wangdingdi, Nankai District, Tianjin	300191
91	Bank of Tianjin, Chengjiang Road sub-branch	Ground Floor, Building 16, Huaningbeili, Chengjiang Road, Nankai District, Tianjin	300190
92	Bank of Tianjin, Keji sub-branch	No. 6, Meiyuan Road, Huayuan Industrial Park, Nankai District, Tianjin	300384
93	Bank of Tianjin, Wanhua sub-branch	No. 148-1, Yingshui Road, Huayuan Industrial Park, New Industrial Park, Tianjin	300384
94	Bank of Tianjin, Haitai Road sub-branch	Room 101, Door 3, Block F, Haitai Green Industry Base, No. 6, Haitai Fazhan 6th Road, Huayuan Industrial Park, Binhai Hi-tech Zone, Tianjin	300384
95	Bank of Tianjin, Tiankaiyuan sub-branch	No. 34 Scientific Research East Road, No. 17, No. 18, South District, Tianjin Science and Technology Plaza, Scientific Research East Road, Nankai District, Tianjin	300192
96	Bank of Tianjin, Haihe Education Park (Beiyang Zone) Sub-branch	No.104, Xinyuan South Road, Tianjin University, Haihe Education Park, Tianjin	300350
97	Bank of Tianjin, Fourth central sub-branch	Ground Floor, 1-3/F, Fujian Building, Huaxing Road, Hedong District, Tianjin	300011
98	Bank of Tianjin, Donglian sub-branch	No. 518, Tianshan Road, Hedong District, Tianjin	300162
99	Bank of Tianjin, Dongxin sub-branch	Extension No. 1 & 2, No. 40, Jintang Road, Hedong District, Tianjin	300182
100	Bank of Tianjin, Dongyin sub-branch	Extension No. 3, No. 80, Jintang Road, Hedong District, Tianjin	300170
101	Bank of Tianjin, Daqiao Road sub-branch	Outpatient hall, the 3rd Central Hospital, No. 83, Jintang Road, Hedong District, Tianjin	300170

List of Branches

No.	Name of Branch	Address	Postcode
102	Bank of Tianjin, Jintang Road sub-branch	Ground Floor, No. 2, Door 1, Building 2, Youainanli, Zhongshanmen, Jintang Road, Hedong District, Tianjin	300180
103	Bank of Tianjin, Hedong sub-branch	101 & 102, Yitingyuan, Liuwei Road, Hedong District, Tianjin	300012
104	Bank of Tianjin, Jiahua sub-branch	No. 17-5, Jiahuali, Chenglinzhuang Road, Hedong District, Tianjin	300161
105	Bank of Tianjin, Dongsheng sub-branch	No. 482 Fengshan Road, Hedong District, Tianjin	300250
106	Bank of Tianjin, Chengguang Road sub-branch	No. 71, Taixing South Road, Hedong District, Tianjin	300162
107	Bank of Tianjin, Zhongxin North Road sub-branch	No. 41, Zhongxin North Road, Hedong District, Tianjin	300181
108	Bank of Tianjin, Zile Plaza sub-branch	No. 148, Gate 4, 5, 6, Building 2, Zile Plaza, Hedong District, Tianjin	300180
109	Bank of Tianjin, Changzhou Road sub-branch	No. 22, Changzhou Road, Hedong District, Tianjin	300250
110	Bank of Tianjin, Fifth Central sub-branch	No.23 Minzu Road, Hebei District, Tianjin	300010
111	Bank of Tianjin, Bada Road sub-branch	Ground Floor, Hongji Garden, No.210 Shizilin Street, Hebei District, Tianjin	300143
112	Bank of Tianjin, Xingbei sub-branch	Ground Floor, Building 1, Huiyingli Community, No. 10, Zengchan Road, Hebei District, Tianjin	300250
113	Bank of Tianjin, Zhenbei sub-branch	Building 2, Shuyuanli, Zhongshan North Road, Hebei District, Tianjin	300241
114	Bank of Tianjin, Zhongshan Road sub-branch	Ground Floor, Zerenli Building, Zhongshan Road, Hebei District, Tianjin	300142
115	Bank of Tianjin, Zhongbei sub-branch	1-2/F, Ground Floor, Building 2, Yuyang Apartment, Junction of Zhongshan Road and Yuewei Road, Hebei District, Tianjin	300140
116	Bank of Tianjin, Jincheng sub-branch	Ground Floor, Fangjingmingju, Junction of Jinzhonghe Street and Zengchan Road, Hebei District, Tianjin	300150
117	Bank of Tianjin, Wuhao Road sub-branch	No. 24, Wangchuanchang 5th Road, Hebei District, Tianjin	300150

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No.	Name of Branch	Address	Postcode
118	Bank of Tianjin, Beiningwan sub-branch	No. 131 & 133, Yingxian Road, Hebei District, Tianjin	300402
119	Bank of Tianjin, Yuguan Road sub-branch	No. 698 & 700, Yuguan Road, Hebei District, Tianjin	300232
120	Bank of Tianjin, Tiedong Road sub-branch	No. 26, Yiqing Road, Hebei District, Tianjin	300402
121	Bank of Tianjin, Sixth Central sub-branch	No. 187, Qinjian Road, Hongqiao District, Tianjin	300130
122	Bank of Tianjin, Hongxin sub-branch	No. 84, Xiqing Road, Hongqiao District, Tianjin	300122
123	Bank of Tianjin, Hongyin sub-branch	No. 331, Dingzigu First Road, Hongqiao District, Tianjin	300131
124	Bank of Tianjin, Guangrong Road sub-branch	101, Door 61, Xiangju Apartment, Guangrong Road, Hongqiao District, Tianjin	300130
125	Bank of Tianjin, Yihua Road sub-branch	No. 41, 43, 45 & 47, Yihua Road, Hongqiao District, Tianjin	300121
126	Bank of Tianjin, Chenxing Road sub-branch	No. 51 & 53, Shuanghuan Road, Hongqiao District, Tianjin	300134
127	Bank of Tianjin, Guanyinhao sub-branch	No. 5, Dongma Road, Nankai District, Tianjin	300090
128	Bank of Tianjin, Binhai branch	E2ABC, No. 20, Plaza East Road, Binhai Finance Street, the Third Street, Economic and Technology Development District, Tianjin	300457
129	Bank of Tianjin, Haibin sub-branch	No.2048 Shanghai Road, Tanggu, Binhai New Area, Tianjin	300450
130	Bank of Tianjin, Hangzhou Road sub-branch	No.8 North Zhongxin Road, Tanggu, Binhai New Area, Tianjin	300451
131	Bank of Tianjin, Tanggu sub-branch	No. 289, 295, 301 Yingkou Road, Tanggu, Binhai New Area, Tianjin	300450
132	Bank of Tianjin, Heping Road sub-branch	No. 9 Heping Road, Tanggu, Binhai New Area, Tianjin	300450
133	Bank of Tianjin, Oil North Road sub-branch	No. 79 Dongyan Road, Tanggu, Binhai New Area, Tianjin	300452
134	Bank of Tianjin, Hebei Road sub-branch	No. 25 Hebei Road, Tanggu, Binhai New Area, Tianjin	300451

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No.	Name of Branch	Address	Postcode
135	Bank of Tianjin, Station North Road sub-branch	No. 830 and 836, North Station Road, Tanggu, Binhai New Area, Tianjin	300451
136	Bank of Tianjin, Jinzhou Road sub-branch	No. 1024 Jinzhou Road, Tanggu, Binhai New Area, Tianjin	300451
137	Bank of Tianjin, Hekou Road sub-branch	No. 2-37, Hekou Road, Tanggu, Binhai New Area, Tianjin	300452
138	Bank of Tianjin, Zhejiang Road sub-branch	Ground Floor, Gate 1, Building 7, Huianli, Tanggu, Binhai New Area, Tianjin	300450
139	Bank of Tianjin, Gangkou Road sub-branch	Xingang Road No. 2, Tanggu, Binhai New Area, Tianjin	300450
140	Bank of Tianjin, Road No. 3 sub-branch	No. 3438, Xingang Road No.3, Tanggu, Binhai New Area, Tianjin	300456
141	Bank of Tianjin, Baoshan Road sub-branch	No. 3807, Xinbei Road, Ocean Science and Technology Park, Tanggu, Binhai New Area, Tianjin	300451
142	Bank of Tianjin, Yuanyang City sub-branch	No. F125-126, 1st Floor, Tianjin Ocean We-life, No. 89 Yuanyang Center Road, Binhai New Area, Tianjin	300454
143	Bank of Tianjin, Hebin Road sub-branch	No. BF104, Binhai Trade Center, 2064 Bohai Oil Road, Tanggu, Binhai New Area, Tianjin	300452
144	Bank of Tianjin, Guangzhou Road sub-branch	No. 1156, Fuzhou Road, Tanggu, Binhai New Area, Tianjin	300450
145	Bank of Tianjin, Hangu sub-branch	No. 77, Xinkai Middle Road, Hangu, Binhai New Area, Tianjin	300480
146	Bank of Tianjin, Dagang sub-branch	No. 75 Yingbin Street, Dagang, Binhai New Area, Tianjin	300270
147	Bank of Tianjin, Xingfu Road sub-branch	No. 666 Xingfu Road, Dagang Oilfield, Tianjin	300280
148	Bank of Tianjin, Yingxin Street sub-branch	No. 96, Yingxin Street, Dagang, Binhai New Area, Tianjin	300270
149	Bank of Tianjin, Shengli Road sub-branch	No. 124 & 126 Tuanjie West Road, Sunshine Jiayuan, Dagang Oilfield, Binhai New Area, Tianjin	300280
150	Bank of Tianjin, Xuri Road sub-branch	West side of 1/F, Block B, Commercial Building, Fuyuan Garden, Gulin Street, Binhai New Area, Tianjin	300450
151	Bank of Tianjin, Development Area sub-branch	No. 76 Dongting Road, Development Area, Tianjin	300457

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No.	Name of Branch	Address	Postcode
152	Bank of Tianjin, Tianbao sub-branch	Room 101 & 201, Block B, No. 27, the Second Street, Economic and Technology Development Area, Tianjin	300457
153	Bank of Tianjin, the Third Avenue sub-branch	No.31-6, Building 1, No.31 Third Street, Development District, Tianjin	300457
154	Bank of Tianjin, Huanghai Road sub-branch	No. 21-9, the Second Street, Development Area, Tianjin	300457
155	Bank of Tianjin, Binhai Hi-tech Zone sub-branch	West side of Building 5, No. 188 Rixin Road, Binhai Science and Technology Park, Binhai High-tech Zone, Tianjin	300301
156	Bank of Tianjin, Sino-Singapore Eco-city sub-branch	2-1-101 & 201, Tianhexinlehui, No. 276, Hexu Road, Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin	300467
157	Bank of Tianjin, Tianjin Free-Trade Zone branch	101-201, Building 2, Financial Center, No.158 Xisan Road, Tianjin Free Trade Zone (Airport Economic Zone)	300308
158	Bank of Tianjin, Beijing branch	Xuanwumen Building, No. 73, Dongheyuan Hutong, Xicheng District, Beijing	100052
159	Bank of Tianjin, Beijing Finance Street sub-branch	Building A33, Erlong Road, Xicheng District, Beijing	100032
160	Bank of Tianjin, Beijing Guangqumen sub-branch	101-02, 1/F, Floor 3, Guangqujiayuan, Dongcheng District, Beijing	100022
161	Bank of Tianjin, Beijing Dongzhimen sub-branch	101, 1/F & 201, 2/F, Building 1, No. 46, Dongzhimenwai Street, Dongcheng District, Beijing	100027
162	Bank of Tianjin, Beijing Dongcheng sub-branch	105 and 106, 1/F, No. 8, Chaoyangmennei Street, Dongcheng District, Beijing	100010
163	Bank of Tianjin, Beijing Chaowai sub-branch	No. 0185, Ground Floor & No. 1133 Office, Chaowai SOHO, B6 Chaowai Street, Chaoyang District, Beijing	100020
164	Bank of Tianjin, Beijing Sanyuanqiao sub-branch	Ground Floor, No. 101, 1/F and Office, No. 601, 6/F, Block A, Shenyuan Center, No. B2, East Sanhuan North Road, Chaoyang District, Beijing	100027
165	Bank of Tianjin, Beijing Xinxingqiao sub-branch	Ground Floor, No. 21 and Office, 10/F, Fuxing Road, Haidian District, Beijing	100036
166	Bank of Tianjin, Beijing Zhongguancun sub-branch	Ground Floor, 1-E & 1-F, Yuanzhongyuelai, No. 15, Haidian Middle Street, Haidian District, Beijing	100080
167	Bank of Tianjin, Beijing Xizhimen sub-branch	No. 52, North Street, Xizhimen, Haidian District, Beijing	100082

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No.	Name of Branch	Address	Postcode
168	Bank of Tianjin, Beijing Hangtianqiao sub-branch	North side of 1-2, 1/F, No. 100, Xisanhuan North Road, Haidian District, Beijing	100037
169	Bank of Tianjin, Beijing Fengtai sub-branch	1F01, 1/F and 2F01, 2/F, Commercial Building, No. 232 West Shiliuzhuang Street, Fengtai District, Beijing	100070
170	Bank of Tianjin, Beijing Fangshan sub-branch	103-1, Building 1, No. 6 Haotian North Main Street, Fangshan District, Beijing	102440
171	Bank of Tianjin, Beijing Daxing sub-branch	North Side, 3-2, No. 32 & 2/F, 3-3, No. 32, Xingye Avenue (Section 3), Daxing District, Beijing	102699
172	Bank of Tianjin, Beijing Tongzhou sub-branch	East Side, 1/F, 8-1-3, No. 61 & North Side, 8-1-9, 2/F, No. 59, Xinhua West Road, Tongzhou District, Beijing	101199
173	Bank of Tianjin, Beijing Shunyi sub-branch	Unit 103, 1/F and Unit 203, 2/F, No. 1 Building, No.1 Court, Zhanqian Street, Shunyi District, Beijing	101300
174	Bank of Tianjin, Beijing Changping sub-branch	West side of 1/F and Northwest side of 2/F, Building 2, No. 12, Longshui Road, Changping District, Beijing	102200
175	Bank of Tianjin, Shijiazhuang branch	No. 49, Yuhua East Road, Qiaoxi District, Shijiazhuang, Hebei Province	050000
176	Bank of Tianjin, Shijiazhuang Zhongshan Road sub – branch	No. 151, Zhongshan West Road, Qiaoxi District, Shijiazhuang, Hebei Province	050000
177	Bank of Tianjin, Shijiazhuang High-tech District sub-branch	(Room 1-105 、 1-106 、 1-107 、 1-108 、 1-112 、 1-113 、 1-114 、 1-115), Ground floor commercial building, Building 1 Tian Shan Auspicious Lake, No.181 Kunlun Main Street, High-tech District, Shijiazhuang, Hebei Province	050000
178	Bank of Tianjin, Shijiazhuang Yuhua sub-branch	No. 2, 1st Floor, West side of Commercial Building of Wuzhou Tiandi, 75-5 Tangu South Street, Yuhua District, Shijiazhuang, Hebei Province	050000
179	Bank of Tianjin, Baoding branch	No. 3108, Fuxing Middle Road, Baoding, Hebei Province	071000
180	Bank of Tianjin, Baoding Zhuozhou sub-branch	No. 293, Fanyang Middle Road, Zhuozhou, Hebei Province	072750
181	Bank of Tianjin, Tangshan branch	No. 603, Xiangyun Road, Lubei District, Tangshan, Hebei	063000
182	Bank of Tianjin, Tangshan Fenghuangxincheng sub-branch	No. 131 & 133, Xingyuan Road, Lubei District, Tangshan, Hebei	063000
183	Bank of Tianjin, Tangshan Fengnan sub-branch	No. 82, 84 & 86, Jiaoyu Street, Fengnan District, Tangshan, Hebei	063000

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No.	Name of Branch	Address	Postcode
184	Bank of Tianjin, Tangshan Caofeidian sub-branch	No. 198 & 200, Jianshe Avenue, Caofeidian District, Tangshan, Hebei	063299
185	Bank of Tianjin, Tangshan Laoting sub-branch	No. 8, Dazhao Road, Laoting County, Tangshan, Hebei	063000
186	Bank of Tianjin, Tangshan Qianan sub-branch	No. 689, Gangcheng Street, Qianan Town, Qianan, Hebei	064000
187	Bank of Tianjin, Tangshan Zunhua sub-branch	No. 1 & 2, Ground Floor, Kaiyuanjiezu, Wenbai Road, Zunhua, Hebei	064200
188	Bank of Tianjin, Shanghai branch	Baojing Business Building, No.1859 Expo Avenue, Pudong New Area, Shanghai	200002
189	Bank of Tianjin, Shanghai Lujiazui sub-branch	Room 101, China Shipbuilding Tower, No. 1, Pudong Avenue, Pudong New Area, Shanghai	200120
190	Bank of Tianjin, Shanghai Yangpu sub-branch	North side (commercial) of 01, 1/F, No. 1366, Yangshupu Road, Yangpu District, Shanghai	200082
191	Bank of Tianjin, Shanghai Huangpu sub-branch	Room 1B, Hi-Tech King World West Building Area F, No. 666 Beijing East Road, Huangpu District, Shanghai	200001
192	Bank of Tianjin, Shanghai Xuhui sub-branch	1 & 3/F, No. 2119, Xietu Road, Xuhui District, Shanghai	200032
193	Bank of Tianjin, Shanghai Changning sub-branch	Room 101 & 1905, Orient Century Building, No. 345, Xianxia Road, Changning District, Shanghai	200336
194	Bank of Tianjin, Shanghai Jing'an sub-branch	Room A, 1-2/F, No. 1056, Changde Road, Jing'an District, Shanghai	200040
195	Bank of Tianjin, Shanghai Zhabei sub-branch	Unit 01, 1/F, Henghui International Building, No. 556, 558 & 560, Hengfeng Road and Unit 02, 5/F, Henghui International Building, No. 568, Hengfeng Road, Zhabei District, Shanghai	200072
196	Bank of Tianjin, Shanghai Putuo sub-branch	1 & 2/F, No. 108, Guangxin Road, Putuo District, Shanghai	200061
197	Bank of Tianjin, Shanghai Hongkou sub-branch	Room 101, No. 843, Room 102, No. 845-847 & Room 103-104, No. 851, Room 604-606, No. 1, Lane 839, Dalian Road, Hongkou District, Shanghai	200086
198	Bank of Tianjin, Shanghai Minhang sub-branch	1/F, No. 1058, Caobao Road, Minhang District, Shanghai	201101

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No.	Name of Branch	Address	Postcode
199	Bank of Tianjin, Jinan branch	1-109, Building 2 & 5, Area 1 Sanjianruifuyuan, No. 20999, Jingshi Road, Shizhong District, Jinan	250001
200	Bank of Tianjin, Jinan Shizhong sub-branch	3/F, No. 2666, Shop B2-002, No. 2688, Erhuannan Road, Shizhong District, Jinan City	250022
201	Bank of Tianjin, Jinan Lixia sub-branch	1 & 2/F, Northwest corner, Jinan Metro South Building, No. 5 Jie Fang Dong Road, Lixia District, Jinan City	250014
202	Bank of Tianjin, Jinan Quancheng sub-branch	Jiefangge Business Center, No. 187, Heihuquan North Road, Lixia District, Jinan	250001
203	Bank of Tianjin, Jinan Dianliu sub-branch	No. 5006-9, Erhuan East Road, Lixia District, Jinan City	250014
204	Bank of Tianjin, Jinan Licheng sub-branch	Building 27, No. 47, Huayuan Road, Licheng District, Jinan	250199
205	Bank of Tianjin, Jinan Dongcheng sub-branch	1 & 2/F, Auxiliary Building of Geological Technology Building, No. 521, Jingde Street, northwest corner of the intersection of Tangye Middle Road and Jingde Street, Licheng District, Jinan, Shandong	250109
206	Bank of Tianjin, Jinan Huaiyin sub-branch	Building 1 & 2, east side, Ground Floor, Shunchengyuan Community, No. 24916, Jingshi Road, Huaiyin District, Jinan	250022
207	Bank of Tianjin, Jinan Xicheng subbranch	Financial Service Hall, northeast corner, 1/F, Jinan Baoye Building, southwest corner of the intersection of Lashanhe West Road and Rizhao Road, Huaiyin District, Jinan, Shandong	250117
208	Bank of Tianjin, Jinan Tianqiao sub-branch	No. 965, 975 & 985, Minghu West Road, Jinan	250000
209	Bank of Tianjin, Jinan Binhe sub-branch	Room 101, 1201 Partial, 1202 & 1203, Block A, Binhe Business Center, No. 8888 Qinghe North Road, Tianqiao District, Jinan	250033
210	Bank of Tianjin, Jinan Zhangqiu sub-branch	Shop 104, Building 16, Qilujianqiao Community, No. 35, Mingshui Shuangshan Street, Zhangqiu District	250299
211	Bank of Tianjin, Dongying branch	No. 55 Fuqian Street, Dongying District, Dongying City, Shandong Province	257000
212	Bank of Tianjin, Dongying Xicheng sub-branch	Jindu Building, No.680-1 Huanghe Road, Dongying District, Dongying City, Shandong Province	257061
213	Bank of Tianjin, Taian branch	No. 483, Dongyue Street, Taian, Shandong	271000

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No.	Name of Branch	Address	Postcode
214	Bank of Tianjin, Yantai branch	No. 16 Hengshan Road, Yantai Economic and Technological Development Zone, Yantai Area of Shandong Pilot Free Trade Zone, PRC	264006
215	Bank of Tianjin, Chengdu branch	No. 688, Tianfu Avenue Middle, Hi-tech District, Chengdu, Sichuan	610041
216	Bank of Tianjin, Chengdu Jingjiang sub-branch	No. 318 & 328, Tongying Street, Jinjiang District, Chengdu, Sichuan	610065
217	Bank of Tianjin, Chengdu Binjiang sub-branch	No. 10, Binjiang West Road, Jinjiang District, Chengdu, Sichuan Province	610021
218	Bank of Tianjin, Chengdu Qingyang sub-branch	No. 53 & Attachment No. 1-2, No. 53, Jinyang Road, Qingyang District, Chengdu, Sichuan	610072
219	Bank of Tianjin, Chengdu Jinniu sub-branch	Attachment No. 9-13 & Room 205-207, Building 8, No. 2, Chadianzi West Street, Jinniu District, Chengdu, Sichuan Province	610036
220	Bank of Tianjin, Chengdu Wuhou sub-branch	No. 1, 1/F, Building 1, No. 518, Lidu Road, Wuhou District, Chengdu, Sichuan	610047
221	Bank of Tianjin, Chengdu Chenghua sub-branch	No. 69, 71, 73, 75; No. 204 of Building 1, No. 67, Fuqing Road (Section 2), Chenghua District, Chengdu, Sichuan	610057
222	Bank of Tianjin, Chengdu Pidu sub-branch	No. 1 of 1/F, No. 1 of 2/F, Building 1, No.88, Chuangzhi Nanyi Road, Pidu District, Chengdu, Sichuan Province	611730
223	Bank of Tianjin, Luzhou branch	No. 189, Chunjingxia Road, Jiangyang District, Luzhou, Sichuan Province	646000