



宁波银行
BANK OF NINGBO

专业创造价值

BANK OF NINGBO CO., LTD.

(Stock Code: 002142)

2024 Annual Report

Chapter One Important Notes, Content and Interpretation

The Board of Directors, Board of Supervisors, directors, supervisors and senior management of the Company ensure the authenticity, accuracy and integrity of contents, and guarantee no frauds, misleading statements or major omissions in this report. They are willing to undertake any individual or joint legal responsibilities.

The 10th Meeting of the 8th Board of Directors of the Company deliberated on and approved the text and abstract of the 2024 Annual Report. 13 directors were expected to be present at the meeting in person out of the total of 14 directors required to attend the meeting (Director Bei Duoguang entrusted Director Hong Peili to vote), and part of the supervisors attended as nonvoting delegates.

The Chairman of the Company, Mr. Lu Huayu, the President of the Bank, Mr. Zhuang Lingjun, the person in charge of accounting, Mr. Luo Weikai, and the general manager of the financial department, Mr. Hu Haidong hereby declare to guarantee the authenticity, accuracy and integrity of the financial statements in the Annual Report.

Financial data and indicators included in this Report are following the criteria of Chinese Accounting Standards. Unless otherwise stated, all data in the Annual Report is subject to the unit of RMB.

Ernst & Young Hua Ming LLP (Special General Partnership) audited the 2024 Financial Statements of the Company in accordance with the Auditing Standards of China and published a standard unqualified audit report.

The forward-looking statements in this Report involving the future plans are not substantive commitments to the investors. Thus, investors and other stakeholders should keep sufficient risk awareness and understand the differences between plan, forecast and commitment.

Investors should read the full text of the Report carefully. The Company has provided a detailed description of major existing risks and the corresponding measures it will adopt to control risks. For details, please refer to relevant contents about risk management in Chapter Six Discussion and Analysis of the Management.

The Company's profit distribution plan was approved by the Board of Directors as follows: distribute RMB 9 (tax inclusive) as cash bonus per 10 shares to all shareholders registered upon the equity registration day. This plan will be submitted to the 2024 general meeting of stockholders for further approval.

Content

Chapter One Important Notes, Content and Interpretation	1
Chapter Two Company Profile.....	5
Chapter Three Summary of Accounting Data and Financial Indicators	9
Chapter Four Address of the Chairman.....	12
Chapter Five Address of the President	15
Chapter Six Management Discussion and Analysis.....	17
Chapter Seven Corporate Governance	69
Chapter Eight Environmental and Social Responsibilities	93
Chapter Nine Important Matters	94
Chapter Ten Changes in Share Capital and Shareholding	98
Chapter Eleven Relevant Situation of Preferred Shares	102
Chapter Twelve Financial Statements	105

Catalogue

I. Financial Statements signed and stamped by the Legal Representative Mr. Lu Huayu, President Mr. Zhuang Lingjun, CFO Mr. Luo Weikai and Principal of the Accounting Department of the Company Mr. Hu Haidong.

II. Original Audit Report signed and stamped by the accounting firm and CPAs.

III. Originals of all documents and announcements publicly disclosed during the reporting period of the Company.

Interpretation

Unless the context otherwise requires, the terms below shall have the following meanings in this report:

Bank of Ningbo, Company	Refer to	Bank of Ningbo Co., Ltd.
Maxwealth Fund	Refer to	Maxwealth Fund Management Co., Ltd.
Maxwealth Financial Leasing	Refer to	Maxwealth Financial Leasing Co., Ltd.
BNB Wealth Management	Refer to	BNB Wealth Management Co., Ltd.
BNB Consumer Finance	Refer to	BNB Consumer Finance Co., Ltd.
PBC, the central bank	Refer to	People's Bank of China
Financial Regulatory Administration	Refer to	National Financial Regulatory Administration
CSRC	Refer to	China Securities Regulatory Commission

Chapter Two Company Profile

I. Company Information

Abbreviation of Common Stock	Bank of Ningbo	Code of Common Stock	002142
Abbreviation of Preferred Stock	Bank of Ningbo Preferred 01	Code of Preferred Stock	140001
	Bank of Ningbo Preferred 02		140007
Stock Exchange Listed	Shenzhen Stock Exchange		
Chinese Name	宁波银行股份有限公司		
Chinese Abbreviation	宁波银行		
English Name	Bank of Ningbo Co., Ltd.		
English Abbreviation	Bank of Ningbo		
Legal Representative	Lu Huayu		
Registered Address	No. 345, Ningdong Road, Yinzhou District, Ningbo, Zhejiang Province, China		
Historical Changes of the Registered Address of the Company	The Company was founded on April 10, 1997 and its registered address was No. 868, Baizhang East Road, Ningbo, Zhejiang Province In 2002, due to the relocation of the head office, the registered address was changed to No. 294, Zhongshan East Road, Ningbo, Zhejiang Province In 2010, due to the relocation of the head office, the registered address was changed to No. 700, Ningnan South Road, Yinzhou District, Ningbo, Zhejiang Province In 2017, due to the relocation of the head office, the registered address was changed to No. 345, Ningdong Road, Yinzhou District, Ningbo, Zhejiang Province		
Post Code of Registered Address	315042		
Office Address	No. 345, Ningdong Road, Yinzhou District, Ningbo, Zhejiang Province, China		
Post Code of Office Address	315042		
Website	www.nbcb.com.cn		
E-mail	dsh@nbcb.cn		

II. Contact Information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Yu Gang	Tong Zhuochao
Contact Address	No. 345, Ningdong Road, Yinzhou District, Ningbo, Zhejiang	No. 345, Ningdong Road, Yinzhou District, Ningbo, Zhejiang
Telephone	0574-87050028	0574-87050028
Fax	0574-87050027	0574-87050027
E-mail	dsh@nbcb.cn	dsh@nbcb.cn

III. Information Disclosure and Place for Inspection

The website of the stock exchange where the Company discloses the annual report	www.szse.cn
Media names and websites of the annual report disclosed by the Company	<i>China Securities Journal</i> (www.cs.com.cn)
	<i>Shanghai Securities News</i> (www.cnstock.com)
	<i>Securities Times</i> (www.stcn.com)
	<i>Securities Daily</i> (www.zqrb.cn)
Place for inspection of the annual report	<i>Economic Information Daily</i> (www.jjckb.cn)
	Board of Directors Office of the Company

V. Registration Changes

Unified social credit code	91330200711192037M
Changes of Main Business after Listing	None
Changes of Controlling Shareholders in the Past	None

V. Other Relevant Information

(I) Accounting firm appointed by the Company

Name of Accounting Firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Office Address of Accounting Firm	Room 01-12, Floor 17, Ernst & Young Tower, Oriental Plaza, No. 1, East Chang'an Street, Dongcheng District, Beijing
Signed Accountants	Chen Sheng, Lu Baihuan

(II) Sponsor institution engaged for continuous supervision during the reporting period

During the reporting period, there was no need for the Company to engage a sponsor institution to perform the duty of continuous supervision.

VI. Development Vision, Corporate Culture and Investment Value

(I) Development Vision

To develop as a respected modern commercial bank with good reputation and core competitiveness.

(II) Corporate Mission

Serve the clients wholeheartedly and create value for the clients with specialty.

(III) Corporate Culture

Honesty and Professionalism, Compliance and Efficiency, Integration and Innovation.

(IV) Investment Value

Adhere to the operating strategy of "imperfect for large banks, impossible for small banks", energetically explore the differentiated developmental approaches, continue to accumulate comparative advantages in various fields, create higher values for customers with specialty, and make great efforts to create the Company being an outstanding commercial bank among the China banking industry with differentiation core competitiveness and comparative advantages upon the customer service.

Adhere to the entry principle of "knowing the market and understanding the customers", continuously deepen the construction of the nine profit centers at the banking level, namely Cooperate Banking, Retail Banking, Wealth Management, Consumer Credit, Credit Card, Financial Market, Investment Banking, Asset Custody and Bill Business and continuously improve the sustainable development capability of Maxwealth Fund, Maxwealth Financial Leasing, BNB Wealth Management and BNB Consumer Finance, thus to form a more diversified profit growth layout and better adapt to the professional, digital, platform-oriented and international development trend of the banking industry.

Adhere to the development strategy of "joint development of regional markets", deeply cultivate the business area, optimize the network layout, continue to give full play to the efficient linkage advantages of the head office, branches and sub-branches, give full play to the efficient synergy advantages with subsidiaries, positively adapt to the market changes, timely optimize the business strategy, ensure the coordinated business development of the branches and sub-branches and constantly enhance the competitiveness of the Company.

Adhere to the business purpose of "supporting entities and serving small and medium-sized enterprises", continue to improve products, optimize processes and improve services from the perspective of customers, strive to provide clients with high-quality and convenient financial services in all businesses, actively support the development of entity economy, constantly strengthen the effort to support transformation and upgrading of small and medium-sized enterprises, and continuously improve the quality and effect of inclusive finance services.

Adhere to the risk control concept of "operating a bank is exactly controlling the risk", solidly carry out all requirements of the guideline for comprehensive risk management, continuously improve the comprehensive, full-crew and full-process risk management system, adapt to the development needs, continue to improve the intelligent and digital level of risk management, strive to minimize the risk cost, and ensure stable and sustainable development of all businesses of the Company.

Adhere to the development direction of "integration and innovation, transformation and upgrading" and regard science and technology as one of the most important production capacity for banks, invest a lot of resources every year, start from "systematization, digitization and intelligence", continue to improve the supporting capacity of financial technology, promote the organic integration of financial technology with business operation, risk management and other fields, and improve the efficiency of operation and management.

VII. Major Awards and Rankings in 2024

In 2024, the Company has received multiple honors and awards in the events and competitions organized by the national and international institutions as follows:

(I) July, 2024, the list of "2024 Top 1,000 International Banks" issued by the Banker, the Company ranked the 80th.

(II) July, 2024, the list of "2024 Fortune China 500" issued by FortuneChina, the Company ranked the 194th.

(III) August, 2024, "Case Collection of 2024 Jin Bei Asset Management Competitiveness" issued by 21st Century Business Herald, the Company was awarded as "2024 Outstanding Fortune Management Bank".

(IV) September, 2024, "the Second Topology Award" of the Chinese Financial Industry organized by CLS.CN, the Company won the "Topology Award 2024" for urban commercial banks.

(V) September, 2024, "the 6th Wealth Management Yinghua Demonstration Cases of the Chinese Banking Industry" issued by China Public Offering Fund, the Company was awarded "Outstanding Wealth Management Sales Bank".

(VI) October, 2024, "2023-2024 Information Disclosure Work Evaluation Result for Listed Companies on Shenzhen Stock Exchange" announced by Shenzhen Stock Exchange, the Company was rated a Grade A.

(VII) November, 2024, "China Financial Ranking 2024" (CFV), the Company was rated as "Annual Urban Commercial Bank".

(VIII) November, 2024, "the Best Practice Cases of the Board of Directors of Public Companies 2024" issued by China Association for Public Companies, the Company was selected as a "Best Practice Case".

(IX) November, 2024, "List of Top 100 Most Competitive Banks in China (2024)" issued by 21st Century Financial Institution, the Company ranked the 10th and the 1st among the urban commercial banks.

(X) November, 2024, selection of "2024 (the 6th) Tianji Award of the Banking Industry of China" organized by Securities Times, the Company was granted the "2024 Tianji Award for High-quality Development Bank".

(XI) November, 2024, 2024 annual selection of "Capital Star" organized by The Paper, the Company won "the Most Popular Urban Commercial Bank Award" and "Outstanding Private Bank Award".

(XII) December, 2024, "the 10th Jin Chan Award" organized by China Times, the Company won the title of "2024 Outstanding Financial Institution Promoting Inclusive Development".

Chapter Three Summary of Accounting Data and Financial Indicators

I. Key Accounting Data and Financial Indicators

Operating Performance (RMB 1 million)	2024	2023	Increase/Decrease Year-on-year	2022
Operating Income	66,631	61,585	8.19%	57,879
Operating Profit	31,548	28,028	12.56%	25,392
Total Profit	31,286	27,898	12.14%	25,280
Net Profit	27,221	25,609	6.29%	23,132
Net Profit Attributable to Shareholders of the Parent Company	27,127	25,535	6.23%	23,075
Net Profit Attributable to the Parent Company Shareholders after Non-recurring Profit and Loss	27,302	25,426	7.38%	23,143
Net Cash Flow from Operating Activities	85,005	173,372	(50.97%)	94,768
Per Share (RMB /share)				
Basic Earnings Per Share (EPS)	3.95	3.75	5.33%	3.38
Diluted Earnings Per Share (EPS)	3.95	3.75	5.33%	3.38
Basic EPS after Non-recurring Profit and Losses	3.98	3.74	6.42%	3.39
Net Cash Flow from Operating Activities per share	12.87	26.25	(50.97%)	14.35
Equity per share, Attributable to Common Stockholder of the Parent Company	31.55	26.71	18.12%	23.14
Financial Ratios				
Fully-diluted Return on Equity (ROE)	12.53%	14.05%	Decreased by 1.52%	14.60%
Weighted Average ROE	13.59%	15.08%	Decreased by 1.49%	15.56%
Fully-diluted ROE after Non-recurring Profits and Losses	12.61%	13.99%	Decreased by 1.38%	14.65%
Weighted Average ROE after Non-recurring Profits and Losses	13.69%	15.01%	Decreased by 1.32%	15.61%

Note: Return on equity and basic earnings per share related indexes are calculated in accordance with the provisions of No. 9 of Information Disclosure and Compilation Rules for the Companies Issuing Securities Publicly: Calculation and Disclosure of ROE and Earnings Per Share. The Company has considered the effect of the preference dividends issuance and interest payment on perpetual bonds when calculating basic earnings per share and weighted average return on net assets.

Scale indicators (RMB 1 million)	Dec. 31, 2024	Dec. 31, 2023	Increase/Decrease Year-on-year	Dec. 31, 2022
Total assets	3,125,232	2,711,662	15.25%	2,366,097
Client loans and advances	1,476,063	1,252,718	17.83%	1,046,002
— Personal loans and advances	557,735	507,197	9.96%	391,230
— Corporate loans and advances	822,628	661,269	24.40%	565,383
— Notes discounted	95,700	84,252	13.59%	89,389
Loan loss reserves	43,870	43,797	0.17%	39,456
Including: loss reserves of loans and advances measured at fair value with changes included in other comprehensive income	776	919	(15.56%)	892
Total liabilities	2,890,972	2,509,452	15.20%	2,197,571
Client deposits principal	1,836,345	1,566,298	17.24%	1,297,085
— Personal deposit principal	495,124	413,593	19.71%	282,833
— Corporate deposit principal	1,341,221	1,152,705	16.35%	1,014,252

Interbank borrowing	191,935	183,114	4.82%	109,104
Stockholders' equity	234,260	202,210	15.85%	168,526
Including: equity attributable to shareholders of the Parent Company	233,151	201,195	15.88%	167,626
Net capital	319,988	271,772	17.74%	235,407
Including: Tier-I net capital	230,443	199,446	15.54%	166,112
Net risk-weighted assets	2,089,099	1,811,196	15.34%	1,551,141

Note:

1. Client loans and advances and client deposits shall be calculated according to the regulatory caliber of the National Financial Regulatory Administration.

2. On the basis of *Notice of the People's Bank of China on the Adjustment of statistical Caliber for Loans and Deposits in Financing Institutions (NO. 14 [2015])*, the deposits of non-deposit-taking financial institutions kept in deposit-taking financial institutions shall be included into the statistical caliber of "total deposits" and the loan deposit-taking financial institutions lend to non-deposit-taking financial institutions shall be included into the statistical caliber of "total loans". Based on the statistical caliber of People's Bank of China, the total deposits on Dec. 31, 2024 was RMB 2,059.350 billion, increasing by RMB 324.205 billion than the end of the previous year with a growth of 18.68%; the total loans was RMB 1,521.652 billion, increasing by RMB 230.677 billion than the end of the previous year with a growth of 17.87%.

3. According to the regulations stipulated in the *Notice of the Ministry of Finance on Revising and Printing the Format of Financial Statements of Financial Enterprises in 2018* (C.K. [2018] No. 36), the interest on financial instruments accrued based on the effective interest rate method is included in the book balance of financial instruments, and the interest that can be collected or payable but has not been received or paid at the balance sheet date is included in items such as "Other Assets" or "Other Liabilities". All the items "Loans and Advances Issued", "Deposits Taking" and their details mentioned in this report are all interest free amounts, but "Loans and Advances Issued" and other items mentioned in the balance sheet are all interest inclusive amounts.

II. Key Quarterly Financial Indicators

Unit: RMB 1 million

Item	1 st Quarter of 2024	2 nd Quarter of 2024	3 rd Quarter of 2024	4 th Quarter of 2024
Operating income	17,509	16,928	16,316	15,878
Net Profit Attributable to Shareholders of the Parent Company	7,013	6,636	7,058	6,420
Net Profit Attributable to Shareholders of the Parent Company	7,053	6,662	7,072	6,515
Net Cash Flow from Operating Activities	95,445	36,466	(6,907)	(39,999)

Note: there's no significant variance between the above financial indicators or the additive total therein and the relevant financial indicators in the Company's disclosed quarterly report or semi-annual reports.

III. Non-recurring Profit and Loss Items and Amount

Unit: RMB 1 million

Item	Item 2024	Item 2023	Item 2022
Profit and loss from disposal of non-current assets, including the write-off part of accrued provision for assets impairment	1	280	13
Profit and loss from changes in the fair value of investment real estate with the fair value mode for follow-up measurement	27	(10)	(8)
Other non-operating incomes and expenditures except for the above items	(198)	(89)	(67)
Impacts of income tax	(4)	(70)	(4)
Total	(174)	111	(66)
Of which: non-recurring profit and loss attributable to shareholders of the parent company	(175)	109	(68)
non-recurring profit and loss attributable to minority shareholders	1	2	2

Note: the non-recurring profit and loss is calculated in compliance with the provisions of *No.1 of Explanatory Announcement of Information Disclosure for the Companies Issuing Securities Publicly-- Non-recurring Profit and Loss*.

IV. Supplementary Financial Indicators

Regulatory Indicators	Regulatory Standard	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Capital adequacy ratio (%)	≥10.75	15.32	15.01	15.18
Tier-I Capital adequacy ratio (%)	≥8.75	11.03	11.01	10.71
Core Tier-I Capital adequacy ratio (%)	≥7.75	9.84	9.64	9.75
Liquidity ratio (RMB and foreign currencies) (%)	≥25	94.09	84.28	73.21
Liquidity coverage ratio (%)	≥100	190.00	244.48	179.11
Ratio of deposits and loans (domestic and foreign currencies) (%)	N/A	79.48	78.98	79.79
Ratio of non-performing loans (%)	≤5	0.76	0.76	0.75
Provision coverage (%)	≥150	389.35	461.04	504.90
Loan provisioning rate (%)	N/A	2.97	3.50	3.79
Migration rate of normal loans (%)	N/A	3.17	2.10	1.65
Migration rate of special-mentioned loans (%)	N/A	52.60	59.62	54.95
Migration rate of subprime loans (%)	N/A	82.79	85.82	84.15
Migration rate of doubtful loans (%)	N/A	86.62	98.23	30.81
Return on total assets (%)	N/A	0.93	1.01	1.05
Cost-income ratio (%)	N/A	35.52	38.99	37.29
Asset-liability ratio (%)	N/A	92.50	92.54	92.88
Net interest spread (%)	N/A	1.91	2.01	2.20
Net interest margin (%)	N/A	1.86	1.88	2.02

Note: the capital adequacy ratio will be measured by the methods stipulated in the *Measures for the Administration of Capital of Commercial Banks* from 2024.

Chapter Four Address of the Chairman

The year 2024 was a crucial year for fully implementing the spirit of the 20th National Congress of the Communist Party of China and striving to achieve the goals of the 14th Five-Year Plan. It was also an important window period for China's financial industry to deepen reform and move towards high-quality development. Faced with the complex and severe situation of increasing external pressure and internal difficulties, the supporting conditions and basic trends for the long-term improvement of the Chinese economy have not changed. With the strategic determination of seeking progress while maintaining stability, China has continuously released its institutional advantages and market vitality, providing a broad stage for the banking industry to serve the real economy.

Finance is the lifeblood of the national economy, which is related to the construction of a strong country and the overall rejuvenation of the nation. In the past year, the Bank of Ningbo has continuously strengthened the leadership of the Party, adhered to the original intention of serving the people in finance, actively responded to changes in the banking industry's operating environment, firmly served the real economy, comprehensively promoted the implementation of five major tasks, adhered to the concept of "serving clients wholeheartedly", and persisted in the business strategy of "imperfect for large banks, impossible for small banks", striving to create value for the clients with professionalism and continue to achieve stable and sustainable development. In 2024, the total assets of Bank of Ningbo exceeded RMB 3 trillion for the first time, continuing to be a systemically important bank in China and ranking the 80th globally.

Adhere to the original aspiration and take serving the real economy as the most fundamental business purpose. The Third Plenary Session of the 20th Central Committee of the Communist Party of China has made major arrangements for deepening the reform of the financial system, clarifying the direction and injecting impetus for accelerating the building of a financial power, enabling us to remain steadfast and confident, deeply understanding the development philosophy of putting people at the center, and striving to provide more high-quality financial services for the high-quality development of the real economy. As a nationally systemically important bank, we firmly grasp the political and people-oriented nature of finance, take serving the real economy as the main line of bank operation and management, and serve the high-quality development of the economy and society. Give full play to professional advantages, transform the original aspiration and mission into a source of vitality for the real economy, closely follow the national strategic deployment, focus on key areas such as private small and micro enterprises, manufacturing enterprises, import and export enterprises, and people's livelihood consumption, increase resource allocation and support, continuously improve the level of financial services, and help improve the quality and efficiency of the real economy; Actively respond to the financial needs of small and medium-sized enterprises, effectively improve customer experience, lay a solid foundation for the inclusive finance, and assist in the construction of common prosperity;

continuously promote the integration of ESG concepts with bank development and management, guided by sustainable development concepts and green strategies, striving to create more value for customers, employees, shareholders, and society, and creating a new chapter of high-quality development with professionalism and responsibility.

Upgrade the business model and empower it with a "professional, digital, platform-oriented and international" foundation. Customers are the foothold of bank operations. In 2024, we closely focused on the various needs of our customers throughout their lifecycle, updated and iterated our business models, accelerated the upgrading of our "professional, digital, platform-oriented and international" system, and created five major chapters that empowered the real economy. Adhere to professional management, seize market opportunities with expertise, focus on areas such as exchange rate management, interest rate management, and asset allocation, continuously accumulate comparative advantages in segmented markets, help customers avoid risks, and achieve asset preservation and appreciation; Promoting digital empowerment has become a new topic in various industries. With the help of financial technology, we continuously consolidate the foundation of digital applications, and combine with the needs of physical enterprises to comprehensively upgrade digital system solutions such as Kunpeng Treasury and "Five Management and Two Treasures". We interconnect with internal systems of customers, promote business finance integration and diversified scene integration, empower customers' operations and reduce costs and increase efficiency, and bridge the last mile of financial services; Leverage the value of platformization, create "BoBo Knows, Equipment Home and Good Life" platforms, combine various resources to meet the customers' demands, and provide comprehensive services throughout the entire process; Build international links, focus on the difficulties and bottlenecks of enterprises in the context of going global, provide comprehensive and multi-level cross-border financial services, and empower enterprises to go global.

Build a strong risk barrier and promote the long-term sustainable development of the Bank through stable operation. Preventing and controlling risks is an eternal theme of banking operations. In 2024, we continued to firmly establish a comprehensive view of financial security, adhered to preventing and resolving risks from the source, and held the bottom line of preventing systematic financial risks from occurring. In the face of complex and ever-changing external environments and rapid market changes, we regard risk prevention and control as the lifeline of sustainable development, constantly improving our risk management system that covers the entire process, chain, cycle, and all aspects. Focus on key prevention and control areas, strengthen the foresight and accuracy of risk monitoring and early warning relying on data-driven and model strategies, timely adjust risk control strategies, continuously improve the intelligence and digitalization level of risk management, and enhance comprehensive risk management capabilities. Bank of Ningbo always adheres to the principle of balancing risk prevention and business development, and strives to achieve a stable and sustainable development while supporting the high-quality development of the real economy.

Those who adhere to the right path are stable and those who innovate make progress. Although the banking industry is currently at a critical juncture of great differentiation and transformation, with

intensified market competition and industry differentiation, we firmly believe that only by addressing uncertainty with certainty and anchoring value creation with long-term principles can we achieve stability and long-term success. In 2025, Bank of Ningbo will continue to adhere to the concept of "serve the clients wholeheartedly", create value with expertise and serve clients with responsibility, strengthen our core competitiveness in the process of serving the real economy, continuously accumulating the differentiated comparative advantages, keeping up with the clients and the times, and contributing the force of Bank of Ningbo more in serving the Chinese path to modernization.

Chairman: Lu Huayu

Chapter Five Address of the President

Time Evolves, Mission Steadfast. In 2024, amid a complex and dynamic operating environment and the industry's "low interest rates and narrowing spreads" landscape, the Company fortified Party leadership and, under the guidance of the Board of Directors, proactively navigated sector differentiation and market shifts. Upholding the philosophy of "Serving Clients Wholeheartedly", we advanced our "specialized, digital, platform-based, and global" operational strategy, steadily enhancing our market competitiveness. By the end of the reporting period, total assets reached RMB 3.1252 trillion, up 15.25% year-on-year; client deposits totaled RMB 1.8363 trillion, a 17.24% increase; loans and advances amounted to RMB 1.4761 trillion, growing 17.83% year-on-year. Operating revenue hit RMB 66.631 billion, rising 8.19%, while net profit attributable to shareholders of the parent company reached RMB 27.127 billion, up 6.23%.

Deepening Operational Focus: High-Quality Financial Services for the Real Economy. The economy is the body, and finance is its lifeblood. Bank of Ningbo remains steadfast in its mission to serve the people and support the real economy, upholding the political and people-oriented attributes of finance. Guided by the fundamental principle of serving the real economy, we fully implement policies of governments and regulatory authorities. Client-centricity drives our "specialized, digital, platform-based, and global" empowerment strategy, creating value through professional excellence and fostering high-quality transformation of the real economy. We continuously refine digital solutions like Kunpeng Treasury Management and the "Five Controls, Two Treasures" system, integrating capital flows into enterprise management workflows to deliver efficient, seamless digital services. Through specialized "international business + financial markets" solutions, we help clients manage exchange and interest rate risks with customized strategies featuring. Leveraging our three platforms—Bobo Knows, Equipment Home, and Good Life—we meet diverse financial needs and empower enterprises' global expansion. Aligning with clients' evolving demands, we upgrade our "specialized, digital, platform-based, and global" ecosystem to support high-quality growth across all client segments.

Championing Financial Strength: Advancing the "Five Key Areas" of Finance. Focusing on "Technology Finance, Green Finance, Inclusive Finance, Pension Finance, and Digital Finance," we adhere to our philosophy of "Serving Clients Wholeheartedly" and support China's financial empowerment strategy. We enhance tech finance services by optimizing an integrated "corporate-retail-investment banking" innovation ecosystem, fostering a specialized product suite and ecosystem for tech-driven enterprises. In green finance, we prioritize "green, safe, sustainable" principles, scaling support for green, low-carbon, and circular economies while integrating green finance into our operations. For inclusive finance, we refine a "specialized, digital, ecosystem-driven" model to expand coverage, channeling financial resources to underserved markets and agricultural entities. Pension Finance sees us building an "account-product-service" ecosystem with professional,

intelligent, and compassionate solutions to enhance seniors' financial well-being. In digital finance, we harness "Technology + Systems" to break digital silos, integrating our systems into clients' ecosystems via open banking to drive digital transformation.

Strengthening Risk Defenses: Prudent Operations for Sustainable Growth. Managing risk is central to banking. We view risk control as the lifeline of sustainable development, continuously refining our matrix management system to separate "front-end access, mid-process control, and back-end oversight," ensuring comprehensive, end-to-end, lifecycle, and all-dimensional risk management. In 2024, we successfully launched a unified credit client management platform for full-lifecycle credit management. Ongoing development of a unified credit operations platform leverages process modeling to streamline applications, approvals, disbursements, and post-loan changes, creating efficient, intelligent workflows to support rapid product iteration and precise risk management.

Innovation for the Mission, Vision for the Future. In the coming year, industry differentiation will intensify. Every step of our growth reflects client trust, employee dedication, and the gifts of our era. Only by upholding our mission to serve the people and aligning with high-quality real economy development can we achieve long-term sustainability. In 2025, under the Board's leadership, we will continue our strategy of pursuing opportunities that are "Imperfect for Large Banks, Impossible for Small Banks", acting with genuine client care. We will advance the five key financial areas, create value through expertise, safeguard against risks, and drive steady and sustainable growth.

President: Zhuang Lingjun

Chapter Six Management Discussion and Analysis

I. Industry trends of the Company during the reporting period

During the reporting period, as market competition intensified and industry polarization became more pronounced, the Company, under the leadership of the Board of Directors, proactively adapted to market changes while upholding the philosophy of "genuine customer-centric service." By advancing its "professionalization, digitalization, platform-based operations, and internationalization" strategies, the company continuously enhanced its market competitiveness. It maintained its status as a domestically systemically important bank and a Global Top 100 Bank, ranking 80th in the "2024 Top 1,000 Global Banks" announced by the Banker (a UK magazine).

II. Main businesses during the reporting period

The main business activities of the Company are absorption of public deposits; granting of short-term, medium-term and long-term loans; domestic settlements; discounting; issuance of financial bonds; acting as distribution agent, payment agent, and underwriter of government bonds; trading government bonds; inter-bank borrowing (lending); bank cards; bank guarantee; payment/collection agent and insurance agent; providing safe deposit box service; consignment loan of local fiscal revolving funds; foreign currency deposit, loans and remittance; international settlements, foreign exchange settlement and sale; inter-bank foreign exchange borrowing (lending); acceptance and discount of negotiable instruments in foreign currencies; foreign currency guarantees, as well as other businesses as granted by China Banking Regulatory Authorities, People's Bank of China and the National Foreign Exchange Authority.

III. Core competitiveness analysis

Under the leadership of the Board of Directors, the Company unswervingly implemented the business strategy of "Imperfect for Large Banks, Impossible for Small Banks", deeply cultivated high-quality business areas, continued to promote the professional, digital, platform-based and internationalized operation according to the demands of clients, focused on the expansion of large retail and light capital business, thus improving the competitiveness continuously. The core competitiveness of the Company is mainly reflected in the following four aspects:

First, continuously optimized profit structure and diversified profit sources. The Company has always been committed to building a diversified profit center. At present, 9 profit centers have been formed, including corporate banking, retail company, wealth management, consumption credit, credit card, financial market, investment banking, asset custody and bill business. In terms of subsidiaries, four profit centers, namely the Maxwealth Fund Management, Maxwealth Financial Leasing, BNB Wealth Management and BNB Consumer Finance, have been formed. Thanks to the coordinated promotion by the Company, all profit centers achieved sound development. Within the Company's profit

composition, the large retail and asset-light business segments account for a relatively high proportion, demonstrating continuously enhanced sustainable development capabilities.

Second, highly effective risk management and steady and long-lasting business development. The Company adhered to the risk concept of "Risk Control is Essential for Bank Operation", took the bottom line of risks as its most fundamental business goal, and continuously improved the comprehensive, all-staff and full-process risk management system. On the basis of adhering to the unified credit policy and independent credit approval, the Company has implemented risk management measures such as risk early-warning, post-loan review, industry research and industrial chain research, thus accelerating the digital and intelligent transformation of risk management, continuously improving the effectiveness of control measures, and responding to the business cycle and industrial restructuring in a better way. The non-performing loan ratio of the Company has always been maintained at a relatively low level in the industry, enabling the Company to focus on business expansion and financial services, and laying a solid foundation for the sustainable development of the Bank.

Third, integration and innovation of finance and technology, and strong support for transformation of business model. Faced with the challenge of digitization, the Company focused on the vision for financial technology development of smart bank, made full use of the advantages of open banking financial service solutions, continued to strengthen the investment, established a "Eleven Centers" financial technology organizational structure and a "three-in-one" R&D center system, promoted the integrated development of finance and technology, assisted the iteration and upgrading of business model with the support of financial technology, and achieved the goal of energizing businesses and clients.

Fourth, solid reserve of talents and continuous enhancement of employees' quality. The Company has continuously strengthened the construction of a professional team. Relying on the NBCB Knowledge Base, mapping knowledge domain, staff teaching, client visit program and other carriers of Bank of Ningbo, the Company has continuously improved the hierarchical and professional training mechanism of employees, promoted the front, middle and back ends, headquarters and branches to form a professional and dedicated staff team, continuously improved the comprehensive ability of employees, insisted on creating value for clients with expertise, thus laying a solid foundation for the Company to cope with fierce competition and ensure sustainable development.

IV. General review

In 2024, facing a complex and volatile external environment, the Company unwaveringly adhered to Party leadership, upheld the philosophy of "Serving Clients Wholeheartedly", and persisted in implementing the operational strategy of "Imperfect for Large Banks, Impossible for Small Banks". Proactively adapting to changes in the operating environment, the Company remained committed to undertaking difficult yet correct initiatives, continuously providing high-quality financial services to clients, and maintaining steady progress in the fiercely competitive industry while sustaining high-quality development.

(I) Enhanced Quality and Efficiency in Serving the Real Economy, Steady Growth in Asset Scale

In 2024, the Company actively responded to national policy directives, deeply fulfilled its fundamental mission of serving the real economy, and thoroughly implemented requirements of the "Five Key Areas of Financial Development." It proactively directed factor resources toward major strategic priorities, key sectors, and vulnerable links in economic and social development such as technological innovation, advanced manufacturing, and inclusive livelihood improvement, contributing to high-quality development of the real economy. This further consolidated the customer base and achieved steady growth in asset scale. By the end of 2024, the Company's total assets reached RMB 3,125.232 billion, an increase of 15.25% from the beginning of the year; customer deposits amounted to RMB 1,836.345 billion, up 17.24% year-on-year; loans and advances to clients totaled RMB 1,476.063 billion, representing a year-on-year growth of 17.83%.

(II) Synergized Multi-System Development, Sustained Growth in Operational Efficiency

In 2024, the Company fully leveraged its multi-license advantages, strengthened synergy among subsidiaries, promoted internal resource integration within the Group, and actively explored and cultivated more profit growth drivers. These comprehensively enhanced specialized and integrated service capabilities, bolstered internal vitality, and achieved steady profit growth. In 2024, the Company recorded operating revenue of RMB 66.631 billion, a year-on-year increase of 8.19%; net profit attributable to shareholders of the parent company amounted to RMB 27.127 billion, up 6.23% year-on-year; non-interest income reached RMB 18.638 billion, accounting for 27.97% of operating revenue.

(III) Solidified Risk Management Foundation, Maintained Stable Asset Quality

In 2024, the Company adhered to the philosophy that "Risk Control is Essential for Bank Operation", effectively fortified risk defense lines, continuously strengthened end-to-end risk management, iteratively upgraded intelligent risk control systems, and focused on risk management in vulnerable areas. This enhanced the precision and effectiveness of risk management, solidified risk resilience, and maintained overall stable asset quality. By the end of 2024, the Company's non-performing loan balance stood at RMB 11.267 billion, with a non-performing loan ratio of 0.76% and a provision coverage ratio of 389.35%.

(IV) Innovation-Driven Transformation and Cultural Leadership, Maintained Operational Efficiency

In 2024, the Company oriented toward "integrated innovation and transformation upgrading," closely followed technological development frontiers, consolidated competitive advantages through digital transformation, and built new growth drivers, thereby maintaining sound operational efficiency. Simultaneously, the Company continuously promoted refined capital management, balanced capital and fund utilization efficiency, optimized on- and off-balance sheet business structures in alignment with

new capital regulations, and strengthened endogenous capital accumulation capabilities. Comprehensive indicators such as capital adequacy and return on capital remained favorable. By the end of 2024, the Company's capital adequacy ratio stood at 15.32%, Tier I capital adequacy ratio at 11.03%, core Tier I capital adequacy ratio at 9.84%, weighted average return on equity at 13.59%, and return on total assets at 0.93%.

V. Financial statements analysis

(I) Analysis on items in the Income Statement

In 2024, the Company achieved operating revenue of RMB 66.631 billion, with a year-on-year increase of 8.19%; the net profit attributable to the shareholders of the parent company was RMB 27.127 billion, with a year-on-year increase of 6.23%.

Changes of Key Items in the Income Statement

Unit: in RMB 1 million

Item	2024	2023	Increase/Decrease	Increase rate
Operating income	66,631	61,585	5,046	8.19%
Net interest income	47,993	40,907	7,086	17.32%
Interest income	102,585	90,766	11,819	13.02%
Interest expense	(54,592)	(49,859)	(4,733)	9.49%
Non-interest income	18,638	20,678	(2,040)	(9.87%)
Net fees and commissions income	4,655	5,767	(1,112)	(19.28%)
Other non-interest income	13,983	14,911	(928)	(6.22%)
Operating expense	(35,083)	(33,557)	(1,526)	4.55%
Business tax and surcharges	(663)	(592)	(71)	11.99%
Operating and administrative expenses	(23,670)	(24,012)	342	(1.42%)
Impairment of credit	(10,679)	(8,940)	(1,739)	19.45%
Other Asset Impairment Losses	-	-	-	N/A
Other operating expenses	(71)	(13)	(58)	446.15%
Operating profit	31,548	28,028	3,520	12.56%
Net non-operating income	(262)	(130)	(132)	N/A
Profit before tax	31,286	27,898	3,388	12.14%
Income tax expense	(4,065)	(2,289)	(1,776)	77.59%
Net profit	27,221	25,609	1,612	6.29%
Including: net profit attributable to shareholders of the parent company	27,127	25,535	1,592	6.23%
Minority interest income	94	74	20	27.03%

1. Net Interest Income

In 2024, the Company achieved net interest income of RMB 47.993 billion, representing a year-on-year growth of 17.32%. On the one hand, the Company proactively supported real economic development, deepened comprehensive customer operations, and continuously strengthened differentiated and diversified product innovation. By evolving from traditional single financial services to integrated, scenario-based solutions, the company achieved dual improvements in operational

efficiency and value creation. On the other hand, the Company accelerated digital transformation, leveraging technology to build precise customer profiles, enhance scenario-based customer acquisition capabilities, and increase the proportion of transactional deposits. Simultaneously, it expanded diversified funding sources and improved funding quality, enabling steady growth in net interest income despite narrowing interest margins. Specifically, interest income reached RMB 102.585 billion, increasing by RMB 11.819 billion or 13.02% year-on-year; interest expense amounted to RMB 54.592 billion, rising by RMB 4.733 billion or 9.49% year-on-year.

Unit: in RMB 1 million

Item	2024	2023	Increase/Decrease	Increase rate
Interest income	102,585	90,766	11,819	13.02%
Loans and advances	68,425	59,795	8,630	14.43%
Due from banks	420	312	108	34.62%
Deposit in the central bank	1,861	1,749	112	6.40%
Lending funds	1,276	1,257	19	1.51%
Redemptory monetary capital for sale	679	687	(8)	(1.16%)
Bond investment	25,256	21,130	4,126	19.53%
Asset management plan and trust plan	4,668	5,836	(1,168)	(20.01%)
Interest expense	54,592	49,859	4,733	9.49%
Deposits from banks	2,470	2,188	282	12.89%
Borrowings from central bank	2,527	1,933	594	30.73%
Borrowing funds	4,277	3,596	681	18.94%
Deposit from clients	34,642	30,547	4,095	13.41%
Financial assets sold for repurchase	1,268	2,015	(747)	(37.07%)
Bond issued	9,316	9,474	(158)	(1.67%)
Lease liability	92	106	(14)	(13.21%)
Net interest income	47,993	40,907	7,086	17.32%

The table below shows the average balance, interest income and expense, average interest yield rate and average interest cost rate of interest-bearing assets and interest-paying liabilities.

Unit: in RMB 1 million

Item	2024			2023		
	Average balance	Interest income/expense	Average interest rate	Average balance	Interest income/expense	Average interest rate
Assets						
Loans and advances	1,413,265	68,425	4.84%	1,166,271	59,795	5.13%
Securities investment	950,043	29,924	3.15%	803,288	26,966	3.36%
Due from Central Bank	133,546	1,861	1.39%	125,253	1,749	1.40%
Due from banks and other financial institutions	88,683	2,375	2.68%	86,685	2,256	2.60%
Total interest-bearing assets	2,585,537	102,585	3.97%	2,181,497	90,766	4.16%
Liabilities						
Deposits	1,784,091	34,642	1.94%	1,519,400	30,547	2.01%

Due to banks and other financial institutions	379,892	8,015	2.11%	364,387	7,799	2.14%
Bonds payable	376,853	9,316	2.47%	364,508	9,474	2.60%
Borrowings from central bank	102,661	2,527	2.46%	72,915	1,933	2.65%
Lease liability	2,696	92	3.41%	2,914	106	3.64%
Total interest-paying liabilities	2,646,193	54,592	2.06%	2,324,124	49,859	2.15%
Net interest income		47,993			40,907	
Net interest spread (NIS)			1.91%			2.01%
Net interest margin (NIM)			1.86%			1.88%

Note:

1. The average balance of the interest-bearing assets and the interest-paying liabilities refers to the daily balance on average.

2. The average balance of the interest-bearing assets and the interest-paying liabilities refers to the daily balance on average.

3. Net interest spread = average interest rate of interest-bearing assets - average interest rate of interest-paying liabilities; net interest margin = net interest income ÷ average balance of interest-bearing assets.

4. Since 2019, in accordance with accounting standards, income generated during the holding period of trading financial assets has been recognized under "investment income," while the corresponding funding costs are still reflected in "interest expense." If the interest-bearing costs associated with these trading financial assets were to be excluded from "interest expense," the Company's net interest margin for 2024 would be 2.13%.

The table below shows changes in interest income and interest expense due to changes in scale and interest rate.

Unit: in RMB 1 million

Item	Year 2024 VS Year 2023		
	Increase (decrease) factor		Increase (decrease)
	Scale	Interest rate	Net
Assets			
Loans and advances	12,662	(4,032)	8,630
Securities investment	4,926	(1,968)	2,958
Due from Central Bank	115	(3)	112
Due from banks and other financial institutions	53	66	119
Changes in interest income	17,756	(5,937)	11,819
Liabilities			
Client deposits	5,322	(1,227)	4,095
Due to banks and other financial institutions	332	(116)	216
Bonds payable	320	(478)	(158)
Borrowings from central bank	789	(195)	594
Lease liability	(8)	(6)	(14)
Changes in interest expense	6,755	(2,022)	4,733
Net changes in interest income	11,001	(3,915)	7,086

Net interest margin

In 2024, the Company's net interest margin (NIM) stood at 1.86%, a decrease of 2 basis points (bps) year-on-year, while its net interest spread narrowed by 10 bps to 1.91%. During the reporting period,

factors such as insufficient effective credit demand, declining market interest rates, and re-pricing of existing mortgages contributed to a 19 bps year-on-year decrease in the yield on interest-earning assets, with loan yields specifically declining by 29 bps. On the liability side, despite residents' increased preference for medium- to long-term deposit products, the interest rates on new deposits continued to trend downward due to re-pricing effects. As a result, the deposit interest rate was effectively controlled, decreasing by 7 bps, and the overall interest rate on interest-bearing liabilities declined by 9 bps.

The Company's NIM contraction was smaller than the narrowing of the deposit-loan spread, primarily benefiting from robust growth in both deposit and loan volumes. In 2024, the average daily balance of loans accounted for 54.66% of interest-earning assets, an increase of 1.20 percentage points year-on-year. Meanwhile, the average daily balance of deposits represented 67.42% of interest-bearing liabilities, up 2.04 percentage points from the previous year.

(1) Interest Income

In 2024, the Company generated interest income of RMB 102.585 billion, representing a year-on-year increase of 13.02%. This growth was primarily driven by intensified asset deployment efforts, rapid expansion of interest-earning assets, and continuous optimization of the asset portfolio structure.

Loan Interest Income

In 2024, the Company's interest income from loans and advances to customers amounted to RMB 68.425 billion, accounting for 66.70% of total interest income, with a year-on-year growth of 14.43%. This increase was mainly attributable to expanded loan volumes. During the reporting period, the Company enhanced customer segmentation strategies, optimized financial product portfolios, continuously improved customer service experiences, facilitated target customer conversion, and achieved a year-on-year growth of 21.18% in the average daily balance of loans and advances. Specifically, the average daily balance of corporate loans grew by 21.91% year-on-year, while that of personal loans increased by 19.97%.

During the reporting period, the Company remained committed to improving the quality and efficiency of financial services supporting the real economy, providing fee reductions and profit concessions to bolster the real economy. However, affected by the downward adjustments in the Loan Prime Rate (LPR) and re-pricing of existing mortgage loans, loan interest rates continued to decline. In 2024, the loan yield stood at 4.84%, a decrease of 29 basis points year-on-year. Among these, the average yield on corporate loans was 4.29%, down 10 basis points year-on-year, while the average yield on personal loans was 5.76%, decreasing by 58 basis points year-on-year.

The table below shows the average balance, interest income and average yield of each component of the loans and advances of the Company.

Unit: in RMB 1 million

Item	2024			2023		
	Average balance	Interest income	Average interest	Average balance	Interest income	Average interest

	rate			rate		
Corporate loan	884,304	37,952	4.29%	725,353	31,822	4.39%
Personal loan	528,961	30,473	5.76%	440,918	27,973	6.34%
Total loan	1,413,265	68,425	4.84%	1,166,271	59,795	5.13%

Interest Income from Securities Investments

In 2024, the Company's interest income from securities investments amounted to RMB 29.924 billion, representing a year-on-year increase of 10.97%. This growth was mainly driven by the Company's strategic increase in investments in government bonds, policy financial bonds, and credit bonds in alignment with its asset-liability management strategy.

Interest Income from Interbank Deposits and Placements with Other Financial Institutions

In 2024, the Company's interest income from interbank deposits and placements with other financial institutions totaled RMB 2.375 billion, up 5.27% year-on-year. This increase was primarily due to the expansion of interbank deposit volumes and rising interest rates.

(2) Interest Expense

In 2024, the company's interest expense amounted to RMB 54.592 billion, a year-on-year increase of 9.49%, mainly attributable to the rapid growth in interest-bearing liabilities.

Interest Expense on Client Deposits

In 2024, the Company's interest expense on client deposits amounted to RMB 34.642 billion, accounting for 63.46% of total interest expense, with a year-on-year growth of 13.41%. This increase was primarily driven by the growth in client deposit volumes.

During the reporting period, the Company proactively promoted business model upgrades, accelerated digital system iterations, continuously expanded client service value chains, and enhanced client stickiness, driving steady growth in deposit volumes. In 2024, the average daily balance of corporate deposits reached RMB 1,317.903 billion, an increase of 14.66% year-on-year; the average daily balance of personal deposits stood at RMB 466.188 billion, up 26.00% year-on-year.

The Company continuously strengthened deposit cost control, implementing refined pricing management based on client segmentation and classification. As a result, the deposit interest rate decreased by 7 basis points compared to the previous year.

The table below shows the average daily balance, interest expense and average yield of corporate deposits and personal deposits.

Unit: in RMB 1 million

Item	2024			2023		
	Average balance	Interest expense	Average interest rate	Average balance	Interest expense	Average interest rate
Corporate deposits						
Demand	465,787	3,992	0.86%	427,883	4,109	0.96%
Time	852,116	20,034	2.35%	721,537	17,913	2.48%

Subtotal	1,317,903	24,026	1.82%	1,149,420	22,022	1.92%
Personal deposits						
Demand	94,568	153	0.16%	83,843	193	0.23%
Time	371,620	10,463	2.82%	286,137	8,332	2.91%
Subtotal	466,188	10,616	2.28%	369,980	8,525	2.30%
Total	1,784,091	34,642	1.94%	1,519,400	30,547	2.01%

Interest Expense on Interbank Deposits and Placements with Other Financial Institutions

In 2024, the Company's interest expense on interbank deposits and placements with other financial institutions amounted to RMB 8.015 billion, a year-on-year increase of 2.77%. This rise was primarily driven by increased volumes of interbank deposits and placements.

Interest Expense on Issued liabilities

In 2024, the Company's interest expense on issued liabilities amounted to RMB 9.316 billion, a year-on-year decrease of 1.67%. This decrease was mainly due to the decline in bond market interest rates during the reporting period.

2. Non-Interest Income

In 2024, the Company generated non-interest income of RMB 18.638 billion, a year-on-year decrease of 9.87%. This decline was primarily attributable to market volatility, which led to decreases in fee income and the fair value of derivative financial instruments.

Main composition of non-interest income

Unit: in RMB 1 million

Item	2024	2023	Increase/decrease	Increase rate
Fees and commissions income	6,374	7,346	(972)	(13.23%)
Less: fees and commission expense	1,719	1,579	140	8.87%
Net fees and commissions income	4,655	5,767	(1,112)	(19.28%)
Investment income	13,706	13,087	619	4.73%
Other income	444	740	(296)	(40.00%)
Changes in fair value recognized in profit or loss	18	1,161	(1,143)	(98.45%)
Profit or loss on exchange	(278)	(390)	112	N/A
Other business income	92	33	59	178.79%
Asset disposal income	1	280	(279)	(99.64%)
Total	18,638	20,678	(2,040)	(9.87%)

Net fees and commissions income

Unit: in RMB 1 million

Item	2024	2023	Increase/decrease	Increase rate
Settlement business	269	283	(14)	(4.95%)
Bank cards business	200	266	(66)	(24.81%)
Agency services business	4,840	5,747	(907)	(15.78%)
Guarantees business	648	609	39	6.40%
Custody business	388	401	(13)	(3.24%)
Consulting business	12	30	(18)	(60.00%)

Others	17	10	7	70.00%
Fees and commissions income	6,374	7,346	(972)	(13.23%)
Less: fees and commissions expense	1,719	1,579	140	8.87%
Net fees and commissions income	4,655	5,767	(1,112)	(19.28%)

During the reporting period, the Company achieved net fee and commission income of RMB 4.655 billion, a year-on-year decrease of 19.28%. This decline was primarily due to the contraction in agency-related business affected by market volatility.

3. Business and administrative expenses

In 2024, the company's business and administrative expenses amounted to RMB 23.670 billion, a year-on-year decrease of 1.42%, reflecting the effectiveness of the Company's expense control policies. In terms of staff costs, as the marketing team and fintech personnel system gradually matured, the growth in personnel expenses slowed. Additionally, as fintech continued to enhance business capabilities, resource allocation became more precise, further improving expense allocation efficiency. Regarding business expenses, the Company promoted refined management, streamlined daily administrative expenditures, and effectively controlled the growth of expenses.

Unit: in RMB 1 million

Item	2024	2023	Increase/decrease	Increase rate
Staff costs	14,825	14,638	187	1.28%
Business expenses	5,931	6,861	(930)	(13.55%)
Depreciation, amortization and leasing	2,914	2,513	401	15.96%
Total	23,670	24,012	(342)	(1.42%)

4. Credit and asset impairment losses

In 2024, the Company recorded credit and asset impairment losses of RMB 10.679 billion, representing an increase of RMB 1.739 billion year-on-year. This increase was primarily due to the growth in both on- and off-balance sheet asset portfolios.

Unit: in RMB 1 million

Item	2024	2023	Increase/decrease	Increase rate
Loan impairment loss	11,558	10,742	816	7.60%
Impairment losses on financial investments	(992)	(263)	(729)	N/A
Impairment losses on receivables from financial institutions	15	16	(1)	(6.25%)
Impairment losses on other assets	295	(158)	453	N/A
Impairment loss on off-sheet businesses	(197)	(1,397)	1,200	N/A
Total	10,679	8,940	1,739	19.45%

5. Income tax

In 2023, the income tax expense of the Company was RMB 4.065 billion, increased by RMB 1.776 billion from the previous year. It was mainly due to the increase of total profit of the Company.

(II) Analysis of the Balance Sheet

1. Assets

As of the end of 2024, the Company's total assets amounted to RMB 3,125.232 billion, an increase of 15.25% compared to the end of the previous year. This included loans and advances extended totaling RMB 1,437.254 billion, which increased by RMB 223.501 billion, or 18.41%, from the end of the previous year. The investment balance stood at RMB 1,374.239 billion, representing an increase of RMB 139.323 billion, or 11.28%, compared to the end of the previous year.

Unit: in RMB 1 million

Item	Dec. 31, 2024		Dec. 31, 2023		Changes	
	Amount	Proportion	Amount	Proportion	Amount	Proportion (Percentage points)
Cash and balances in the central bank	147,305	4.71%	129,131	4.76%	18,174	(0.05)
Due from other banks	29,105	0.93%	26,290	0.97%	2,815	(0.04)
Precious metals	7,756	0.25%	10,191	0.38%	(2,435)	(0.13)
Lending funds	38,074	1.22%	40,541	1.50%	(2,467)	(0.28)
Derivative financial assets	33,664	1.08%	20,167	0.74%	13,497	0.34
Redemptory monetary capital for sale	33,965	1.09%	9,251	0.34%	24,714	0.75
Loans and advances	1,437,254	45.99%	1,213,753	44.76%	223,501	1.23
Trading financial assets	357,161	11.43%	350,466	12.92%	6,695	(1.49)
Investment in creditors' rights	388,484	12.43%	418,710	15.44%	(30,226)	(3.01)
Other investment in creditors' rights	628,082	20.10%	465,419	17.16%	162,663	2.94
Investment in other equity instruments	512	0.02%	321	0.01%	191	0.01
Investment property	-	-	14	-	(14)	-
Fixed assets	8,606	0.28%	7,543	0.28%	1,063	-
Construction in progress	901	0.03%	1,570	0.06%	(669)	(0.03)
Right-of-use assets	2,687	0.09%	2,973	0.11%	(286)	(0.02)
Intangible assets	4,017	0.13%	2,912	0.11%	1,105	0.02
Goodwill	293	0.01%	293	0.01%	-	-
Deferred income tax assets	2,513	0.08%	6,260	0.23%	(3,747)	(0.15)
Other assets	4,853	0.13%	5,857	0.22%	(1,004)	(0.09)
Total assets	3,125,232	100.00%	2,711,662	100.00%	413,570	-

(1) Loans and advances

In 2024, the Company continued to enhance its support for the real economy by expanding the scope and depth of financial services, resulting in a sustained increase in the proportion of loans and advances in total assets. As of the end of 2024, total loans and advances amounted to RMB 1,476.063 billion, an increase of 17.83% from the end of the previous year. Loans and advances accounted for 45.99% of total assets, representing an increase of 1.23 percentage points from the end of the previous year.

Corporate Loans and Advances

In 2024, focusing on supporting the real economy through financial services, the Company

increased credit extensions to private small and micro enterprises, manufacturing firms, and import-export companies. It established a tiered client management and gradient cultivation system to strengthen its operational capabilities for corporate clients and boost loan disbursements. As of the end of 2024, total corporate loans and advances reached RMB 822.628 billion, a year-on-year increase of 24.40%.

Bill Discounting

In 2024, adhering to the principle of "Serving the real economy and SMEs," the Company's bill discounting business kept pace with market and policy changes. It continuously upgraded discounting products, optimized service processes, and provided more flexible and efficient financing solutions to reduce corporate financing costs. As of the end of 2024, the Company's bill discounting balance was RMB 95.700 billion, accounting for 6.48% of total loans and advances.

Personal Loans and Advances

In 2024, the Company focused on its core client base to deeply explore client needs. Through technology empowerment, it continuously innovated business models and enhanced its comprehensive financial service capabilities across the entire client lifecycle and various scenarios, promoting steady growth in personal loans. As of the end of 2024, total personal loans and advances amounted to RMB 557.735 billion, a year-on-year increase of 9.96%.

Unit: in RMB 1 million

Item	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Proportion	Amount	Proportion
Corporate loans and advances	822,628	55.73%	661,269	52.78%
Loans	805,935	54.60%	648,265	51.74%
Trading financing	16,693	1.13%	13,004	1.04%
Bill discounting	95,700	6.48%	84,252	6.73%
Personal loans and advances	557,735	37.79%	507,197	40.49%
Personal consumption loan	357,500	24.22%	320,958	25.62%
Personal operation loan	101,841	6.90%	98,948	7.90%
Personal housing loan	98,394	6.67%	87,291	6.97%
Total	1,476,063	100.00%	1,252,718	100.00%

(2) Security investment

The securities investments of the Company cover trading financial assets, investment on creditors' rights, other investment on creditors' rights and investment on other equity instruments.

Investment structure divided by purpose of holding

Unit: in RMB 1 million

Item	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Proportion	Amount	Proportion
Trading financial assets	357,161	25.99%	350,466	28.38%
Investment in creditors' rights	388,484	28.27%	418,710	33.91%
Other investment in creditors' rights	628,082	45.70%	465,419	37.68%
Investment in other equity instruments	512	0.04%	321	0.03%

Total	1,374,239	100.00%	1,234,916	100.00%
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In 2024, guided by regulatory policies and in response to changing market conditions, the Company continuously optimized its securities investment structure to actively support the development of the real economy and further enhance the return on capital utilization.

Trading financial assets

In 2024, the overall yield of RMB bonds showed a downward trend. The Company strengthened its macroeconomic research and micro-data analysis, flexibly adjusted the portfolio duration, and slightly increased its investment in trading assets. As of the end of 2024, the balance of the company's trading financial assets stood at RMB 357.161 billion.

Investment in creditors' rights

Investment in creditors' rights is investment in debt instruments measured at amortized cost, characterized by long-term stability. The Company holds these investments primarily for strategic balance sheet management purposes, with a focus on Chinese government bonds and asset management plans. As of 2024, the balance of the Company's investment in creditors' rights was RMB 388.484 billion.

Other investment in creditors' rights

Other investment in creditors' rights is investment in debt instruments measured at fair value with changes recorded in other comprehensive income. The Company followed national macro-control policy guidelines to support the development of the real economy while balancing profitability. It appropriately allocated investments in government bonds, policy bank bonds, interbank certificates of deposit, and corporate bonds. As of the end of 2024, the balance of the Company's other investment in creditors' rights was RMB 628.082 billion.

Investment in other equity instruments

Investment in other equity instruments are equity investments designated as measured at fair value with changes recorded in other comprehensive income. The company's investments in this category primarily consist of non-trading equity investments where the company has no control, joint control, or significant influence over the investee. As of the end of 2024, the balance of the Company's investment in other equity instruments was RMB 512 million.

Information on top ten financial bonds held by the Company

Unit: in RMB 1 million

Category	Balance of face value	Interest rate %	Date of maturity	Depreciation reserve
Financial bond of 2023	7,720	2.83	2033/6/16	-
Financial bond of 2024	7,430	2.47	2034/4/2	-
Financial bond of 2023	6,940	3.10	2033/2/13	-
Financial bond of 2023	6,440	3.10	2033/2/27	-
Financial bond of 2020	4,210	2.96	2030/4/17	-

Financial bond of 2024	3,948	2.00	2027/4/12	-
Financial bond of 2019	3,750	3.45	2029/9/20	-
Financial bond of 2023	3,700	2.64	2026/4/14	-
Financial bond of 2022	3,420	3.06	2032/6/6	-
Financial bond of 2023	2,900	2.55	2026/5/11	-

During the reporting period, the Company balanced liquidity management with profitability growth requirements by rationally allocating bond investments. As of the end of 2024, the combined par value of the ten largest financial bonds held by the Company amounted to RMB 50.458 billion, primarily consisting of policy bank bonds.

(3) Derivative financial instruments held at the end of the reporting period

Unit: in RMB 1 million

Derivative financial instrument	Dec. 31, 2024		
	Contract/nominal amount	Fair value of assets	Fair value of liabilities
Foreign exchange derivatives			
Foreign exchange forwards	71,686	1,021	(513)
Currency swap	1,199,432	14,663	(14,578)
Currency exchange	42,926	473	(589)
Foreign exchange option	263,950	2,786	(2,556)
Interest Rate Derivatives			
Interest rate swap	1,285,788	11,134	(11,674)
Interest rate option	9	-	(4)
Other derivatives			
Equity option	7	-	(2)
Credit risk mitigation instruments	20	-	-
Precious metal forwards/swap	55,148	3,587	(444)
Precious metal options	31	-	-
Total	2,918,997	33,664	(30,360)

During the reporting period, the following derivative financial instruments were used by the Company in transactions

Foreign exchange forwards: refers to the transaction that both parties agree to make a currency transaction at a regulated price and amount at a certain time in the future.

Currency swap: refers to a currency swap transaction consisting of two transactions, with two different delivery dates and opposite directions, but with the same amount.

Currency exchange: refers to the exchange of debt capital based on the same amount, same term, same interest rate calculation method but different currencies, as well as the currency swap at different amounts of interest.

Interest rate swap: refers to the transaction that both parties make interest payment to each other at

an agreed interest rate within an agreed period. Both parties, as based on the same currency and the same amount, will exchange a fixed interest rate for a floating interest rate, or exchange one floating interest rate for another. By the end of the agreed period, the interest will be paid according to the agreed interest rate.

Option contract: an option refers to the right of choice, that is, the right to sell or purchase a certain quantity of subject matter at a specific price (strike price) within a specific period.

Credit risk mitigation tools: credit risk mitigation tools refer to credit risk mitigation contracts, credit risk mitigation vouchers and simple basic derivatives used to manage credit risk.

Precious metal inquiry transaction: refers to the gold transaction made by the market participants authorized by Shanghai Gold Exchange in the manner of bilateral inquiry via China Foreign Exchange Trade System. The trade category is the specified gold transaction listed in the foreign exchange trading system of the trading center. The gold inquiry transaction includes categories such as spot, forward and swap depending on different trade terms.

The nominal amount of derivative financial instruments in the balance sheet was regarded as a basis to compare with fair value assets or liabilities in the balance sheet, which did not represent the cash flow in the future or the fair value at present. Therefore, it should not be used to reflect the credit risk or market risk of the Company. With the fluctuation of foreign exchange rate and market interest rate, as related to the contract terms of derivative financial instruments, the evaluated value of derivative financial instruments may have positive (assets) or negative (liabilities) effect on the Company. There may be considerable fluctuation on such effect in different periods.

In 2024, as market interest rates exhibited a flattening downward trend, the Company effectively managed market risks through various strategies such as interest rate swap hedging and curve trading, maintaining a prudent trading style.

(4) Changes of important constructions in progress during the reporting period

As of the end of 2024, the Company had no material changes in construction-in-progress projects.

(5) Withdrawal of debt assets and impairment provision

As of the end of 2024, the Company had no non-financial instrument foreclosed assets, and the balance of financial instrument foreclosed assets was RMB 51 million.

2. Liabilities

As of the end of 2024, the Company's total liabilities amounted to RMB 2,890.972 billion, an increase of 15.20% compared to the end of the previous year. This increase was primarily driven by the rapid growth in client deposits and the rise in liabilities such as bonds payable.

Unit: in RMB 1 million

Item	Dec. 31, 2024		Dec. 31, 2023		Changes	
	Amount	Proportion	Amount	Proportion	Amount	Proportion (percentage)

						point)
Borrowings from central bank	54,640	1.89%	109,189	4.35%	(54,549)	(2.46)
Due to other banks and financial institutions	117,817	4.08%	82,122	3.27%	35,695	0.81
Loans from other banks	191,935	6.64%	183,114	7.30%	8,821	(0.66)
Trading financial liabilities	3,247	0.11%	12,359	0.49%	(9,112)	(0.38)
Derivative financial liabilities	30,360	1.05%	14,187	0.57%	16,173	0.48
Financial assets sold for repurchase	163,268	5.65%	122,641	4.89%	40,627	0.76
Deposit taking	1,869,624	64.67%	1,588,536	63.30%	281,088	1.37
Wages and salaries payable	4,016	0.14%	3,886	0.15%	130	(0.01)
Tax payable	2,379	0.08%	1,281	0.05%	1,098	0.03
Bonds payable	433,397	14.99%	371,083	14.79%	62,314	0.20
Lease liability	2,550	0.09%	2,819	0.11%	(269)	(0.02)
Estimated liabilities	1,403	0.05%	1,673	0.07%	(270)	(0.02)
Other liabilities	16,336	0.56%	16,562	0.66%	(226)	(0.10)
Total liabilities	2,890,972	100.00%	2,509,452	100.00%	381,520	-

Client deposit

In 2024, the Company prioritized customer-centric strategies to enhance cash management solutions and accelerate deposit portfolio expansion. Total client deposits reached RMB 1,836.345 billion by year-end, reflecting a robust 17.24% growth compared to the prior year.

The corporate deposit portfolio was strengthened through proprietary product advantages like the "Five Management Tools and Two Treasure" suite, which deepened client engagement and captured additional liquidity from external accounts. Simultaneously, the Company actively participated in institutional deposit tenders across its operating regions, capitalizing on digital transformation opportunities within government sectors. By implementing customized direct-connection solutions, the institution successfully on-boarded institutional clients, driving corporate client deposit balance to RMB 1,341.221 billion - a 16.35% year-on-year increase.

In terms of personal deposits, amidst gradual economic recovery, retail investors displayed heightened risk aversion with reduced investment appetite and increased savings preferences. The Company proactively intensified its savings deposit acquisition efforts, sustaining deposit growth momentum. By year-end 2024, personal client deposit balances stood at RMB 495.124 billion, marking a significant 19.71% expansion from the previous year-end.

The table below shows the client deposits categorized by product types and client types at the end of Dec. 31, 2024.

Unit: in RMB 1 million

Item	Dec. 31, 2024	Dec. 31, 2023
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	Amount	Proportion	Amount	Proportion
Corporate deposits				
Demand	460,798	25.09%	430,135	27.46%
Time	880,423	47.94%	722,570	46.13%
Subtotal	1,341,221	73.03%	1,152,705	73.59%
Individual deposits				
Demand	102,969	5.61%	86,717	5.54%
Time	392,155	21.36%	326,876	20.87%
Subtotal	495,124	26.97%	413,593	26.41%
Total	1,836,345	100.00%	1,566,298	100.00%

3. Shareholders' equity

As of the end of 2024, the Company's total shareholders' equity stood at RMB 234.26 billion, marking a 15.85% increase from the prior year-end. Equity attributable to shareholders of the parent company reached RMB 233.151 billion, up 15.88% year-on-year. The detailed composition included retained earnings of RMB 102.731 billion, which grew by RMB 15.577 billion compared to the prior year-end, primarily due to profit growth. Other equity instruments remained stable at RMB 24.81 billion, unchanged from the prior year-end. Total other comprehensive income amounted to RMB 15.614 billion, reflecting a RMB 9.813 billion increase from the prior year-end, mainly driven by fair value gains on other debt investments.

Unit: in RMB 1 million

Item	Dec. 31, 2024		Dec. 31, 2023		Changes	
	Amount	Proportion	Amount	Proportion	Amount	Proportion (percentage point)
Share capital	6,604	2.82%	6,604	3.27%	-	(0.45)
Other equity instruments	24,810	10.59%	24,810	12.27%	-	(1.68)
Capital reserve	37,611	16.06%	37,611	18.60%	-	(2.54)
Other comprehensive income	15,614	6.67%	5,801	2.87%	9,813	3.80
Earned surplus	17,041	7.27%	14,705	7.27%	2,336	-
General risk reserve	28,740	12.27%	24,510	12.12%	4,230	0.15
Undistributed profit	102,731	43.85%	87,154	43.10%	15,577	0.75
Equity attributable to shareholders of the Parent company	233,151	99.53%	201,195	99.50%	31,956	0.03
Minority equity	1,109	0.47%	1,015	0.50%	94	(0.03)
Total shareholders' equity	234,260	100.00%	202,210	100.00%	32,050	-

(III) Analysis of asset quality

During the reporting period, the Company maintained steady growth in its loan portfolio while keeping non-performing loans (NPLs) at a low level. As of the end of the reporting period, total loans stood at RMB 1,476.063 billion, reflecting a 17.83% increase from the prior year-end. The NPL balance

was RMB 11.267 billion, with the NPL ratio at 0.76%, remaining at a relatively low level in the industry.

Quality of loan assets at the end of the reporting period

Unit: in RMB 1 million

Five-tier classification	Dec. 31, 2024		Dec. 31, 2023		Changes	
	Amount of loans and advances	Proportion	Amount of loans and advances	Amount of loans and advances	Increase /decrease	Proportion
Subtotal of Non-NPL	1,464,796	99.24%	1,243,219	99.24%	221,577	-
Standard	1,449,593	98.21%	1,235,113	98.59%	214,480	(0.38)
Special mention	15,203	1.03%	8,106	0.65%	7,097	0.38
Subtotal of NPL	11,267	0.76%	9,499	0.76%	1,768	-
Substandard	1,983	0.13%	1,256	0.10%	727	0.03
Doubtful	6,142	0.42%	4,227	0.34%	1,915	0.08
Loss	3,142	0.21%	4,016	0.32%	(874)	(0.11)
Total client loans	1,476,063	100.00%	1,252,718	100.00%	223,345	-

Loan proportion in different industries at the end of the reporting period

Unit: in RMB 1 million

Industry	Dec. 31, 2024			
	Loan amount	Proportion	NPL amount	NPL ratio
Agriculture, forestry, animal husbandry, fishing	6,848	0.46%	1	0.01%
Mining	1,379	0.09%	-	-
Manufacturing	175,176	11.87%	545	0.31%
Production and supply of electricity, gas and water	23,256	1.58%	8	0.03%
Construction	63,640	4.31%	101	0.16%
Transportation, storage, mailing	25,193	1.71%	38	0.15%
Information transfer, computer service and software	11,676	0.79%	69	0.59%
Wholesale and retail trade	140,719	9.53%	563	0.40%
Hotel, restaurant	3,106	0.21%	10	0.32%
Finance	2,787	0.19%	-	-
Real estate	141,980	9.62%	186	0.13%
Leasing and commercial service	229,112	15.52%	158	0.07%
Scientific research, technology service and geological exploitation	21,330	1.45%	77	0.36%
Water resources, environment and public facilities management and investment	61,332	4.16%	2	-
Resident service and other services	1,842	0.12%	8	0.43%
Education	1,763	0.12%	94	5.33%
Health, social security and welfare	1,695	0.11%	1	0.06%
Culture, sports and entertainment	5,493	0.37%	18	0.33%
Public administration and social organizations	1	-	-	-
Personal loan	557,735	37.79%	9,388	1.68%
—Personal consumption loan	357,500	24.22%	5,748	1.61%

—Self-employed business loan	101,841	6.90%	3,024	2.97%
—Personal housing loan	98,394	6.67%	616	0.63%
Total	1,476,063	100.00%	11,267	0.76%

During the reporting period, the Company's corporate loans were primarily concentrated in the following sectors: leasing and commercial service (15.52% of total loans), manufacturing (11.87%), real estate (9.62%), and wholesale/retail (9.53%). As of the end of the reporting period, NPL ratios across these sectors remained relatively stable. Corporate NPLs were mainly concentrated in wholesale/retail and manufacturing, with outstanding NPL balances of RMB 563 million and RMB 545 million, respectively. These amounts accounted for 5.00% and 4.84% of the Bank's total NPL balance, with respective NPL ratios of 0.40% and 0.31%.

Loan proportion in different regions at the end of the reporting period

Unit: in RMB 1 million

Region	Dec. 31, 2024			
	Loan amount	Proportion	NPL amount	NPL ratio
Zhejiang Province	950,064	64.37%	7,286	0.77%
Including: Ningbo	488,200	33.07%	6,068	1.24%
Jiangsu Province	318,913	21.61%	2,509	0.79%
Shanghai	66,587	4.51%	644	0.97%
Beijing	53,796	3.64%	317	0.59%
Guangdong Province	68,515	4.64%	406	0.59%
Other provinces and cities	18,188	1.23%	105	0.58%
Total	1,476,063	100.00%	11,267	0.76%

The credit granting policy of the Company includes asset quota strategy, quality control objective, concentration ratio objective and credit orientation policy, client access policy, etc. together with regional credit extension enforcement regulation combining with the local conditions to reflect the differentiation between credit policies for different regions, thus making the policy applicable to the local market. At the end of the reporting period, the loans of the Company were mainly issued to clients in Zhejiang Province and Jiangsu Province, with the loan amount accounting for 64.37% and 21.61% of the total loan respectively. The NPL ratio in regions maintained steady. The NPL amount of Zhejiang Province and Shanghai Province was RMB 7.286 billion and RMB 2.509 billion, accounting for 64.67% and 22.27% of the total NPL of the Bank respectively.

Top 10 loan clients of the Company at the end of the reporting period

Unit: in RMB 1 million

Name of borrower	Loan balance	Proportion of total loan
Borrower A	3,379	0.23%
Borrower B	2,156	0.15%
Borrower C	2,104	0.14%
Borrower D	1,715	0.12%
Borrower E	1,640	0.11%

Borrower F	1,580	0.11%
Borrower G	1,475	0.10%
Borrower H	1,395	0.09%
Borrower I	1,296	0.09%
Borrower J	1,272	0.09%
Total	18,012	1.23%

As of the end of the reporting period, the loan balance of the top ten loan clients of the Company was RMB 18.012 billion, accounting for 1.23% of the total loan amount. Among them, the loan balance of the top five loan clients of the Company was RMB 10.994 billion, accounting for 0.75% of the total loan amount.

Proportion of loans divided by guarantee methods at the end of reporting period

Unit: in RMB 1 million

Guarantee type	Dec. 31, 2024			
	Loan amount	Proportion	NPL amount	NPL ratio
Credit Loan	581,822	39.41%	6,951	1.19%
Guarantee loan	434,781	29.46%	547	0.13%
Mortgage loan	349,972	23.71%	3,769	1.08%
Pledge loan	109,488	7.42%	-	-
Total	1,476,063	100.00%	11,267	0.76%

As of the end of the reporting period, the credit loan, guarantee loan and mortgage/pledge loan accounted for 39.41%, 29.46% and 31.13% of the total loan of the Company respectively.

Loans divided by overdue limit

Unit: in RMB 1 million

Overdue limit	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Proportion to the total loans	Amount	Proportion to the total loans
Overdue within 3 months	5,248	0.36%	4,698	0.37%
Overdue from 3 months to 1 year	7,448	0.50%	5,001	0.40%
Overdue from more than 1 year and within 3 years	1,265	0.09%	1,708	0.14%
Overdue for more than 3 years	40	-	277	0.02%
Total	14,001	0.95%	11,684	0.93%

As of the end of the reporting period, the overdue loan of the Company was RMB 14.001 billion, accounting for 0.95% of the total loan. From the viewpoint of overdue limit, loans overdue within 3 months and loans overdue from 3 months to 1 year constituted the main overdue loans, with the amount of RMB 5.248 billion and RMB 7.448 billion, accounting for 0.36% and 0.50% of the total loan respectively.

Restructured loan

Unit: in RMB 1 million

	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Proportion to the total loans	Amount	Proportion to the total loans
Restructured loan	2,278	0.15%	1,197	0.10%

By the end of the reporting period, the restructured loan of the Company was RMB 2.278 billion, accounting for 0.15% of the total loan, with an increase rate of 0.05% from the end of the previous year.

Withdrawal and write-off of provision for loan loss

Unit: in RMB 1 million

Item	Dec. 31, 2024	Dec. 31, 2023
Beginning balance	43,797	39,456
Current provision	11,558	10,742
Current write-off	(13,969)	(8,336)
Other transfer-out in the period	(187)	(4)
Current recovery	2,731	1,984
Including: recoveries of loans and advances write-off previously	2,731	1,984
Transferred in from decreased loan interests	(60)	(45)
Ending balance	43,870	43,797

From January 1, 2019, the Company began to implement the new standard of financial instruments. The standard takes the expected credit loss model as the basis, and, by taking into consideration the prospective adjustment of the macro economy, makes provision for loan credit risk loss in line with parameters such as client default rate and loss rate given default. During the reporting period, the total provision of loan loss reserves of the Company was RMB 11.558 billion, and the amount of the loan loss reserves at the end of the reporting period was RMB 43.87 billion.

(IV) Analysis of the Cash Flow Statement

Net cash inflow from operating activities reached RMB 85.005 billion. Specifically, cash inflows amounted to RMB 461.747 billion, reflecting a year-on-year decrease of RMB 32.641 billion, primarily due to a reduction in interbank borrowings. Cash outflows totaled RMB 376.742 billion, a year-on-year increase of RMB 55.726 billion, mainly driven by higher repayments of client loans/advances and maturing borrowings from the central bank.

Net cash outflow from investing activities was RMB 90.533 billion. Cash inflows reached RMB 2,044.873 billion, up RMB 753.757 billion year-on-year, primarily from increased investments in precious metals and bonds. Cash outflows amounted to RMB 2,135.406 billion, a RMB 746.024 billion increase year-on-year, mainly attributable to higher disbursements for precious metal and bond investments.

Net cash inflow from financing activities totaled RMB 47.056 billion. Cash inflows reached RMB 578.231 billion, a RMB 51.355 billion year-on-year increase, primarily due to higher bond and interbank certificate of deposit issuances. Cash outflows amounted to RMB 531.175 billion, reflecting a

RMB 65.978 billion decrease year-on-year, mainly from reduced repayments of interbank certificates of deposit.

Unit: in RMB 1 million

Item	2024	2023	Change
Subtotal of cash inflows from operating activities	461,747	494,388	(32,641)
Subtotal of cash outflows from operating activities	376,742	321,016	55,726
Net cash flow generated/used in operating activities	85,005	173,372	(88,367)
Subtotal of cash inflows from investment activities	2,044,873	1,291,116	753,757
Subtotal of cash outflows from investment activities	2,135,406	1,389,382	746,024
Net cash flow from investment activities	(90,533)	(98,266)	7,733
Subtotal of cash inflows from financing activities	578,231	526,876	51,355
Subtotal of cash outflows from financing activities	531,175	597,153	(65,978)
Net cash flow from financing activities	47,056	(70,277)	117,333
Net increase of cash and cash equivalents	41,599	5,013	36,586

(V) Liability quality analysis

The Company attached great importance to the quality management of liabilities. According to the *Measures for the Quality Management of Liabilities of Commercial Banks*, the Company formulated the *Measures for the Quality Management of Liabilities of Bank of Ningbo*, established a more scientific and reasonable organizational structure for the quality management of liabilities, and clarified the division of responsibilities of the Board of Directors, Senior Management and relevant departments.

During the reporting period, the Company continued to strengthen management of liability sources, structures, and costs. Firstly, adhering to the strategy of "focusing on core clients and increasing settlement deposits," while fully utilizing the FTP tool to guide high-quality deposit growth; secondly, continuously expanding diversified interbank financing channels to enhance the diversity of liability structures; thirdly, improving the liability quality assessment system by conducting comprehensive quarterly evaluations of liability quality.

During the reporting period, the Company's liability quality remained stable and sustainable, with all indicators within reasonable ranges. Total deposits at the end of the year amounted to RMB 1,836.345 billion, reflecting a 17.24% increase from the prior year-end. The Net Stable Funding Ratio stood at 118.08%, and the Liquidity Coverage Ratio at 190.00%, both meeting regulatory requirements. The net interest margin was 1.86%, a 2 basis points (bps) decrease year-on-year. The average interest expense ratio on interest-bearing liabilities decreased by 9 bps to 2.06%, while the average interest expense ratio on customer deposits declined by 7 bps to 1.94%.

(VI) Segment analysis

The business segments of the Company are managed and reported in terms of corporate business, personal business, capital business and other business segments. In 2024, the Company's corporate business generated operating revenue of RMB 24.553 billion and total profit of RMB 15.465 billion.

The personal business achieved operating revenue of RMB 20.963 billion and total profit of RMB 3.374 billion. The capital business recorded operating revenue of RMB 20.754 billion and total profit of RMB 12.908 billion.

Unit: in RMB 1 million

Item	2024		2023	
	Operating income	Total profit	Operating income	Total profit
Corporate business	24,553	15,465	21,910	13,330
Personal business	20,963	3,374	21,439	4,820
Capital business	20,754	12,908	17,602	9,557
Other	361	(461)	634	191
Total	66,631	31,286	61,585	27,898

(VII) Balance of other off-balance sheet items with significant influence on the operating results

Please refer to Appendix X to the Financial Statements: Contingencies, Commitments and Major Off-Balance Items in Chapter Twelve of the Financial Statement for the balance of off-balance sheet items.

(VIII) Assets and liabilities measured at fair value through profit and loss

Unit: in RMB 1 million

Item	Jan. 1, 2024	Current changes in fair value through profit and loss	Accumulated fair value changes entered into equity	Current provision for impairment	Dec. 31, 2024
Derivative financial assets	20,167	13,404	-	-	33,664
Loans and advances measured at fair value, with changes included in other comprehensive income	85,133	-	35	143	98,606
Trading financial assets	350,466	188	-	-	357,161
Investment in other creditors' rights	465,419	-	13,278	154	628,082
Other investment on equity instrument	321	-	86	-	512
Precious metal	10,191	100	-	-	7,756
Investment properties	14	27	-	-	-
Subtotal of financial assets	931,711	13,719	13,399	297	1,125,781
Trading financial liabilities	(46,344)	187	-	-	(27,755)
Derivative financial liabilities	(12,359)	(153)	-	-	(3,247)
Subtotal of financial liabilities	(14,187)	(15,561)	-	-	(30,360)
Derivative financial assets	(72,890)	(15,527)	-	-	(61,362)

(IX) Key items and financial indicators with over 30% changes and main causes

Unit: in RMB 1 million

Item	2024	2023	Increase/Decrease year-on-year	Main causes
Other Income	444	740	(40.00%)	Decrease in inclusive finance subsidies for SMEs

Gains/(Losses) on Fair Value Changes	18	1,161	(98.45%)	Reduced fair value gains from derivative financial instruments
Other operating income	92	33	178.79%	Increased gains from disposal of investment properties
Gains on asset disposals	1	280	(99.64%)	Reduced gains from fixed asset disposals
Other operating costs	71	13	446.15%	Increased costs from disposal of investment properties
Non-operating income	46	77	(40.26%)	Decrease in dormant deposit transfers to revenue
Non-operating expenses	308	207	48.79%	Increase in non-operating expenses
Income tax expense	4,065	2,289	77.59%	Increase in pre-tax profit
Item	Dec. 31, 2024	Dec. 31, 2023	Increase/ decrease from the beginning of year	Main causes
Derivative financial assets	33,664	20,167	66.93%	Increased positive fair value from FX swap transactions
Financial assets held under resale agreements	33,965	9,251	267.15%	Expanded pledge-style resale agreements
Other debt investments	628,082	465,419	34.95%	Increase in other debt investments
Other Equity Instruments investment	512	321	59.50%	Higher costs and fair values of other equity instruments
Investment properties	-	14	(100.00%)	Disposal of investment properties
Construction in progress	901	1,570	(42.61%)	Completion and transfer of construction projects
Intangible assets	4,017	2,912	37.95%	Increased software investments
Deferred tax assets	2,513	6,260	(59.86%)	Increased fair value changes
Borrowings from the Central Bank	54,640	109,189	(49.96%)	Reduction in medium-term lending facilities
Deposits from financial institutions	117,817	82,122	43.47%	Increased interbank deposits
Trading financial liabilities	3,247	12,359	(73.73%)	Decrease in trading financial liabilities
Derivative financial liabilities	30,360	14,187	114.00%	Increased negative fair value from FX swap transactions
Proceeds from repurchase agreements	163,268	122,641	33.13%	Expanded pledge-style repurchase agreements
Taxes payable	2,379	1,281	85.71%	Increased corporate income tax payable
Other comprehensive income	15,614	5,801	169.16%	Increased fair value of bonds

VI. Investment

(I) Overall condition

Unit: in RMB 1 million

Item	Ending amount	Beginning Amount	Proportion of equity of invested companies held by the Company	Main business
China UnionPay Co., Ltd.	13.00	13.00	0.34%	Licensed project: Bank card clearing service; category I value-added telecommunications services; category II of value-added telecommunications services. General project: provide electronic payment technology and related professional services centering on bank card clearing business.

Service Center for City Commercial Banks	0.25	0.25	0.81%	Provide conference training, consulting and management services for small and medium-sized financial institutions such as city commercial banks.
Maxwealth Fund Management Co., Ltd.	647.20	647.20	71.49%	Fund raising, fund sales, specific client asset management, asset management.
Maxwealth Financial Leasing Co., Ltd.	7,000.00	6,000.00	100.00%	Financial leasing services.
BNB Wealth Management Co., Ltd.	1,500.00	1,500.00	100.00%	Issuance of wealth management products and investment management of entrusted investor assets; financial advisory and consultancy services.
Zhejiang BNB Consumer Finance Co., Ltd.	4,694.94	4,694.94	92.79%	Consumer financial services.
Ningbo Donghai Bank Co., Ltd.	158.24	52.79	4.99%	Banking services.
Total	14,013.63	12,908.18		

Note: In March 2025, after Zhejiang BNB Consumer Finance Co., Ltd. completed its capital increase and business license update, the Company's shareholding percentage increased from 92.79% to 94.17%.

(II) Significant equity investment acquired during the reporting period

Except as disclosed, the Company did not acquire any significant equity investments during the reporting period.

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

During the reporting period, the Company had no on-going significant non-equity investment during the reporting period.

(IV) Investment on derivatives

1. Investment in derivatives

Instructions on risk analysis and control measures of derivatives during the reporting period (including but not limited to market risk)	Before conducting new types of derivatives business, the Company fully identified, analyzed and evaluated all types of risks through the New Product Committee, and used duration, limit control, VAR, stress testing, credit line management and other methods to measure and control the risks of derivatives.
Instructions on risk analysis and control measures of derivatives during the reporting period (including but not limited to market risk)	During the reporting period, the market price or fair value of the derivatives invested by the Company fluctuated with the change of market transaction parameters. The derivatives valuation parameters were set according to specific products, and were consistent with industry practices. The fair value measurement was carried out using the model method provided by the middle-and-back-end valuation system.
Explanation of whether there have been significant changes in the accounting policies and accounting principles relating to the derivatives of the Company during the reporting period compared to the previous reporting period	None
Special opinions of independent directors on the derivative investment and risk control situation of the Company	Independent directors of the Company understood that trading of derivatives is a regular banking business approved by the People's Bank of China and National Financial Regulatory Administration. During the reporting period, the Company

attached importance to risk management of this business and carried out efficient risk control over trading of derivatives.

2. Derivatives investment held at the end of the reporting period

Unit: in RMB 1 million

Contract category	Contract sum at the beginning of the period	Contract sum at the end of the period	Profit and loss during the reporting period	Proportion of the contract sum to the net assets attributable to the shareholders' of the Parent Company at the end of the reporting period
Foreign exchange derivatives				
Foreign exchange forwards	57,050	71,686	2,554	30.75%
Currency swap	572,146	1,199,432	(735)	514.44%
Currency exchange	28,901	42,926	189	18.41%
Foreign exchange option	191,424	263,950	(2,116)	113.21%
Interest Rate Derivatives				
Interest rate swap	1,317,081	1,285,788	(373)	551.48%
Interest rate option	5	9	(46)	0.00%
Other derivative instruments				
Equity option	595	7	(146)	0.00%
Credit risk mitigation tools	-	20	-	0.01%
Precious metal forwards/swap	59,187	55,148	(443)	23.65%
Precious metal option	-	31	2	0.01%
Total	2,226,389	2,918,997	(1,114)	1251.98%

In 2024, inflation in major global economies moderated from elevated levels, with the European Central Bank and the U.S. Federal Reserve initiating interest rate cutting cycles successively. The global foreign exchange market operated steadily throughout the year. Domestically, the economy stabilized and demonstrated a robust recovery, while the RMB exchange rate maintained a two-way fluctuation pattern, remaining generally stable. In terms of swaps, the China-U.S. interest rate differential narrowed slightly, with swap prices fluctuating marginally in tandem. The Company effectively managed market risks by actively utilizing interest rate and foreign exchange derivatives for hedging and strategic trading purposes. Trading strategies were further optimized, and the company maintained a prudent trading style.

(V) Use of the raised fund

During the reporting period, no raised funds were used by the Company.

(VI) Major assets and rights offering

During the reporting period, the Company had no major assets or rights offering events.

(VII) Analysis on major holding companies and joint stock companies

1. Information of joint stock companies with over 10% influence on the net profit of the

Company

Unit: in RMB 1 million

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Maxwealth Fund Management Co., Ltd.	Subsidiary	Fund raising, fund sales, specific client asset management, asset management.	900	3,235	2,582	1,363	355	255
Maxwealth Financial Leasing Co., Ltd.	Subsidiary	Financial leasing services.	7,000	136,547	16,090	5,726	3,401	2,551
BNB Wealth Management Co., Ltd.	Subsidiary	Issuance of wealth management products and investment management of entrusted investor assets; financial advisory and consultancy services.	1,500	5,110	4,658	1,293	982	744
Zhejiang BNB Consumer Finance Co., Ltd.	Subsidiary	Consumer financial services.	3,600	60,145	5,172	2,990	416	303

Note: In March 2025, after Zhejiang BNB Consumer Finance Co., Ltd. completed its capital increase and business license update, its registered capital increased from RMB 2.911 billion to RMB 3.6 billion.

2. Information of major holding companies and joint stock companies

For details on the Company's major holding/shareholding companies, please refer to IX Business Review in this chapter.

(VIII) Information on structured entities controlled by the Company

Please refer to the "Note VI to Financial Statement: Equity in other Entities" of "Chapter 12 Financial Report" for the information of structured entities controlled by the Company.

VII. Risk Management

By adhering to the concept of "Risk Control is Essential for Bank Operation", the Company improved the risk management system covering all staff and the whole process, comprehensively promoted the digital, systematic and intelligent construction of risk management, continued to give full play to the value of risk management and supported the sound development of the Bank. During the reporting period, the Company maintained strategic focus within a unified risk appetite framework, strengthened risk assessment, and carried out orderly identification, measurement, monitoring, and control of various risks, thus continuously improving the professionalism and pertinence of risk management, effectively preventing various risks, and ensuring the stable development of the Bank.

(I) Credit risk

Credit risk refers to the risk which incurs loss to the Bank due to the nonperformance of the borrower or the counterparty. The credit risk of the Company includes loans, capital business (including interbank lending, assets under resale agreements, due from banks, bank account bonds investment, etc.),

receivables and off-balance credit business.

The Company remains committed to building a credit risk management system characterized by independent functions, risk checks and balances, streamlined efficiency, and clearly defined roles for the three lines of defense. During the reporting period, in response to evolving market dynamics and the Bank's operational priorities, the Company strengthened its trend analysis and proactive decision-making, continuously optimizing its management systems and risk control technologies. This enhanced the precision, flexibility, and forward-looking capabilities of risk management, thereby maximizing its strategic value.

Firstly, the Company prioritized the continuous optimization of its credit structure and professional guidance on credit policies. Aligning closely with the Bank's development strategy and its mission to serve the real economy, the Company fully implemented the "Five Major Financial Initiatives." It conducted in-depth research on industrial chains, refined credit policies and evaluation criteria for enterprises and clients, and developed precise, differentiated credit strategies. Additionally, the Company proactively exited risky clients through diversified measures such as early warning resolution and pre-litigation mediation, while continuously optimizing its existing portfolio.

Secondly, the Company focused on enhancing management mechanisms and comprehensive control over the entire credit risk process. It upgraded its "comprehensive and penetrating" asset quality monitoring system, refining standardized pre-loan, in-loan, and post-loan processes. Leveraging big data analysis platforms, the Company achieved online and intelligent management throughout the entire risk management lifecycle. Furthermore, it upgraded its linkage mechanism for follow-ups, early warnings, collections, and dispositions, significantly improving the effectiveness of identifying, warning against, and addressing potential risks.

Thirdly, the Company emphasized technological advancement and solidified the foundation for digital system tools. It developed and promoted a marketplace for intelligent risk control models, enabling the sharing of high-quality models across the entire bank and enhancing the flexibility of risk management. Simultaneously, the Company advanced the construction of a new-generation credit risk management system cluster, achieving smoother processes, more convenient operations, and more intelligent risk control. This initiative provides effective support for rapid product iteration and precise risk management.

(II) Large-value risk exposure

According to the *Management Measures for Large-value Risk Exposures of Commercial Banks*, large-value risk exposure refers to the credit risk exposure of a commercial bank to a single client or a group of related clients that exceeds 2.5% of its net Tier I capital (including various credit risk exposures in bank and trading books). The Company incorporated the management of large-value risk exposures into its comprehensive risk management system, continuously monitored changes in large-value risk exposures, and regularly reported to regulatory authorities in terms of operation of large-value risk exposure indicators and related work, thus effectively controlling client concentration

risk.

By the end of 2024, all indicators measuring the Company's large exposure standards fully complied with regulatory requirements, with the loan balance to the largest non-interbank single client representing 1.06% of net capital, exposure to this client accounting for 3.02% of tier I net capital, aggregate exposure to the largest non-interbank related client group reaching 5.51% of tier I net capital, exposure to the largest interbank single client constituting 16.01% of tier I net capital, and exposure to the largest interbank client group making up 9.82% of tier I net capital - all staying within permissible regulatory limits.

(III) Liquidity risk

Liquidity risk refers to the Company's risk of failing to obtain adequate funds in a timely manner at a reasonable cost to repay matured debts or fulfill other payment obligations for business development. Events or factors that affect the liquidity risk of the Company include significant adverse changes in market liquidity, excessive mismatch of asset and liability maturity, significant loss of wholesale or retail deposits, conversion of other risks such as credit risk or operational risk to liquidity risk, and the decrease in the financing ability of the Company.

According to the regulatory requirements and changes in the macroeconomic situation, the Company continued to strengthen the construction of its liquidity risk system, improved its liquidity risk management technology, thus ensuring that the liquidity risk management system matches with the business strategy, business characteristics, financial strength, financing ability, overall risk preference and market influence of the Company. The Company implemented a prudent liquidity risk management strategy, maintained the liquidity assets at a high level, held sufficient cash flow, and ensured its ability to make external payments.

During the reporting period, the Company continuously improved its governance framework for liquidity risk management. Based on macroeconomic conditions and changes in central bank monetary policies, and in conjunction with the Company's asset-liability business growth and liquidity gap analysis, we proactively formulated and dynamically adjusted liquidity management strategies to ensure liquidity risks remained within safe thresholds. Firstly, we enhanced liquidity risk measurement capabilities by refining the USD liquidity risk management system, optimizing the architecture and batch processing logic of the asset-liability management system, and reviewing liquidity risk limits and early warning indicators. Secondly, we strengthened intraday liquidity risk management through continuous improvements to the position management system, boosting position control efficiency and enhancing branch-level liquidity management capabilities. Thirdly, we further developed the liquidity risk emergency response framework by conducting group-wide liquidity risk emergency drills and client deposit withdrawal stress tests, clarifying emergency response procedures, and assessing the effectiveness of the liquidity risk contingency system.

The Company maintained a well-matched asset-liability maturity structure during the reporting period, with all regulatory indicators meeting requirements. Stress tests for both domestic and foreign

currencies under baseline, mild, and severe scenarios achieved a minimum survival period of no less than 30 days, demonstrating strong emergency buffer capabilities. Liquidity risk indicators as of the end of reporting period are as follows:

1. Liquidity ratio

As of December 31, 2024, the Company's liquidity asset balance was RMB 980,823 million, liquidity liability balance was RMB 1,042,423 million, and the liquidity ratio was 94.09%, complying with the regulatory requirement of no less than 25%.

2. Liquidity coverage ratio

As of December 31, 2024, the Company's high-quality liquid asset balance was RMB 491,691 million, net cash outflows within 30 days were RMB 258,787 million, and the liquidity coverage ratio was 190.00%, meeting the regulatory requirement of no less than 100%.

3. Net stable funding ratio

As of December 31, 2024, the Company's available stable funding balance was RMB 1,728,429 million, required stable funding balance was RMB 1,463,794 million, and the net stable funding ratio was 118.08%, satisfying the regulatory requirement of no less than 100%.

Item	Dec. 31, 2024	Sep. 30, 2024
Available Stable Funding	1,728,429	1,730,160
Required Stable Funding	1,463,794	1,438,856
Net Stable Funding Ratio	118.08%	120.25%

(IV) Market risk

Market risk refers to the risk of potential losses in future benefits or future cash flow arising from the value change of financial instruments due to the changes in interest rate, exchange rate and other market factors. The major market risks influencing the Company's business were interest rate risk and exchange rate risk, including trading book and banking book.

The Company has established a comprehensive market risk management framework commensurate with its business nature, scale, and complexity. This framework clearly defines the roles, responsibilities, and reporting requirements of the Board of Directors (including specialized committees), senior management, and relevant departments under the market risk governance structure. It also outlines policies for market risk management, specifies procedures for risk identification, measurement, monitoring, and control, and sets clear requirements for internal controls, internal/external audits, and information system development.

1. Trading Book Market Risk

The Company has built a robust limit management system for trading book market risk, which includes Value-at-Risk (VaR) limits and stress test loss limits to control overall market risk appetite. Additional limits such as sensitivity limits, exposure limits, and stop-loss limits are implemented to strictly manage actual risk exposures of specific trading strategies or investment portfolios. Adhering to prudent risk management principles, the Company regularly conducts stress tests to assess potential

losses under extreme scenarios (e.g., market volatility, policy changes), thereby strengthening risk resilience for stable operations.

During the reporting period, the Company closely followed regulatory requirements and financial market trends to continuously optimize its trading book market risk management framework, enhancing capabilities in risk identification, measurement, and monitoring. Firstly, the Company strengthened governance structures by formulating portfolio management regulations for financial market operations and standardizing trading book classification protocols. Secondly, it upgraded its risk measurement infrastructure through a next-generation data management engine, developing stress scenario selection methodologies that better align with actual portfolio exposures while refining scenario libraries. Thirdly, the Company enhanced model validation rigor by implementing pre-launch validation procedures and annual comprehensive model reviews to ensure the stability and reliability of market risk measurement models.

The Company maintained daily tracking of macroeconomic and monetary policy changes, conducting real-time market value revaluation of trading positions and monitoring adherence to market risk limit indicators. During the reporting period, the trading book portfolio delivered steady profit growth with all risk metrics operating within normal ranges.

2. Banking Book Market Risk

The Company has established a banking book interest rate risk management framework that aligns with the nature, scale, and complexity of its business operations. This framework clearly defines the primary responsibilities of the Board of Directors, senior management, and relevant departments. To manage interest rate risks across different currencies and risk sources, the Company employs a comprehensive suite of tools including re-pricing gap analysis, duration analysis, net interest income analysis, economic value analysis, and stress testing. Management targets are set for economic value fluctuation indicators, which are continuously monitored to ensure that banking book interest rate risk exposures remain within acceptable parameters.

During the reporting period, the Company closely monitored external interest rate environments and structural changes in internal interest rate risk exposures, while continuously enhancing its banking book risk management capabilities. Firstly, the Company refined its banking book interest rate risk management framework by detailing stress test scenarios and departmental responsibilities in management regulations, with a strengthened focus on USD-denominated interest rate risk measurement and monitoring. Secondly, it conducted ongoing validation and optimization of risk measurement models and parameters to ensure the accuracy and reasonableness of both measurement processes and outcomes. Thirdly, the Company strengthened group-wide oversight of banking book interest rate risks by regularly monitoring consolidated risk indicators and enhancing sensitivity to interest rate fluctuations. Concurrently, the Company proactively adjusted its asset-liability structure and optimized internal/external pricing strategies, achieving steady growth in net interest income.

Please refer to "Note XII to Financial Statements - 3 Market Risk" in Section Nine Financial

Statements for more information on the market risk management of the Company

(V) Country risk

Country risk refers to the risk that the borrower or debtor of a country or region is unable or refuses to pay the debts of commercial banks, or the businesses of the commercial banks suffer losses in the country or region due to the economic, political, social changes and events of that country or region. Country risk may be caused by the deterioration of the economic situation of a country or region, political and social unrest, nationalization or expropriation of assets, refusal of the government to pay foreign debts, foreign exchange control or currency devaluation.

In accordance with regulatory requirements and adhering to the principles of "adaptability," "appropriateness," and "timeliness," the Company has formulated practical and feasible country risk management plans and established a comprehensive framework that aligns with its strategic objectives and the scale and complexity of its country risk exposures. Key measures include: 1. Dynamic adjustment of country risk ratings: Based on macroeconomic developments, external credit ratings, and other factors, the Company systematically evaluates and categorizes countries into five risk levels: low, relatively low, medium, relatively high, and high. Corresponding country risk limits are calculated and updated accordingly. Additionally, the Company continuously strengthens its analysis of global macroeconomic trends and monitors major international events to promptly adjust country risk ratings as needed. 2. Ongoing country risk limit management: The Company regularly monitors compliance with risk limits and employs measures such as business structure adjustments and risk mitigation enhancements to ensure exposures remain within authorized limits.

During the reporting period, despite global political and economic uncertainties, the Company maintained effective country risk management. Exposures were primarily concentrated in low- to medium-risk jurisdictions, and country risks were not expected to materially impact the Company's operations.

(VI) Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, information technology systems, or external events. The Company's operational risks primarily stem from four categories: personnel risk, process risk, information system risk, and external event risk.

During the reporting period, the Company continued to enhance its operational risk management framework in accordance with regulatory requirements. It promoted big data applications in operational risk management, strengthened monitoring and analysis, and fortified controls in key risk areas to maintain risks within acceptable parameters. No major operational risk incidents occurred throughout the year. Firstly, the Company fully internalized new operational risk regulatory requirements by formulating the *Operational Risk Management Regulations for Bank of Ningbo* and revising the *Operational Risk Management Regulations for Bank of Ningbo* and the *Operational Risk Event Management Regulations*. These revisions improved both qualitative and quantitative risk appetite statements and transmission mechanisms to effectively implement new operational risk regulations.

Secondly, in accordance with regulatory requirements, the Company conducted a comprehensive review of historical loss data to further enhance operational risk loss data, ensuring the completeness and standardization of such data. Thirdly, the Company strengthened the application of big data in seal management. By establishing seal validity and risk monitoring models, the Company conducted regular seal monitoring in collaboration with branches and headquarters, enabling autonomous and flexible modeling to promote digital seal management. Fourthly, the Company reviewed and optimized outsourcing management requirements, including organizational structures, management systems, project approval processes, due diligence, contract management, routine management, and risk assessment, to improve the regulation of information technology outsourcing. Fifthly, the Company continuously conducted information technology risk assessments, optimized key risk indicators for information technology, organized training on information security and information technology risk management, and improved information technology risk control. Finally, the Company enhanced emergency response and business continuity management by formulating the *Financial Service Management Regulations for Emergencies* and revising the *Emergency Management Regulations for Critical Information Systems*. It also conducted stress tests on business continuity for critical systems and continuously carried out drills for critical business continuity to fully verify the effectiveness of relevant contingency plans and the availability of business systems and disaster recovery resources in disaster scenarios, thereby improving the effectiveness of business continuity management.

(VII) Compliance risk

Compliance risk refers to the potential for financial institutions or their employees to incur criminal, administrative, or civil liabilities, financial losses, reputational damage, or other adverse consequences due to violations of compliance regulations in their operational management or professional conduct.

During the reporting period, the Company actively engaged in compliance risk mitigation efforts to ensure lawful and compliant operations. Firstly, the Company continuously strengthened internal control systems by monitoring external regulatory policies and internal operational needs, incorporating external regulatory requirements and conducting multi-dimensional reviews of internal controls to improve system rationality and completeness. Secondly, the Company deepened compliance risk monitoring and assessment by continuously identifying compliance risks from regulatory penalties, internal/external audits, and other sources, conducting bank-wide compliance risk assessments to analyze risk distribution and changes, and reinforcing controls in high-risk areas. Thirdly, the Company solidified product compliance management by strengthening interpretation and analysis of legal and regulatory changes and optimizing product models against internal management practices to ensure product compliance. Fourthly, the Company enhanced personal information protection by clarifying operational compliance requirements in response to evolving laws and regulations, raising employee awareness of data protection, and reviewing existing data collaboration practices to ensure legal and regulatory adherence. Fifthly, the Company conducted effective compliance inspections by focusing on operational weaknesses, establishing annual compliance inspection plans with clear priorities, and continuously auditing the adequacy of internal controls, process effectiveness, and policy

implementation to promote compliant business growth. Finally, the Company promoted compliance culture by conducting multiple training sessions, including compliance evaluation guidelines, essential compliance knowledge, and new employee onboarding, to raise awareness and understanding of compliance, as well as targeted workshops on regulatory updates and national security to further reinforce adherence to new policies and foster a strong compliance culture.

(VIII) Reputation risk

Reputation risk refers to the risk that the bank's behavior, employees' behavior or external events lead to the negative evaluation of the Bank by the stakeholders, the public and the media, which damages its brand value, hinders its normal operation, and even affects the market stability and social stability.

During the reporting period, guided by the *Measures for the Management of Reputational Risks of Banking and Insurance Institutions (Provisional)*, the Company adhered to the principles of "Proactiveness, Appropriateness, Comprehensive Coverage, and Effectiveness" to continuously optimize its reputational risk management framework. This ensured deep synergy between management capabilities and business development. Firstly, the Company strengthened institutional guarantees and accountability by consolidating a three-tier governance structure: Party Committee leadership, Board oversight, and senior management execution, while clarifying responsibilities across the "three lines of defense." The first line of defense, comprising business units and branches, focused on risk prevention at the source; the second line, including the Head Office Administration Department and Risk Management Department, led system improvements and stress testing; and the third line, the Audit Department, conducted independent evaluations and oversight. Secondly, the Company enhanced routine public opinion monitoring and coordination mechanisms, regularly analyzing industry risk trends and policy directions while refining tiered, differentiated emergency response plans aligned with business realities. Leveraging branch-headquarters and subsidiary collaboration mechanisms ensured seamless information sharing and efficient emergency handling. Thirdly, the Company harnessed technology to drive intelligent risk control, introducing AI technologies to build an integrated "public opinion monitoring—risk assessment—dynamic warning" platform that enabled real-time tracking of negative sentiment and optimized response strategies. Finally, the Company proactively promoted its brand image by highlighting corporate social responsibility through case studies in technology finance, green finance, inclusive finance, pension finance, and digital finance, which were disseminated via authoritative media and proprietary channels. Simultaneously, the Company expanded brand exposure and enhanced reputation and customer engagement by adopting emerging communication formats such as short videos and live streaming on mainstream social platforms. Sponsorships of major sporting events like the 2024 Badminton Asia Championships and the 2024 WTA 500 Ningbo Open further elevated brand visibility and client stickiness.

(IX) Anti-money laundering management

During the reporting period, the Company strictly adhered to anti-money laundering laws,

regulations, and supervisory requirements, conducting all AML efforts based on a risk-oriented approach to further strengthen its management of money laundering risk prevention. Firstly, the Company conducted self-assessments of institutional money laundering and terrorist financing risks, engaging in continuous identification, prudent evaluation, effective control, and comprehensive management of such risks to promote enhanced AML risk management capabilities and compliance performance. Secondly, the Company continuously enhanced customer identity information governance by leveraging big data governance tools to refine its customer identity monitoring indicator system, establishing a long-term mechanism to steadily improve the accuracy and completeness of customer identity data. Finally, the Company actively assisted in combating money laundering activities by conducting money laundering risk screenings and optimizing monitoring models to enhance case analysis capabilities and the value of suspicious activity reports, effectively preventing money laundering risks.

(X) Explanations on integrity, reasonability and effectiveness of the internal control system

The Company attaches great importance to the integrity of the internal control system. As of now, the internal control system adopted by the Company has covered business activities, management activities and supporting activities. In accordance with external laws and regulations, regulatory policies and internal management requirements, the Company promptly formulated and revised related internal control system, continued to optimize business and management processes and implemented risk management and control measures, thus making the internal control system more complete and the content of the system more reasonable and efficient.

1. Enhancing the Internal Control System Framework

The Company's institutional framework is divided into two main tiers: Management Measures and Regulations/Procedures. Management Measures focus on clarifying management principles and requirements, while Regulations/Procedures outline operational workflows for business activities, dividing processes into distinct phases and specifying overall requirements and steps for each phase in alignment with relevant job responsibilities.

The Legal and Compliance Department serves as the lead department for institutional management. All institutional documents are submitted to the Legal and Compliance Department for review prior to issuance. The department provides comprehensive review opinions integrating anti-money laundering, operational risk, and compliance management requirements. The responsible department incorporates these compliance opinions into the corresponding systems and submits them to relevant departments for final approval, ensuring all management and business activities are governed by clear rules.

2. Timely and Rational System Updates

The Company continuously monitors changes in external laws, regulations, and supervisory policies, while aligning with internal operational and management needs to formulate and revise relevant systems in a timely manner. Through post-implementation evaluations of systems, it advances the construction of the internal control system to ensure timely updates.

First, regulatory and external compliance requirements are implemented. Laws, major supervisory policies, and work requirements are promptly analyzed and interpreted to formulate implementation plans, which are advanced in an orderly manner. Dedicated personnel oversee and audit implementation to ensure internalization of regulatory requirements and enhance the timeliness and effectiveness of systems. Second, post-evaluation of internal control systems is conducted. Regular evaluations assess alignment with regulatory policies and actual operational management practices, identifying gaps, conflicts, or obsolescence in systems. Identified issues are promptly addressed to safeguard the effectiveness of compliance risk management at the systemic level. Third, internal-external system linkage mechanisms are established. Automated triggers enable systemic linkage. When external regulations or internal systems are updated, the system automatically alerts relevant departments to modify associated systems. After headquarters updates systems, branches receive automatic reminders for localization. Branches with special local regulatory requirements or operational needs may formulate separate management systems or implementation rules. The Legal and Compliance Department tracks implementation status to ensure proactive system management.

In conclusion, the Company has established a relatively comprehensive internal control system with reasonable and effective institutional arrangements. The internal control system is sound and well-developed, with continuously improving implementation effectiveness. Control measures across all business lines are implemented thoroughly, and no major institutional defects have been identified. The Company will continue to monitor national laws and regulatory requirements, as well as its own operational and management needs, to enhance the completeness, rationality, and effectiveness of its internal control systems.

VIII. Capital management

The objectives of Company's capital management include: (1) to maintain a reasonable level of capital adequacy ratio and steady capital foundation, support the development of Company's business and the implementation of strategies, improve the ability to defend risks and realize comprehensive, harmonious and sustainable development; (2) to constantly perfect the performance management system focusing on economic profit, accurately measure and cover all types of risks and optimize resource allocation and operational management mechanism to create the best returns for shareholders; (3) to apply various capital instruments properly, optimize the amount and structure of capital and improve the quality of capital. The Company's capital management mainly includes capital adequacy management, capital financing management and economic capital management.

Capital adequacy ratio management is the core of the Company's capital management. In September 2023, the People's Bank of China and the National Financial Regulatory Administration jointly announced the 2023 list of domestically systemically important banks. The Company was included in the first group of this list, requiring compliance with additional capital requirements such as a supplementary capital ratio of 0.25% and a supplementary leverage ratio of 0.125%. During the reporting period, the Company promoted the establishment of a comprehensive risk management

system to enhance its risk identification and assessment capabilities, enabling more precise measurement of risk-weighted assets based on the substance of business activities. It regularly monitors capital adequacy ratios and submits required information to the National Financial Regulatory Administration on a quarterly basis. By adopting stress testing and other methods, the company conducts monthly forecasts of capital adequacy ratios to ensure compliance with regulatory requirements. It actively promoted the implementation of the *Administrative Measures for the Capital of Commercial Banks* across the entire bank, completed the upgrade of the RWA measurement system, and achieved the measurement of capital regulatory indicators under the new regulations. During the reporting period, the Company's capital adequacy ratio indicators fully met regulatory requirements.

Capital financing management aims to further enhance capital strength, improve capital structure, and raise capital quality. The Company emphasizes organic growth of capital, striving to balance and coordinate scale expansion, profitability, and capital constraints. Meanwhile, it actively explores new capital instruments and rationally utilizes exogenous financing to further strengthen capital strength. In 2024, the Company redeemed RMB 10 billion of Tier-2 capital bonds issued in 2019 and issued RMB 24 billion of new Tier-2 capital bonds to optimize its capital structure and enhance its risk resilience and ability to support the real economy.

Economic capital management is committed to firmly establishing the concept of capital discipline within the Company, optimizing resource allocation, and achieving intensive capital management. In 2024, the Company steadily advanced economic capital limit management, formulated economic capital allocation plans, and optimized capital allocation across business lines, regions, products, and risk domains. It coordinated RWA allocations for various operating departments and business lines to promote rational capital allocation. Furthermore, the Company leveraged its comprehensive operational advantages to improve consolidated management systems and gradually strengthened capital management for subsidiaries, meeting the capital management needs of its group-wide and integrated operations.

(I) Information on capital adequacy ratio

Unit: in RMB 1 million

Item	Dec. 31, 2024		Dec. 31, 2023	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
1. Net balance of core Tier one capital	205,598	178,664	174,611	152,455
2. Net balance of Tier one capital	230,443	203,475	199,446	177,265
3. Net balance of total capital	319,988	291,148	271,772	247,990
4. Total risk-weighted assets	2,089,099	1,925,567	1,811,196	1,670,655
Including: credit risk-weighted assets	1,942,047	1,796,063	1,682,837	1,557,227
Market risk-weighted assets	22,000	20,964	21,043	18,313
Operational risk-weighted assets	125,052	108,540	107,316	95,115
5. Core Tier one capital adequacy ratio	9.84%	9.28%	9.64%	9.13%
6. Tier one capital adequacy	11.03%	10.57%	11.01%	10.61%
7. Capital adequacy ratio	15.32%	15.12%	15.01%	14.84%

(II) Information on leverage ratio

Unit: in RMB 1 million

Item	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Leverage ratio	5.73%	5.50%	5.54%	5.54%
Net balance of Tier I capital	230,443	219,743	216,748	208,357
Balance of assets on and off the balance sheet after adjustment	4,021,899	3,993,027	3,911,359	3,762,294

IX. Business review

(I) Corporate banking business

The Company's corporate banking business focused on serving the real economy and upholding the philosophy of "Serving Clients Wholeheartedly", and continuously deepened the cultivation and management of core clients. In financial technology empowerment, the Company leveraged digital solutions such as Kunpeng Treasury and Financial Management Solutions to address clients' operational challenges and provided comprehensive, integrated, and personalized financial services. For client management, the Company implemented a tiered and categorized client management system. While promoting list-based and grid-based marketing, it further advanced the efficient onboarding and in-depth management of strategic and high-value clients. During the reporting period, by deepening its presence in regional markets and continuously creating value for clients, the client base expanded and client quality improved. At the end of the reporting period, the Company's corporate banking business served 171,800 clients, an increase of 20,300 from the prior year-end.

In terms of deposits, the Company focused on client needs and utilized digital systems including Kunpeng Treasury, Financial Management Solutions, Invoice Management Solutions, FX Management Solutions, and corporate mobile apps to empower business operations. It continuously enhanced the convenience of cash management and payment settlements, optimized system functionalities and service processes, and improved the full-cycle client service system based on industry types, client segments, and other dimensions. By providing professional, online, and mobile services, the company effectively drove the growth of settlement deposits and optimized the deposit structure. At the end of the reporting period, the Company's corporate banking deposit balance reached RMB 1,059.9 billion (including institutional deposits), an increase of RMB 148.5 billion, or 16.29%, from the prior year-end.

In terms of loans, the Company continuously optimized credit resource allocation and increased financial support for national strategic priorities and key sectors. It accelerated the digital, scenario-based, and platform-based transformation of its business to meet the needs of real enterprises in technological upgrades, equipment renewal, project construction, green transitions, cost reduction, and efficiency improvement. The Company also provided a comprehensive suite of financial products, including local and foreign currency loans, commercial bills, bank acceptance bills, and domestic letters of credit, while continuously optimizing business processes to offer convenient and efficient financing services to the real economy and enhance the quality and effectiveness of serving the real economy. At

the end of the reporting period, the balance of the Company's corporate banking RMB loans reached RMB 494.7 billion, an increase of RMB 97.1 billion, or 24.42%, from the prior year-end.

In terms of institutional business, the Company actively adapted to the digital and intelligent transformation trends of institutional clients and upgraded iterative digital integrated service solutions to enhance the convenience of digital finance applications. It focused on scenario-based and lightweight solutions and closely followed the differentiated needs of institutional clients. The Company continuously conducted various carrier business activities, which comprehensively empowered clients and further enhanced the brand influence of the Company. During the reporting period, the Company implemented 560 digital projects and made progress in obtaining various business qualifications at the provincial, municipal, and district levels, laying a solid foundation for sustainable business growth and effectively enhancing institutional clients' capital flows. At the end of the reporting period, deposits from the Company's institutional business reached RMB 281.4 billion, an increase of RMB 47.2 billion, or 20.15%, from the prior year-end.

(II) Retail corporate business

The Company, in its retail corporate business, adheres to the operating philosophy of "taking root in regional development, contributing to the development of the real economy, practicing inclusive finance, and supporting small and micro businesses". Centered on customers, the Company continuously optimized client service models and product systems, striving to provide clients with "more professional, convenient, and flexible" financial product portfolios and comprehensive service solutions. During the reporting period, the Company deepened its engagement with regional client groups, consistently upgrading its client management systems across various segments, and significantly enhancing service quality and efficiency. Specifically, the Company refined its technological financial service framework, strengthened financial support for technology and innovation sectors, and offered specialized policies and products for technology-oriented and start-up enterprises. Leveraging three pillars—diversified credit products, intelligent risk management capabilities, and comprehensive integrated operations—the Company has perfected two major systems, namely digital precision services and ecological efficient services, thereby continuously expanding financial services for small and micro enterprises. As of the end of the reporting period, the number of retail corporate clients reached 439,600, an increase of 7,600 from the previous year-end.

In terms of deposits, the Company continued to consolidate its core client base while leveraging the combined strengths of its settlement product portfolio and platform resources to address the differentiated needs of various industry clients, further elevating its settlement service standards. As of the end of the reporting period, retail corporate deposits stood at RMB 281.2 billion, an increase of RMB 39.9 billion or 16.54% from the previous year-end.

Regarding loans, the Company persistently intensified its efforts in inclusive credit extension, implemented exclusive preferential policies, ensured smooth funding transitions, actively expanded its "first-time loan recipient" client base, and enhanced client service quality and efficiency through digital

and platform-based empowerment. As of the end of the reporting period, the number of inclusive finance clients for small and micro enterprises reached 277,800, representing a growth rate of 19.18% from the previous year-end; the balance of inclusive loans for small and micro enterprises amounted to RMB 219.9 billion, an increase of 18.35% from the previous year-end.

(III) Investment banking business

During the reporting period, the Company's investment banking business achieved a total finance product aggregate (FPA) of RMB 544.9 billion for investment banking clients, with the number of investment banking clients exceeding 5,000. In terms of bond underwriting, the Company underwrote RMB 259.6 billion of debt financing instruments for non-financial enterprises, ranking among the top regional banks in the interbank market for five consecutive years, with a cumulative issuance volume exceeding RMB 1.7 trillion, ranking first among regional banks. The Company explored innovations in green and technology-focused bond products, issuing RMB 13.14 billion of green and technology-focused bonds, including the nation's first batch of "two new" bonds, the first sustainable-linked green bond issued by a technology-focused entity in China, and the first "two new" bond in Zhejiang Province. In the area of technology and innovation finance, the Company continued to refine its service system for technology and innovation enterprises, focusing on building an ecosystem for technology and innovation services, providing multi-dimensional empowerment through equity financing, technology chain, industrial chain, and supply chain resource linkage, to support the development of new quality productive forces. Regarding digital systems, the Company iterated and upgraded the "Smart Investment Bank Manager" system, further establishing a "bond + equity" dual-drive approach to serve the full lifecycle needs of investment banking clients.

(IV) Bill business

The Company's bill business closely follows market and policy changes, continuously upgrading its services to provide more high-quality, convenient, and efficient discounting services for a broad range of entity enterprise clients, particularly micro, small, and medium-sized enterprises. During the reporting period, the Company proactively responded to changes in the bill market, employed a flexible pricing mechanism, and consistently enhanced client experience, assisting entity enterprises in reducing their financing costs. The number of discounting clients exceeded 30,000, with 96% being small and micro enterprises and manufacturing enterprises. During the reporting period, the Company was honored with several awards by the Shanghai Commercial Paper Exchange, including "Excellent Discounting Institution," "Excellent Corporate Promotion Institution," and "Excellent Commercial Paper Information Disclosure Service Institution".

(V) Asset custody business

The Company's asset custody business is committed to providing professional, innovative, and secure asset custody services to clients. In terms of product systems, the Company has deepened its engagement with top-tier clients, accelerated the deployment of innovative businesses, and successfully

launched several landmark initiatives: it undertook the custody of the nation's first publicly offered REITs for a cross-sea bridge project, aiding governments in revitalizing state-owned assets and promoting high-quality infrastructure development; and it introduced the industry's first multi-single-mode trust wallet service, further establishing a trust account framework to support the transformation and development of the sector. Regarding digital systems, the Company's self-developed digital service platform, "Easy Custody," has undergone continuous iterations and upgrades, offering comprehensive solutions to nearly 1,000 custody clients. As of the end of the reporting period, the Company served 652 custody clients, with the CUM scale of custody assets exceeding RMB 4.74 trillion, comprising RMB 4.46 trillion in custody assets and RMB 280 billion in outsourcing business.

(VI) Financial market business

During the reporting period, the Company closely monitored changes in the financial market, strengthened market analysis and judgment, and seized market opportunities to continuously enhance asset investment returns. Meanwhile, the Company adhered to the principle of serving the real economy, upheld the concept of exchange rate neutrality, and deepened the expansion and operation of agency business to help entity enterprises hedge against exchange rate risks. During the reporting period, the financial market business of the Company maintained steady development in trading volume and remained among the top performers in the entire market. Specifically, the Company ranked 5th in the underwriting volume of China Development Bank bonds, 10th in the underwriting volume of government bonds, and 11th in the comprehensive ranking of foreign exchange market making. The sound performance of the financial market business has been widely recognized by the market, winning multiple sub-awards under the "Market influential Institution of the Year" and "Market Innovation Business Institution" categories from the China Foreign Exchange Trade System, as well as honors from authoritative institutions such as the China Central Depository & Clearing Co., Ltd.

(VII) Wealth management business

During the reporting period, the Company adhered to the philosophy of "Serving clients wholeheartedly and creating value through professionalism", persistently advancing its comprehensive wealth management strategy. By strengthening technology empowerment, optimizing operational frameworks, and promoting the steady and sustainable development of wealth management services, the Company achieved significant progress. In terms of product systems, the Company focused on meeting clients' multi-asset allocation needs by carefully selecting products managed by top-tier institutions in the industry, continuously enriching and optimizing its full-category product lines, establishing a stable and diversified product shelf, and enhancing clients' allocation experience. Regarding client management, the Company upgraded its client acquisition models and operational systems by leveraging platform empowerment, integrating online and offline channels, and consolidating multi-dimensional rights and interests, thereby improving the efficiency and quality of wealth management services. Additionally, the Company constructed a full-cycle pension financial ecosystem encompassing three key scenarios: "pension industry finance, pension fund finance, and pension service

finance," solidifying its position in the pension finance sector. In terms of team development, the Company refined its headquarters-branch collaborative system, enhanced the dissemination of investment research capabilities and asset allocation methodologies, established a standardized service system covering client needs analysis, product sales adaptation, and risk management, and cultivated a professional talent pool. As of the end of the reporting period, the Company's total AUM for retail clients reached RMB 1.1282 trillion, an increase of RMB 141.2 billion or 14.3% from the previous year-end.

In terms of private banking, the Company focused on meeting the comprehensive service needs of private banking clients across "individuals, enterprises, families, and society." Leveraging the "Joyful Future" service platform, the Company continued to provide flexible and efficient innovative service experiences for private banking clients. Throughout the year, it organized over 4,000 private banking events, engaging more than 100,000 client participants. Simultaneously, the Company adhered to an asset allocation philosophy centered on "professionalism and stability," continuously enriching its product system to satisfy the personalized and customized asset allocation demands of private banking clients. As of the end of the reporting period, the number of private banking clients reached 24,507, an increase of 3,020 clients or 14% from the previous year-end; the total AUM for private banking clients amounted to RMB 303.6 billion, an increase of RMB 41.8 billion or 16% from the previous year-end.

(VIII) Consumption credit business

During the reporting period, the Company actively promoted the iterative upgrading of personal credit products and business models to provide customers with more professional, precise, and comprehensive financing services. In terms of business expansion, the Company responded proactively to national policies, continuously advancing the online and scenario-based development of consumption credit services to stimulate consumption. Simultaneously, it consistently enhanced the service quality and efficiency of mortgage operations, fully supporting residents' needs for first-time and improved housing. Regarding client management, the Company refined its digital, centralized, and refined operational framework, enabling multi-dimensional, and full-lifecycle service accompaniment. It continuously strengthened big data risk management capabilities, reinforced client admission criteria and risk early-warning management, and maintained overall stable asset quality. As of the end of the reporting period, the Company's personal consumption credit loan balance reached RMB 261.7 billion, an increase of 7.96% from the previous year-end.

(IX) Credit card business

During the reporting period, the Company continued to promote the transformation of the credit card business, optimize the business strategy and update the client operation system. In terms of customer acquisition, the Company has promoted high-quality and precise customer acquisition through strategic transformation and product system upgrading, further optimizing the credit card customer base structure. As for business strategy, the Company has actively promoted comprehensive customer management, focusing on customer consumption hotspots and regional characteristics, and continuously

carried out differentiated and distinctive theme activities to enhance customer card experience. And in terms of risk prevention and control, the Company has constantly promoted the big data monitoring and early warning and control capabilities, further improving its credit card risk control capability. As of the end of the reporting period, the Company has issued a total of 6,230,000 credit cards, an increase of 6.04% compared with the end of the previous year.

(X) Maxwealth Fund

During the reporting period, Maxwealth Fund continued to upgrade and transform concerning investment research and development, product layout, investor services, and technology empowerment, realizing a sustainable and high-quality development. By the end of the reporting period, the total public offering scale of Maxwealth Fund has reached RMB 529.6 billion, increasing by RMB 169.7 billion over the end of the previous year. The non-monetary scale was RMB 351.6 billion, increasing by RMB 103.3 billion, improving its market ranking and brand reputation both. During the reporting period, Maxwealth Fund has realized a net profit of RMB 255 million.

(XI) Maxwealth Financial Leasing

During the reporting period, Maxwealth Financial Leasing adhered to the fundamental purpose of serving the real economy, continued to explore the small and micro leasing business, public utilities, intelligent manufacturing, new energy and green transportation to meet the differentiated property and asset financing demands. In addition, it has launched the "Equipment Home" platform for the first time in the industry to promote large-scale equipment renewals, stably improving its brand awareness and market influence. As of the end of the reporting period, the balance of the assets of Maxwealth Financial Leasing reached RMB 130.1 billion, ranking 11th in the industry with a non-performing rate of 0.26%. And during the reporting period, Maxwealth Financial Leasing realized a net profit of RMB 2,551 million.

(XII) BNB Wealth Management

During the reporting period, BNB Wealth Management adhered to steady operation, continuously expanded its investment and research boundaries, enriched its fixed income, fixed income enhancement, hybrid, equity, commodity, and derivative product lines, further enriched its product shelves, and continuously met the asset allocation needs of various customers. By the end of the reporting period, the balance of financial products managed by BNB Wealth Management was RMB 473.5 billion, realizing a net profit of RMB 744 million.

(XIII) BNB Consumer Finance

During the reporting period, BNB Consumer Finance adhered to the concept of "Convenience for You, Loan for Future", continued to enrich the consumption scenery, expanded the financial service coverage and promote the consumption upgrading depending on the new business model of technology empowerment. As of the end of the reporting period, the loan balance of BNB Consumer Finance was RMB 59.04 billion, realizing a net profit of RMB 303 million.

(XIV) Electronic channels

The Company continued to optimize the product services, promote the customer experience and provide customers with convenient one-stop comprehensive financial services with the APP, online banking and WeChat banking as the contact points and the users and scenario as the center.

APP platform. During the reporting period, the Company adhered to the concept of "Serving Clients Wholeheartedly", continuously improved its online financial service capabilities, and expanded the breadth and depth of its APP services; launched the "Five in One" APP, introducing platforms such as BoBo Knows, Equipment Home and Good Life, meeting the diverse needs of users; became one of the first native applications of HarmonyOS and collaborated with Xiaoyi intelligent agents, enhancing the application support of technology in financial services. In terms of individual functions, the Company launched the wealth management product selection map, created a unique wealth management zone to make product selection more intimate and wealth management easier. As of the end of the reporting period, the Company had a total of 14,520,000 individual users, increasing by 45% year-on-year. In terms of corporate functions, based on various roles and business scenarios of the enterprises, the Company has launched special versions such as the English version, experience version, and executive version 2.0 of the APP, which has improved the coverage of the customer base. At the same time, key information such as mobile accounts has been integrated with mainstream office platforms for small and medium-sized enterprises, enhancing the convenience of enterprise use. As of the end of the reporting period, the Company had a total of 350,000 corporate users, increasing by 29% year-on-year.

Online banking service. During the reporting period, the Company adhered to the development strategy of both product construction and customer operation, adapted to the trend of digital management transformation in enterprises, continuously expanding service scenarios and improving service levels. The Company released Kunpeng Treasury, providing full process support for the construction of enterprise treasury; continuously upgraded the Wealth Management Manager product to meet the group's fund management needs; created intelligent management functions for bills and launched a new cloud direct connection model; provided new "shipping fast remittance" service by means of foreign exchange gold butler products, making it more convenient for customers to use and enriching the interaction scenes between enterprises and the Bank. By the end of the reporting period, there were 560,000 customers at the electronic corporate channel of the Company, increasing by 10% year-on-year.

WeChat banking. During the reporting period, the Company upgraded the WeChat banking system structure to improve the response speed and reduce the processing time, creating a more efficient and convenient financial service channel. As of the end of the reporting period, there were 6.92 million followers of the official account of the Bank of Ningbo, which was 21% higher than the end of the previous year.

(XV) Financial technology

During the reporting period, the company actively responded to industry development trends, seized the opportunities of the digital economy era, empowered financial services with "Technology+", and created value for customers, continuously improving the productivity and competitiveness of financial technology, and promoting the sustainable development throughout the Bank.

Through the iterative upgrade of the integrated team of "production, research, and testing", the Company has strengthened the innovative research and development of digital products. In addition, the Company has improved the full life cycle management system of technology projects, promoted the R&D engineering capability and passed industry benchmark-level certifications, such as CMMi5, TMMi4, DevOps and BizDevOps; landed the more agile Version Train mechanism, formed "Plan One Version, Implement one Version and Release One Version" delivery strategy and improved the customer response speed.

The Company has actively explored new technology applications represented by artificial intelligence, expanded the large model technology platform system, and conducted scenario pilot verification in fields such as wealth management, retail companies, and customer service centers. In addition, the Company has continuously accumulated experience in large-scale model engineering capabilities, strengthened the support of large-scale model talents, laid the foundation for the promotion and replication of large-scale model applications, and supported the long-term development of the business.

Relying on the "BNB Cloud" brand, the Company provided various financial technology products and professional digital solutions to upgrade the financial technology service model. The Company has strengthened the efficient linkage of the branches and sub-branches, set up a full-function team, expanded the application scenarios and service capability of financial technology so as to respond to the customers' demands in a timely manner. The Company aimed to promote the business model transformation and digital finance.

(XVI) Consumer rights and interests protection

The consumer rights and interests protection work of the Company adhered to the political and livelihood importance, constantly improved the "big consumer rights and interests protection" work system, and integrated the consumer rights protection into all aspects of bank operation and management, so as to promote the sense of gain, happiness and security of financial consumers.

The Company has fully integrated the protection of consumer rights into its corporate governance, business development strategy, and corporate culture, leading and promoting consumer rights protection work from the top level, and establishing a sound three-tier governance structure of "the Party Committee Sets the Direction, the Board of Directors Sets the Strategy, and Senior Management Implements". During the reporting period, the Party Committee and the Board of Directors held two special meetings to study consumer rights protection work, strengthened guidance on institutional

mechanism construction, and enhanced research on major issues; the senior management has comprehensively reviewed the planning and key arrangements for consumer rights protection work, and had real-time access to consumer rights protection dynamics through various channels. They have personally made decisions on major consumer rights protection issues and directed the resolution of major customer complaints. And meanwhile, the Board of Supervisors, audit and other supervisory roles were played to ensure the implementation of consumer rights protection work.

The Company has strictly integrated the concept of financial consumer rights protection into all aspects of the design and development, market review, marketing and promotion of financial products and services. During this period, the Company actively promoted the digitalization of consumer rights protection, leveraging its empowering role in business development, risk management, and internal control, and building a multi-level and new financial consumer rights protection system. In addition, the Company has revised the *Administrative Measures for the Protection of Consumer Rights and Interests of Bank of Ningbo* and improved the diversified dispute resolution mechanism in compliance with the market changes; revised the *Protection Work System for the Protection of Financial Consumer Rights and Interests of Bank of Ningbo*, and optimized the internal audit mechanism. And besides, the Company has optimized the assessment indicators for consumer rights protection, increased the weight of assessment, and promoted the proportion of consumer rights protection in the comprehensive business performance assessment of institutions so as to improve the effectiveness through assessment and achieve dual strengthening of strategic guidance and execution supervision. The Company strengthened employee training and education, enhanced the awareness of consumer rights protection among all employees, and created a good atmosphere of full participation and joint maintenance of consumer rights protection. The Company has also constantly standardized employee sales behavior, strengthened appropriateness management, and effectively protected the legitimate rights and interests of consumers.

During the reporting period, the Company actively practiced the "Fengqiao Experience" of the new era, continuously improved its ability to prevent and resolve consumer disputes, and was committed to resolving disputes at the grassroots level and in the bud, establishing a timely response and complaint handling mechanism, and ensuring that reasonable consumer demands can be quickly resolved the first time. It further improved the channels for handling complaints, expanded the application scope of WeChat complaint mini program, optimized the online and offline complaint channels for publicizing information, ensured that consumers can easily and quickly report their demands to the Company, and made every customer's voice heard. The Company has continuously optimized the internal horizontal and vertical dispute information sharing mechanism of the company, achieved efficient information flow, and improved the efficiency of resolving consumer disputes. And in line with the trend of digital development, the Company has vigorously promoted the intelligent transformation of customer complaint management. With the help of big data and artificial intelligence technology, the Company has iteratively upgraded the complaint management system, strengthened the system's prevention, tracking, and analysis functions, and comprehensively enhanced the ability to resolve consumer disputes

and trace complaints. During the reporting period, the Company received 3,724 complaints transferred by the supervision, and the complaint response rate and feedback rate were 100%. In terms of business category, loan business accounted for 64%, credit card business accounted for 16.6%, wealth management business accounted for 3.3% and other business accounted for 16.1%. And in terms of regional distribution, Jiangsu Province accounted for 15%, Shanghai 7.2%, Beijing 3.2%, Guangdong 3.2%, Zhejiang 71.4% , among which Ningbo accounted for 63.4%.

The Company has always focused on the key areas that financial consumers are concerned about and the difficult problems that urgently need to be solved. It has carried out financial knowledge popularization and education activities in a matrix format of "online + offline", categorized, targeted, multi-channel, and multi style, further enhancing the sense of gain, happiness, and security of financial consumers. During the reporting period, the Company popularized financial knowledge such as financial inclusive policies, anti-fraud and financial investment, etc. through diversified channels such as entering rural areas, communities, universities for the elderly, subway and public transportation. It has carried out theme activities such as "March 15" and "May 15 National Investor Protection Publicity Day". Besides, it has carried out 1,633 online and offline activities and more than 200 times of promotions through its own channels such as official website, mobile banking and WeChat official account, which have been reported for more than 310 times through the central, provincial and local media such as Xinhua News Agency, Economic Daily, Xinhuanet, China Blue, China Economic Network and Ningbo Evening News. The original financial knowledge short videos such as "Zhi Dark" and "Wake Up, Be Rational" were broadcasted on subway and bus mobile TV, with an average daily audience of 1.8 million consumers over four months, enhancing consumers' financial literacy and risk prevention awareness.

X. Outlook of future development

(I) Business development planning in 2025

Despite the complex and ever-changing international economic situation, intensified volatility in the international financial market, and many uncertainties faced by banking operations, China's overall economic operation is stable and progressing steadily. However, it also faces challenges such as insufficient effective demand and weak social expectations. In 2025, the Company will continue to adhere to the general principle of seeking progress while maintaining stability. Under the leadership of the Board of Directors, the Company will actively adapt to changes in the business environment, continuously accumulate differentiated comparative advantages, create value for customers with professionalism, and promote the stable and high-quality development of the Bank.

Firstly, deepen client management and solidify the basic foundation of business development. The Company will continue to implement the business strategy of "imperfect for large banks, impossible for small banks", clarify the business focus of clients through hierarchical classification, and enhance clients' sense of gain. The Company will focus on the cultivation of new quality productivity, future industrial construction, and enhancing the sense of gain and happiness of the people, continue to expand

the total number of clients, deepen client management, wholeheartedly serve the real economy, and lay a solid foundation for the sustainable development of the Bank.

Secondly, promote key businesses and seize the key point of revenue and profit. The Company will continue to promote forward planning for market analysis, grasp the market trend, create more value and empower the client development with its competence. The Company will also continue to upgrade the business models of each profit center, accelerate the implementation of the empowerment system of "professionalization, digitalization, platformization and internationalization", constantly accumulate the comparative advantages of the Company in the segmented market, continuously promote the level of banking business expansion and operation management and enhance the market competitiveness of the Company.

Thirdly, embrace the emerging technologies and grasp the trend of technological empowerment. The Company will adhere to empower the business development with "technology+", build the digital scene connection platform with open banking, seamlessly connect and fully integrate banking service with the clients' operation management system with more lightweight applications and intelligent systems and smoothly combine the banking service and clients connection. And meanwhile, the Company will also accelerate the application and implementation of the big language model in banking operation, and promote production innovation, service innovation and business model innovation.

Fourthly, build a solid risk barrier and consolidate the ballast stone for stable operation. As we know, operating a bank is exactly controlling the risk, as risk control is always the theme of banking operation. The Company will adhere to the bottom line, continuously strengthen comprehensive risk management for all employees and processes, improve standardized risk resolution and management systems, accelerate the digital and intelligent application of risk management, enhance management efficiency, strictly abide by the three major operating bottom lines, namely no large-amount non-performing loans, no cases, and no major system failures, and ensure the stable and far-reaching development of the Bank.

(II) Key issues in operation

1. About net interest rate of return

In 2024, due to weak social expectations and weak demand for credit from residents, the growth rate of housing and consumer loans slowed down, and the proportion of relatively high-yield loans decreased; meanwhile, the bond market and LPR interest rates have declined, coupled with the reduction of existing housing loan interest rates, both loan and investment yields have been affected. Looking ahead to 2025, with the continuous implementation of policies, it is expected to drive the expected recovery of the market, and the Company will also seize the opportunity of economic recovery to stabilize asset returns. On the one hand, for corporate loan business, the Company will continue to adhere to the original intention of financial services, closely follow the "five major tasks" to invest funds in supporting the development of the real economy, and promote high-quality growth of corporate loans on the premise of risk control; for the individual loan business, the Company will seize the

opportunity of national stimulus consumption and real estate market recovery, forge high-quality products, redesign service processes, comprehensively improve customer service capabilities, and promote the growth of personal consumer loans. On the other hand, the Company will optimize asset allocation in its investment business, strengthen its analysis of financial market interest rates, seize investment opportunities to increase returns, and enhance the comprehensive return on capital.

On the debt side, due to the lack of confidence in economic recovery among enterprises and residents, as well as the expansion of demand for medium - and long-term deposits driven by risk aversion, the trend of deposit regularization continues. The Company actively promotes refined management of deposit structure and pricing, effectively controlling deposit interest rates and achieving marginal decline. In 2025, the Company will continue to promote the optimization of its debt structure and continuously increase the proportion of deposits in interest bearing liabilities. The Company will also rely on the unique digital platform within the industry to build an ecological scenario service system, enhance customer ecological dependence, and promote the accumulation of low-cost settlement deposits. On the other hand, the Company will continue to deepen its actuarial operations, strictly control the high interest liability limit through customer segmentation and differentiated pricing strategies, and drive the reduction of interest payment costs from multiple perspectives. At the same time, the Company will also establish an active debt management system that is cost anchored and term adapted. It will flexibly utilize financing channels such as bond issuance, interbank certificates of deposit, and absorption of treasury cash fixed deposits, actively connect with policy resources such as rediscounting and refinancing from the central bank, and achieve optimal allocation of active debt costs.

In conclusion, it is expected that the net interest margin of the Company will continue to be under pressure in 2025.

2. About net non-interest rate of return

In 2024, due to unfavorable factors such as weak investment demand from enterprises, slow consumer recovery, and fluctuations in the capital market, the net non-interest rate of return of the Company has been under tremendous pressure. Looking ahead to 2025, the Company will take various measures to actively increase the net non-interest income. Firstly, the deposit interest rate continues to decline, while the scale of resident wealth management is steadily growing. Against the favorable background of the strong efforts to stabilize the stock market and the wave of technological innovation driving the recovery of the equity market of the country, the Company will strengthen business collaboration within the Group, continuously improve the professional capabilities of wealth business products, services, and teams, and achieve clients wealth preservation and appreciation while increasing wealth distribution business and asset management income; secondly, the Company will focus on the core client group, keep up with changes in enterprise demand scenarios, strengthen macroeconomic analysis and market judgment capabilities, explore the operational characteristics of financial markets, investment banks, international settlements, and domestic trade financing businesses in segmented markets, improve client comprehensive service capabilities, and enhance contributions to non-interest

income; thirdly, the Company will adhere to the concept of "serving clients wholeheartedly", continuously iterate digital capabilities, accurately understand clients' needs, provide clients with a comprehensive financial service model of multiple scenarios and ecosystems, enhance clients satisfaction and stickiness, and increase clients' comprehensive returns.

In 2025, the Company will actively seek growth in net non-interest income.

3. About asset quality

In the face of economic cycle fluctuations and changes in the internal and external economic situation, the Bank will still face new trends and challenges in asset quality control. In 2024, the Company actively responded to changes in the business environment, focused on key areas, adhered to the risk bottom line, and continuously deepened the construction of the comprehensive risk management system. On the one hand, the Company will closely follow the internal and external economic situation and policy requirements, implement prudent, pragmatic and efficient credit granting policies, accurately target at the key areas of the economy, do a good job in the "five missions" and constantly optimize the high-quality asset and credit structure layout. On the other hand, the Company will continue to improve the whole process of credit risk management, promote the all-round risk monitoring system relying on financial technology, consolidate the basis of "digitalization", balance between process risk control and efficiency improvement and safeguard the stable operation of the Bank. It is expected that the Company's asset quality will continue to maintain a good level in the industry.

4. About capital management

In 2024, the Company strictly followed regulatory requirements to promote the implementation of new capital regulations and the iteration of the capital system, pushing capital management to a new level. In terms of future capital management, firstly, the Company will continue to practice refined capital management, establish the concept of capital constraints, refine resource allocation mechanisms, ensure that the capital adequacy ratio continues to meet regulatory requirements, and retain safety margins and buffer zones in compliance with the *Measures for the Administration of Capital of the Commercial Banks*, providing solid capital support for the Company to achieve high-quality sustainable development. Secondly, guided by new capital regulations, the Company will promote business transformation and optimize business structure, move towards a path of light capital development, continuously enhance capital endogeneity, and create more value for the shareholders. Thirdly, the Company will issue capital bonds in a timely manner to supplement capital in accordance with the changes in the business environment and the needs of business development.

XI. Activities of receiving investigation, communication and interview, etc. during the reporting period

Reception time	Reception place	Reception mode	Reception object type	Reception object	Discussion content and information provided	Index of research basic situation
Jan. 11, 2024	Ningbo	Field investigation	Institutions	Institutional investors	Management and development strategies of the Company, periodic reports and temporary announcements	(www.cninfo.com.cn)
Jan. 23, 2024	Ningbo	Field investigation	Institutions	Institutional investors		<i>Investor Relation Activities Record Chart</i> of the Company

Jan. 23, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Jan. 31, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Jan. 31, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Feb. 22, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Mar. 1, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Mar. 8, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Mar. 11, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Apr. 30, 2024	Ningbo	Online communication on the network platform	Others	Institutional and individual investors
May. 7, 2024	Ningbo	Field investigation	Institutions	Institutional investors
May. 10, 2024	Ningbo	Field investigation	Institutions	Institutional investors
May. 16, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
May. 16, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
May. 17, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
May. 21, 2024	Ningbo	Field investigation	Institutions	Institutional investors
May. 21, 2024	Ningbo	Field investigation	Institutions	Institutional investors
May. 29, 2024	Ningbo	Field investigation	Institutions	Institutional investors
May. 29, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Jun. 5, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Jun. 6, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Jul. 2, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Sep. 2, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Sep. 11, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Sep. 19, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Sep. 24, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Sep. 25, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Sep. 25, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Oct. 8, 2024	Ningbo	Field	Institutions	Institutional

		investigation	investors	
Oct. 10, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Oct. 11, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Oct. 22, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Nov. 13, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Nov. 19, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Dec. 18, 2024	Ningbo	Field investigation	Institutions	Institutional investors
Dec. 24, 2024	Ningbo	Telephone communication	Institutions	Institutional investors
Dec. 31, 2024	Ningbo	Field investigation	Institutions	Institutional investors

Chapter Seven Corporate Governance

I. Basic conditions of corporate governance

The Company has constantly improved its corporate governance system in strict accordance with the requirements of *the Company Law*, *Governance Criteria of Listed Companies* and other laws and regulations and the regulatory requirements. During the reporting period, the Company held 1 annual general meeting of the shareholders and 2 extraordinary meetings of the shareholders; 4 regular meetings and 3 extraordinary meetings of the Board of Directors; 25 meetings of the special committees of the Board of Directors and 3 special meetings of the independent directors. The Board of Directors has carefully considered and deliberated various proposals, listened to the work report of the senior management, understood the business status of the Company, and made scientific decisions around the Company's strategic development, risk management, internal control, related party transaction management and other matters, effectively safeguarding the Company's overall interests and the legitimate rights and interests of shareholders. The Board of Supervisors has actively performed the supervision function and independently supervised the decision-making, risk management and internal control of the Company. The Senior Management has consciously accepted the supervision of the Board of Directors and Board of Supervisors, regularly reported to the Board of Directors on the operation status of the Bank, implemented the opinions and suggestions of the Board of Directors and Board of Supervisors, and solidly promoted the stable development of the Company.

II. Independence of the Company against the controlling shareholders and actual controllers in ensuring assets, personnel, finance, organization and business of the Company

During this reporting period, the Company has neither controlling shareholders nor actual controllers.

III. Horizontal competition

The Company has no controlling shareholders, so it has no horizontal competition with controlling shareholders, actual controllers and controlled companies.

IV. Annual general meeting and extraordinary general meeting held during the reporting period

Session of meeting	Type of meeting	Ratio of participating investors	Date of meeting	Date of disclosure	Resolutions of meeting
The 1 st Session of 2024 Extraordinary General Meeting of Shareholders	Extraordinary general meeting of shareholders	59.32%	Jan. 10, 2024	Jan. 11, 2024	For details http://www.cninfo.com.cn
2023 Annual General Meeting of Shareholders	Annual general meeting of shareholders	65.51%	May. 15, 2024	May. 16, 2024	
The 2 nd Session of 2024	Extraordinary	64.45%	Sep. 23, 2024	Sep. 24, 2024	

Extraordinary Meeting of Shareholders General meeting of shareholders

During the reporting period, preferred stockholders whose voting rights are recovered cannot request the convening of extraordinary general meeting.

V. Information of directors, supervisors and senior management

(I) Basic information

Name	Gender	Age	Position	Status	Term start date	Term ending date	Shares held at the beginning of the year (share)	Increase of shareholding in the year (share)	Decrease of shareholding in the year (share)	Other increase/decrease (share)	Shares held at year end	Reason for increase/decrease
Lu Huayu	Male	60	Chairman	Incumbent	Jan. 15, 2005	Feb. 9, 2026	1,374,350	0	0	0	1,374,350	-
Zhuang Lingjun	Male	45	Vice chairman, president	Incumbent	May. 24, 2022 Apr. 8, 2022	Feb. 9, 2026 Feb. 9, 2026	0	0	0	0	0	-
Zhou Jianhua	Male	52	Director	Incumbent	Apr. 14, 2023	Feb. 9, 2026	0	0	0	0	0	-
Wei Xuemei	Female	49	Director	Incumbent	May. 18, 2015	Feb. 9, 2026	0	0	0	0	0	-
Chen Delong	Male	55	Director	Incumbent	May. 15, 2023	Feb. 9, 2026	0	0	0	0	0	-
Qiu Qinghe	Male	62	Director	Incumbent	May. 15, 2023	Feb. 9, 2026	0	0	0	0	0	-
Liu Xinyu	Female	50	Director	Incumbent	Apr. 3, 2020	Feb. 9, 2026	0	0	0	0	0	-
Bei Duoguang	Male	67	Independent director	Incumbent	Apr. 3, 2020	Feb. 9, 2026	0	0	0	0	0	-
Li Hao	Male	66	Independent director	Incumbent	Apr. 9, 2020	Feb. 9, 2026	165,000	0	5,000	0	160,000	Personal capital needs
Hong Peili	Female	61	Independent director	Incumbent	Apr. 9, 2020	Feb. 9, 2026	0	0	0	0	0	-
Wang Wei'an	Male	59	Independent director	Incumbent	Apr. 3, 2020	Feb. 9, 2026	0	0	0	0	0	-
Li Renjie	Male	70	Independent director	Incumbent	Jun. 12, 2023	Feb. 9, 2026	0	0	0	0	0	-
Luo Mengbo	Male	54	Supervisory, employees' supervisor	Incumbent	Feb. 6, 2024	Feb. 9, 2026	1,300,000	0	0	0	1,300,000	-
Zhou Shijie	Male	35	Supervisor	Incumbent	Feb. 10, 2023	Feb. 9, 2026	0	0	0	0	0	-
Ding Yuanyao	Male	59	External supervisor	Incumbent	Feb. 10, 2020	Feb. 9, 2026	0	0	0	0	0	-
Bao Mingwei	Male	52	External supervisor	Incumbent	Feb. 10, 2023	Feb. 9, 2026	0	0	0	0	0	-
Yu Dechang	Male	49	External supervisor	Incumbent	Feb. 10, 2023	Feb. 9, 2026	0	0	0	0	0	-
Zhuang Ye	Female	47	Employees' supervisor	Incumbent	Feb. 10, 2017	Feb. 9, 2026	0	0	0	0	0	-
Chen Jinxiu	Male	39	Employees' supervisor	Incumbent	Aug. 29, 2024	Feb. 9, 2026	0	0	0	0	0	-
Luo Weikai	Male	59	Director Vice president CFO CIO	Incumbent Incumbent Incumbent Incumbent	Jul. 12, 2022 May. 10, 2022 May. 10, 2022 Nov. 1, 2022	Feb. 9, 2026 Feb. 9, 2026 Feb. 9, 2026 Feb. 9, 2026	0	0	0	0	0	-
Wang Yongjie	Male	52	Vice president CRO	Incumbent Incumbent	Aug. 27, 2012 Aug. 27, 2024	Feb. 9, 2026 Feb. 9, 2026	265,980	0	0	0	265,980	-
Feng Peijiong	Male	50	Director Vice president	Incumbent Incumbent	Apr. 12, 2016 Aug. 11, 2015	Feb. 9, 2026 Feb. 9, 2026	0	0	0	0	0	-
Xu Xuesong	Male	49	Vice president	Incumbent	Apr. 22, 2024	Feb. 9, 2026	0	0	0	0	0	-
Wang Dandan	Female	42	Vice president	Incumbent	Apr. 22, 2024	Feb. 9, 2026	0	0	0	0	0	-
Yu Gang	Male	48	Secretary to the Board of	Incumbent	Jan. 25, 2018	Feb. 9, 2026	0	0	0	0	0	-

Directors

Hong Lifeng	Male	60	Supervisory, employees' supervisor	Resigned	Oct. 9, 2015	Feb. 6, 2024	1,808,524	0	45,000	0	1,763,524	-
Fu Wensheng	Male	52	Vice president	Resigned	Aug. 27, 2012	Feb. 6, 2024	0	0	0	0	0	-
Zhang Ningning	Female	41	Vice president	Resigned	Mar. 24, 2021	Feb. 6, 2024	0	0	0	0	0	-
Yu Qing	Female	48	Female	Resigned	Feb. 10, 2023	Aug. 29, 2024	0	0	0	0	0	-

(II) Personal alteration of the Company's directors, supervisors and senior management

Name	Position	Type	Date	Reason
Luo Mengbo	Supervisory, employees' supervisor	Elected	Feb. 6, 2024	Work demand
Xu Xuesong	Vice president	Employed	Apr. 22, 2024	Work demand
Wang Dandan	Vice president	Employed	Apr. 22, 2024	Work demand
Chen Jinxiao	Employees' supervisor	Elected	Aug. 29, 2024	Work demand
Hong Lifeng	Supervisory, employees' supervisor	Resigned	Feb. 6, 2024	Work reason
Fu Wensheng	Vice president	Resigned	Feb. 6, 2024	Work reason
Zhang Ningning	Vice president	Resigned	Feb. 6, 2024	Personal reason
Yu Qing	Employees' supervisor	Resigned	Aug. 29, 2024	Work reason

(III) Employment situation
1. Professional background, major work experience and major duties of the current director, supervisors and senior management
Directors

Mr. Lu Huayu, currently the Chairman of the Board of Directors of Bank of Ningbo Co., Ltd., born in September 1964, obtained a master's degree in economics and the titles of Senior Economist and Senior Accountant. Mr. Lu used to work in the Finance Bureau of Ningbo and successively served as Assistant to Director & Vice Director of Administrative Bureau of State-owned Property, Vice Director of Finance bureau of Ningbo. Mr. Lu was the President of Bank of Ningbo from November 2000 to January 2005 and has been the Chairman of Bank of Ningbo since January 2005.

Mr. Zhuang Lingjun, born in July 1979, master's degree with the title of Senior Economist, is currently the Vice Chairman and President of the Company. Mr. Zhuang Lingjun has successively served as the Assistant to President of Beilun Sub-branch of the Company, Assistant to General Manager of the Personal Banking Department of the Head office, Vice President of Shenzhen Branch of the Company, President of Mingzhou Sub-branch of the Company, General Manager of the Risk Management Department of the Head Office and President of Beijing Branch of the Company. Mr. Zhuang Lingjun has been the Vice President of the Company since October 2019 and a Director of the Company since April 2020, President of the Company since April 2022 and Vice Chairman of the Board of Directors of the Company since May 2022.

Mr. Zhou Jianhua, born in September 1972, bachelor's degree, tax accountant, economist and accountant, currently serving as General Manager of Ningbo Financial Holding Co., Ltd. Mr. Zhou Jianhua has successively served as a member of the Party Committee of Xiangshan County Government

Office, Director of the Financial Office of the People's Government of Xiangshan County, Party Secretary and Director of Xiangshan Investment Promotion Bureau, Party Secretary and Director of Xiangshan Investment Promotion and Development Center, and Deputy General Manager of Ningbo Financial Holding Co., Ltd. He has been a director of the Company since April 2023.

Ms. Wei Xuemei, born in August 1975, obtained a master's degree and the titles of Senior Accountant and Economist. She is currently a member of the Party Committee and the Deputy General Manager of Ningbo Development & Investment Group Co., Ltd. Wei successively served as Deputy General Manager of Ningbo Kaijian Investment Management Co., Ltd., Deputy Manager, Manager and Vice Chief Economist of the Investment Management Department of Ningbo Development & Investment Group Co., Ltd.; and the Board Chairman and a director of Ningbo Culture Plaza Investment Development Co., Ltd.; she has been a director of the Company since May 2015.

Mr. Chen Delong, born in November 1969, Singapore, obtained an MBA from University of Manchester, UK, Chartered Financial Analyst, Certified Public Accountant of Singapore. He is currently serving as the President of the Global Corporate and Investment Business of OCBC. Mr. Chen Delong has successively served as Chief Risk Officer, Head of Corporate and Institutional Banking at DBS Bank Limited in Singapore, and Supervisor at DBS Bank (China) Limited.

Mr. Qiu Qinghe, born in March 1963, Singapore, obtained a doctoral degree from the University of Melbourne, is a member of the Institute of Certified Public Accountants of Australia. He is currently serving as a Director, the Chairman of the Nominating Committee, Member of the Executive Committee and Member of the Remuneration Committee of OCBC. Mr. Qiu Qinghe has successfully served as the Deputy Managing Director of the Monetary Authority of Singapore and a Member of the Competition and Consumer Commission of Singapore; Director of the National Environment Agency of Singapore from April 2020 to present; Director of OCBC (Hong Kong) since August 2021 (Chairman of the Board since January 2023); he has been a director of the Company since May 2023.

Ms. Liu Xinyu, born in November 1974, obtained a master's degree and the title of Senior Economist. She is currently the Vice President of Youngor Fashion Co., Ltd. Ms. Liu Xinyu has successively served as the Deputy Director of the Office, Secretary of the Board of Directors and General Manager of the Department of Investment and Operation of Youngor Fashion Co., Ltd. She has been a director of the Company since April 2020.

Mr. Luo Weikai, born in April 1965, obtained a master's degree and the title of Economist. He is currently the Director, Vice President, Financial Officer and CIO of the Company. Mr. Luo Weikai used to work as the section chief and the assistant to the director of ICBC Ningbo Branch. After serving in the Company, he acted as the Vice President of Tianyuan Sub-branch, then held the position of the General Manager of Finance & Accounting Department and concurrently served as the Director of the Banking Department of the Headquarters and the General Manager of E-banking Department of the Bank. Mr. Luo was the Assistant President of the Bank from May 2005 to December 2007, has been the Vice President of the Company from December 2007 to February 2020, the Director of the Company

from August 2006 to October 2011 and from April 2017 to February 2020, the full-time Deputy Secretary of the Party Committee of the Company since February 2020, Vice President of the Company since May 2022 and Director of the Company since July 2022.

Mr. Feng Peijiong, born in November 1974, obtained a master's degree and the title of Senior Economist. He is currently the director and Vice President of the Company. Mr. Feng has successively served as Vice Director of Office of Bank of Ningbo Dongmen Sub-branch, Head of the HR Department of the Company, Senior Associate Director at assistant general manager level, Assistant General Manager, Deputy General Manager and General Manager of the Company, General Manager of the Corporate Personal Banking Department and Credit Card Center, and President of Bank of Ningbo Suzhou Branch; he has been the Vice President of the Company since April 2015 and the Director of the Company since February 2016.

Mr. Bei Duoguang, born in May 1957, doctorate degree, is currently the President of Chinese Academy of Financial Inclusion, a Part-time Professor and Doctoral Supervisor of the School of Finance, Renmin University of China, and Chairman of Renda Pratt & Whitney (Beijing) Consulting Co., Ltd.. Mr. Bei Duoguang has successively served as Deputy Director of Treasury Bond Department of the Ministry of Finance, Deputy Director of International Department of China Securities Regulatory Commission, Chief Representative of J.P. Morgan Beijing Office, Managing Director of China International Capital Corporation Limited, and CEO and Vice Chairman of J.P. Morgan First Capital Securities Co., Ltd.; he has been a Director of the Company since April 2020.

Mr. Li Hao, born in March 1959, master's degree, Senior Accountant, who has successively served as Assistant to President of the head office of China Merchants Bank Co., Ltd., President of Shanghai Branch, Vice President, Executive Director, Executive Vice President and CFO of the head office of the Bank; he has also served as the Chairman of Merchants Union Fund Management Co., Ltd., Vice Chairman of CMB Qianhai Financial Asset Exchange, Vice Chairman of CMB Wing Lung Bank, a Director of Merchants Union Consumer Finance Company Limited., Vice Chairman of Payment & Clearing Association of China, a Member Director and Part-time Vice President of Asset Management Association of China and a Director of National Internet Finance Association of China. Mr. Li Hao has been a Director of the Company since April 2020.

Ms. Hong Peili, born in March 1964, master's degree and Senior Economist. She has successively served as the Director of the Supervision Department of Foreign Banks of Shanghai Branch of the People's Bank of China, the former Deputy Director of the former China Banking Regulatory Commission Shanghai Office, the former Secretary and Director of the Party Committee of the former China Banking Regulatory Commission Chongqing Office and Chairman of Fubon Bank and Associate Chairman of Caixin Investment Co., Ltd., Vice Chairman and Executive Director of the Board of Directors of Caixin Investment Group. Ms. Hong Peili has been a Director of the Company since April 2020.

Mr. Wang Wei'an, born in July 1965, doctorate degree, is currently the Director, Professor and

Doctoral Supervisor of the Academy of Financial Research, Zhejiang University; a leader of the Level II Discipline of the 151-talent Program of Zhejiang Province; a Member Director of China Financial Forum, CFF, a Member Director of Zhejiang Financial Forum, a Standing Director of Zhejiang International Finance Society, and a consultant of currency policy of Zhejiang Provincial Branch of the People's Bank of China; Mr. Wang Wei'an has been a Director of the Company since April 2020.

Mr. Li Renjie, born in March 1955, bachelor's degree, has successfully served as the Director of the Planning Department of People's Bank of China Fujian Branch, Executive Director of Jiangnan Group (Hong Kong) Co., Limited, Chairman of the Board of Directors of Great Wall Securities, President of Industrial Bank Co., Ltd. Shenzhen Branch and Vice President, Director and President of the Head Office of Industrial Bank Co., Ltd., and Chairman of the Board of Directors of Lufax Holding Ltd.; Mr. Li Renjie has been a Director of the Company since June 2023.

Supervisors

Mr. Luo Mengbo, currently the Employees' Supervisor and Supervisory of the Company, born in November 1970, obtained a bachelor's degree and the title of Senior Economist. Mr. Luo Mengbo has successfully served as Business Inspector, Assistant General Manager and General Manager of the Corporate Department of the Company, General Manager of the Credit Management Department of the Company, President of Beilun Sub-branch of the Company and General Manager of the Corporate Department of the Company; Mr. Luo was the Assistant President of the Company from January 2008 to January 2009, the Vice President of the Company from January 2009 to October 2011 and a Director. He was the Director and President of the Company from October 2011 to February 2014, Vice Chairman and President from February 2014 to January 2022, and Deputy Secretary of CPC of the Company from February 2022 to February 2024; Mr. Luo Mengbo has been the Employees' Supervisor and Supervisory of the Company since February 2024.

Mr. Zhou Shijie, born in October 1989, obtained a master's degree, and is now serving as the Deputy General Manager of Ningbo Haishu Industrial Investment Co., Ltd. Mr. Zhou Shijie has successfully served as the Deputy Business Director of the Investment Bank Department III of Caitong Securities, the Deputy General Manager of Ningbo Haishu Industrial Investment Co., Ltd., and the Shareholder Supervisor of the Company from February 2023 to present.

Mr. Ding Yuanyao, born in November 1965, doctor of economics, professor, is currently a professor and master tutor of the Department of Business, Business School of Ningbo University. Mr. Ding Yuanyao took part in the work in 1990, and has successively served as lecturer and associate professor of Anhui University, lecturer and associate professor of Ningbo University; since 2003, he has been a professor in the Department of Finance, master's supervisor of quantitative economics and finance of Business School of Ningbo University, mainly engaged in the teaching and research of economics and finance. During the period from 1999 to 2000, he was a visiting scholar at Simon Fraser University of Canada, receiving a doctor's degree in economics from Renmin University of China. He was a visiting scholar at Adelaide University in Australia in 2013 and Southampton University from

2019 to 2020; Mr. Ding Yuanyao has been an external supervisor of the Company since February 2020.

Mr. Bao Mingwei, born in October 1972, holds a bachelor's degree and is a Senior Practicing Lawyer, who is now serving as a Partner and Convener of Beijing Hengdu (Ningbo) Law Firm. Mr. Bao Mingwei has served as the Legal Manager of Shanghai Alison Group from July 1997 to December 1999, Senior Partner Lawyer at Zhejiang Zhongxin Law Firm from September 2012 to December 2021, the Founding Partner, Senior Partner Lawyer and Supervisor of Dentons (Ningbo) from September 2012 to December 2021, the Founding Partner, Senior Partner Lawyer and Supervisor of Zhejiang L&H (Ningbo) Law Firm from January 2022 to December 2024, and Partner and Convener of Beijing Hengdu (Ningbo) Law Firm from January 2025 to present. Mr. Bao Mingwei has served as an External Supervisor of the Company since February 2023.

Mr. Yu Dechang, born in July 1975, holds a bachelor's degree and is a Certified Public Accountant, Certified Tax Agent, Certified Appraiser, and Senior Accountant, who is currently serving as a Partner of Lixin Zhonglian CPAS and Director of the Hangzhou Branch. Mr. Yu Dechang has successfully served as the Accountant of Ningbo Communications Engineering Construction Group Co., Ltd. from August 1996 to September 1999, Project Manager and Partner of Ningbo Guoxin United Accounting Firm from September 1999 to December 2013, the Head of the Zhejiang Branch of Lixin Zhonglian CPAS from January 2014 to January 2018, and the Head of the Hangzhou Branch of Lixin Zhonglian CPAS since January 2018. Mr. Yu Dechang has served as an External Supervisor of the Company since February 2023.

Ms. Zhuang Ye, born in June 1977, received a bachelor's degree and a lawyer's qualification certificate, and is currently the Deputy General Manager of the compliance department of Bank of Ningbo Co., Ltd.. Ms. Zhuang Ye used to be a senior assistant manager of the compliance department of the Company and the general manager of the compliance department and general manager of the audit department of Suzhou branch of the Company; the vice general manager of the compliance department of the Company since February 2011; Ms. Zhuang Ye has been the Employees' Supervisor of the Company since February 2017.

Mr. Chen Jinxiao, born in October 1985, obtained a master's degree, and is currently serving as the Deputy General Manager of the Department of Finance and Accounting of the Company. Mr. Chen Jinxiao has successfully served as the Senior Assistant Manager and Senior Deputy manager (in charge of work) of the Ningbo Regional Management Department of the Department of Finance and Accounting of the Head Office of the Company, Deputy General Manager and General Manager of the Department of Finance and Accounting of the Shenzhen Branch and General Manager of the Department of Finance and Accounting of the Wuxi Branch; the Assistant to the General Manager of the Department of Finance and Accounting of the Head Office from June 2022 to May 2023 and Deputy General Manager of the Department of Finance and Accounting of the Head Office since May 2023. Mr. Chen Jinxiao has been the Employees' Supervisor of the Company since August 2024.

Senior Management

Mr. Zhuang Lingjun: please refer to the Directors part.

Mr. Luo Weikai: please refer to the Directors part.

Mr. Wang Yongjie, born in October 1972, obtained a bachelor's degree and the title of Intermediate Economist. He is currently the Vice President and CRO of the Bank of Ningbo Co., Ltd. Mr. Wang Yongjie has successively served as the loan teller and Director of ABC Ningbo Branch Haishu Sub-branch Zhongshan Square Office, the Vice President of the Bank of Ningbo Lingqiao Sub-branch, the Deputy General Manager (work as chair) of the Risk Management Department of the Bank, the General Manager of Personal Banking Department of the Bank. During this period, Mr. Wang was also the General Manager of the Credit Cards Center of the headquarters. He has been the Assistant President of the Bank of Ningbo Co., Ltd. since Oct, 2011 to Aug, 2012, and has been the Vice President of the Company since August 2012.

Mr. Feng Peijiong: please refer to the Directors part.

Mr. Xu Xuesong, born in November 1975, is a PhD and Senior Economist. He is currently the Vice President of the Company. Mr. Xu Xuesong was a faculty member of Shanghai University of Accounting and Finance from September 2007 to May 2008; he joined Bank of Ningbo in May 2008 and has served in the education training position of the Human Resources Department of the Head Office, and the Manager, Deputy General Manager, Deputy General Manager (work as chair) and General Manager of the Training Department; Mr. Xu Xuesong has served as the President of the Shanghai Branch of the Company from September 2017 to February 2024. Mr. Xu Xuesong has been the Vice President of the Company since April 2024.

Ms. Wang Dandan, born in August 1982 with a master's degree, is an intermediate economist. She is currently the Vice President of the Company. Joined Bank of Ningbo in July 2007, Ms. Wang Dandan has successfully taken positions concerning sales, product R&D and trade sales of the Financial Marketing Department (Capital Operation Department) of the Head Office, and served as Senior Deputy Manager, Senior Manager, Assistant to the General Manager and Deputy General Manager of the Product and Marketing Department; Ms. Wang Dandan has served as the Deputy General Manager and of the Capital Operation Center (inclusive of the preparation period) and the Deputy General Manager (work as chair) from April 2019 to July 2021, and the General Manager of the Capital Operation Center of the Company from July 2021 to February 2024. Ms. Wang Dandan has been the Vice President of the Company since April 2024.

Mr. Yu Gang, born in February 1977, is a master of economics and senior economist. He is currently the Secretary to the Board of Directors of Ningbo Co., Ltd.. Mr. Yu Gang used to be an instructor of Ningbo Municipal Committee Party School; a staff member of the capital credit department, principal staff member of the general office, deputy director of the general office and director of the law office of People's Bank of China Ningbo Central Branch; a member of the party committee and vice president of People's Bank of China Shaoxing Central Branch; deputy director of

capital project management department of State Administration of Foreign Exchange Ningbo Office; deputy director of the general office and director of the general office of the board of directors of the Company; he has been the Secretary of the Board of Directors of the Company since January 2018.

2. Employment information of the Company's directors, supervisors and senior management under the shareholder units

Name of Members	Name of Shareholders	Positions in Shareholder Units	Term of Office	Whether be remunerated in Shareholder units or not
Wei Xuemei	Ningbo Development & Investment Co., Ltd.	Deputy General Manager	From May 2015 to the present	Yes
Chen Delong	Singapore Overseas-Chinese Banking Co., Ltd.	President of Global Corporate and Investment Banking	From March 2022 to the present	Yes
Qiu Qinghe	Singapore Overseas-Chinese Banking Co., Ltd.	Director	From March 2021 to the present	Yes
Liu Xinyu	Youngor Fashion Co., Ltd.	General Manager of Investment and Operation Department	From May 2023 to April 2024	Yes
	Youngor Fashion Co., Ltd.	Vice President	From April 2023 to the present	Yes
Zhou Shijie	Ningbo Haishu Industrial Investment Co., Ltd.	General Manager	From June 2023 to the present	Yes

3. Employment information of the Company's directors, supervisors and senior management under other units

Name of Members	Name of other Units	Positions in other Units	Term of Office	Whether be remunerated in other units or not
Zhou Jianhua	Ningbo Financial Holding Co., Ltd.	General Manager	From February 2024 to the present	Yes
	Yongxing Securities Co., Ltd.	Director	From November 2021 to the present	No
Wei Xuemei	Ningbo Maritime Industrial Fund Management Co., Ltd.	Director	From July 2018 to September 2024	No
	Ningbo Dahongying Education Center	Chairman of Board of Directors	From May 2021 to the present	No
	Ningbo University of Finance & Economics	Director General	From September 2023 to the present	No
Chen Delong	Maxwealth Fund Management Co., Ltd.	Director	From November 2022 to the present	No
Qiu Qinghe	National Environment Agency Singapore	Director	From April 2020 to the present	Yes
	OCBC Bank (Hong Kong) Limited	Chairman of Board of Directors	From January 2023 to the present	Yes
Liu Xinyu	Ningbo Youngor Health and Pension Management Co. Ltd.	Chairman of Board of Directors	From February 2021 to November 2024	No
	Zhejiang Yaru Tourism Development Co., Ltd.	Director	From September 2022 to the present	No
	Xinjiang Gelaixue Glacier Water Manufacturing Co., Ltd.	Director	From February 2023 to the present	No
	Kuafu Technology Co., Ltd.	Director	From February 2023 to March 2024	No
	Youngor Fashion (Shanghai) Technology Co., Ltd.	Director	From March 2023 to the present	No
	Ningbo Youngor Tourism Management Co.,	Director	From October 2023 to the	No

	Ltd.		present	
	Youngor Garment Manufacturing Co., Ltd.	Director	From October 2023 to the present	No
	Youngor Garment Holdings Co., Ltd.	Director	From March 2024 to the present	No
	Ningbo Youngor Garment Co., Ltd.	Director	From March 2024 to the present	No
	Ningbo China-hemp Biotechnology Co., Ltd.	Director	From March 2024 to the present	No
	Youngor Real Estate Holdings Limited	Director	From March 2024 to the present	No
	Anhui Xinhao Textile Technology Co., Ltd.	Director	From March 2024 to the present	No
	Youngor (Huichun) Co., Ltd.	Director	From March 2024 to the present	No
	Shenzhou Youngor Wool Textile Co., Ltd.	Director	From May 2024 to the present	No
	Jiefante (Zhejiang) Trading Co., Ltd.	Director	From September 2024 to the present	No
	Renmin University of China	Professor and Doctoral Supervisor	From September 2002 to the present	No
	Chinese Academy of Financial Inclusion	President	From April 2016 to the present	Yes
	Renda Inclusive (Beijing) Consulting Co., Ltd.	Chairman of Board of Directors	From July 2015 to the present	Yes
	Strategy and Innovation Committee of Securities Association of China	Consultant	From January 2015 to the present	No
Bei Duoguang	China Trust Protection Fund Co., Ltd.	Independent Director	From February 2016 to the present	Yes
	Beijing International Trust Co., Ltd.	Independent Director	From July 2016 to the present	Yes
	Financial Research Center of Counselors' Office of the State Council	Researcher	From November 2020 to the present	No
	Zhejiang Mybank Co., Ltd.	Independent Director	From April 2022 to the present	Yes
	Generali China Insurance Co., Ltd.	Chairman of the Board of Supervisors	From August 2023 to the present	Yes
	Chongho Bridge Rural Group Co., Ltd.	Director	From February 2024 to the present	No
	China Reform Holdings Corporation Ltd.	External Director	From October 2020 to March 2024	Yes
Li Hao	China Eastern Airlines Holding Co. Ltd.	External Director	From December 2020 to July 2024	Yes
	HSBC Bank (China) Limited	Independent Director	From December 2022 to the present	Yes
	Bangkok Bank (China) Company Limited	Independent Director	From September 2021 to the present	Yes
Hong Peili	Shanghai Fubanghua - Public Welfare Foundation	Council Member	From February 2022 to the present	No
	Xingyin Fund Co., Ltd.	Independent Director	From October 2022 to the present	Yes
	Fujian Haixi Financial Leasing	External Supervisor	From July 2022 to the present	Yes
Wang Wei'an	Zhejiang University	Professor and Doctoral Supervisor	From September 1999 to the present	Yes

	Zhejiang Huiju Investment Management Co., Ltd.	Director	From February 2011 to the present	No
	Hangzhou Central Branch of the People's Bank of China	Currency Policy Consultant	From July 2014 to the present	No
	Zhejin Trust Co., Ltd.	Independent Director	From May 2017 to the present	Yes
	Zhejiang Yasha Decoration Co., Ltd.	Independent Director	From August 2019 to the present	Yes
	Zhejiang Xiaoshan Rural Commercial Bank	Independent Director	From September 2021 to the present	Yes
Li Renjie	Guotai Haitong Securities Co., Ltd.	Independent Director	From April 2021 to the present	Yes
	Xiamen International Bank	Independent Director	From December 2021 to the present	Yes
Ding Yuanyao	Ningbo University	Professor and Doctoral Supervisor	From December 2003 to the present	Yes
Bao Mingwei	L&H Law Firm	Associate and Chief Supervisor	From January 2022 to December 2024	Yes
	Beijing Hengdu (Ningbo) Law Firm	Associate, Convener	From January 2025 to the present	Yes
	Ningbo Zhong'ao Tiancheng Investment Partnership (Limited Partnership)	Associate	From June 2018 to the present	No
	Ningbo Qirui Enterprise Management Partnership (Limited Partnership)	Associate	From August 2018 to the present	No
Yu Dechang	Lixin Zhonglian Realignment Firm	Associate and Director of Hangzhou Branch	From January 2018 to the present	Yes
	Zhejiang Mustang Battery Co., Ltd.	Independent Director	From November 2023 to the present	Yes
	Ningbo Hushan Management Consulting Partnership (Limited Partnership)	Associate	From January 2018 to the present	No
Zhou Shijie	Ningbo Zhenhai Tongbao Paper Co., Ltd.	Executive Director	From August 2012 to the present	No
	Ningbo Haishu State Capital Investment Management Group Co., Ltd.	Director	From January 2020 to the present	No
	Ningbo Lanhai Private Equity Fund Management Co., Ltd.	Executive Director and Manager	From May 2020 to the present	No
	Sunny Loantop	Director	From May 2020 to the present	No
	Ningbo Hudu Energy Technology Co., Ltd.	Director	From June 2021 to the present	No
	Ningbo Shuxia Trading Co., Ltd.	Executive Director and General Manager	From February 2023 to the present	No
	Huan Cai Xing Technology (Ningbo) Co., Ltd.	Director	From March 2023 to the present	No
	YUNSA (Ningbo) Co., Ltd.	Director	From April 2024 to the present	No

4. Situation of company's current and resigned directors, supervisors and senior management within reporting period being punished by securities regulatory institution in last three years

The current or resigned directors, supervisors and senior managers within the reporting period were not punished by securities regulatory institutions in the last three years.

(IV). Remuneration of directors, supervisors and senior management personnel
1. Decision-making process, determination basis and actual payment for the remuneration of directors, supervisors and senior management

Decision-making process for the remuneration of directors, supervisors and senior management personnel	Remuneration of Chairman of the Board and Chief Supervisor of Bank of Ningbo Co., Ltd, Allowance of Directors and Supervisors of Bank of Ningbo Co., Ltd and Remuneration of Senior Management Personnel of Bank of Ningbo Co., Ltd are drawn up by Remuneration Committee of the Board of Directors. Among which, Remuneration of Chairman of the Board and Chief Supervisor of Bank of Ningbo Co., Ltd and Allowance of Directors and Supervisors of Bank of Ningbo Co., Ltd will be submitted to the general meeting of shareholders for approval after being consented by Board of Directors; and Remuneration of Senior Management Personnel of Bank of Ningbo Co., Ltd will be examined and approved by Board of Directors.
Determination basis for the remuneration of directors, supervisors and senior management personnel	The annual remuneration of Chairman of the Board, Vice Chairman, Chief Supervisor and Senior Management Personnel will be determined in accordance with Remuneration of Chairman of the Board and Chief Supervisor of Bank of Ningbo Co., Ltd, Remuneration of Senior Management Personnel of Bank of Ningbo Co., Ltd and their results of appraisal; remuneration of other directors and supervisors will be determined in accordance with Allowance of Directors and Supervisors of Bank of Ningbo Co., Ltd.
Actual payment of the remuneration of directors, supervisors and senior management personnel	The basic wages of Chairman of the Board, Vice Chairman, Chief Supervisor and Senior Management Personnel will be paid in accordance with the salary management system, and their performance pay will be determined in accordance with the annual performance evaluation; remuneration of other directors and supervisors will be paid monthly in accordance with their allowance standard.
Composition of the Remuneration Committee of the Board of Directors and their duties	The Remuneration Committee of the Board of Directors is composed of 3 directors, and most of them are independent directors. Mr. Bei Duoguang as an independent director is now the Director of the Committee. The primary responsibilities of the Remuneration Committee: 1. Study the standard for the assessment of the annual remuneration of the directors and senior management and conduct the assessment and offer suggestions in compliance with the actual situation of the Company; 2. Deliberate the remuneration management system and policies of the Company, propose on the remuneration plans of the directors and senior management and submit such plans to the Board of Directors, and supervise on the implementation of the plans; 3. Other matters authorized by the Board of Directors.

2. Remuneration of directors, supervisors and senior management personnel during the reporting period

Unit: (RMB) 10,000

Name	Gender	Age	Position	Tenure Status	Total Pre-tax Remuneration Received from the Company	Whether be remunerated from Shareholders or other related methods
Lu Huayu	Male	60	Chairman	Incumbent	275	No
Zhuang Lingjun	Male	45	Vice chairman and president	Incumbent	275	No
Zhou Jianhua	Male	52	Director	Incumbent	0	Yes
Wei Xuemei	Female	49	Director	Incumbent	0	Yes
Chen Delong	Male	55	Director	Incumbent	10	Yes
Qiu Qinghe	Male	62	Director	Incumbent	10	Yes
Liu Xinyu	Female	50	Director	Incumbent	10	Yes
Bei Duoguang	Male	67	Independent director	Incumbent	35	No
Li Hao	Male	66	Independent director	Incumbent	35	No
Hong Peili	Female	61	Independent director	Incumbent	35	No
Wang Wei'an	Male	59	Independent director	Incumbent	35	No
Li Renjie	Male	70	Independent director	Incumbent	35	No
Luo Mengbo	Male	54	Chief supervisor, employees' supervisor	Incumbent	247.5	No

Zhou Shijie	Male	35	Supervisor	Incumbent	0	Yes
Ding Yuanyao	Male	59	External supervisor	Incumbent	30	No
Bao Mingwei	Male	52	External supervisor	Incumbent	30	No
Yu Dechang	Male	49	External supervisor	Incumbent	30	No
Zhuang Ye	Female	47	Employees' supervisor	Incumbent	-	No
Chen Jinxiao	Male	39	Employees' supervisor	Incumbent	-	No
Luo Weikai	Male	59	Director, vice president, financial officer, and CIO	Incumbent	247.5	No
Wang Yongjie	Male	52	Vice president, CRO	Incumbent	247.5	No
Feng Peijiong	Male	50	Director, vice president	Incumbent	247.5	No
Xu Xuesong	Male	49	Vice president	Incumbent	221.04	No
Wang Dandan	Female	42	Vice president	Incumbent	221.04	No
Yu Gang	Male	48	Secretary to the Board of Directors	Incumbent	233.75	No
Hong Lifeng	Male	60	Chief supervisor, employees' supervisor	Resigned	43.54	No
Fu Wensheng	Male	52	Vice president	Resigned	41.25	No
Zhang Ningning	Female	41	Vice president	Resigned	53.33	No
Yu Qing	Female	48	Employees' supervisor	Resigned	-	No

Notes: 1. The annual salary of the chairman of the Board of Directors, chairman of Board of Supervisors and senior management undergo deferred payment; as specified within the sheet, deferred remuneration of senior management in 2024 is RMB 9,247,200, which will be paid and deferred in three years. And meanwhile, the Company has paid the deferred payable remuneration, including RMB 978,300 for Lu Huayu, Chairman of the Company, RMB 842,500 for Zhuang Lingjun, Vice Chairman and President of the Company, RMB 936,100 for Luo Mengbo, Chief Supervisor of the Company, RMB 804,500 for Wang Yongjie, CRO of the Company, RMB 804,500 for Feng Peijiong, Director and Vice President of the Company, RMB 831,600 for Yu Gang, Secretary to the Board of the Directors of the Company, RMB 809,000 for Hong Lifeng, the Former Chief Supervisor of the Company and RMB 804,500 for Fu Wensheng, the Former Vice President of the Company.

2. The remuneration of the above-mentioned personnel shall be calculated based on their actual tenure as directors, supervisors and senior management personnel of the Company in 2024. Except for the Chief Supervisor, none of the employees' supervisors received supervisor allowances during the reporting period. The remuneration received by them from the Company in accordance with the employee compensation system is not included in the table.

3. As of the date of disclosure of this Report, the Senior Management of the Company and employees in positions that have an important impact on the risk of the Head Office do not need to involve performance compensation in 2024 and need to claim back the relevant circumstances.

VI. Performance of responsibilities by directors within the reporting period

(I) Information on Board of Directors within the reporting period

Session of meeting	Date of meeting	Date of disclosure	Resolution of meeting
The 5 th meeting of the 8 th Board of Directors	February 6, 2024	February 8, 2024	(www.cninfo.com.cn)
The 6 th meeting of the 8 th Board of Directors	April 8, 2024	April 10, 2024	
The 3 rd extraordinary meeting of the 8 th Board of Directors	April 29, 2024	April 30, 2024	
The 4 th extraordinary meeting of the 8 th Board of Directors	June 20, 2024	June 22, 2024	
The 7 th meeting of the 8 th Board of Directors	August 27, 2024	August 29, 2024	
The 5 th extraordinary meeting of the 8 th Board of	October 28, 2024	October 29, 2024	

Directors

 The 8th meeting of the 8th Board of Directors December 19, 2024 December 21, 2024

(II) Information on directors' attendance at the board meeting and shareholders' meeting

Information on directors' attendance at the board meeting and shareholders' meeting							
Name of director	Times of attending the board meeting during this report term	Times of attending the board meeting in person	Times of attending the board meeting by communication	Times of attending the board meeting by entrusted representative	Absent	Did you attend the meeting by other means other than in person for 2 times in a row	Times of attending the shareholders' meeting
Lu Huayu	7	5	2	0	0	No	3
Zhuang Lingjun	7	5	2	0	0	No	3
Luo Weikai	7	4	2	1	0	No	3
Feng Peijiong	7	5	2	0	0	No	3
Zhou Jianhua	7	5	2	0	0	No	3
Wei Xuemei	7	5	2	0	0	No	3
Chen Delong	7	5	2	0	0	No	3
Qiu Qinghe	7	5	2	0	0	No	3
Liu Xinyu	7	5	2	0	0	No	3
Bei Duoguang	7	3	2	2	0	No	3
Li Hao	7	5	2	0	0	No	3
Hong Peili	7	5	2	0	0	No	3
Wang Wei'an	7	5	2	0	0	No	3
Li Renjie	7	5	2	0	0	No	3

During the reporting period, there is no such case that independent directors fail to attend the board meeting in person in two successive times.

(III) Objections raised by directors to related items

During the reporting period, no directors raised objections to the company's related items.

(IV) Other notes on the performance of responsibilities by directors

During the reporting period, all directors of the Company actively performed their duties, attended the general meeting of shareholders, attended the general meeting of shareholders, the meeting of the Board of Directors and its special committees, carefully considered various proposals, listened to the work report of the senior management, understood the operation of the Company, expressed professional opinions and suggestions on the Company's strategic development, risk management, internal control, connected transaction management and other matters, and made prudent decisions on major matters, earnestly safeguarding the overall interests of the Company and the legitimate rights and interests of shareholders. When the Board of Directors was not in session, all directors regularly reviewed the business analysis reports such as Briefing, Risk Monitoring Report and Related Party Transaction Report, and paid close attention to the latest developments in industry development, regulatory policies and the Company's operation situation. Independent directors also went to the branches to conduct field research, listen to the work report of the branch, and visit enterprise customers,

grasping the first-hand situation by being close to the grass-roots level, deepening their understanding of the actual operation of the Company, and continuously improving their performance level and scientific decision-making ability.

VII. Fulfillment of responsibilities by special committees under the Board of Directors during the reporting period

The Board of Directors of the Company consists of seven special committees, which are Strategy and Sustainable Development Committee, Audit Committee, Related Party Transaction Control Committee, Risk Management Committee, Nomination Committee, Remuneration Committee and Consumer Protection Committee. There is a clear division of labor, rights and responsibilities between each committee to ensure the effective operation of all committees. In 2024, special committees of the Board of Directors of the Company organized 25 meetings in total as follows.

Name of Committee	Members	Number of Meetings	Date of Meetings	Content of Meetings	Important Comments and Suggestions Proposed	Other Performance of Duties
Strategy and Sustainable Development Committee	Lu Huayu, Zhou Jianhua, Chen Delong, Liu Xinyu, Li Renjie	4	2024/1/26 2024/3/28 2024/8/16 2024/12/6	Proposals such as capital increase of subsidiaries, bond issuance, medium and long-term capital planning, and shareholder return planning	-	Briefing
Related Party Transaction Control Committee	Hong Peili, Li Hao, Li Renjie	5	2024/1/26 2024/3/28 2024/4/29 2024/8/16 2024/12/6	Proposals such as the estimated amount of related-party transactions, the execution status of related-party transactions, and the management of the list of related parties	-	Briefing, report on related party transactions
Risk Management Committee	Li Renjie, Hong Peili, Chen Delong	4	2024/1/26 2024/3/28 2024/8/16 2024/12/6	Proposals on risk management, data governance, consolidated management, credit granting, capital management, etc.	-	Briefing, report on risk monitoring
Audit Committee	Li Hao, Wang Weian, Hong Peili	6	2024/1/26 2024/3/28 2024/4/29 2024/6/13 2024/8/16 2024/12/6	Proposals such as regular reports, internal audits, and the engagement of auditing institutions	-	Briefing
Remuneration Committee	Bei Duoguang, Hong Peili, Wang Wei'an	2	2024/3/28 2024/8/16	Proposals on the performance evaluation and compensation of directors and senior management	-	Briefing
Nomination Committee	Wang Wei'an, Bei Duoguang, Qiu Qinghe	2	2024/1/26 2024/8/16	Proposals such as the nomination of senior management	-	Briefing
Consumer Protection Committee	Wei Xuemei, Bei Duoguang, Feng Peijiong	2	2024/1/26 2024/8/16	Proposals on consumer rights protection, inclusive finance, etc.	-	Briefing

VIII. Performance of the Board of Supervisors

7 supervisors comprise the Board of Supervisors by the end of the reporting period, including 3

employee supervisors, 3 external supervisors and 1 supervisor of shareholder. The structure of the Board of Supervisors follows the requirements of laws and regulations. The Board of Supervisors consists of Audit Committee and Nomination Committee. The supervisors of the Company can fulfill their duties earnestly, and supervise the legality and compliance of Company's financial personnel, directors and senior management personnel during the performance of their responsibilities in line with the spirit of being responsible to the shareholders. During the reporting period, the external supervisors of the Company actively performed their duties, attended the meetings of the Board of Supervisors and its special committees, carefully deliberated various proposals, expressed professional opinions and suggestions on financial accounting, internal control and compliance, risk management and other matters, exercised their voting rights, and effectively improved the supervision quality and efficiency of the Board of Supervisors. When the Board of Supervisors was not in session, the external supervisors continued to follow up their understanding of the Company's operation by participating in the investigation of branches and reviewing documents such as *Briefing* and *Work Briefing of the Board of Supervisors*, so as to lay a solid foundation for scientific supervision.

During the reporting period, the Board of Supervisors had no objection to the supervision matters.

IX. Employees in the Company

Up to Dec. 31, 2024, there were 26,976 employees in the Company, amongst which, 24,055 employees are of the parent company and 2,921 are of the subsidiaries. For the main body of the Company, 7,926 employees are engaged in the corporate banking, 6,340 in personal banking, 4,328 are operation management staff, 1,800 are risk and compliance management staff, 1,905 are information technology staff, 269 are other financial business staff and 1,487 are comprehensive management staff; among the total number, employees with a bachelor degree or above account for 98.74%.

The Company provides good training and professional development opportunities and superior remuneration and benefits for the employees. The remuneration policies of the Company are unified with the Company's governance requirements, combined with the sustainable development goals, applied with the risk management system, coordinated with the talent development strategies and matched with the value contributions of the employees. The remuneration management policies of the Company apply to all the types of institutions and employees of the Company.

The employees' remuneration is mainly composed of the basic remuneration and performance remuneration and the income gap is rationally reflected by the differences between the employees' posts, work responsibilities and obligations. The basic remuneration is determined by the class of positions of the employees and the performance remuneration is decided by the performances of the entire Company, the institution or department where the employee belongs to and the personal performance of the employee. During the reporting period, the Company has not applied the medium and long-term incentives in the way of shareholding and other forms of shareholding and the remuneration of the employees is paid in cash.

The Company has set up a performance evaluation system centered on the value creation, risk control and sustainable development, comprised of three guidelines including performance, risk and development. The Company not only focuses on the spot indicators' performances, but also values a lot the long-term development indicators including the customers, market and the structural adjustment so as to balance well between the benefits, risks and quality and improve the stability and scientificity of the operation management.

The remuneration policies of the Company are consistent with the risk management system and matched with the size of the organization, nature and complexity of the business so as to restrain the short-term behaviors of the employees. According to the various risk management requirements, the Company applies different remuneration structures in compliance with the post natures of the employees. For the risk elements that have not been completely reflected in the very period, the Company will adjust them by reserving the risk funds and deferring the payment and advocate benign and healthy risk management cultures through behavior appraisal and corresponding motivations.

X. Profit distribution of the Company's ordinary shares and capitalization of capital reserve

(I) Preparation, execution or adjustment of policies on ordinary stock profit distribution during the reporting period

The Company deliberated and passed *Bank of Ningbo Co., Ltd. Shareholder Return Next Three-Year Plan (2022-2024)* in the 3rd extraordinary shareholders' meeting of 2021 on December 20, 2021 and mentioned explicitly that, the Company will preferentially make profit distribution using cash dividend during the period from 2022 to 2024, and the annual profit distributed using cash dividend was no less than 10% of the distributive profit made throughout the year. The company will carry out active profit distribution scheme on the condition that profitability and capital adequacy ratio satisfy the requirements on continuous operation and long-term development.

Cash dividend policy was not adjusted or modified during the reporting period.

Special statement on cash dividend policy	
Compliance with provisions of Articles of Association or shareholders meeting resolution requirements:	Yes
If dividend criteria and proportion are clear:	Yes
If relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors fulfill their duty and play their due role:	Yes
Whether minority shareholders have an opportunity to fully express their views and demands, and whether their legitimate rights and interests are adequately protected:	Yes
In case of cash dividend policy adjustments or changes, whether conditions and procedures are compliant and transparent:	Yes

(II) Common stock cash dividend sheet of the Company in the past three years (including the reporting period)

Unit: (RMB) 1 million

Dividend distribution year	Amount of cash dividend (Tax-inclusive)	Net profit is contained in annual profit distribution consolidated	Ratio of net profit contained in the consolidated statement and vested in common	Net profit is contained in annual profit distribution consolidated	Ratio of net profit contained in the consolidated statement and
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	statement and vested in common stockholders of the parent company	stockholders of the parent company	statement and vested in common stockholders of the parent company	vested in common stockholders of the parent company
2024	5,943	26,105	22.77%	-
2023	3,962	24,778	15.99%	-
2022	3,302	22,318	14.80%	-

(III) Plan for profit distribution and capital reserve converted into share capital during the reporting period

Bonus shares (shares) every 10 shares	-
Dividends per 10 shares (RMB) (including tax)	9
Increased number (shares) every 10 shares	-
Equity base (share) of distribution plan	6,603,590,792
Amount of cash dividend (RMB 1 million) (tax-inclusive)	5,943
Distributive profit (RMB 1 million)	94,882
Percentage of cash dividends in total profit distribution	100%
Cash dividend policy	

Please view *Bank of Ningbo Co., Ltd. Shareholder Return Next Three-Year Plan (2022-2024)* disclosed on www.cninfo.com.cn on December 4, 2021 for details.

Details of profit distribution scheme

According to the annual financial statement of 2024 audited by Ernst & Young Hua Ming LLP (Special General Partnership), the Company realized net profit value RMB 23,360 million in 2024, and the profit available for distribution at the end of 2024 was valued RMB 94,882 million after plus the profit available for distribution at the end of 2023 valued RMB 79,926 million, minus dividends of preferred shares in 2023 valued RMB 677 million and interest on perpetual bonds in 2023 valued RMB 345 million, common stock dividends payable in 2023 valued RMB 3,962 million and general risk provisions deducted valued RMB 3,420. With normal and orderly business operation as well as standard and steady financial operation, the Company believes it is able to pay off the dividends of shares of the year 2024 in the future.

Based on the above situation, the profit distribution scheme in 2024 is as below:

- I. Legal accumulation fund valued RMB 2,336 million was withdrawn as per 10% of the net profit in 2024;
- II. As stipulated by *Administrative Measures for Withdrawing of Financial Enterprises Reserve Funds* (CJ [2012] No. 20) of the Ministry of Finance, general reserve valued RMB 3,820 million was withdrawn as per 1.5% of the ending balance of risk assets in 2024;
- III. Cash dividend valued RMB 9 (tax-inclusive) per 10 shares was issued to common shareholders registered after the market closes on the day of equity distribution record.

This scheme will be deliberated in the annual general meeting of shareholders in 2024.

XI. Implementation of Company's equity incentive plan, employee stock ownership plan or other employee incentive measures

Within the reporting period, the company is free from any equity incentive plans, employee stock ownership plans or other employee incentive measure.

XII. Construction and implementation of internal control system of the Company within the reporting period

(I) Construction and implementation of internal control system

In strict accordance with the *Basic Norms of Enterprise Internal Control* and other laws and regulations, the Company has continuously improved its internal control system, strengthened the control of related party transactions, external guarantees, use of raised funds, major investments,

information disclosure and other activities, improved the corresponding control policies and procedures, and ensured the legal compliance of the Company's operation and management, asset safety, financial reports and relevant information to be true and complete.

(II) Material defects found in internal control during the reporting period

During the reporting period, no material defects of internal control were found.

XIII. Management and control of subsidiaries during the reporting period

During the reporting period, the Company continued to improve the control policies and procedures of subsidiaries in strict accordance with the *Basic Norms of Enterprise Internal Control* and other laws and regulations, and urged subsidiaries to establish and realize effective internal control. The management control of subsidiaries was good during the reporting period.

XIV. Evaluation reports of internal control

(I) Self-assessment reports of internal control

Date of disclosure of evaluation reports of internal control	April 10, 2025	
Index for disclosure of evaluation reports of internal control	www.cninfo.com.cn	
Proportion of total unit assets incorporated into range of assessment in company's total assets of consolidated financial statements	100%	
Proportion of operating revenue incorporated into range of assessment in company's operating revenue of consolidated financial statements	100%	
Standards for recognition of defects		
Category	Financial statements	Non-financial statements
Qualitative criteria	<p>1. Material defects: Financial statements have received or are more likely to receive an adverse opinion or a disclaimer of opinion issued by certified public accountants; senior executives have been involved or are suspected of being involved in fraud; disclosed financial statements have material errors; the company lacks of a financial control system or the system has been invalid; material defects in financial statements of internal control have not been modified.</p> <p>2. Important defects: The Company's financial system is deficient; important defects in financial statements of internal control have not been modified; there are other defects of internal control that may lead to material error of financial statements.</p> <p>3. General defects: Other defects in financial statements of internal control except those material and important defects mentioned above.</p>	<p>1. Material defects: Democratic decision-making procedures are incomplete; senior executives and senior technicians are of higher mobility; its negative news is frequently broadcast by media, generating a wide range of impacts; important businesses are under no system control or the system has been invalid; material or important defects of internal control have not been corrected.</p> <p>2. Important defects: Democratic decision-making procedures exist but are not complete; the Company's internal regulations are breached, causing great losses; key personnel are of higher mobility; its negative news is broadcast by media, radiating local areas; the important business system is deficient; important defects of internal control have not been corrected.</p> <p>3. General defects: Decision-making procedures are less efficient; the Company's internal regulations are breached, without causing any losses; ordinary staff is of high mobility; its negative news is broadcast by</p>

	the media, generating less impact; the general business system is deficient; general defects have not been corrected; other defects.
Quantitative criterion	1. Material defects: the amount of misstatement caused by defects of internal control: profits of misstatement $\geq 5\%$ of the total profit. 2. Important defects: the amount of misstatement caused by defects of internal control: 1.5% of the total profit \leq profits of misstatement $< 5\%$ of the total profit. 3. General defects: the amount of misstatement caused by defects of internal control: profits of misstatement $< 1.5\%$ of the total profit. 1. Material defects: direct property losses caused by defects of internal control: direct property losses $\geq 5\%$ of the total profit. 2. Important defects: direct property losses caused by defects of internal control: 1.5% of the total profit \leq direct property losses $< 5\%$ of the total profit. 3. General defects: direct property losses caused by defects of internal control: direct property losses $< 1.5\%$ of the total profit.
Number of material defects in financial statements	0
Number of material defects in non-financial statements	0
Number of important defects in financial statements	0
Number of important defects in non-financial statements	0

(II) Audit reports or verification reports of internal control

Opinions on audit reports of internal control	
We held that Bank of Ningbo Co., Ltd. remained effective internal control of financial reports regarding all important aspects as of December 31, 2024 in accordance with <i>Basic Standard for Enterprise Internal Control</i> and relevant regulations.	
Date of disclosure of audit reports of internal control	April 10, 2025
Index for disclosure of audit reports of internal control	www.cninfo.com.cn
Opinions on audit reports of internal control	Standard & unqualified opinion
Whether non-financial reports have material defects or not	No

Audit reports of internal control issued by the accounting firm are consistent with self-evaluation reports of the Board of Directors.

XV. Information on organization construction

No.	Organization name	Business address	Number of organizations	Number of employees (person)	Asset scale (RMB 1 million)
1	Head office	No. 345, Ningdong Road, Yinzhou District, Ningbo	1	4,921	569,593
2	Capital Operation Center	19F & 20F, No. 210, Century Avenue, Pudong New District, Shanghai	1	157	348,996
3	Shanghai Branch	Room 101, Room 106, Room 201, Room 203 & 14-20F, No. 8, Yincheng Middle Road, Pudong New District, Shanghai	29	1,778	241,736
4	Beijing Branch	4-13F & 1F, Block B, No. 6, Jianguomenwai Street, Chaoyang District, Beijing	21	1,359	231,922
5	Shenzhen Branch	1F-5F, Podium Building of Huangting Center Building, Jintian Road, Fudian District, Shenzhen	22	1,333	188,872
6	Hangzhou Branch	Room 101-103, 201, 301-303, Block 1 & Room 306, 16-19F, 21-27F, Block 2, No. 69, Shimin	28	1,569	165,556

No.	Organization name	Business address	Number of organizations	Number of employees (person)	Asset scale (RMB 1 million)
		Street, Sijiqing Sub-district, Shangcheng District, Hangzhou			
7	Nanjing Branch	No. 233, Middle Jiangdong Road, Jianye District, Nanjing	25	1,514	135,772
8	Suzhou Branch	No. 129, Wangdun Road, Industrial Park, Suzhou	21	1,397	144,563
9	Wuxi Branch	No. 6 Third Finance Street, Taihu New City, Wuxi, Jiangsu Province	15	1,216	112,082
10	Wenzhou Branch	No. 1258, Wenzhou Avenue, Lucheng District, Wenzhou	16	885	51,860
11	Jinhua Branch	No. 1028 South Shuanglong Street, Wucheng District, Jinhua	13	722	36,072
12	Shaoxing Branch	Room 201-202, 301-302, 401-404, 501-504, 601-604, 1701-1704, 1801-1804, Bank of Ningbo Financial Building, No. 645, 653, 655, 657, 661, Jiefang Avenue, Lingzhi Sub-district, Yuecheng District, Shaoxing	11	665	48,719
13	Taizhou Branch	No. 277, Huanghai Highway, Jiazhi Sub-district, Jiaojiang District, Taizhou	11	561	38,739
14	Jiaxing Branch	No. 1485, Qingfeng Road, No. 883, Guangyi Road, Nanhu District, Jiaxing	10	668	60,929
15	Shaoxing Branch	No. 599 and No. 601 Renmin Street, Floor 1 & 3, S301 No. 9 Shou'erfu North Road & 22, 23, 24F, No. 599 Renmin Street, Yanquan Sub-district, Liandu District, Lishui,	6	330	16,672
16	Huzhou Branch	No. 30, No. 36, No. 40, No. 44, Taihu Road & No. 527, No. 531, No. 535, No. 539, No. 543, No. 547, No. 551, No. 555, Wutong Road & Room 201-203, Room 301-303, Room 401-403, Changdao Mansion, Wuxing District, Huzhou	7	385	31,493
17	Quzhou Branch	No.10 & Room 202, 302, 303, 304, 504, Block 2, Hehua Middle Road, Kecheng District, Quzhou	5	278	14,204
18	Zhoushan Branch	1&2F, Room 301, 1601, 1701, 1801, Block B & Room 302, Block D, Jianghai Business Square, No. 158, Hexing Road, Qiandao Sub-district, Dinghai District, Zhoushan	3	232	9,598
19	Haishu Sub-branch	No. 230, Liuting Street, Haishu District, Ningbo	11	253	25,427
20	Midtown Yinzhou Sub-branch	No. 700, Ningnan South Road, Yinzhou District, Ningbo	10	232	32,770
21	Jiangbei Sub-branch	No. 166, Wangshan Road, Jiangbei District, Ningbo	10	221	30,735
22	Hudong Sub-branch	No. 801, North Liyuan Road, Haishu District, Ningbo	10	227	30,112
23	Sci-Tech Sub-branch	No. 868, East Baizhang Road, Jiangdong District, Ningbo	11	234	23,489
24	National Hi-Tech Zone Sub-branch	No. 651-655, Jiangnan Road, Hi-tech Zone, Ningbo	8	195	22,053
25	Siming Sub-branch	No. 9, Lantian Road, Haishu District, Ningbo	8	153	38,950
26	Mingzhou Sub-branch	No.199, Middle Songjiang Road, Yinzhou District, Ningbo	12	262	25,856
27	Beilun Sub-branch	No. 901, Liaohe Road, Room 2-1, 3-1, 4-1, 5-1, 6-1, 7-1, Block 4, No. 1388, Minshan Road, Xinqi Sub-district, Beilun District, Ningbo	10	217	29,712
28	Zhenhai Sub-branch	No. 666, North Dongyi Road, Luotuo Sub-district, Zhenhai District, Ningbo	11	241	26,638

No.	Organization name	Business address	Number of organizations	Number of employees (person)	Asset scale (RMB 1 million)
29	Yinzhou Sub-branch	No. 364 Middle Rili Street; No. 542 and No. 546 Xueshi Street, Yinzhou District, Ningbo	13	305	31,756
30	Ninghai Sub-branch	No. 158, Times Avenue, Taoyuan Sub-district, Ninghai County, Ningbo	9	182	13,118
31	Yuyao Sub-branch	No. 469, Nanlei South Road, Lizhou Sub-district, Yuyao, Ningbo	14	264	31,736
32	Midtown Yuyao Sub-branch	No. 136-1-2, Yuli Road, No. 357-6-13, West Yangming Road, Yangming Sub-district, Yuyao City, Ningbo	14	222	21,049
33	Cixi Sub-branch	No. 207, Ciyong Road, Cixi City, Ningbo	17	288	32,040
34	Midtown Cixi Sub-branch	No. 1600, Xincheng Avenue, Gutang Sub-district, Cixi, Ningbo	13	222	22,245
35	Xiangshan Sub-branch	No. 503, Xiangshangang Road, Dandong Sub-district, Xiangshan County, Ningbo	8	159	12,917
36	Fenghua Sub-branch	No. 16, Zhongshan Road, Fenghua District, Ningbo	11	208	22,214
37	Maxwealth Fund Management Co., Ltd.	21F, 22F, 23F & 27F, 21st Century Tower, No. 210, Century Avenue, Pudong New District, Shanghai	1	363	3,235
38	Maxwealth Financial Leasing Co., Ltd.	12F, 15F, 16F, 17F, No. 195, Dingtai Road, Yinzhou District, Ningbo	1	1,156	136,547
39	BNB Wealth Management Co., Ltd.	26F, 30F & 32F, No. 318 Heyuan Road, Yinzhou District, Ningbo	1	211	5,110
40	BNB Consumer Finance Co., Ltd.	No. 115, Lane 788, Changxing Road, Jiangbei District, Ningbo	1	1,191	60,145
Total	486 (including 7 secondary sub-branches within the jurisdiction of Business Office of Head Office and 30 community sub-branches)			26,976	3,125,232

Note: Statistical data by the end of 2024.

XV. Organizational structure of the Company (as of December 31, 2024)



宁波银行: Bank of Ningbo

总行: Head Office

分行: Branches

支行: Sub-branches

董事会办公室: Board of Directors Office 监事会办公室: Board of Supervisors Office 办公室: the Office 人力资源部: Human Resource Department 公司银行总部: Corporate Banking Department 机构业务部: Corporate Business Department 投资银行部: Investment Banking Department 票据业务部: Bill Business Department 资产托管部: Assets Custody Department 国际业务部: International Business Department 公司平台经营部: Corporate Platform Operation Department 资金营运中心: Capital Operation Center 金融市场部: Financial Market Department 资产管理部: Assets Management Department 零售公司部: Retail Company Department 零售公司大数据经营部: Retail Company Big Data Operation Department 个人银行总部: Personal Banking Department 财富管理部: Wealth Management Department 私人银行部: Private Banking Department 个人信贷部: Personal Credit Department 信用卡中心: Credit Card Center 远程银行中心: Remote Banking Center 生活平台经营部: Life Platform Business Department 网络经营服务中心: Online Operation Service Center 风险管理部: Risk Management Department 授信管理部: Credit Management Department 法律合规部: Legal and Compliance Department 资产保全部: Assets Protection Department 监察保卫部: Supervision and Security Department 消费者权益保护部: Consumer Protection Department 审计部: Audit Department 财务会计部: Financial Accounting Department 运营部: Operation Department 金融科技部: Financial Technology Department 流程革新与客户体验部: Process Improvement and Customer Experience Department 行政部: Administration Department 基建办: Capital Construction Office 工会办: Labor Union Office

Chapter Eight Environmental and Social Responsibilities

I. Major Environmental Issues

Neither the Company nor the subsidiaries of the Company belong to the list of key pollutant discharge units issued by the department of environment protection.

For other environmental information of the Company, please refer to the *Sustainable Development (ESG) Report 2024 of the Bank of Ningbo Co., Ltd.* published on www.cninfo.com.cn.

II. Social Responsibilities

Please refer to the *Sustainable Development (ESG) Report 2024 of the Bank of Ningbo Co., Ltd.* published by the Company on www.cninfo.com.cn for more details.

Chapter Nine Important Matters

I. Commitment item implementation

(I) Commitment issues performed within the reporting period or unperformed up to the end of reporting period of company, shareholder, actual controller, buyer, director, supervisor, senior management or other related party

Commitment issues	Commitment party	Commitment type	Commitment content	Commitment time	Commitment deadline	Performance situation
Commitment made during refinancing	Singapore Overseas - Chinese Banking Co., Ltd.	Commitment on limited share sales	The shares subscribed by this non-public offering will not be transferred within 5 years from the date of listing	May. 15, 2020	5 years	Under normal performance
Other commitments to company's medium and minority shareholders	The Company	Other commitments	Various measures shall be adopted to effectively prevent diluted risk of return on demand	Jul. 16, 2014 Nov. 26, 2015 Nov. 20, 2018 Apr. 26, 2019 Jan. 23, 2021	Long term	Under normal performance
Other commitments	Youngor Fashion Co., Ltd.	Other commitments	Not reducing its shares during the holding increase period and the legal period, and complete the holding increase plan within the holding increase period	Nov. 16, 2023	6 months	Performance completed
Whether commitment performed in real time	Yes					
Specific reasons for failure and next plan should be provided	Not applicable					

(II) Capital expenditure commitment

Unit: (RMB) 1 million

Item	December 31, 2024	December 31, 2023
Signed but not disbursed	2,337	2,500

(III) Asset pledge commitment

Unit: (RMB) 1 million

Pledge asset content	Pledge application	Pledge amount
Bonds	Used for repurchase agreement transactions	170,294
Bonds	Used for borrowing from the central bank	53,595
Bonds	Bond for integration	2,240
Bonds	For treasury fixed deposit	63,634
Bonds	For other purposes	700
Loans and advances	Used for borrowing from the central bank	11,520

Loans and advances

Used as collateral for interbank loans

7,460

II. Non-business capital occupation of controlling shareholder and related party thereof occurred in listed company

Within the reporting period, the Company is free from the situation when controlling shareholders and other related parties occupy the company's capital.

III. Illegal external security

Within the reporting period, the Company is free from illegal external securities.

IV. Compared with financial report of the last year, description on changes of Accounting Policy, Accounting Estimate and Accounting Method

Within the reporting period, the Company is free from changes of accounting policy, accounting estimate and major accounting method.

V. Compared with financial report of the last year, description on changes of consolidated statement scope

During the reporting period, there are no changes to the consolidated statement of report.

VI. Situation of appointing and dismissing accounting firm

(I) Current appointed accounting firm

Name of domestic accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Reward of domestic accounting firm	RMB 2.98 million, including RMB 2.28 million for audit of financial statements and RMB 0.70 million for audit of internal control.
Continuous service year of domestic accounting firm	1 year
Name of registered accountant of domestic accounting firm	Chen Sheng, Lu Baihuan

(II) Situation on appointing internal control audit accounting firm, financial consultant or sponsor

During the reporting period, Ernst & Young Hua Ming LLP (Special General Partnership) was employed as an internal auditing firm of the Company.

During the reporting period, the Company did not employ any financial consultant or sponsor.

VII. Delisting information of the Company after the issuance of Annual Report

After the issuance of the annual report, the Company had no information related to suspended listing or delisting.

VIII. Related issues of bankruptcy reorganization

Within the reporting period, the Company is free from related issues of bankruptcy reorganization.

IX. Significant arbitration or lawsuit issues

The Company was involved in several lawsuits and arbitration due to recovery of loans in daily business process. The Company forecasted that such lawsuits and arbitration would have no significant

adverse effect on the financial and operation results. Up to December 31, 2024 the Company, as a defendant or respondent, had a total object amount of RMB 1.977 billion for pending lawsuits and arbitration issues.

X. Punishment and rectification

During the reporting period, the Company, its director, supervisor, senior management and shareholder holding more than 5% of the shares are free from situations of being investigated by authorities, judicial or discipline inspection departments to take coercive measures, transferred to judicial organs to be held criminally responsible, China Securities Regulatory Commission to initiate an investigation or administrative penalties, to be ejected by the market, be regarded as improper person, punishment by other administrative departments, or publicly condemned by the stock exchange.

XI. Credit status of the Company and its majority shareholders and actual controllers

During the reporting period, the Company and its first major shareholder had no situations of not performing effective judgments or a large amount of unliquidated debt due.

XII. Major related transactions

According to the *Listing Rules of Shenzhen Stock Exchange* and other relevant provisions, for the routine related transactions of a large amount, it is necessary to frequently formulate new routine related transaction agreements. If it is difficult to submit each agreement to the Board of Directors or the General Meeting of Shareholders for deliberation in accordance with regulations, the Company shall make a reasonable estimate of the total amount of the Company's routine related transactions in the current year by category, and submit it to the Board of Directors or the General Meeting of Shareholders for approval according to the estimated result. Please refer to the *Announcement on the Expected Amount of the Routine Related Transactions 2024 of the Bank of Ningbo Co., Ltd.* (Announcement No.: 2023-051) and *Announcement on Adjusting the Routine Related Transactions 2024 of the Bank of Ningbo Co., Ltd.* (Announcement No.: 2024-005) for the expected amount of 2024.

During the reporting period, the Company has conducted the related transactions in strict compliance with the regulatory provisions and general business principles, with the pricing of the related transactions in line with the market pricing no better than other customers, which was also in line with the overall interest of the Company and the shareholders. As of the end of 2024, the balance of the credit related transactions of the Company was RMB 29,166 million, including RMB 10.50 million of the related natural person credit transactions and RMB 29,156 million of the related legal person credit transactions; the total amount of asset transfer related transactions of all related parties was RMB 0 and service related transactions RMB 216 million; all related party deposits, foreign exchange spot and other related transactions totaled RMB 58,480 million. For more details, please refer to "Note IX to Financial Statement: Related Parties Relationships and Transactions" of "Chapter Nine Financial Report".

XIII. Major Contract and Implementation

(I) Trusteeship, contract and rent situations

Within the reporting period, the Company is free from trusteeship, contract, rent and other major contract issues.

(II) Major guarantee situations

By the end of the reporting period, the balance of the Company's guarantee business (letter of guarantee) is RMB 41,932 million, and the outward guarantee business of the Company is a conventional bank business approved by the People's Bank and National Financial Regulatory Administration.

(III) Situation of entrusted cash asset management

1. Entrusted wealth management

During the reporting period, the Company had no entrusted wealth management beyond its normal operation.

2. Entrusted loan

By the end of the reporting period, the Company had no entrusted loan issues beyond its normal operation.

(IV) Other significant contracts

Within the reporting period, the Company is free from other major contract issues.

XIV. Description on Other Major Issues

On October 17, 2024, the Company disclosed the *Announcement of Bank of Ningbo Co., Ltd. on Pre-disclosing the Reduction of Shares by Independent Directors* (Announcement No.: 2024-042). As of February 6, 2025, Mr. Li Hao's share reduction plan has been completed, with a cumulative reduction of 15,000 shares. Within the reporting period, the Company is free from other major issues except those that have been disclosed.

XV. Major Events of the Company's Subsidiaries

Within the reporting period, the Company's subsidiaries had no major events except those that have been disclosed.

Chapter Ten Changes in Share Capital and Shareholding

I. Conditions of Share Change

Unit: share

	Before current change		Increment/decrement of current change					After current change	
	Quantity	Proportion	New share issuing	Share donation	Accumulation fund turn	Other	Subtotal	Quantity	Proportion
I. Limited sale condition share	78,565,482	1.19%	0	0	0	978,750	978,750	79,544,232	1.20%
1. National holding	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person holding	0	0.00%	0	0	0	0	0	0	0.00%
3. Other domestic capital holding	2,746,426	0.04%	0	0	0	978,750	978,750	3,725,176	0.06%
wherein: domestic legal person holding	0	0.00%	0	0	0	0	0	0	0.00%
domestic natural person holding	2,746,426	0.04%	0	0	0	978,750	978,750	3,725,176	0.06%
4. Foreign holding	75,819,056	1.15%	0	0	0	0	0	75,819,056	1.15%
wherein: foreign legal person holding	75,819,056	1.15%	0	0	0	0	0	75,819,056	1.15%
foreign natural person holding	0	0.00%	0	0	0	0	0	0	0.00%
II. Limit-free condition share	6,525,025,310	98.81%	0	0	0	(978,750)	(978,750)	6,524,046,560	98.80%
1. RMB ordinary share	6,525,025,310	98.81%	0	0	0	(978,750)	(978,750)	6,524,046,560	98.80%
2. Domestically listed foreign-invested stock	0	0.00%	0	0	0	0	0	0	0.00%
3. Abroad listed foreign-invested stock	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	6,603,590,792	100.00%	0	0	0	0	0	6,603,590,792	100.00%

II. Sheet on Limited Sale Share Change

Unit: share

Name of shareholder	Limited sale shares at the beginning of the year	Increased limited sale shares in the year	Limited sale shares terminated in the year	Limited sale shares at the end of the year	Reason for limited sale	Terminating date for limited sale
Singapore Overseas-Chinese Banking Co., Ltd.	75,819,056	0	0	75,819,056	Non-public offered subscription share limited sale	May 18, 2025
Company's directors, supervisors and senior management holding	2,710,390	978,750	0	3,689,140	Locked shares and restricted shares before IPO by directors, supervisors and senior management	In-office directors, supervisors and senior management shall transfer 25% of shares to the greatest extent within 1 year
Shares to be confirmed before IPO	36,036	0	0	36,036	Pre-IPO limited shares	-
Total	78,565,482	978,750	0	79,544,232		

III. Situation on Security Issuing and Listing

(I) Situation of security issuing (preferred shares exclusive) within reporting period

During the reporting period, the Company did not issue new common stocks, nor publicly issued corporate bonds listed on the stock exchange.

For the issuance of other bonds of the Company and its subsidiaries, please refer to "Notes to the Financial Statements V. 22 Bonds Payable" in Chapter Twelve Financial Report.

(II) Specification on changes of Company's total share amount, shareholder structure as well as company's asset and liability structure change

As of the end of the reporting period, the total number of shares of the Company did not change.

(III) Situation on existing internal staff shares

Within the reporting period, there are no internal staff shares.

IV. Situation on Shareholder and Actual Controller

(I) Situation on Company's shareholder quantity and share holding

Unit: share

Total number of shareholders at the end of reporting period (Account)	123,556	Total number of shareholders at the end of the previous month before disclosure date of the annual report (Account)	104,999	Total quantity of preferred stockholders recovering voting power at the end of reporting period (Account)	0	Total quantity of preferred stockholders recovering voting power at the end of the previous month before disclosure date of the annual report (Account)	0	
Situation on shareholders holding more than 50% of shares or top ten shareholders								
Name of shareholder	Shareholder nature	Shareholding proportion	Shareholding quantity at the end of reporting period	Situation on increment/decrement change within reporting period	Share quantity with limited sale condition	Share quantity without sale condition	Situation on pledge or freezing	
							Share state	Share number
Ningbo Development Investment Group Co., Ltd.	State-owned legal person	18.74%	1,237,489,845	0	0	1,237,489,845	-	-
Singapore Overseas-Chinese Banking Co., Ltd.	Overseas legal person	18.69%	1,233,993,375	0	75,819,056	1,158,174,319	-	-
Youngor Fashion Holdings Co., Ltd.	Domestic non-state-owned legal person	10.00%	660,360,057	0	0	660,360,057	-	-
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	4.70%	310,041,485	8,213,438	0	310,041,485	-	-
Huamao Group Co., Ltd.	Domestic non-state-owned legal person	2.51%	166,069,209	2,651,700	0	166,069,209	-	-
Ningbo Fubang (Holdings) Limited	Domestic non-state-owned legal person	1.82%	120,493,979	0	0	120,493,979	-	-
Singapore Overseas-Chinese Banking Co., Ltd. (QFII)	Overseas legal person	1.33%	87,770,208	0	0	87,770,208	-	-
Ningxing (Ningbo) Property Management Co., Ltd.	State-owned legal person	1.29%	85,348,203	0	0	85,348,203	-	-
Ningbo Rail Transit Group Co., Ltd.	State-owned legal person	1.19%	78,310,394	0	0	78,310,394	-	-
China Huijin Asset Management Co., Ltd.	State-owned legal person	1.14%	75,496,366	0	0	75,496,366	-	-
Description on related relations, persons acting in		Ningbo Development Investment Group Co., Ltd. and Ningxing (Ningbo) Property Management						

concert, controlling shareholders, actual controller and final beneficiaries above mentioned	Co., Ltd. are persons acting in concert and the controlling shareholder is State-owned Assets Supervision and Administration Commission of Ningbo Municipal Government; Singapore Overseas-Chinese Banking Co., Ltd. (QFII) is a qualified overseas institutional investor of OCBC Bank Singapore, which neither has controlling shareholders nor actual controllers; the controlling shareholder of Youngor Fashion Holdings Co., Ltd. is Ningbo Youngor Holding Co., Ltd. and the actual controller is Mr. Li Rucheng; And according to <i>the Interim Measures for the Equity Management of Commercial Banks</i> of China Banking and Insurance Regulatory Commission, the controlling shareholder of Ningbo Haishu Industrial Investment Co., Ltd., another major shareholder of the Company, is Ningbo Haishu Development Holding Co., Ltd.		
Situation on share holding of the top ten shareholders without limited sale condition			
Name of shareholder	Share quantity without limited sale condition to the end of year	Share class	
		Share class	Amount
Ningbo Development Investment Group Co., Ltd.	1,237,489,845	RMB ordinary share	1,237,489,845
Singapore Overseas-Chinese Banking Co., Ltd.	1,158,174,319	RMB ordinary share	1,158,174,319
Youngor Fashion Holdings Co., Ltd.	660,360,057	RMB ordinary share	660,360,057
Hong Kong Securities Clearing Company Ltd.	310,041,485	RMB ordinary share	310,041,485
Huamao Group Co., Ltd.	166,069,209	RMB ordinary share	166,069,209
Ningbo Fubang (Holdings) Limited	120,493,979	RMB ordinary share	120,493,979
Singapore Overseas-Chinese Banking Co., Ltd. (QFII)	87,770,208	RMB ordinary share	87,770,208
Ningxing (Ningbo) Property Management Co., Ltd	85,348,203	RMB ordinary share	85,348,203
Ningbo Rail Transit Group Co., Ltd.	78,310,394	RMB ordinary share	78,310,394
China Huijin Asset Management Co., Ltd.	75,496,366	RMB ordinary share	75,496,366
Description on relationship or consistent activities among top ten circulating shareholders without limited sale as well as top ten circulating shareholders without limited sale and among top ten shareholders	Ningbo Development Investment Group Co., Ltd. and Ningxing (Ningbo) Assets Management Co., Ltd. are consistent acting persons; Singapore Overseas-Chinese Banking Co., Ltd. (QFII) is a qualified overseas institution investor of Singapore Overseas-Chinese Banking Co., Ltd.		
Description on shareholders attending securities margin trading	Huamao Group Co., Ltd. as a shareholder of the Company, holds 96,312,163 shares of the Company through the customer credit transaction guarantee securities account of GF Securities Co., Ltd.		

Within the reporting period, the Company is free from agreed repurchase transaction among top 10 ordinary shareholders, and there is no loan of shares in terms of refinancing business and the major shareholders of the Company have not pledged the shares of the Company.

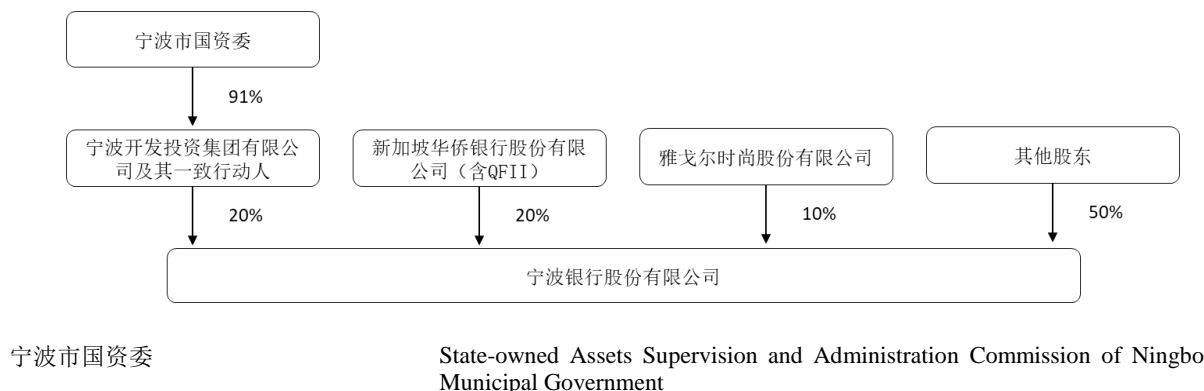
(II) Situation on Company's controlling shareholders

The Company is free from controlling shareholders to the end of the reporting period.

(III) Situation on Company's actual controllers

The Company has no actual controllers within the reporting period.

(IV) Company's shareholding structure chart



宁波开发投资集团有限公司及其一致行动人	Ningbo Development & Investment Co., Ltd. and its consistent acting person
新加坡华侨银行有限公司（含 QFII）	Singapore Overseas-Chinese Banking Co., Ltd.（including QFII）
雅戈尔时尚股份有限公司	Youngor Fashion Holdings Co., Ltd.
其他股东	Other shareholders
宁波银行股份有限公司	Bank of Ningbo Co., Ltd.

(V) Corporate shareholders holding more than 10% of shares

Name of corporate shareholder	Legal representative/unit leader	Date of establishment	Registered capital	Major businesses or management activities
Ningbo Development & Investment Co., Ltd.	Shi Tingjun	Nov. 12, 1992	9133020014407480X5	Project investment, assets management, real estate development, etc.
Singapore Overseas-Chinese Banking Co., Ltd.	Li Guoqing	Oct. 31, 1932	Not applicable	Financial service industry
Youngor Fashion Holdings Co., Ltd.	Li Guoqing	Jun. 25, 1993	91330200704800698F	Garments producing, real estate development, etc.
Equity of other domestic and foreign listed companies controlled by shareholders during the reporting period	Ningbo Development & Investment Co., Ltd. holds 45.90% of the shares of Ningbo Energy Group Co., Ltd., a company listed on Shanghai Stock Exchange, and Singapore Overseas-Chinese Banking Co., Ltd. holds 93.72% of the shares of Greater Oriental Holdings Co., Ltd., a company listed on Singapore Stock Exchange, and 85.08% of the shares of Bank OCBC NISP, a company listed on Indonesia stock exchange.			

V. Situation of Shareholding Limit and Decrease of Majority Shareholders, Actual Shareholders, Restructuring Parties and Other Commitment Bodies

Within the reporting period, no shareholding limit or decrease happened to majority shareholders, actual shareholders, restructuring parties and other commitment bodies.

Chapter Eleven Relevant Situation of Preferred Shares

I. Preferred Shares Issuing and Listing Situation in Last Three Years from the End of Reporting period

Abbreviation	Code	Issue method	Issue date	Issue price (RMB / share)	Face dividend rate	Issue quantity (share)	Listing date	Quantity of acquired listed transfer (share)	Expiry date of listing
Ning Hang Preferred 01	140001	Non-public	Nov. 16, 2015	100	4.68%	48,500,000	Dec. 9, 2015	48,500,000	None
Ning Hang Preferred 02	140007	Non-public	Nov. 7, 2018	100	4.50%	100,000,000	Nov. 28, 2018	100,000,000	None

II. Situation on Company's Preferred Shares Shareholder Quantity and Share Holding

1. Preferred share code: 140001 Preferred share abbreviation: Ning Hang Preferred 01

Unit: share

Total number of preferred shares shareholders at the end of reporting period (account)	15	Total number of preferred shares shareholders at the end of reporting period (account)					18		
Situation on shareholding of shareholders of over 5% preferred shares or top 10 preferred shareholders									
Name of shareholder	Shareholder nature	Shareholding proportion	Shareholding quantity at the end of reporting period	Situation on increment / decrement change within reporting period	Share quantity with limited sale condition	Share quantity without sale condition	Pledge or freezing condition		
							Share status	Share number	
Huabao Trust Co., Ltd. — Huabao Trust — Multi-strategy Optimal Profit No. 4 Securities Investment Portfolio Funds Trust Plan	Others	16.06%	7,790,000	7,790,000	0	7,790,000	-	-	
Huabao Trust Co., Ltd. — Huabao Trust — Baofu Investment No. 1 Pooled Funds Trust Plan	Others	13.94%	6,760,000	-1,910,000	0	6,760,000	-	-	
Citic Securities — PSBC — Citic Securities Xinghe No. 28 Pooled Funds Trust Plan	Others	11.75%	5,700,000	0	0	5,700,000	-	-	
Everbright Securities Asset Management Co., Ltd. — China Everbright Bank — Everbright Asset Management Xinyou No. 3 Collective Asset Management Plan	Others	10.31%	5,000,000	0	0	5,000,000	-	-	
CR Trust Co., Ltd. — CR Trust LanYu No. 1Pooled Funds Trust Plan	Others	10.31%	5,000,000	5,000,000	0	5,000,000	-	-	
AVIC Trust Co., Ltd.—AVIC Trust · Tian Ji Gong Ying No. 2 Securities Investment Trust Plan	Others	10.31%	5,000,000	0	0	5,000,000	-	-	
Postal Savings Bank of China Co., Ltd.	State-owned legal person	8.25%	4,000,000	0	0	4,000,000	-	-	
Sun Life Everbright Asset Management — China Everbright Bank—Sun Life Everbright Asset Optimal No. 1 Equity Asset Management Product	Others	7.22%	3,500,000	0	0	3,500,000	-	-	
JSITC Co., Ltd.—JSITC—He Heng Tian Li No. 1 Pooled Funds Trust Plan	Others	5.65%	2,740,000	0	0	2,740,000	-	-	
China Credit Trust Co., Ltd. —China Credit Trust—Baofu No. 32 Collective Funds Trust	Others	3.94%	1,910,000	1,910,000	0	1,910,000	-	-	

Plan

Preferred shares have different explanations in terms other than dividend distribution and residual property distribution.

None

Instructions on the related relations or persons acting in concert among the top 10 preferred shareholders and between the top 10 preferred shareholders and top 10 general shareholders

There are related relations between Huabao Trust Co., Ltd.—Huabao Trust—Multi-strategy Optimal Profit No. 4 Securities Investment Portfolio Funds Trust Plan and Huabao Trust Co., Ltd.—Huabao Trust—Baofu Investment No. 1 Pooled Funds Trust Plan. Besides these, the Company does not know that there is a related relation or a concerted action relationship between the above shareholders.

2. Preferred share code: 140007 Preferred share abbreviation: Ning Hang Preferred 02

Unit: share

Total number of preferred shares shareholders at the end of reporting period (account)	30	Total number of preferred shares shareholders at the end of reporting period (account)	33
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Situation on shareholding of shareholders of over 5% preferred shares or top 10 preferred shareholders

Name of shareholder	Shareholder nature	Shareholding proportion	Shareholding quantity at the end of reporting period	Situation on increment / decrement change within reporting period	Share quantity with limited sale condition	Share quantity without sale condition	Pledge or freezing condition	
							Share status	Share number
Huabao Trust Co., Ltd.—Huabao Trust—Baofu Investment No. 1 Pooled Funds Trust Plan	Others	17.77%	17,770,000	-5,010,000	0	17,770,000	-	-
Ping An Life Insurance of China —equity fund	Others	14.04%	14,040,000	0	0	14,040,000	-	-
Everbright Securities Asset Management Co., Ltd.—China Everbright Bank—Everbright Asset Management Xinyou No. 3 Collective Asset Management Plan	Others	10.00%	10,000,000	0	0	10,000,000	-	-
JSITC Co., Ltd.—JSITC—He Heng Tian Li No. 1 Pooled Funds Trust Plan	Others	7.22%	7,220,000	0	0	7,220,000	-	-
Ping An Asset Management Co., Ltd.—Dividend—Personal Insurance Dividend	Others	7.02%	7,020,000	0	0	7,020,000	-	-
Ping An Asset Management Co., Ltd.—Universal—Universal Insurance	Others	7.02%	7,020,000	0	0	7,020,000	-	-
China Credit Trust Co., Ltd.—China Credit Trust—Baofu No. 32 Collective Funds Trust Plan	Others	5.01%	5,010,000	5,010,000	0	5,010,000	-	-
Citic Securities — CCB — Citic Securities Xinghe No. 32 Pooled Funds Trust Plan	Others	5.00%	5,000,000	0	0	5,000,000	-	-
China Securities — Bank of China — China Fund—Citic Optimal No. 33 Collective Funds Trust Plan	Others	3.10%	3,100,000	3,100,000	0	3,100,000	-	-
Foresea Life Insurance —Dividend Insurance Product Huatai Portfolio	Others	3.00%	3,000,000	0	0	3,000,000	-	-

Preferred shares have different explanations in terms other than dividend distribution and residual property distribution.

None

Instructions on the related relations or persons acting in concert among the top 10 preferred shareholders and between the top 10 preferred shareholders and top 10 general shareholders

There are related relations among Ping An Life Insurance of China —equity fund, Ping An Assets Management Co., Ltd.—Universal—Universal Insurance and Ping An Assets Management Co., Ltd.—Dividend—Personal Insurance Dividend. Besides these, the Company does not know that there is a related relation or a concerted action relationship between the above shareholders.

III. Profit Distribution of Company's Preferred Shares

Profit distribution of preferred shares within reporting period

Preferred share abbreviation	Preferred share code	Time of distribution	Dividend yield	Amount of distribution (RMB) (tax inclusive)	In compliance with distribution condition and relative procedure	Payment of dividend	Dividend accumulated	Join in residual profit distribution
Ning Hang Preferred 01	140001	Nov. 18, 2024	4.68%	226,980,000	Yes	Cash payment once a year	No	No
Ning Hang Preferred 02	140007	Nov. 7, 2024	4.50%	450,000,000	Yes	Cash payment once a year	No	No

The specific dividend distribution situation will be announced at the notices on the websites of Shenzhen Stock Exchange and the Company.

IV. Repurchase or Conversion of Preferred Shares

Within the reporting period, there was no repurchase or conversion of the Company's preferred shares.

V. Voting Power Recovery of Preferred Shares within Reporting period

Within the reporting period, there was no voting power recovery of the Company's preferred shares.

VI. Accounting Policies Adopted by Preferred Shares and Reasons

As stipulated in *Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments*, *Accounting Standards for Enterprises No. 37—Presentation of Financial Instruments* and *Discrimination between Financial Liability and Equity Instruments and Relevant Accounting Regulations* by Ministry of Finance, the terms of outstanding preferred shares this time comply with the requirements of accounting as an equity instrument. Therefore, preferred shares are an equity instrument.

Chapter Twelve Financial Statements

I. Audit Report

II. Financial statements

III. Notes to the financial statements

IV. Supplementary financial statements

(see appendixes for above information)

Bank of Ningbo Co., Ltd.

Audited Financial Statements

Year 2024

Contents

	Page
Audit Report	1 – 7
Audited Financial Statements	
Consolidated Balance Sheet	8 – 9
Consolidated Income Statement	10 – 11
Consolidated Statement of Changes in Shareholders' Equity	12 – 13
Consolidated Statement of Cash Flow	14 – 15
Balance Sheet	16 – 17
Income Statement	18
Statement of Changes in Shareholders' Equity	19 – 20
Cash Flow Statement	21 – 22
Notes to the Financial Statements	23 – 159
Supplementary Information of the Financial Statements	
I. Statement of Non-recurring Profit and Loss	160
II. ROE (Return on Equity) and Earnings per Share	160
III. Unaudited Supplementary Information	161

Audit Report

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

To Shareholders of Bank of Ningbo Co., Ltd.,

I. Opinion

We have audited the attached financial statements of Bank of Ningbo Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group"), including the Consolidated Balance Sheet and Consolidated Income Statement of 2024, as well as Balance Sheet at 31 December 2024, Income Statement for the year of 2024, Statement of Changes in Shareholders' Equity and Cash Flow Statement as well as Notes to the Financial Statements.

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.

II. Basis for Opinion

We conducted our audit in accordance with Auditing standards for Certified Public Accountants. 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 Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Audit Report (Continued)

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

III. Key Audit Matters (Continued)

Key audit matter:	How our audit addressed the key audit matter:
<i>Measurement of estimated credit losses in granting loans and advances, creditor's rights investment and credit commitments</i>	
<p>The Group has used multiple models and assumptions in the measurement of expected credit loss, such as:</p> <p>Significant increase in credit risk - the selection of recognition criteria for significant increase in credit risk is highly dependent on judgment, and may have a significant impact on the expected credit losses of loans, advances and debt investments with a long duration;</p> <p>Model and parameters - the model used to measure expected credit loss itself has high complexity, a large number of parameters and data, involving more judgments and assumptions;</p> <p>Forward-looking information: prediction of the macro economy to consider the impact on the expected credit loss under the weight of different economic scenarios;</p> <p>Definition of credit impairment incurred - multiple factors need to be considered to determine whether credit impairment has occurred.</p> <p>As the impairment assessment of loans, advances and debt investment involves many significant judgments and assumptions, and due to the importance of its amount (as of December 31, 2024, the total amount of loans, advances (including accrued interest) was RMB 1,480,474 million, and the total amount of impairment provisions for loans was RMB 43,996 million. The total amount of debt investment (including accrued interest) was RMB 1,040 million. The total amount of credit commitment was RMB 583,267 million, and relevant estimated liabilities were RMB 1,358 million), we regard it as a key audit item.</p>	<p>We have understood, evaluated and tested the effectiveness of the design and implementation of key controls related to the issuance of loans and advances, and expected credit loss of bond investment and credit commitment, including relevant data quality and information systems.</p> <p>We adopted a risk-based sampling method, selected samples to perform review procedures for loans, advances and debt investment, analyzed the debtor's repayment ability based on the post loan investment investigation report, the debtor's financial information, the collateral value evaluation report and other available information, and evaluated the judgment results of your Group on the rating of loans, advances and debt investment.</p> <p>With the assistance of the internal experts, we have evaluated and tested the important parameters of the expected credit loss model, the significant judgments of the management and the application of relevant assumptions, mainly focusing on the following aspects:</p> <p>1. Expected credit loss model:</p> <p>In combination with macroeconomic changes, evaluate the rationality of the methodology of the expected credit loss model and relevant parameters, including the probability of default, the loss rate of default, risk exposure, significant increase in credit risk, etc;</p> <p>Evaluate the forward-looking information used by management in determining the expected credit loss, including the prediction of macroeconomic variables and the assumption and weight of multiple macroeconomic scenarios.</p>

Audit Report (Continued)

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

III. Key Audit Matters (Continued)

Key audit matter:	How our audit addressed the key audit matter:
<i>Measurement of estimated credit losses in granting loans and advances, creditor's rights investment and credit commitments (continued)</i>	
<p>Relevant notes are included in Note III. 9 and 35, Note V. 6, 7.2, 14, 24 and 41, Note X. 3 and Note XII. 1 to the consolidated financial statements.</p>	<p>2. Effectiveness of the design and implementation of key controls:</p> <p>Evaluate and test the data and process used to confirm the expected credit loss provision, including business data of the loans and advances, equity investment and credit commitment, macroeconomic data, etc., as well as the calculation logic, data input, system interface, etc. of the impairment system;</p> <p>Evaluate and test the key controls of the expected credit loss model, including model change approval, continuous monitoring of model performance and model validation, etc.</p> <p>We have examined and evaluated the appropriateness of the disclosures related to the measurement of expected credit losses in the financial statements.</p>
<i>Evaluation on consolidation of structured entities</i>	
<p>In the process of carrying out financial investment, asset management, credit asset transfer and other businesses, the Group has initiated the establishment or held many different structured subject interests, including financial products, funds, asset management plans, trust plans, etc.</p> <p>The Group shall determine whether or not to consolidate these structured entities based on the assessment of whether the Group has control taking into consideration power arising from rights, variable returns, and link between power and returns.</p>	<p>We have understood, evaluated and tested the effectiveness of the design and implementation of the internal key controls related to the consolidated assessment of structured entities. These internal controls mainly include consolidated assessment and the review and approval of the results.</p>

Audit Report (Continued)

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

III. Key Audit Matters (Continued)

Key audit matter:	How our audit addressed the key audit matter:
<i>Evaluation on consolidation of structured entities (continued)</i>	
<p>The assessment of the Group's control over structured entities involves significant judgment on factors such as the purpose and design of structured entities, its ability to direct the relevant activities, direct and indirect beneficial interests and returns, performance fee, remuneration and exposure to loss from providing credit enhancement or liquidity support. The comprehensive analysis of these factors and the conclusion on whether it is controlled involve significant judgment and evaluation of management. Due to the significance of the consolidated structured entities and the complexity of judgment exercised by management, consolidation of structured entities is considered a key audit matter.</p> <p>Relevant disclosures are included in Note III. 5 and 35 and Note VI. 2 and 3.</p>	<p>Furthermore, we have examined the supporting documents of the structured entities managed or invested by the Group through sampling methods, including relevant contracts, internal documents, and information obtained or disclosed to investors as investors, and evaluated whether the Group constitutes control over the structured entities by implementing the following audit procedures:</p> <ol style="list-style-type: none">1. Understand the establishment purpose of the structured entity and the degree of the Group's participation in the structured entity, and evaluate the management's judgment on whether the Group has power over the structured entity;2. Examine the structural design of risk and return of the structured entity, including any capital the Group holds in the structured entity or guarantees made for its earnings, arrangements for providing liquidity support, payment of fees and distribution of earnings, etc., to assess the magnitude and variability of the variable returns the Group enjoys in the structured entity as judged by the management;3. To determine whether the Group has the ability to use its rights over structured entities to influence the amount of its returns, we evaluated whether the Group's role in the above-mentioned activities is that of an agent or the main person responsible, including analyzing the Group's decision-making scope, the remuneration obtained, other rights and interests, as well as the rights of other participants. <p>We also examined and evaluated the appropriateness of the disclosures related to the consolidation of structured entities in the financial statements.</p>

Audit Report (Continued)

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

IV. Other Information

The management of Bank of Ningbo Co., Ltd. is responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our Audit 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.

V. Responsibilities of the Management Personnel and Governance for the Consolidated Financial Statements

The management of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view, and for such internal control as the management 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 management of the Bank 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 of the Bank either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The governance personnel of the Group is responsible for overseeing the Group's financial reporting process.

Audit Report (Continued)

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

VI. 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 Audit Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgment and maintain professional skepticism throughout the audit. We also:

- (1) 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 Audit 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 Audit Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosure), structure and content of the consolidated financial statements, and evaluate whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Audit Report (Continued)

Ernst & Young Hua Ming (2025) S.Z. No. 70015624_B01
Bank of Ningbo Co., Ltd.

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

We communicate with the Management 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 Management with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management, 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 Audit 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.

Ernst & Young Hua Ming LLP (Special General
Partnership)

CPA: Chen Sheng
(Project Partner)

CPA: Lu Baihuan

Beijing, China

April 8, 2025

Bank of Ningbo Co., Ltd.
Consolidated Balance Sheet
For the Year Ended 31 December 2024

Unit: CNY One Million

Assets	Note V	31 Dec. 2024	31 Dec. 2023
Cash and balances at central banks	1	147,305	129,131
Due from banks	2	29,105	26,290
Precious metal		7,756	10,191
Loans to banks	3	38,074	40,541
Derivative financial assets	4	33,664	20,167
Hold for trading financial asset	5	33,965	9,251
Loans and advances	6	1,437,254	1,213,753
Financial investment:	7		
Trading financial assets	7.1	357,161	350,466
Investment in bonds	7.2	388,484	418,710
Other investment on bonds	7.3	628,082	465,419
Other equity investment		512	321
Investment real estate		-	14
Fixed assets	8	8,606	7,543
Construction in progress	9	901	1,570
Right-of-use assets	10	2,687	2,973
Intangible assets	11	4,017	2,912
Goodwill		293	293
Deferred income tax assets	12	2,513	6,260
Other assets	13	4,853	5,857
Total assets		3,125,232	2,711,662

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Balance Sheet (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

Liabilities	Note V	31 Dec. 2024	31 Dec. 2023
Due to Central Bank	15	54,640	109,189
Due to banks and other financial institutions	16	117,817	82,122
Loans from other banks	17	191,935	183,114
Trading financial liabilities		3,247	12,359
Derivative financial liabilities	4	30,360	14,187
Financial assets sold for repurchase	18	163,268	122,641
Deposit taking	19	1,869,624	1,588,536
Wages and salaries payable	20	4,016	3,886
Taxes payable	21	2,379	1,281
Bonds payable	22	433,397	371,083
Lease liabilities	23	2,550	2,819
Anticipation liabilities	24	1,403	1,673
Other liabilities	25	16,336	16,562
Total liabilities		2,890,972	2,509,452
Shareholders' equity			
Equity	26	6,604	6,604
Other equity tools	27	24,810	24,810
Including: preferred shares		14,810	14,810
Perpetual bonds		10,000	10,000
Capital reserve	28	37,611	37,611
Other comprehensive income	29	15,614	5,801
Surplus reserve	30	17,041	14,705
General risk reserve	31	28,740	24,510
Undistributed profit	32	102,731	87,154
Equity attributable to shareholders of the parent Company		233,151	201,195
Minority shareholders' equity		1,109	1,015
Total shareholders' equity		234,260	202,210
Total liabilities and shareholder equity		3,125,232	2,711,662

The Financial Statements are signed by:

Legal Representative:	President:	Financial work principal:	Accounting institution principal:	Seal:
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Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Income Statement
For the Year Ended 31 December 2024

Unit: CNY One Million

	Note V	2024	2023
I. Operating income		66,631	61,585
Net interest income	33	47,993	40,907
Interest income	33	102,585	90,766
Interest expense	33	(54,592)	(49,859)
Net fee and commission income	34	4,655	5,767
Fee and commission income	34	6,374	7,346
Fee and commission expense	34	(1,719)	(1,579)
Investment gains	35	13,706	13,087
Including: income from de-recognition of financial assets measured at amortized cost		-	(4)
Other income	36	444	740
Changes in fair value recognized in profit or loss	37	18	1,161
Exchange gain or loss	38	(278)	(390)
Other operating income		92	33
Assets disposal income		1	280
II. Operating expenditure		(35,083)	(33,557)
Operating expenditure	39	(663)	(592)
Business and administration expenses	40	(23,670)	(24,012)
Credit impairment losses	41	(10,679)	(8,940)
Other operating expenses		(71)	(13)
III. Operating profits		31,548	28,028
Non-operating income		46	77
Non-operating expenditure		(308)	(207)
IV. Total profits		31,286	27,898
Income tax	42	(4,065)	(2,289)
V. Net profits		27,221	25,609
Including: net profit attributable to the parent company		27,127	25,535
Minority shareholders' gain and loss		94	74

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Income Statement (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

	Note V	2024	2023
VI.			
Net after-tax value for other comprehensive income		9,813	2,148
Net of tax for other comprehensive income attributable to shareholders of the parent company	29	9,813	2,148
Other comprehensive income that cannot be reclassified into profit and loss		65	116
Changes in fair value of equity instrument investment measured at fair value with changes included in other comprehensive income		65	116
Other comprehensive income will subsequently be reclassified into profit and loss		9,748	2,032
Conversion of self-use real estate to investment real estate measured by fair value		(14)	-
Changes in fair value of debt instrument investment measured at fair value with changes included in other comprehensive income		9,986	1,808
Provision for credit loss of debt instrument investment measured at fair value with changes included in other comprehensive income		(224)	224
Net of other comprehensive income attributable to minority shareholders after tax		-	-
VII.			
Total comprehensive income		37,034	27,757
Including: attributable to shareholders of the parent company attributable to minority shareholders		36,940	27,683
		94	74
VIII.			
Earnings per share (RMB/share)			
Basic earnings per share	43	3.95	3.75
Diluted earnings per share	43	3.95	3.75

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2024

Unit: CNY One Million

2024

Item		Equity attributable to shareholders of the parent company								Minority Shareholders' Equity	Total Shareholders' Equity
		Share capital	Other equity tool	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Subtotal		
I.	Beginning balance of the year	6,604	24,810	37,611	5,801	14,705	24,510	87,154	201,195	1,015	202,210
II.	Increase/decrease in the year	-	-	-	9,813	2,336	4,230	15,577	31,956	94	32,050
(I)	Total comprehensive income	-	-	-	9,813	-	-	27,127	36,940	94	37,034
(II)	Profit distribution	-	-	-	-	2,336	4,230	(11,550)	(4,984)	-	(4,984)
	1. Withdrawal of surplus reserves	-	-	-	-	2,336	-	(2,336)	-	-	-
	2. Withdrawal general risk reserves (notes)	-	-	-	-	-	4,230	(4,230)	-	-	-
	3. Dividend distribution	-	-	-	-	-	-	(4,639)	(4,639)	-	(4,639)
	4. Payment for interest on perpetual bonds	-	-	-	-	-	-	(345)	(345)	-	(345)
III.	End balance of the year	6,604	24,810	37,611	15,614	17,041	28,740	102,731	233,151	1,109	234,260

Notes: including the general risk reserve by the subsidiary amounted to RMB 810 million.

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Statement of Changes in Shareholders' Equity (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

2023

Item		Equity attributable to shareholders of the parent company								Minority Shareholders' Equity	Total Shareholders' Equity
		Share capital	Other equity tool	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Subtotal		
I.	Beginning balance of the year	6,604	14,810	37,666	3,651	12,458	20,944	71,493	167,626	900	168,526
II.	Increase/decrease in the year	-	10,000	(55)	2,150	2,247	3,566	15,661	33,569	115	33,684
(I)	Total comprehensive income	-	-	-	2,148	-	-	25,535	27,683	74	27,757
(II)	Capital invested and reduced	-	10,000	(55)	-	-	12	(12)	9,945	55	10,000
	1. Perpetual bonds	-	10,000	-	-	-	-	-	10,000	-	10,000
	2. Others	-	-	(55)	-	-	12	(12)	(55)	55	-
(III)	Profit distribution	-	-	-	-	2,247	3,554	(9,860)	(4,059)	(14)	(4,073)
	1. Withdrawal of surplus reserves	-	-	-	-	2,247	-	(2,247)	-	-	-
	2. Withdrawal general risk reserves (notes)	-	-	-	-	-	3,554	(3,554)	-	-	-
	3. Dividend distribution	-	-	-	-	-	-	(4,059)	(4,059)	(14)	(4,073)
(IV)	Internal carryforward of owners' equity	-	-	-	2	-	-	(2)	-	-	-
	1. Retained income from other comprehensive income carryforward	-	-	-	2	-	-	(2)	-	-	-
III.	End balance of the year	6,604	24,810	37,611	5,801	14,705	24,510	87,154	201,195	1,015	202,210

Notes: including the general risk reserve by the subsidiary amounted to RMB 561 million.

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Cash Flow Statement
For the Year Ended 31 December 2024

Unit: CNY One Million

	Vote V	2024	2023
I. Cash flow from operating activities			
Net decrease in lending funds		3,792	-
Net increase in loans from the central bank		-	43,572
Net increase in placements from other financial institutions		9,278	71,076
Net increase in customer deposits and deposits with banks		305,818	262,942
Net increase of financial assets sold for repurchase		40,637	14,603
Cash received from interest, fees and commission		92,648	79,879
Other cash received relating to operating activities	44	<u>9,574</u>	<u>22,316</u>
Sub-total of cash inflow from operating activities		<u>461,747</u>	<u>494,388</u>
Net increase in deposits with the central bank and other banks		5,699	14,546
Net increase in lending funds		-	4,730
Net increase in financial assets held for trading purposes		12,280	15,533
Net increase in loans and advance payments to customers		234,874	217,253
Net decrease in loan from the central bank		54,295	-
Cash paid to interest, fees and commission		36,733	32,210
Cash paid to and on behalf of employees		14,696	14,864
Taxes paid		7,306	6,923
Cash paid relating to other operating activities	44	<u>10,859</u>	<u>14,957</u>
Sub-total of cash outflow from operating activities		<u>376,742</u>	<u>321,016</u>
Net cash flows generated from operating activities	44	<u>85,005</u>	<u>173,372</u>
II. Cash flow from investing activities			
Cash paid as investment		2,016,467	1,263,308
Net cash obtained from payment by subsidiaries and other business units		28,322	27,042
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets		<u>84</u>	<u>766</u>
Sub-total of cash outflow from investing activities		<u>2,044,873</u>	<u>1,291,116</u>

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Consolidated Cash Flow Statement (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

	Vote V	2024	2023
Cash paid as investment		2,131,574	1,385,675
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets		<u>3,832</u>	<u>3,707</u>
Sub-total of cash outflow from investing activities		<u>2,135,406</u>	<u>1,389,382</u>
Net cash flow used in investing activities	44	<u>(90,533)</u>	<u>(98,266)</u>
III. Cash flow from financing activities			
Cash received by absorbing investment		-	10,000
Cash received by bonds issuing		<u>578,231</u>	<u>516,876</u>
Sub-total of cash inflow from financing activities		<u>578,231</u>	<u>526,876</u>
Cash for payment of borrowing		515,316	582,414
Cash paid for distribution of dividends or profits, or cash paid for interests		14,952	13,756
Cash paid for other financing activities		<u>907</u>	<u>983</u>
Sub-total of cash outflow from financing activities		<u>531,175</u>	<u>597,153</u>
Net cash flow from financing activities	44	<u>47,056</u>	<u>(70,277)</u>
IV. Effect of foreign exchange rate change on cash and cash equivalents		<u>71</u>	<u>184</u>
V. Net increase in cash and cash equivalents		41,599	5,013
Add: balance of cash and cash equivalents at the beginning of the year		<u>57,227</u>	<u>52,214</u>
VI. Balance of cash and cash equivalents at the end of the year	44	<u><u>98,826</u></u>	<u><u>57,227</u></u>

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.**Balance Sheet****For the Year Ended 31 December 2024****Unit: CNY One Million**

Assets	Note XIV	31 Dec. 2024	31 Dec. 2023
Cash and deposits at central banks		147,305	129,131
Due from other banks		28,962	29,818
Precious metal		7,756	10,191
Loans to other banks		45,966	40,838
Derivative financial assets		33,664	20,167
Hold for trading financial asset		33,952	9,249
Loans and advances	2	1,252,667	1,063,650
Financial investment:			
Trading financial assets		320,279	332,927
Investment in bonds		388,484	418,710
Other investment on bonds		624,586	462,635
Other equity investment		512	321
Long-term equity investment	1	13,842	12,842
Investment real estate		-	14
Fixed assets		8,212	7,406
Construction in progress		881	1,542
Right-of-use asset		2,581	2,846
Intangible assets		3,212	2,190
Deferred income tax assets		1,321	5,312
Other assets		2,082	4,658
Total assets		2,916,264	2,554,447

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Balance Sheet (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

Liabilities	Note XIV	31 Dec. 2024	31 Dec. 2023
Due to Central Bank		54,640	109,189
Due to banks and other financial institutions		120,641	86,680
Loans from other banks		59,741	63,426
Trading financial liabilities		1,953	6,878
Derivative financial liabilities		30,360	14,187
Financial assets sold for repurchase		127,025	110,302
Deposit taking		1,869,625	1,589,806
Wages and salaries payable		2,940	2,955
Taxes payable		1,742	657
Bonds payable		418,276	369,582
Lease liabilities		2,452	2,699
Anticipation liabilities		1,403	1,673
Other liabilities		6,193	5,250
Total liabilities		2,696,991	2,363,284
Shareholders' equity			
Equity		6,604	6,604
Other equity tools		24,810	24,810
Including: preferred shares		14,810	14,810
Perpetual bonds		10,000	10,000
Capital reserve		37,695	37,695
Other comprehensive income		15,513	5,779
Surplus reserve		17,041	14,705
General risk reserve		25,064	21,644
Undistributed profit		92,546	79,926
Total shareholders' equity		219,273	191,163
Total liabilities and shareholders' equity		2,916,264	2,554,447

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Income Statement
For the Year Ended 31 December 2024

Unit: CNY One Million

	Note XIV	2024	2023
I. Operating income		55,276	53,101
Net interest income	3	39,597	35,337
Interest income	3	90,210	82,276
Interest expense	3	(50,613)	(46,939)
Net fee and commission income		2,080	3,123
Fee and commission income		3,577	4,556
Fee and commission expense		(1,497)	(1,433)
Investment gains		12,683	11,159
Including: income from de-recognition of financial assets measured at amortized cost		-	(4)
Other income		431	724
Changes in fair value recognized in profit or loss		695	2,841
Exchange gain or loss		(278)	(390)
Other operating income		61	28
Assets disposal income		7	279
II. Operating expenditure		(28,890)	(29,244)
Tax and surcharges		(574)	(506)
Business and administration expenses		(20,552)	(21,337)
Credit impairment losses		(7,717)	(7,395)
Other operating expenses		(47)	(6)
III. Operating profits		26,386	23,857
Non-operating income		45	77
Non-operating expenditure		(297)	(195)
IV. Total profits		26,134	23,739
Income tax		(2,774)	(1,273)
V. Net profits		23,360	22,466
VI. Net after-tax value for other comprehensive income		9,734	2,128
Other comprehensive income that cannot be reclassified into profit and loss		65	116
Changes in fair value of equity instrument investment measured at fair value with changes included in other comprehensive income		65	116
Other comprehensive income will subsequently be reclassified into profit and loss		9,669	2,012
Conversion of self-use real estate to investment real estate measured by fair value		(14)	-
Changes in fair value of debt instrument investment measured at fair value with changes included in other comprehensive income		9,907	1,789
Provision for credit loss of debt instrument investment measured at fair value with changes included in other comprehensive income		(224)	223
VII. Total comprehensive income		33,094	24,594

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Statement of Changes in Shareholders' Equity
For the Year Ended 31 December 2024

Unit: CNY One Million

2024

Item	Share capital	Other equity tool	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Total Shareholders' Equity
I. Beginning balance of the year	6,604	24,810	37,695	5,779	14,705	21,644	79,926	191,163
II. Increase/decrease in the year	-	-	-	9,734	2,336	3,420	12,620	28,110
(I) Total comprehensive income	-	-	-	9,734	-	-	23,360	33,094
(II) Profit distribution	-	-	-	-	2,336	3,420	(10,740)	(4,984)
1. Withdrawal of surplus reserves	-	-	-	-	2,336	-	(2,336)	-
2. Withdrawal general risk reserves	-	-	-	-	-	3,420	(3,420)	-
3. Dividend distribution	-	-	-	-	-	-	(4,639)	(4,639)
4. Payment for interest on perpetual bonds	-	-	-	-	-	-	(345)	(345)
III. End balance of the year	6,604	24,810	37,695	15,513	17,041	25,064	92,546	219,273

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Statement of Changes in Shareholders' Equity (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

2023

Item	Share capital	Other equity tool	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profit	Total Shareholders' Equity
I. Beginning balance of the year	6,604	14,810	37,695	3,649	12,458	18,651	66,761	160,628
II. Increase/decrease in the year	-	10,000	-	2,130	2,247	2,993	13,165	30,535
(I) Total comprehensive income	-	-	-	2,128	-	-	22,466	24,594
(II) Capital invested and reduced	-	10,000	-	-	-	-	-	10,000
1. Shareholder invested capital	-	-	-	-	-	-	-	-
2. Perpetual bonds	-	10,000	-	-	-	-	-	10,000
(III) Profit distribution	-	-	-	-	2,247	2,993	(9,299)	(4,059)
1. Withdrawal of surplus reserves	-	-	-	-	2,247	-	(2,247)	-
2. Withdrawal general risk reserves	-	-	-	-	-	2,993	(2,993)	-
3. Dividend distribution	-	-	-	-	-	-	(4,059)	(4,059)
Internal carryforward of owner's equity	-	-	-	2	-	-	(2)	-
(IV) 1. Retained income from other comprehensive income carryforward	-	-	-	2	-	-	(2)	-
III. End balance of the year	6,604	24,810	37,695	5,779	14,705	21,644	79,926	191,163

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Cash Flow Statement
For the Year Ended 31 December 2024

Unit: CNY One Million

	Note XIV	2024	2023
I. Cash flow from operating activities			
Net increase in loans from the central bank		-	43,572
Net increase in placements from other financial institutions		-	21,086
Net increase in customer deposits and deposits with banks		302,813	262,403
Net increase of financial assets sold for repurchase		16,733	11,348
Net decrease in financial assets held for trading purposes		12,127	2,808
Cash received from interest, fees and commission		76,261	66,250
Other cash received relating to operating activities		7,952	6,824
Sub-total of cash inflow from operating activities		415,886	414,291
Net increase in deposits with the central bank and other banks		2,791	19,816
Net increase in lending funds		3,908	4,730
Net increase in loans and advance payments to customers		197,529	156,924
Net decrease in loan from the central bank		54,295	-
Net decrease in placements from other financial institutions		3,412	-
Cash paid to interest, fees and commission		32,487	29,412
Cash paid to and on behalf of employees		12,952	13,272
Taxes paid		4,763	4,833
Cash paid relating to other operating activities		6,542	14,700
Sub-total of cash outflow from operating activities		318,679	243,687
Net cash flows generated from (used in) operating activities	4	97,207	170,604
II. Cash flow from investing activities			
Cash received from investment		2,015,961	1,260,777
Cash received from returns on investment		28,227	26,973
Cash paid for the treatment of fixed assets, intangible assets and other long-term assets		83	682
Sub-total of cash outflow from investing activities		2,044,271	1,288,432
Cash paid as investment		2,131,412	1,386,434
Cash paid for the purchase of fixed assets, intangible assets and other long-term assets		3,106	3,426
Sub-total of cash outflow from investing activities		2,134,518	1,389,860
Net cash flow used in investing activities		(90,247)	(101,428)

Attached notes to financial statements are components of the Financial Statements

Bank of Ningbo Co., Ltd.
Cash Flow Statement (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

	Note XIV	2024	2023
III. Cash flow from financing activities			
Cash received by absorbing investment		-	10,000
Cash received by bonds issuing		564,747	515,376
Sub-total of cash inflow from financing activities		564,747	525,376
Cash for payment of borrowing		515,316	581,414
Cash paid for distribution of dividends or profits, or cash paid for interests		14,852	13,723
Cash paid for other financing activities		846	917
Sub-total of cash outflow from financing activities		531,014	596,054
Net cash flow from (used in) financing activities		33,733	(70,678)
IV. Effect of foreign exchange rate change on cash and cash equivalents		71	184
V. Net increase (decrease) in cash and cash equivalents		40,764	(1,318)
Add: balance of cash and cash equivalents at the beginning of the year		49,927	51,245
VI. Balance of cash and cash equivalents at the end of the year		90,691	49,927

Attached notes to financial statements are components of the Financial Statements

I. Group Profile

1. Company History

Bank of Ningbo Co., Ltd. (the "Bank"), which was previously known as Ningbo Commercial Bank, is a joint-stock commercial bank established on 31 March 1997 in accordance with "Notice on the Establishment of City Cooperative Banks" issued by the State Council (G.F.[1995] No.25) and on the basis of document no. Y.F.(1997) 136 by People's Bank of China. Originally named as "Ningbo City Cooperative Bank Co., Ltd.", it was changed to "Ningbo Commercial Bank Co., Ltd." on 2 June 1998, approved by People's Bank of China, Ningbo Branch. The Bank was renamed as "Bank of Ningbo Co., Ltd." on 13 February 2007 upon the approval of the former China Banking Regulatory Commission (hereinafter referred to as "the Former CBRC", the current "National Financial Regulatory Administration"). On 19 July 2007, the Bank was listed on the Shenzhen Stock Exchange, with the stock code of 002142.

The Bank holds the No. 00638363 Financial Business Operation Permit, as approved by the former CBRC. The enterprise business license No. of the Bank is 91330200711192037M, as issued by Ningbo Administrative Bureau for Industry and Commerce. The registered address of the Company is No. 345, Ningdong Road, Yinzhou District, Ningbo, Zhejiang Province.

The main business of the Bank and its subsidiaries (hereinafter referred to as "the Group") is approved by the National Financial Regulatory Administration, including corporate and private deposits, loans, payment and settlement, capital business, and providing asset management and other financial businesses. The Group operates in China.

2. Structure

As of December 31, 2024, the Bank has established 16 branches, 19 primary sub-branches and 1 capital operation center with its sales department of head office and sub-branches located in downtown, suburb and county (county-level city) of Ningbo, Zhejiang Province, and branches located in Shanghai, Hangzhou, Nanjing, Shenzhen, Suzhou, Wenzhou, Beijing, Wuxi, Jinhua, Shaoxing, Taizhou, Jiaxing, Lishui, Huzhou, Quzhou and Zhoushan, and with its capital operation center in Shanghai.

This Financial Statement was submitted and approved by the board of directors of the Company on April 8, 2025. According to the Articles of Association of the Company, the Financial Statement will be submitted to the shareholders' meeting for approval.

II. Basis for preparation of the Financial Statements

These financial statements have been prepared in accordance with "*Accounting Standards for Business Enterprises-Basic Standards*" issued by the Ministry of Finance of the People's Republic of China (hereinafter referred to as the "Ministry of Finance"), as well as the specific accounting standards, explanations and other relevant regulations issued and amended thereafter (collectively referred to as "Accounting Standards for Business Enterprises"), and regulations on disclosure of relevant financial statements and notes of the listed companies issued by China Securities Regulatory Commission (hereinafter referred to as "CSRC").

These financial statements are prepared on the basis of sustainable operation.

The recording principle applies accrual basis and adopts historical cost for pricing except for derivative financial instruments, precious metals held for transaction, financial assets/liabilities at fair value through profit or loss, available-for-sale financial assets and investment real estate. An impairment provision shall be correspondingly recorded in the event of asset impairment.

III. Critical Accounting Policies and Estimates

The Group and the Company follow the materiality principle in preparing and disclosing the financial statements. Under certain rational expectations, if omission or misstatement of some item in the financial statements may affect the user to make economic decisions accordingly, this item is of materiality. The Group and the Company will determine the materiality of financial information in terms of the nature and amount of the item in accordance with the specific environment in which they operate. In determining the materiality of the nature of an item, the Group and the Company mainly consider whether the item is a routine activity in nature and whether it significantly affects the financial position, operating results and cash flows of the Group and the Company; in determining the materiality of amount scale of an item, the Group and the Company mainly consider the proportion of the amount of the item to the amount of directly related items such as total assets, total liabilities, shareholders' equity, operating income, operating expenses, net profit and total comprehensive income, or the proportion of the amount of item listed separately in the statement.

1. Declaration of compliance with Accounting Standards for Business Enterprise

These financial statements comply with the requirements of Accounting Standards for Business Enterprises and in all material respects truly and accurately present the financial condition of the Bank and the Group on 31 December 2024 and the operating results and cash flow for 2024.

2. Accounting period

Calendar year from 1 January to 31 December.

3. Recording currency

CNY as recording currency for all financial statements and CNY One Million as monetary unit unless otherwise specially instructed.

4. Business combination

Business combinations are classified into the combinations under common control and the combinations not under common control.

III. Critical Accounting Policies and Estimates (continued)

4. Business combination (continued)

Business Combination under Common Control

Business combination under the common control is a kind of combination in which all of the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination and in which the control is not temporary. In a business combination under the common control, the party which obtains the control of other combining enterprise (s) on the combining date is the combining party, the other combining enterprise (s) is (are) the combined party. The combining date refers to the date on which the combining party actually obtains the control of the combined party.

The assets and liabilities (including goodwill) that the combining party obtains in a business combination shall be measured on the basis of the carrying amount in the combined party on the combining date. As for the balance between the carrying amount of the net assets obtained by the combining party and the carrying amount of the consideration paid by it (or the total par value of the shares issued), the share premium in the additional paid-in capital and the transferred balance in the original system of the additional paid-in capital shall be adjusted. If it is not sufficient to be offset, the retained earnings shall be adjusted.

Business Combination under the Non-common Control

A business combination under non-common control is a kind of combination in which the combining enterprises are not ultimately controlled by the same party or the same parties both before and after the business combination. In a business combination under the non-common control, the party which obtains the control of other combining enterprise (s) on the purchase date is the acquirer, and other combining enterprise (s) is (are) the acquiree. The acquisition date refers to the date on which the acquirer actually obtains the control of the acquired.

In a business combination under the non-common control, the identifiable assets, liabilities and the contingent liabilities obtained from the acquiree shall be measured at the fair value on the acquisition date.

If the sum of the fair value of the paid balances (or the fair value of the issued equity securities) and the fair value of equity held by the acquiree before the acquisition date is larger than the fair value of the identifiable net assets obtained from the acquiree in the combination, the balance between them is defined as the business reputation. And the subsequent measurement shall be measured on the basis of its costs minus the accumulative impairment. If the sum of the fair value of the paid balances (or the fair value of the issued equity securities) and the fair value of equity held by the acquiree before the acquisition date is less than the fair value of the identifiable net assets obtained from the acquiree in the combination, then firstly a reexamination shall be conducted as to the measurement of the identifiable assets, liabilities and the contingent liabilities obtained from the acquiree, the fair value of the paid balances (or the fair value of the issued equity securities) and the fair value of equity held by the acquiree before the acquisition date. After the reexamination, if the sum of the fair value of the paid balances (or the fair value of the issued equity securities) and the fair value of equity held by the acquiree before the acquisition date is still less than the fair value of the identifiable net assets obtained from the acquiree in the combination, the balance between them shall be recorded into the profits and losses of the current period.

III. Critical Accounting Policies and Estimates (continued)

5. Consolidated financial statements

The consolidated scope of the consolidated financial statements is on the basis of control, including the consolidated financial statements of the Company and all of its subsidiary companies. A subsidiary company refers to the entity controlled by the Company (including divisible part in the enterprise or invested unit, as well as the structured entity controlled by the Company). A structured subject is one in which voting rights or similar powers are not used as a decisive factor in designing the structure of the subject when judging the controlling party of the subject (for example, voting rights are only related to administrative affairs), and the relevant activities of the subject are governed by contracts or corresponding arrangements. And an investor can control the investee if and only if the investor possesses the following three elements: The investor has power over the investee; enjoy variable returns by participating in the relevant activities of the investee; have the ability to use the power over the investee to influence the amount of its return.

During the preparation of the consolidated financial statements, the subsidiary companies shall adopt the same accounting period and accounting policies as the Company. All the assets, liabilities, equity, revenues, expenses and cash flows arising from transactions between the companies within the Group shall be completely eliminated on the consolidation.

If losses of the current period for the minority shareholders in the subsidiary exceed the shareholders' equity enjoyed by them in the subsidiary at the beginning of the period, the balance shall still offset the interests of the minority shareholders.

As for the subsidiary companies acquired from the business combination under the non-common control, the business results and cash flows of the acquiree shall be included in the consolidated financial statements from the day when the Group obtains the control until the Group terminates its control. While preparing the consolidated financial statements, the financial statements of the subsidiary companies shall be adjusted on the basis of the fair value of its various identifiable assets, liabilities and the contingent liabilities that are confirmed on the acquisition date.

As for the subsidiary companies acquired from the business combination under the common control, the combined business results and cash flows shall be included in the consolidated financial statements from the beginning of the period of combination. While compiling and comparing the consolidated financial statements, the relevant programs of the earlier financial statements shall be adjusted. Together with the reporting entity after the combination, they shall always exist since the ultimate controlling party begins to implement its conduction of control.

If changes in relevant facts and circumstances lead to changes in one or more of the controlling elements, the Group will re-evaluate whether to control the investees.

In the absence of loss of control, changes in minority shareholders' equity are regarded as equity transactions.

6. Cash and cash equivalents

Cash refers to the cash holdings and the deposits available for payments at anytime in the Group; cash equivalents refer to the short term and high liquidity investments held by the group that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

III. Critical Accounting Policies and Estimates (continued)

7. Precious metals

Precious metals include the gold and other precious metals. Non-transactional precious metals in the Group are measured by the cost at the time of acquisition. The subsequent measurement is calculated by the cost and the lower net realizable value. Precious metals obtained within the Group for the purpose of transaction shall be initially recognized by the fair value at the time of acquisition, and the subsequent measurement should be measured by the fair value on the day of balance sheet. The relevant changes shall be recorded in the profits and losses of the current period.

8. Foreign currency transactions

The foreign currency amount is translated into the recording currency one for the foreign currency transactions occurred.

Upon the initial recognition of the foreign currency transaction, the spot rate of the trading day is adopted to convert the foreign currency amount into the recording currency. Monetary assets and liabilities denominated in foreign currencies are translated into the recording currency at the spot rate on the balance sheet date. Any resulting exchange differences are included in the income statement, with the exception of differences on foreign currency borrowings for the purchase of assets subject to capitalization, which are recorded in the principle of capitalized borrowings. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates ruling at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the rate of exchange ruling at the date when the fair value was determined. Exchange differences arising from the translation are recognized in the income statement or under the item of other comprehensive income. The effect of exchange rate changes on cash, as an adjustment item, is separately presented in the statement of cash flow.

9. Financial instruments

The term "financial instruments" refers to the contracts under which the financial assets of an enterprise are formed and the financial liability or equity instruments of any other entity are formed.

Recognition and de-recognition of financial instruments

When the Group becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

The financial assets shall be derecognized under any of the following circumstances (or partial of the financial assets, or partial of a group of similar financial assets):

- (1) where the rights to receive cash flows from the financial asset have expired;
- (2) where the rights to receive cash flows from the financial asset have been transferred, or where the obligations of paying all the collected cash flow to a third party are undertaken under "pass-through" agreements, and (a) all the risks and rewards of the ownership of this financial asset have been substantially transferred, or (b) even if all the risks and rewards of the ownership of this financial asset have neither been transferred nor retained substantially, the control of this financial asset is not retained.

III. Critical Accounting Policies and Estimates (continued)

9. Financial instruments (continued)

Recognition and de-recognition of financial instruments (continued)

In the event that the obligations of a financial liability are performed, cancelled or expired, it shall be derecognized. Where an existing financial liability is replaced with another financial liability and the contractual stipulations regarding the new financial liability are substantially different from that regarding the existing financial liability, or the stipulations of an existing financial liability are substantially revised, the original liability shall be derecognized and the liability of replaced or revised stipulations shall be recognized as a new financial liability. Differences arising hereby shall be recorded in the income statement.

For buying and selling of financial assets in conventional ways, the accountant made recognition and de-recognition according to trade date. Buying and selling of financial assets in conventional ways refers to receiving or paying financial assets within the specified period of laws, rules or common practices according to contract terms. Trade date refers to the date on which the financial assets are bought or sold.

Classification and measurement of financial assets

At initial recognition, the financial assets of the Group are classified into financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and financial assets measured at fair value through other comprehensive income according to the business model of financial assets managed by the Group's enterprises and the contractual cash flow characteristics of financial assets. When and only when the Group changes the business model of managing financial assets, it will reclassify all affected related financial assets.

Business model

The classification of financial assets upon initial recognition depends on the business model of the Group's management of financial assets. When judging the business model, the Group considers the methods of enterprise evaluation and reporting the performance of financial assets to key management, the risks affecting the performance of financial assets and their management methods, as well as the ways of relevant business management getting remuneration, etc. When assessing whether the target is to collect contract cash flow, the Group needs to analyze and judge the reason, time, frequency and value of the sale of financial assets before the maturity date.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of financial assets. When it is necessary to judge whether the contractual cash flow is only the payment of the principal and the interest based on the outstanding principal, including the evaluation of the correction of the time value of capital, it is necessary to judge whether there is a significant difference compared with the benchmark cash flow, and for financial assets with the prepayment characteristics, it is necessary to judge whether the fair value of prepayment characteristics is very small.

Financial assets are measured at fair value at the time of initial recognition, but receivables or notes receivable arising from the sale of goods or the provision of services do not contain significant financing components or do not take into account the financing components for no more than one year, the initial measurement shall be made according to the transaction price.

The costs of transaction shall be directly recorded in the income statement in the case of financial assets designated at fair value through profit or loss and attributable to the initially recognized amount in the case of other categories.

III. Critical Accounting Policies and Estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

The follow-up measurement of the financial assets shall be subject to its classification:

Debt instrument investment measured at amortized cost

Financial assets that meet the following conditions at the same time are classified as financial assets measured at amortized cost: the business model of managing the financial assets is to collect the contract cash flow as the goal; the contract terms of the financial assets stipulate that the cash flow generated on a specific date is only the payment of principal and interest based on the outstanding principal amount. The interest income of such financial assets is recognized by the effective interest method, and the gains or losses arising from the de-recognition, modification or impairment are included in the current profits and losses.

Debt instrument investment measured at fair value with changes included in other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value and whose changes are included in other comprehensive income: the business mode of the Group's management of the financial assets is to receive the contract cash flow as the goal and to sell the financial assets as the goal; the contract terms of the financial assets stipulate that the cash flow generated on a specific date is only for the payment of the interests of the principal and outstanding principal. Such financial assets are recognized as interest income using the effective interest method. Except that interest income, impairment loss and exchange difference are recognized as current profit and loss, other changes in fair value are included in other comprehensive income. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in the current profit and loss.

Equity instrument investment measured at fair value with changes included in other comprehensive income

The Group irrevocably chooses to designate some non-tradable equity instrument investments as financial assets measured at fair value and their changes are included in other comprehensive income, only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is included in current profit and loss, and subsequent changes in fair value are included in other comprehensive income, without provision for impairment. When the financial assets are derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in retained earnings.

Financial assets measured at fair value with changes included in current profit or loss

Financial assets other than those measured at amortized cost and those measured at fair value with changes included in other comprehensive income are classified as financial assets measured at fair value with changes included in current profits and losses. For such financial assets, fair value shall be adopted for subsequent measurement, and all changes in fair value shall be included in the current profit and loss.

Only when accounting mismatches can be eliminated or significantly reduced can financial assets be designated as financial assets measured at fair value and the changes of which are included in the current profit and loss at the initial measurement.

The Group initially recognizes a financial asset as a financial asset measured at fair value through profit or loss, it cannot be reclassified as another type of financial asset; other types of financial assets cannot be reclassified as a financial asset measured at fair value through profit or loss after initial recognition.

III. Critical Accounting Policies and Estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial liabilities

The financial liabilities of the Group are classified at initial recognition as: financial liabilities designated at fair value through profit or loss, other financial liabilities. The costs of transaction shall be directly recorded in the income statement in the case of financial liabilities designated at fair value through profit or loss and attributable to the initially recognized amount in the case of other liabilities.

The subsequent measurement of financial liabilities shall be subject to the classification:

Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value through profit or loss have two sub-categories: financial liabilities held for trading (including derivative instruments belonging to financial liabilities) and those designated at fair value through profit or loss at inception. Financial liabilities held for trading (including derivative instruments belonging to financial liabilities) are subsequently measured at fair value. All changes in fair value are included in current profits and losses. For the financial liabilities designated to be measured at fair value with the changes included in the current profit and loss, the subsequent measurement shall be carried out according to the fair value. In addition to the changes in fair value caused by the changes in the Group's own credit risk, other changes in fair value shall be included in the current profit and loss; if the changes in fair value caused by the changes in the Group's own credit risk are included in other comprehensive income and will cause or expand accounting mismatch in profit and loss, the Group will include all changes in fair value (including the impact amount of changes in its own credit risk) into current profit and loss.

Financial liabilities, which satisfy any of the following conditions, can be assigned as financial liabilities with changes in fair value taken to profit or loss:

- (1) Able to eliminate or significantly reduce accounting mismatches;
- (2) It is specified in official written file of risk management or investment strategy that the financial instrument set is managed, evaluated and reported to key managers on the basis of fair value;
- (3) Mixed instruments containing one or more embedded derivative instruments, unless the embedded derivative instruments have no significant effect on the cash flow of the mixed instruments, or such derivative instruments shall not be separated from the mixed instruments;
- (4) Mixed instruments containing embedded derivatives that need to be partitioned but are not able to be solely measured upon acquisition or on subsequent balance sheet date.

Financial assets classified as financial assets entered into income statement on its fair value by enterprise at the initial recognition shall not be reclassified as other financial assets; nor shall other financial liabilities shall be reclassified as financial liabilities measured at fair value through profit or loss after initial recognition.

According to the above conditions, such financial liabilities designated by the Group mainly include the equity of other investors other than the Group in the securities investment funds and asset management plans included in the consolidation scope.

III. Critical Accounting Policies and Estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial liabilities (continued)

Other financial liabilities

For other financial liabilities other than the financial guarantee contract, the effective interest rate method is adopted for subsequent measurement according to the amortized cost.

Impairment of financial instruments

On the basis of expected credit loss, the Group conducts impairment treatment and recognizes loss reserves for financial assets measured at amortized cost, debt instrument investment measured at fair value with changes included in other comprehensive income, loan commitment and financial guarantee contract.

For receivables without significant financing components, the Group uses simplified measurement method to measure the loss reserves according to the expected credit loss amount within the whole duration.

For financial assets, loan commitments and financial guarantee contracts other than the above-mentioned simplified measurement methods, the Group assesses whether its credit risk has increased significantly since initial recognition on each balance sheet date. If the credit risk has not increased significantly since initial recognition, it is in the first stage, and the Group measures according to the amount equivalent to the expected credit loss in the next 12 months; and calculate interest income according to book balance and effective interest rate; If the credit risk has increased significantly since the initial recognition, but no credit impairment has occurred, it is in the second stage, the Group will measure the loss reserve according to the amount equivalent to the expected credit loss in the whole duration, and calculate the interest income according to the book balance and the actual interest rate; If the credit impairment occurs after the initial recognition, it is in the third stage, the Group will calculate the interest income according to the amount equivalent to the whole duration. The amount of the expected credit loss within the duration shall be measured as the loss reserve, and the interest income shall be calculated according to the amortized cost and the actual interest rate.

Please refer to Note XII, 1 for the disclosure of the Groups' judgment criteria for significant increase in credit risk, the definition of assets with credit impairment occurred, and the assumption of measurement of expected credit loss.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flow of the financial assets, the Group will write down the book balance of the financial assets directly.

Financial guarantee contracts

A financial guarantee contract refers to a contract whereby the issuer pays a specific amount to the contract holder who has suffered losses when a specific debtor fails to pay its debts in accordance with the terms of the debt instrument. The margin absorbed when financial guarantee has been made is recognized in the balance sheet. Financial guarantee contracts are measured at fair value upon initial recognition. Except for financial guarantee contracts designated as financial liabilities measured at fair value with changes included in current profits and losses, the remaining financial guarantee contracts will be subsequently measured by deducting the accumulated amortization determined in accordance with the income recognition principle from the expected credit loss reserve and initial recognition amount determined on the balance sheet date after initial recognition, which shall be carried out for the highest balance after cancellation.

III. Critical Accounting Policies and Estimates (continued)

9. Financial instruments (continued)

Modification of contractual cash flow

The Group sometimes renegotiates or modifies contracts for customer loans, resulting in changes in contractual cash flows. When this happens, the Group will evaluate whether the revised contract terms have changed materially. Factors considered by the Group in making the evaluation include as follows:

- Whether the modification reduces the contractual cash flow only to the amount expected to be satisfied by the borrower when the modification occurs at a time when the borrower is experiencing financial difficulties.
- Whether any material provisions have been added, such as profit sharing/return on equity, resulting in material changes in the risk characteristics of the contract.
- Significantly extending loan terms when the borrower is not experiencing financial difficulties.
- Major changes in lending rates.
- The currency of the loan has changed.
- Increased guarantees or other credit enhancement measures that significantly changed the credit risk level of loans.

If there is a material change in the terms of the contract after modification, the Group will terminate the recognition of the original financial asset, recognize a new financial asset at fair value, and recalculate a new effective interest rate on the new asset. In such cases, when applying impairment requirements to the modified financial assets, including to determine whether there is a significant increase in credit risk, the Group takes the above contractual modification date as the initial confirmation date. For the above newly recognized financial assets, the Group will also evaluate whether credit impairment has occurred at the time of initial recognition, especially when the contractual modification occurs when the debtor is unable to fulfill the initially agreed payment arrangements. Changes in book value are booked into profit and loss as gains or losses resulting from termination recognition.

If there is no material change in the terms of the contract after modification, the modification of the contract will not lead to the termination of the recognition of financial assets. The Group will recalculate the total book amount of financial assets according to the revised contract cash flow, and record the modified gain or loss into profit and loss. When calculating the new book amount, the initial effective interest rate (or the credit adjusted effective interest rate of the financial assets purchased or originated from which credit impairment has occurred) is still used to discount the modified cash flow.

III. Critical Accounting Policies and Estimates (continued)

9. Financial instruments (continued)

Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when their fair value is positive, or as liabilities when their fair value is negative.

Except related to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly included in the current profit and loss.

Transfer of financial assets

For financial assets with all the risk and profit of the ownership transferred to the transferee, the Group would terminate the confirmation of the financial assets. For financial assets with all the risk and profit of the ownership being retained, the Group would not terminate the confirmation.

For financial assets that the Group has neither transferred nor retained all the risk and profit of the ownership, those will be disposed of as follows: in case the financial assets are not in control any more, the Group will terminate the confirmation, and will confirm the assets and liabilities of it; in case the financial assets are still in control, it will be determined according to the related amount, with the related liabilities being recognized as well.

10. Repurchase and reverse repurchase transactions

Reverse repurchase transactions refer to selling an asset at an agreed price and on an agreed date under the agreement signed when this asset was purchased. Repurchase agreements refer to repurchasing an asset at an agreed price and on an agreed date under the agreement signed when this asset was sold. For purchased assets to be resold, the purchase cost is recognized as lending and these assets are recognized as collateral for lending. For sold assets to be repurchased, these assets are continuously reflected in the balance sheet and the revenues from selling these assets are recognized as liabilities.

Interest revenue from reverse repurchase agreements and interest expenditure from repurchase agreements are recognized as interest revenues and interest expenditures using the effective interest method during the agreement term.

III. Critical Accounting Policies and Estimates (continued)

11. Long-term equity investments

Long-term equity investments include the equity investments in subsidiaries, joint ventures and associated enterprises.

Long-term equity investments are initially measured at initial investment cost at the time of acquisition. For long-term equity investments obtained through business combinations not under common control, the combination cost is taken as the initial investment cost (for business combinations not under common control obtained through multiple transactions in steps, the sum of the book value of the equity investment held in the acquiree before the acquisition date and the new investment cost on the acquisition date is taken as the initial investment cost).

The Company adopted cost methods in individual financial statements for the accounting of the long-term equity investment controlled by the invested enterprises. Control means having the power over the invested party, enjoying the variable returns by participating in related activities of the invested party and possessing the ability to affect the return amount by using the power over the invested party.

With the cost method, the price of long-term equity investments is measured at initial investment cost. If additional investments are made or investments are retrieved, the cost should be corrected accordingly. Cash dividends or profits which have been included in consideration and declared but not distributed, are recognized as current investment revenues. The difference between face value and actual transaction should be recorded in the profit and loss statement.

12. Investment real estate

Investment real estate is held to generate rental income or earn capital gains or both.

Investment real estate is initially measured at cost. Where the economic benefits pertinent to this real estate are likely to flow into the Group and the cost of it can be reliably measured, the relevant follow-up expenses are included in the cost of investment real estate. Otherwise, it is recorded in the income statement. Investment real estate converted from a fixed asset is initially measured at fair value on the date of conversion. Differences are carried as capital reserve (other capital reserve) if the fair value is higher than the carrying value and recorded in the income statement on the contrary.

Since there is an active trading market for real estate in the location of the investment real estate owned by the Group, and the Group is able to obtain the market prices of the identical or similar real estates and other relevant information from the trading market for real estate, so as to be able to estimate the fair value of the investment real estate, the fair value pattern is applied for the measurement of investment real estate. Thereafter, investment real estate is measured at fair value on each balance sheet date and changes in fair value are taken into the income statement.

III. Critical Accounting Policies and Estimates (continued)

13. Fixed assets

Fixed assets are recognized when the related economic benefits are likely to flow into the Group and the cost can be measured reliably. If the above requirement is satisfied, the follow-up expenses involved are carried as cost of fixed assets and the carrying value of the replaced part is derecognized. Otherwise, the follow-up expenses are recorded in the income statement.

Fixed assets are initially measured at cost. The cost of a fixed asset comprises its purchase price, related taxes and any directly attributable costs for bringing the fixed asset to its present usable condition should be recorded as other expenses of the fixed assets.

Depreciation of fixed assets is calculated on the straight-line basis. The expected useful life, expected net salvage value and annual depreciation rate are as follows:

Category	Expected Useful Life	Expected Net Salvage Value	Annual Depreciation Rate
Housing & buildings	20 years	3%	4.85%
Transportation vehicles	5 years	3%	19.40%
Electronic equipment	5 years	3%	19.40%
Machinery	5-10 years	3%	9.70%-19.40%
Fixed assets for operating lease	3-10 years	0-10%	9.00%-33.33%

The expected useful life, expected net salvage value and annual depreciation rate of fixed assets are reviewed by the Group at least once at the end of each year.

14. Construction in progress

Cost of construction in progress is calculated at the actual expenditure, covering all necessary expenses for construction and related expenses during the period of construction.

Construction in progress is reclassified as fixed assets when completed and ready for use.

III. Critical Accounting Policies and Estimates (continued)

15. Intangible assets

Useful life of intangible assets

Intangible assets are recognized at cost when the related economic benefits are likely to flow into the Group and the cost can be measured reliably.

The useful life of an intangible asset is determined based on economic benefits it brings to the Group.

The useful life of each intangible asset is as follows:

Category	Useful Life
Software	2-10 years
Land-use rights	40 years
Membership right	10 years
Data resource	3 years

The land use right obtained by the Group is usually accounted as intangible assets. The land use rights and buildings related to the self-developed and constructed buildings are accounted as intangible assets and fixed assets respectively. The price paid for the purchased land and buildings shall be distributed between the land use right and the buildings. If it is difficult to distribute reasonably, it shall be treated as fixed assets. The Group recognizes data resources that meet the definition and recognition conditions of intangible assets as intangible assets accordingly.

Intangible assets with limited service life shall be amortized with the straight-line method within their service life. The Group reviews the service life and amortization method of intangible assets with limited service life and makes adjustments when necessary once at least at the end of each year.

Identifiable intangible assets such as franchise rights acquired in the enterprise merger shall be measured at fair value. Franchise rights are intangible assets with no expected service life, which are not amortized and are tested for impairment every year.

R&D expenditures

Expenditures of the Group spent on internal research and development projects of the Group are classified into research stage expenditures and development stage expenditures. The research stage expenditures are recognized in the current profit and loss when incurred, while development stage expenditures can only be capitalized when meeting the following conditions simultaneously: i.e. It is technically feasible to complete the intangible asset to make it usable or sellable; have the intention to complete the intangible asset and use or sell it; the ways in which intangible asset generates economic benefits include being able to prove that the products produced by using such intangible asset have a market or that the intangible asset itself has a market, and if the intangible asset will be used internally, being able to prove its usefulness; there are sufficient technical, financial resources and other resources to support the development of the intangible asset, and there is the ability to use or sell the intangible asset; expenditures attributable to the development stage of this intangible asset can be reliably measured. Development expenditures that do not meet the above conditions are recognized in the current profit or loss when they occur.

III. Critical Accounting Policies and Estimates (continued)

16. Goodwill

In a business merger not under the same control, the difference between the cost of the merger and the share of the fair value of the identifiable net assets of the purchaser on the purchase date is recognized as goodwill.

17. Right-of-use assets

The right-of-use assets of the Group are mainly houses and buildings.

On the beginning date of the lease term, the Group recognizes its right to use the leased asset within the lease term as the right to use asset, including: the initial measurement amount of the lease liability; for the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; initiative direct expenses incurred by the lessee; the estimated cost incurred by the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Group subsequently depreciates the right - use assets using the straight-line method. If it can be reasonably determined that the ownership of the leased asset is obtained at the expiration of the lease term, the Group accrues depreciation within the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the expiration of the lease term, the Group accrues depreciation within the shorter of the lease term and the remaining service life of the leased asset.

When the Group re-measures the lease liability according to the present value of the changed lease payment and adjusts the book value of the right of use asset accordingly, if the book value of the right of use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group will include the remaining amount in the current profit and loss.

18. Impairment of assets

Except for investment real estate, deferred income tax and financial assets, impairment for other assets shall be determined as follows:

The Group assesses at each date of balance sheet whether there is any evidence that an asset may be impaired. If any such evidence exists, the Group would make an estimate of the asset's recoverable amount and perform impairment assessment. An impairment assessment is carried out at least once at the end of the year, on goodwill arising from corporate combinations and intangible assets with uncertain useful life, regardless of the evidence of impairment. The annual impairment assessment is also required for intangible assets which have not been ready for use.

An asset's recoverable amount is the higher of its fair value less net amount after disposal and the present value of expected future cash flow. The recoverable amount is estimated on the basis of an individual asset or on the basis of a group of financial assets which such asset belongs to if its recoverable amount is unable to be estimated on individual asset basis. A group of financial assets is recognized by determining whether the critical cash flows arising from such group are independent from those on other assets or group of assets.

Where the carrying amount of an asset or a group of assets exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement and an impairment provision is recorded.

III. Critical Accounting Policies and Estimates (continued)

18. Impairment of assets (continued)

For the goodwill and intangible assets with uncertain service life formed by the business merger, the impairment test shall be conducted at least at the end of each year, regardless of whether there are signs of impairment. At the time of the impairment test, the book value of goodwill is apportioned to the asset group or combination of asset groups expected to benefit from the synergies of the business combination. If the test results show that the recoverable amount of the asset group or asset group combination containing the apportioned goodwill is lower than its book value, the corresponding impairment loss will be recognized. The impairment loss amount is first offset against the book value of goodwill apportioned to the asset group or asset group combination, and then offset against the book value of other assets in proportion to the book value of other assets in the asset group or asset group combination.

The above impairment losses, once recognized, will not be reversed in the following accounting years.

19. Long-term deferred expenses

Long-term deferred expenses refer to all expenses which have been paid with an amortization period over 1 year (excluding 1 year).

Lease expenses are incurred as the Group rented a fixed asset by operating lease and equally amortized it over the contract term.

The Group has purchased lump-sum complementary endowment for employees which are amortized in the income statement accordingly during employment.

The amortization period for other long-term deferred expenses is equally amortized and determined by the contract or at the shorter of the contract period and the benefit period.

In the case that the long-term deferred expenses are not beneficial for following accounting years, the amortized value of projects not amortized yet shall all be charged into current profits and losses.

20. Debt assets

The financial assets transferred by the Group as a creditor are initially measured at fair value, while the non-financial assets transferred by creditors are initially measured at cost. On the balance sheet date, debt offset assets of non-financial assets shall be measured according to the lower of the book value and net realizable value. When the net realizable value is lower than the book value, an impairment reserve shall be made for debt offset assets.

At the disposal of debt offset assets, the difference between the disposal income and the book value of debt offset assets is included in the asset disposal profit or loss.

The Group adopts a variety of ways to dispose of the debt assets it holds. Debenture assets shall not, in principle, be used for self-use. If the debenture assets are converted for self-use due to operation and management needs, they shall be regarded as newly purchased fixed assets for management.

If the debt assets are converted to personal use after acquisition, they shall be carried forward according to the book balance of the debt assets on the conversion date. If the impairment reserve for debt assets has been drawn up, the impairment reserve shall be carried forward at the same time.

The debenture assets of the Group are mainly houses and buildings.

III. Critical Accounting Policies and Estimates (continued)

21. Employee remuneration

Employee remuneration refers to all forms of remuneration or compensatory payment paid by the Group to employees for their service or termination of labor relationship. Employee compensation mainly includes short-term remuneration and welfare after departure.

Short-term Remuneration

During the accounting period when employees provide services, short-term remuneration incurred shall be regarded as liability and is calculated into current profits and losses or relevant asset cost.

Welfare and Defined Contribution Plans after Departure (defined contribution plans)

Pension insurance and unemployment insurance

The pension insurance and unemployment insurance of the Group's employees are managed by local government, corresponding expenditures incurred shall be regarded as relevant asset cost or current profits and losses.

Corporate annuity plan

Employees who sign formal labor contracts with the Group, participate in basic pension insurance and perform payment obligations according to law, and have served the Group for over a year can choose to participate in the corporate annuity plan of Bank of Ningbo Co., Ltd. (hereinafter referred to as "corporate annuity") set up by the Group. Expenses for the corporate annuity shall be undertaken by the Group and employees.

Termination Benefits

If the Group provides termination benefits to the employees, the employee compensation liabilities arising from the dismissal benefits shall be recognized and included in the current profits and losses at the earliest of the following two times: when the Group cannot unilaterally withdraw the termination benefits provided by the plan to terminate the labor relationship or the layoff proposal; when the enterprise recognizes the costs or expenses related to the restructuring involving the payment of termination benefits.

III. Critical Accounting Policies and Estimates (continued)

22. Lease liabilities

At the beginning of the lease term, the Group recognizes the present value of the unpaid lease payments as lease liabilities, except for short-term leases and low value asset leases. When calculating the present value of lease payments, the Group adopts the interest rate embedded in the lease as the discount rate; if the interest rate embedded in the lease cannot be determined, the lessee's incremental loan interest rate shall be used as the discount rate. The Group calculates the interest expense of the lease liabilities in each period of the lease term according to the fixed periodic interest rate and records it in the current profit and loss, unless otherwise specified, it is included in the cost of relevant assets. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profits and losses when they actually occur, unless otherwise specified to be included in the cost of relevant assets.

After the beginning date of the lease term, when the actual fixed payment changes, the expected payable amount of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option change, the Group re-measures the lease liabilities according to the present value of the changed lease payment.

23. Estimated liabilities

Except for the contingent consideration and the contingent liabilities assumed in the business combination not under the same control, when the obligations related to the contingencies meet the following conditions at the same time, the Group will recognize them as estimated liabilities:

- (1) The obligation is the current obligation of the Group;
- (2) The performance of the obligation is likely to cause the economic benefits to flow out of the Group;
- (3) The amount of the obligation can be measured reliably.

The estimated liabilities are initially measured according to the best estimate of the expenditure required to perform the relevant current obligations, and the risk, uncertainty, time value of money and other factors related to the contingencies are comprehensively considered. The book value of the estimated liabilities shall be rechecked on each balance sheet date. If there is conclusive evidence that the book value cannot reflect the current best estimate, the book value shall be adjusted according to the current best estimate.

III. Critical Accounting Policies and Estimates (continued)

24. Fiduciary activities

The Group acts as the manager, trustee or agent of the client in the fiduciary activities. The balance sheet of the Group does not include the assets held by the Group as a result of the fiduciary business and the commitment to return such assets to the clients, as the risk and benefits of such assets are borne by the clients.

In fund custody, the Group, as approved by related authorities, acts as the trustee to carry out related business in accordance with the contract with client, as well as laws and regulations. The Group undertakes its obligations and charge accordingly on the basis of the custody contract, but it does not undertake the obligation for any risk and income arising from such custody. Therefore, it attributes to the off-balance item.

The Group grants entrusted loans on behalf of third-party lenders who fund these loans (entrusted deposits) and in accordance with terms covering loan object, application, amount, period and interest rate determined by the third-party lenders. The Group has been contracted by those third-party lenders to manage the administration and collection of these loans on their behalf. All the risks are borne by the third-party lenders. The Group only charges a commission.

25. Other equity instruments --- preferred shares

The preferred shares issued by the Group do not include the contractual obligation to deliver cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potentially adverse conditions; at the same time, these preferred shares are non-derivative financial instruments to be settled with their own equity instruments in the future, but do not include the contractual obligation to deliver a variable number of their own equity instruments for settlement. The Group classifies preferred shares issued as equity instruments, and deducts transaction costs such as handling fees and commissions incurred in issuing preferred shares from equity. Preferred dividends are treated as profit distribution when they are declared.

26. Income

Interest income

Interest income or expense is recorded at the time of occurrence using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument, including any fees or incremental costs that are an integral part of the effective interest rate except for future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as an interest income or expense.

III. Critical Accounting Policies and Estimates (continued)

26. Income (continued)

Interest income (continued)

For the purchased or original financial assets with credit impairment, the Group shall, from the initial recognition, calculate and determine the interest income according to the amortized cost of the financial assets and the actual interest rate adjusted by credit. The actual interest rate adjusted by credit refers to the interest rate that discounts the estimated future cash flow of the purchased or original financial assets with credit impairment into the amortized cost of the financial assets during the expected duration.

For the purchased or original financial assets with credit impairment, the Group shall, from the initial recognition, calculate and determine the interest income according to the amortized cost of the financial assets and the actual interest rate adjusted by credit.

Fee and commission income

The income shall be recognized according to the expected amount of consideration entitled to be collected when the customer obtains the control over the relevant commodities or services.

The Group charges fees and commissions by providing various services to clients. Among them, the service charges and commissions collected by providing services within a certain period shall be confirmed in accordance with the progress of performance within the corresponding period, and other service charges and commissions shall be confirmed when the relevant transaction is completed.

If the Group can control the service before transferring it to customers, the Group is the main responsible person. If the performance obligation is to arrange the other party to provide designated services, the Group is the agent. In this case, the Group will not control the designated service provided by the other party before the service is transferred to the customer. When the Group acts as an agent, the Group recognizes revenue according to the amount of commission or handling fee expected to be entitled to receive as a return for arranging the specified services provided by the other party.

The Group lists contractual liabilities in the balance sheet according to the relationship between performance obligations and customer payments.

Contractual liabilities refer to the obligation to transfer goods or services to customers for the consideration received or receivable from customers, such as the amount received by the enterprise before transferring the promised goods or services.

Dividend income

Dividend income is recognized when the Group's right to receive payment has been established.

Rental income

Rental income from investment real estate related to operating leases is charged to the income statement on the straight-line basis over the lease terms.

III. Critical Accounting Policies and Estimates (continued)

27. Expense

Interest expense

The interest expense of financial liabilities is calculated by the effective interest rate method according to the amortization cost of financial liabilities and the time of occupying funds, and is recognized in the corresponding period.

Other expenses

Other expenses are recognized on the accrual basis.

28. Government subsidies

Government subsidies are confirmed when they can be received and conditions are satisfied. If the government subsidies are monetary assets, calculate according to received amount or amount receivable. If the government subsidies are non-monetary assets, calculate at the fair value; if the fair value cannot be obtained in a reliable way, calculate according to nominal amount.

Assets required by the government document to be used for purchase and construction or turned into long-term assets in other ways shall be recognized as government subsidies related with assets; where the government document does not clearly specify, judge on the basis of fundamental conditions to be met to obtain subsidies, assets used for purchase and construction or turned into long-term assets in other ways shall be recognized as government subsidies related with assets and others shall be recognized as government subsidies related to incomes.

Government subsidies related to incomes that are used to compensate related cost expenses or losses in the future shall be recognized as deferred income and shall be included in the current profits and losses or write off against relevant costs when confirming related costs or losses; those used to compensate related cost expenses or losses that have already occurred shall be included in current profits and losses or write off against relevant costs immediately.

Government subsidies related with assets shall write off against the book value of the related assets; or recognized as deferred income and included in profits and losses (government subsidies measured by nominal amount shall be included in current profits and losses immediately) when being installed in a reasonable and systematic way within the service life of related assets; where related assets are sold, transferred, scrapped or destroyed before the end of the service life, the balance of related deferred income that has not been distributed shall be transferred to current profits and losses of assets disposal.

III. Critical Accounting Policies and Estimates (continued)

29. Income tax

Income tax comprises current income tax and deferred income tax. Income tax is recognized in the income statement except to the extent that it relates to transactions or events recognized directly in equity, in which case it is recognized in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities and the amount attributed to such assets and liabilities for tax purposes in the balance sheet, and also on temporary differences between the carrying amounts and the tax bases of those which are not recognized as assets and liabilities, but whose tax bases are determined in accordance with tax laws.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- (1) that are generated in the following trade: the deferred income tax liabilities occurred at the initial recognition of goodwill, or at the initial recognition of assets or liabilities arising from a single transaction with the following characteristics: the transaction is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses, and the assets and liabilities initially recognized do not result in equal amounts of taxable temporary differences and deductible temporary differences;
- (2) for the taxable temporary differences relevant to the investment in subsidiary companies, joint ventures and associates, the reversed time can be controllable and the temporary differences are unlikely to be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (1) the deferred income tax asset, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses, and the assets and liabilities initially recognized do not result in equal amounts of taxable temporary differences and deductible temporary differences;
- (2) the deferred income tax asset is recognized for the deductible temporary differences relevant to the investment in subsidiary companies, joint ventures and associates, which at the same time meet the following conditions: it is probable that the temporary differences will be reversed in the foreseeable future and the taxable profit will be available against the deductible temporary differences.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date and reflecting the corresponding tax effect.

III. Critical Accounting Policies and Estimates (continued)

29. Income tax (continued)

On the balance sheet date, the Group reviews the book value of deferred income tax assets. If it is likely that sufficient taxable income will not be obtained in the future to offset the interests of the deferred income tax assets, the book value of the deferred income tax assets shall be written down. On the balance sheet date, when the Group reassesses the unrecognized deferred income tax assets and is likely to obtain sufficient taxable income, the amount written down shall be reversed.

After the following conditions are satisfied, deferred income tax assets and deferred income tax liabilities are listed as the net amount after offsetting each other: have the legal right to calculate the current income tax assets and the current income tax liabilities as net value; the deferred income tax assets and deferred income tax liabilities involve the same taxpayer or different taxpayers levied by the same tax department, but during each period of important inversion of deferred income tax assets and deferred income tax liabilities, the involved taxpayer intends to calculate the current deferred income tax assets and the current deferred income tax liabilities as net value or obtain assets while paying off debts.

30. Lease

Identification of lease

At the beginning of the contract, the Group evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period, the Group evaluates whether the customers in the contract have the right to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

Spin off of leased and non-leased parts

If the leased and non-leased parts are included in the contract, the Group, as the lessor, will split the leased and non-leased parts for accounting treatment.

Evaluation of lease term

The lease term is the irrevocable period during which the Group has the right to use the leased assets. The Group has the option to renew the lease, that is, it has the option to renew the assets. If it is reasonably determined that the option will be exercised, the lease term also includes the period covered by the option to renew the lease. The Group has the option to terminate the lease, that is, it has the option to terminate the lease of the assets, but it is reasonably determined that it will not exercise the option, and the lease term includes the period covered by the option to terminate the lease. If a major event or change occurs within the control of the Group and affects whether the Group reasonably determines that it will exercise the corresponding option, the Group will reassess whether it reasonably determines that it will exercise the renewal option, purchase option or not to exercise the termination option.

III. Critical Accounting Policies and Estimates (continued)

30. Lease (continued)

As a lessee

For the general accounting treatment of the Group as a lessee, please refer to Notes III, 17 and Notes III, 22.

Lease change

Lease change refers to the change of lease scope, lease consideration and lease term beyond the terms of the original contract, including increasing or terminating the use right of one or more leased assets, extending or shortening the lease term specified in the contract, etc.

If the lease changes and meets the following conditions at the same time, the Group will treat the lease change as a separate lease for accounting treatment:

- (1) If the lease changes and meets the following conditions at the same time, the Group will treat the lease change as a separate lease for accounting treatment:
- (2) The increased consideration is equivalent to the amount adjusted according to the conditions of the contract at the separate price for most of the expansion of the lease scope.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group will re-determine the lease term and discount the changed lease payment at the revised discount rate to re-measure the lease liability. When calculating the present value of the lease payment after the change, the Group adopts the lease embedded interest rate during the remaining lease period as the discount rate; if the implicit interest rate of the lease for the remaining lease term cannot be determined, the Group's incremental loan interest rate on the effective date of the lease change shall be used as the discount rate.

With regard to the impact of the above lease liability adjustment, the Group makes accounting treatment according to the following circumstances:

- (1) If the lease scope is reduced or the lease term is shortened due to the change of lease, the Group reduces the book value of the right of use assets to reflect the partial or complete termination of the lease, and the relevant gains or losses of partial or complete termination of the lease are included in the current profit and loss;
- (2) For other lease changes, the Group adjusts the book value of the right of use assets accordingly.

Short term leases and low value asset lease

The Group recognizes leases with a lease term of no more than 12 months and excluding purchase options as short-term leases on the beginning date of the lease term; a lease with a value of no more than RMB 40,000 when a single leased asset is a new asset is recognized as a low value asset lease. Where the Group sublets or expects to sublet leased assets, the original lease is not recognized as a low value asset lease. The Group does not recognize the right to use assets and lease liabilities for short-term leases and low-value asset leases. In each period of the lease term, it shall be included in the relevant asset cost or current profit and loss according to the straight-line method.

III. Critical Accounting Policies and Estimates (continued)

30. Lease (continued)

As a lessor

Leases that have substantially transferred almost all the risks and rewards related to the ownership of the leased assets on the lease start date are finance leases, except for operating leases.

As a lessor under a finance lease

On the beginning date of the lease term, the Group recognizes the finance lease receivables for the finance lease and terminates the recognition of the finance lease assets. When the Group initially measures the finance lease receivables, the net amount of the lease investment is taken as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts not received on the beginning date of the lease term discounted at the interest rate embedded in the lease.

The Group calculates and recognizes the interest income of each period within the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Group that are not included in the measurement of net lease investment are included in the current profit and loss when they actually occur.

As a lessor under an operating lease

The rental income of operating lease is recognized as current profit and loss according to the straight-line method in each period of the lease term, and the variable lease payment not included in the lease receipt is included in current profit and loss when it actually occurs.

31. Profit distribution

Cash dividends of the Group are recognized as liabilities after the approval of the shareholders' meeting.

III. Critical Accounting Policies and Estimates (continued)

32. Fair value measurement

Fair value, occurring in an orderly transaction on measurement date, refers to the payment the market participant receives when an asset is sold, or the amount paid when a liability is transferred. In the case that asset selling or liability transference is dealt with in the staple market of relevant assets or liabilities, the Group measures relevant assets or liabilities by fair value; for the cases where there is no staple market, the Group assumes that the transaction is dealt with in the most advantageous market of relevant assets or liabilities. The Staple market (or the most advantageous market) is the trading market the Group can enter on measurement date. The Group adopts the same assumption that the market participant uses to maximize its economic benefit when pricing the assets or liabilities.

For non-financial assets measured by fair value, the capability for the market participant to best use the assets to generate economic benefit, or the capability for the market participant to sell the assets to other market participants to best use the assets to generate economic benefit is considered.

The Group adopts applicable valuation technique supported by adequate data and other information available, prioritizing relevant observable input value. Only when observable input value is unable or infeasible to be obtained, can unobservable input value be adopted.

In financial statements, assets or liabilities measured or disclosed by fair value are leveled according to the input value of the lowest level with significance for overall fair value measurement: input value of the first level is the unadjusted quoted price of the same assets or liabilities available in an active market on the measurement date; input value of the second level is the directly or indirectly observable input value of relevant assets or liabilities apart from input value of the first level; input value of the third level is the unobservable input value of relevant assets or liabilities.

On each balance sheet date, the Group reevaluates the assets or liabilities continuing to be measured by fair value recognized in financial statements, to confirm whether there is any shift between different levels of fair value measurement.

33. Related parties

When financial or operating decisions are made, a party is considered to be related to another party if the party, directly or indirectly controls or jointly controls the other party, or gives its significant influence over the other party, and two or more parties are considered to be related if they are controlled by, jointly controlled by or significantly affected by one party.

Entities which are only controlled by the government without any other relations with other companies are not the related parties of the Group.

34. Segmental report

The Group determines the operating segments based on the internal organizational structure, management requirements and internal reporting system, and determines the reporting segments based on the operating segments, so that the management of the Group can regularly evaluate the operating results of such segments, decide to allocate resources to them and evaluate their performance. Segments that do not meet any quantitative criteria used to determine the reporting segments are consolidated.

III. Critical Accounting Policies and Estimates (continued)

35. Significant accounting judgments and estimates

As required for the preparation of financial statements, the management makes judgments, estimates and assumptions that will affect reporting amounts of income, expense, assets and liabilities as well as the disclosure of contingent liabilities at the balance sheet date. However, the uncertainty of these estimates may result in significant adjustments to the carrying amount of affected future assets and liabilities.

Combination of structured bodies

For the structure bodies involved in the daily operation, the group shall judge whether it is in control of such structure bodies, and whether to include it into the consolidated financial statements. In judging whether in control of such structured bodies, the group shall take into consideration the right, realizable return and their connection directly or indirectly obtained through the subsidiaries (including the controlled structured bodies).

The realizable return obtained by the Group through the structured bodies includes the management fees and performance compensation, other kinds of interests, such as direct investment income, income and potential losses by providing credit upgrading of liquidity support, as well as realizable return from transaction with structured bodies. In judging whether in control of the structured bodies, the Group shall not only consider the laws, regulations and arrangement according to the contract, but also other possible losses that the group may suffer from the structured bodies.

The Group shall re-evaluate whether it is in control of the structured bodies when there's any change in related facts or conditions that may result in the change of concept of control.

Impairment of financial instruments

The Group uses the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgment and estimation, and all reasonable and supporting information. For example, group businesses with similar credit risk characteristics into the same portfolio, select the appropriate model, and determine the key parameters related to measurement; judgment standard for significant increase in credit risk, default and credit impairment; the adoption of economic indicators, economic scenarios and their weights for prospective measurement; loss reserve for external circumstances not reflected by the model. Note XIII, 1 Credit Risks specifies the parameters, assumptions and estimation techniques used in the measurement of expected credit losses. When making such judgments and estimates, the Group infers the expected change of the debtor's credit risk according to the historical repayment data in combination with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the provision for impairment may not be equal to the actual amount of impairment loss in the future.

Fair value of financial instruments

If the market for a financial instrument is not active, the Group establishes fair value by using a valuation technique. Valuation techniques include using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. To the extent practicable, valuation technique makes maximum use of market inputs. However, where market inputs are not available, management needs to make estimates on credit risk, market fluctuation and pertinence of the Group and its counterparties. Changes to these assumptions would affect the fair value of financial instruments.

III. Critical Accounting Policies and Estimates (continued)

35. Significant accounting judgments and estimates (continued)

De-recognition of financial assets

In the process of judging whether the transaction of loan transfer through packaging and asset securitization conforms to the de-recognition of financial assets, the Group needs to evaluate whether the Group meets the criteria of financial asset transfer and whether almost all the risks and rewards of loan ownership are transferred. In the event that virtually all risks and rewards on the transferred loan ownership are neither transferred nor retained, the Group will further evaluate whether control of the transferred loan has been retained. In its evaluation and judgment, the Group takes into account a number of factors, such as whether there is a buy-back clause attached to the transaction arrangement. The Group sets scenario hypothesis and uses discounted future cash flow model to conduct risk and reward transfer test. The Group will only derecognize the loan if it has been transferred and almost all the risks and rewards of ownership have been transferred to another subject. To the extent that the Group retains virtually all risk and rewards in the ownership of the transferred loan, it shall continue to recognize the loan and recognize the proceeds received as a financial liability. Where the Group neither transfers nor retains virtually all risks and rewards in the ownership of the loan and does not relinquish control of the loan, the relevant financial assets are recognized in accordance with the degree of continued involvement in the transferred loan and the relevant liabilities are recognized accordingly.

Income tax

Determining income tax involves making judgments about the future tax treatment of certain transactions. The Group carefully evaluates the tax impact of all transactions and provides for the corresponding income tax. The Group periodically reassesses the tax implications of these transactions in accordance with tax legislation. Deferred income assets are recognized as deductible tax losses and deductible temporary differences. Deferred tax assets will only be recognized when future taxable income is likely to be used to offset the relevant deferred tax assets, so it is up to management to determine the likelihood of obtaining future taxable income. The Group continuously reviews the judgment of deferred income tax, and will recognize the corresponding deferred income tax assets if it is expected that it is likely to obtain future taxable income that can be utilized in the future.

III. Critical Accounting Policies and Estimates (continued)

36. Changes in accounting policies

Changes in accounting policies of the Group in the year are as follows:

The following interim regulations and relevant interpretations of the *Accounting Standards for Enterprises* issued by the Ministry of Finance shall come into effect on January 1, 2024:

Interim Provisions on Accounting Related to Enterprise Data Resources (C.K. No. [2023] 11)

Accounting Standards for Enterprises No. 17 (C.K. No. [2023] 21)

Accounting Standards for Enterprises No. 18 (C.K. No. [2024] 24)

The adoption of the abovementioned newly revised standards or interpretations has not caused any significant impact on the financial statements of the Group.

IV. Taxation

(1) The primary taxes and tax rates of the Group are listed as below:

Category	Tax basis	Rate
VAT	Taxable interest income (Note 1)	3%, 5%, 6%, 9%, 13%
Urban construction tax	VAT	5%, 7%
Educational surcharges	VAT	5%
Business income tax	Taxable income (Note 2)	25%, 15%

Note 1: The Company and its subsidiaries, including Maxwealth Financial Leasing Co., Ltd., Maxwealth Fund Management Co., Ltd., BNB Wealth Management Co., Ltd. and BNB Consumer Finance Co., Ltd. are general VAT taxpayers. For various main taxable income, the output tax is calculated at the tax rate of 6% or 13%, and the value-added tax is paid according to the difference after deducting the input tax allowed to be deducted in the current period.

Note 2: BNB Consumer Finance Co., Ltd., the subsidiary of the Company, obtained the qualification for high-tech enterprise recognition on December 6, 2024, and the business income tax shall be calculated and paid at 15% of the taxable income with a validity period of 3 years. The Company and its subsidiaries, including Maxwealth Financial Leasing Co., Ltd., Maxwealth Fund Management Co., Ltd. and BNB Wealth Management Co., Ltd., shall pay the business income tax at 25% of the taxable income.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements

1. Cash and balances with central banks

		Dec. 31, 2024	Dec. 31, 2023
Cash in hand		1,607	1,660
Statutory deposit reserve	(Note 1)	113,043	109,972
Excess deposit reserve	(Note 2)	28,888	14,017
Foreign exchange risk reserve		3,261	2,910
Fiscal deposit		457	524
		<u>147,256</u>	<u>129,083</u>
Subtotal		147,256	129,083
Interest accrued		49	48
		<u>147,305</u>	<u>129,131</u>

Note 1: the statutory deposit reserve is the deposit reserve paid to the People's Bank of China according to regulations, which cannot be used for daily business. As of December 31, 2024, the Group deposited the statutory deposit reserve with the People's Bank of China in accordance with the regulations, and the deposit ratio of RMB deposit reserve was 6% (December 31, 2023: 7%); the deposit ratio of foreign currency deposit reserve was 4% (December 31, 2023: 4%).

Note 2: excess deposit reserve refers to the amount deposited with the People's Bank of China for capital settlement.

2. Due from other banks

		Dec. 31, 2024	Dec. 31, 2023
Due from domestic banks		18,482	14,983
Due from other domestic financial institutions		5,794	5,486
Due from foreign banks		4,839	5,854
		<u>29,115</u>	<u>26,323</u>
Subtotal		29,115	26,323
Interest Accrued		35	10
Less: Reserve for Impairment	(Note V, 14)	(45)	(43)
		<u>29,105</u>	<u>26,290</u>

Please refer to Note IX, 2.4 for details of the interbank deposits of related parties of the Group as of the end of the year.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

3. Loans to other banks

	Dec. 31, 2024	Dec. 31, 2023
Loans to foreign banks	4,989	17,256
Loans to domestic banks	-	1,917
Loans to other domestic financial institutions	32,700	20,700
Subtotal	37,689	39,873
Interest Accrued	420	703
Less: Reserve for Impairment (Note V, 14)	(35)	(35)
	<u>38,074</u>	<u>40,541</u>

4. Derivative financial instruments

Nominal amount and fair value of derivative financial instruments held by the Bank as follows:

	Nominal amount	Dec. 31, 2024	
		Fair value	
		Assets	Liabilities
Foreign exchange derivatives			
- Currency forward	71,686	1,021	(513)
- Currency swap	1,199,432	14,663	(14,578)
- Currency exchange	42,926	473	(589)
- Foreign currency option	263,950	2,786	(2,556)
Interest rate derivatives			
- Interest rate swap	1,285,788	11,134	(11,674)
- Interest rate option	9	-	(4)
Other derivatives			
- Equity option	7	-	(2)
- Credit risk mitigation tools	20	-	-
- Noble metal forward/swap	55,148	3,587	(444)
- Gold option	31	-	-
	<u>2,918,997</u>	<u>33,664</u>	<u>(30,360)</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

4. Derivative financial instruments (continued)

	Nominal amount	Dec. 31, 2023	
		Fair value	
		Assets	Liabilities
Foreign exchange derivatives			
- Currency forward	57,050	640	(314)
- Currency swap	572,146	6,471	(4,602)
- Currency exchange	28,901	318	(608)
- Foreign currency option	191,424	3,109	(1,986)
Interest rate derivatives			
- Interest rate swap	1,317,081	6,193	(6,393)
- Interest rate option	5	2	(2)
Other derivatives			
- Equity option	595	26	(26)
-Noble metal forward/swap	59,187	3,408	(256)
	<u>2,226,389</u>	<u>20,167</u>	<u>(14,187)</u>

The nominal amount is reflected in a full amount and represents the amount of the underlying asset or reference index of derivatives, which is the basis of measuring changes in fair value of the derivative financial instruments. The nominal amount can reflect the risk exposures not settled at the end of the year, but it cannot directly reflect the market or credit risk.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

5. Hold for trading financial assets

	Dec. 31, 2024	Dec. 31, 2023
Classified by pledges:		
Bonds	<u>33,972</u>	<u>9,249</u>
Interest accrued	6	2
Less: provision for impairment (Note V, 14)	<u>(13)</u>	<u>-</u>
	<u>33,965</u>	<u>9,251</u>
Classified by counter parties:		
Banks	2,004	1,129
Other financial institutions	<u>31,968</u>	<u>8,120</u>
Subtotal	33,972	9,249
Interest accrued	6	2
Less: provision for impairment (Note V, 14)	<u>(13)</u>	<u>-</u>
	<u>33,965</u>	<u>9,251</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

6. Loans and advances

6.1 Classification of guarantees for loans and advance payments

	Dec. 31, 2024	Dec. 31, 2023
Measured at amortized cost		
Corporate loans and advances	819,722	660,388
Loan	805,935	648,265
Trade financing	13,787	12,123
Individual loans	557,735	507,197
Individual consumption loan	357,500	320,958
Individual operating loan	101,841	98,948
Individual housing loan	98,394	87,291
Interest accrued	<u>4,411</u>	<u>4,074</u>
Subtotal	1,381,868	1,171,659
Less: loan and advance principal impairment provision measured at amortized cost	(43,094)	(42,878)
Reserve for impairment of accrued interest on loans and advances measured at amortized cost	<u>(126)</u>	<u>(161)</u>
Subtotal	(43,220)	(43,039)
Measured at fair value with changes through other comprehensive income		
Discount and others	<u>98,606</u>	<u>85,133</u>
Book value of loans and advances	<u>1,437,254</u>	<u>1,213,753</u>

The first, second and third stages of the total loans and advances issued by the Group are RMB 1,428,002 million, RMB 41,192 million and RMB 11,280 million respectively (December 31, 2023: first, second and third stages were RMB 1,220,477 million, RMB 26,772 million and RMB 9,543 million).

As of December 31, 2024, the loans of the Group measured at fair value with changes through other comprehensive income are the discount business, with an impairment provision of RMB 776 million (December 31, 2023: RMB 919 million), which is included in other comprehensive income. The reserve of the Group for expected credit losses for the above loans measured at amortized cost and loans measured at fair value and whose changes are included in other comprehensive income totals RMB 43,996 million (December 31, 2023: RMB 43,958 million).

Please refer to Note IX, 2.1 for the loans of the related parties of the Group as of the end of the year.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

6. Loans and advances (continued)

6.2 Classification of guarantees for loans and advance payments

	Dec. 31, 2024	Dec. 31, 2023
Credit loan	581,822	501,850
Guarantee loan	434,781	342,976
Mortgage loan	349,972	319,222
Pledge Loan	109,488	88,670
Total loans and advances	<u>1,476,063</u>	<u>1,252,718</u>
Interest accrued	4,411	4,074
Less: loan and advance principal impairment provision measured at amortized cost	(43,094)	(42,878)
Reserve for impairment of accrued interest on loans and advances measured at amortized cost	<u>(126)</u>	<u>(161)</u>
Book value of loans and advances	<u>1,437,254</u>	<u>1,213,753</u>

6.3 Loans of top 5 single borrowers

	Dec. 31, 2024		
	Loan balance	Provision for impairment	Proportion of the total balance of loans and advances
Top 5 balances of total balance of loans and advances	<u>10,994</u>	<u>(115)</u>	<u>0.74%</u>

	Dec. 31, 2023		
	Loan balance	Provision for impairment	Proportion of the total balance of loans and advances
Top 5 balances of total balance of loans and advances	<u>8,268</u>	<u>(56)</u>	<u>0.66%</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

6. Loans and advances (continued)

6.4 Overdue loans

	Dec. 31, 2024				Total
	1-90 days (included)	90-360 days (included)	360 days to 3 years (included)	Over 3 years	
Credit loan	3,106	4,787	475	16	8,384
Guarantee loan	653	305	100	-	1,058
Mortgage and pledge loan	1,489	2,356	690	24	4,559
	<u>5,248</u>	<u>7,448</u>	<u>1,265</u>	<u>40</u>	<u>14,001</u>
	Dec. 31, 2023				Total
	1-90 days (included)	90-360 days (included)	360 days to 3 years (included)	Over 3 years	
Credit loan	2,760	3,334	533	49	6,676
Guarantee loan	716	352	73	180	1,321
Mortgage and pledge loan	1,222	1,315	1,102	48	3,687
	<u>4,698</u>	<u>5,001</u>	<u>1,708</u>	<u>277</u>	<u>11,684</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

6. Loans and advances (continued)

6.5 Provision for loan losses

Changes to the provisions for loans and advances for the year 2024 are as follows:

Provision for loans and advances measured at amortized cost:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total (Note V, 14)
Beginning balance	29,298	6,790	6,790	42,878
Drawing in the year	(2,979)	2,797	11,883	11,701
Transferred to stage I	1,932	(1,925)	(7)	-
Transferred to stage II	(784)	813	(29)	-
Transferred to stage III	(143)	(468)	611	-
Write-off	-	-	(13,969)	(13,969)
Other transfers	-	-	(187)	(187)
Received from loans for sale and reconciliation from advance payment	-	-	2,731	2,731
Transfer by write-down of impaired loan and advance interest	-	-	(60)	(60)
End balance	27,324	8,007	7,763	43,094

Provision for loan impairment measured at fair value with changes included in other comprehensive income:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total (Note V, 14)
Beginning balance	918	1	-	919
Drawing / (transfer) in the year	(144)	1	-	(143)
Transferred to stage I	1	(1)	-	-
End balance	775	1	-	776

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

6. Loans and advances (continued)

6.5 Provision for loan losses (continued)

Changes to the provisions for loans and advances for the year 2023 are as follows:

Provision for loans and advances measured at amortized cost:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total (Note V, 14)
Beginning balance	27,386	3,965	7,213	38,564
Drawing in the year	2,172	2,803	5,740	10,715
Transferred to stage I	650	(642)	(8)	-
Transferred to stage II	(596)	1,091	(495)	-
Transferred to stage III	(314)	(427)	741	-
Write-off	-	-	(8,336)	(8,336)
Other transfers	-	-	(4)	(4)
Received from loans for sale and reconciliation from advance payment	-	-	1,984	1,984
Transfer by write-down of impaired loan and advance interest	-	-	(45)	(45)
End balance	29,298	6,790	6,790	42,878

Provision for loan impairment measured at fair value with changes included in other comprehensive income:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total (Note V, 14)
Beginning balance	885	7	-	892
Drawing / (transfer) in the year	34	(7)	-	27
Transferred to stage II	(1)	1	-	-
End balance	918	1	-	919

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

7. Financial investment

7.1 Trading financial assets

	Dec. 31, 2024	Dec. 31, 2023
Financial assets measured at fair value with changes through current profit and loss		
Bonds		
Government bonds	3,546	13,302
Policy based financial bond	42,570	57,377
Corporate bond	61,712	54,411
Other financial bonds	4,414	3,577
Due from other banks	10,422	220
Asset management plan and trust plan	23,674	14,340
Financial products	877	297
Fund investment	209,788	206,719
Equity instruments	158	223
	<u>357,161</u>	<u>350,466</u>

7.2 Lending investment

	Dec. 31, 2024	Dec. 31, 2023
Government bonds	291,842	287,427
Policy based financial bond	27,518	27,524
Debt financing plan	33,612	44,012
Asset management plan and trust plan	32,471	57,050
Interest accrued	<u>4,081</u>	<u>4,580</u>
Subtotal	389,524	420,593
Less: principal impairment (Note V, 14)	(1,031)	(1,869)
Impairment provision (Note V, 14)	(9)	(14)
Subtotal	<u>(1,040)</u>	<u>(1,883)</u>
	<u>388,484</u>	<u>418,710</u>

Please refer to Note IX, 2.2 for the lending investment of the related parties of the Group as of the end of the year.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

7. Financial investment (continued)

7.2 Lending investment (continued)

Changes to the impairment provisions of the lending investment in separate compliance with estimated credit loss within 12 months and whole duration are as follows:

2024:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total
Beginning balance	1,354	515	-	1,869
Provision of the year	(710)	(128)	-	(838)
Transferred to stage I	126	(126)	-	-
Transferred to stage II	(73)	73	-	-
End balance	697	334	-	1,031

2023:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total
Beginning balance	1,939	-	254	2,193
Withdrawing / provision of the year	(507)	437	(460)	(530)
Transferred to stage II	(78)	78	-	-
Write-off and transfer	-	-	(80)	(80)
Transferred from recovery of original investment	-	-	286	286
End balance	1,354	515	-	1,869

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

7. Financial investment (continued)

7.3 Other lending investments

	Dec. 31, 2024	Dec. 31, 2023
Bonds		
Government bonds	408,689	322,930
Policy based financial bond	78,794	22,595
Corporate bond	109,568	91,640
Other financial bonds	4,222	2,433
Due from other banks	4,931	6,278
Asset management plan and trust plan	14,687	13,972
Subtotal	620,891	459,848
Interest accrued	7,191	5,571
	<u>628,082</u>	<u>465,419</u>

Changes to the impairment provisions of the other lending investments in separate compliance with estimated credit loss within 12 months and whole duration are as follows:

2024:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total
Beginning balance	1,303	48	60	1,411
Withdrawing / provision of the year	(228)	74	-	(154)
Transferred to stage I	31	(31)	-	-
Transferred to stage II	(41)	41	-	-
End balance	<u>1,065</u>	<u>132</u>	<u>60</u>	<u>1,257</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

7. Financial investment (continued)

7.3 Other lending investments (continued)

2023:

	Stage I Estimated credit loss for the next 12 months	Stage II Estimated credit loss for whole duration	Stage III Financial assets credit impairment (Estimated credit loss for whole duration)	Total
Beginning balance	1,027	57	60	1,144
Withdrawing / provision of the year	225	42	-	267
Transferred to stage I	57	(57)	-	-
Transferred to stage II	(6)	6	-	-
End balance	<u>1,303</u>	<u>48</u>	<u>60</u>	<u>1,411</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

8. Fixed assets

2024	House and construction	Transport Tool	Electronic Equipment	Machinery equipment	Operating lease fixed assets	Total
Original price:						
Dec. 31, 2023	9,371	233	3,048	473	49	13,174
Purchase in the year	476	15	253	38	290	1,072
Transfer from construction in progress	1,047	-	-	-	-	1,047
Disposal/scrapping	(46)	(53)	(266)	(37)	(3)	(405)
Dec. 31, 2024	10,848	195	3,035	474	336	14,888
Accumulated depreciation:						
Dec. 31, 2023	3,311	166	1,855	290	4	5,626
Drawing	504	23	403	65	24	1,019
Disposal/scrapping	(24)	(51)	(257)	(34)	(2)	(368)
Dec. 31, 2024	3,791	138	2,001	321	26	6,277
Depreciation Provision:						
Dec. 31, 2023	2	-	2	1	-	5
Dec. 31, 2024	2	-	2	1	-	5
Book value:						
Dec. 31, 2024	7,055	57	1,032	152	310	8,606
Dec. 31, 2023	6,058	67	1,191	182	45	7,543

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

8. Fixed assets (continued)

2023	House and construction	Transport Tool	Electronic Equipment	Machinery equipment	Operating lease fixed assets	Total
Original price:						
Dec. 31, 2022	9,417	222	2,567	411	92	12,709
Purchase in the year	329	25	498	67	45	964
Transfer from construction in progress	322	-	-	1	-	323
Disposal/scrapping	(697)	(14)	(17)	(6)	(88)	(822)
Dec. 31, 2023	9,371	233	3,048	473	49	13,174
Accumulated depreciation:						
Dec. 31, 2022	3,128	157	1,501	233	-	5,019
Drawing	480	22	370	61	8	941
Disposal/scrapping	(297)	(13)	(16)	(4)	(4)	(334)
Dec. 31, 2023	3,311	166	1,855	290	4	5,626
Depreciation Provision:						
Dec. 31, 2022	2	-	2	1	-	5
Dec. 31, 2023	2	-	2	1	-	5
Book value:						
Dec. 31, 2023	6,058	67	1,191	182	45	7,543
Dec. 31, 2022	6,287	65	1,064	177	92	7,685

As of December 31, 2024, all the houses and buildings of the Group have obtained the property certificate (Dec. 31, 2023: the same).

As of December 31, 2024, the original book value of fixed assets which were fully depreciated but still used amounted to RMB 1,844 million; the net book value was RMB 56 million (As of 31 Dec. 2023, the original book value of fixed assets which were fully depreciated but still used amounted to RMB 1,650 million; the net book value was RMB 50 million).

As of December 31, 2024, the Group has idle houses and buildings with a net value of RMB 10 million (As of December 31, 2023, houses and buildings with a net value of RMB 14 million were idle).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

9. Construction in progress

2024

	Dec. 31, 2023	Increase	Transfer into fixed assets	Other decrease	Dec. 31, 2024	Fund source
Business occupancy	860	742	(1,047)	(95)	460	Self
Others	<u>710</u>	<u>1,096</u>	<u>-</u>	<u>(1,365)</u>	<u>441</u>	Self
	<u>1,570</u>	<u>1,838</u>	<u>(1,047)</u>	<u>(1,460)</u>	<u>901</u>	

2023

	Dec. 31, 2022	Increase	Transfer into fixed assets	Other decrease	Dec. 31, 2023	Fund source
Business occupancy	721	533	(322)	(72)	860	Self
Others	<u>303</u>	<u>834</u>	<u>(1)</u>	<u>(426)</u>	<u>710</u>	Self
	<u>1,024</u>	<u>1,367</u>	<u>(323)</u>	<u>(498)</u>	<u>1,570</u>	

No interest capitalized expenses existed in the construction in progress.

As of December 31, 2024, no depreciation happened in the construction in progress of the Group, so no impairment provision of the construction in progress was accrued. (December 31, 2023: the same).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

10. Right-of-use assets

Houses and buildings	2024	2023
Original value:		
Beginning balance	4,909	4,504
Increase in the period	531	710
Decrease in the period	(513)	(305)
Ending balance	4,927	4,909
Accumulated depreciation:		
Beginning balance	1,936	1,421
Increase in the period	784	806
Decrease in the period	(480)	(291)
Ending balance	2,240	1,936
Book value:		
Ending balance	2,687	2,973
Beginning balance	2,973	3,083

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

11. Intangible assets

2024	Software	Land use right	Members hip right	Franchise rights (note)	Data resource	Total
Original price:						
Dec. 31, 2023	2,581	1,319	22	440	-	4,362
Increase in the period	1,663	98	-	-	6	1,767
Decrease in the period	(144)	-	-	-	-	(144)
Dec. 31, 2024	<u>4,100</u>	<u>1,417</u>	<u>22</u>	<u>440</u>	<u>6</u>	<u>5,985</u>
Accumulated depreciation:						
Dec. 31, 2023	1,243	185	22	-	-	1,450
Increase in the period	623	35	-	-	-	658
Decrease in the period	(140)	-	-	-	-	(140)
Dec. 31, 2024	<u>1,726</u>	<u>220</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>1,968</u>
Book value:						
Dec. 31, 2024	<u>2,374</u>	<u>1,197</u>	<u>-</u>	<u>440</u>	<u>6</u>	<u>4,017</u>
Dec. 31, 2023	<u>1,338</u>	<u>1,134</u>	<u>-</u>	<u>440</u>	<u>-</u>	<u>2,912</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

11. Intangible assets (continued)

2023	Software	Land use right	Membershi p right	Franchise rights (note)	Total
Original price:					
Dec. 31, 2022	1,862	1,189	22	440	3,513
Increase in the period	720	130	-	-	850
Decrease in the period	(1)	-	-	-	(1)
Dec. 31, 2023	<u>2,581</u>	<u>1,319</u>	<u>22</u>	<u>440</u>	<u>4,362</u>
Accumulated depreciation:					
Dec. 31, 2022	917	153	22	-	1,092
Increase in the period	327	32	-	-	359
Decrease in the period	(1)	-	-	-	(1)
Dec. 31, 2023	<u>1,243</u>	<u>185</u>	<u>22</u>	<u>-</u>	<u>1,450</u>
Book value:					
Dec. 31, 2023	<u>1,338</u>	<u>1,134</u>	<u>-</u>	<u>440</u>	<u>2,912</u>
Dec. 31, 2022	<u>945</u>	<u>1,036</u>	<u>-</u>	<u>440</u>	<u>2,421</u>

Note: the franchise rights formed by the merger of enterprises not under the same control

According to the impairment test results of the Group, as of December 31, 2024, the franchise rights did not experience impairment, and there were no signs of impairment for other intangible assets. Therefore, no provision for impairment of intangible assets was made (December 31, 2023: the same).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

12. Deferred income tax assets/liabilities

12.1. Deferred income tax assets and liabilities before offsetting each other

Deferred income tax assets and liabilities before offsetting each other:

	Dec. 31, 2024		Dec. 31, 2023	
	Deductible/ (taxable) Temporary difference	Deferred income tax assets /(liabilities)	Deductible/ (taxable) Temporary difference	Deferred income tax assets /(liabilities)
Deferred income tax assets	<u>69,110</u>	<u>17,163</u>	<u>56,380</u>	<u>14,095</u>
Deferred income tax liabilities	<u>(58,624)</u>	<u>(14,650)</u>	<u>(31,338)</u>	<u>(7,835)</u>

Temporary differences of the deferred income tax assets and deferred income tax liabilities before offsetting are listed as follows:

	Dec. 31, 2024		Dec. 31, 2023	
	Deductible/ Temporary difference	Deferred Income tax assets	Deductible/ Temporary difference	Deferred Income tax assets
Deferred income tax assets				
Provisions for asset depreciation	30,422	7,502	32,446	8,112
Changes in fair value of derivative financial liabilities	28,630	7,157	13,069	3,267
Changes in fair value of trading financial liabilities	3,681	920	3,963	991
Estimated liabilities	1,403	351	1,673	418
Lease liability	2,550	634	2,813	703
Deferred income	1,123	281	1,385	346
Others	<u>1,301</u>	<u>318</u>	<u>1,031</u>	<u>258</u>
	<u>69,110</u>	<u>17,163</u>	<u>56,380</u>	<u>14,095</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

12. Deferred income tax assets/liabilities (continued)

12.1. Deferred income tax assets and liabilities before offsetting each other (continued)

Temporary differences of the deferred income tax assets and deferred income tax liabilities before offsetting are listed as follows (continued):

	Dec. 31, 2024		Dec. 31, 2023	
	Taxable Temporary difference	Deferred income tax liabilities	Taxable Temporary difference	Deferred income tax liabilities
Deferred income tax liabilities				
Conversion of self-use real estate to investment real estate measured at fair value	-	-	(19)	(5)
Changes in fair value of other debt investments	(18,417)	(4,604)	(5,138)	(1,285)
Changes in fair value of other equity instruments	(331)	(83)	(245)	(61)
Changes in fair value of derivative financial assets	(31,421)	(7,855)	(18,017)	(4,504)
Changes in fair value of trading financial assets	(5,281)	(1,320)	(4,514)	(1,129)
Right-of-use assets	(2,687)	(666)	(2,965)	(741)
Difference between the fair value and book value of identifiable net assets formed by mergers of enterprises under different controls	(440)	(110)	(440)	(110)
Others	(47)	(12)	-	-
	<u>(58,624)</u>	<u>(14,650)</u>	<u>(31,338)</u>	<u>(7,835)</u>

12.2. Deferred income tax assets and liabilities after offsetting

The Company's deferred income tax assets and liabilities after offsetting and the corresponding temporary differences are as follows:

	Dec. 31, 2024		Dec. 31, 2023	
	Before offset	After offset	Before offset	After offset
Deferred income tax assets	<u>17,163</u>	<u>2,513</u>	<u>14,095</u>	<u>6,260</u>
Deferred income tax liabilities	<u>(14,650)</u>	<u>-</u>	<u>(7,835)</u>	<u>-</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

13. Other assets

		Dec. 31, 2024	Dec. 31, 2023
Other receivables	13.1	2,649	3,634
Amount to be settled/liquidated		824	943
Long-term deferred expenses	13.2	810	924
Interest receivable		55	53
Pending deduct VAT on purchase		270	249
Debt assets		-	8
Others		245	46
		<u>4,853</u>	<u>5,857</u>

13.1. Other receivables

Dec. 31, 2024								
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total	Proportion	Bad-debt provision	Net value
Deposit	9	11	8	67	95	3.09%	(11)	84
Others	<u>2,475</u>	<u>430</u>	<u>36</u>	<u>40</u>	<u>2,981</u>	<u>96.91%</u>	<u>(416)</u>	<u>2,565</u>
	<u>2,484</u>	<u>441</u>	<u>44</u>	<u>107</u>	<u>3,076</u>	<u>100.00%</u>	<u>(427)</u>	<u>2,649</u>

Dec. 31, 2023								
	Within 1 year	1-2 years	2-3 years	Over 3 years	Total	Proportion	Bad-debt provision	Net value
Deposit	27	9	13	58	107	2.83%	(7)	100
Others	<u>2,867</u>	<u>383</u>	<u>165</u>	<u>264</u>	<u>3,679</u>	<u>97.17%</u>	<u>(145)</u>	<u>3,534</u>
	<u>2,894</u>	<u>392</u>	<u>178</u>	<u>322</u>	<u>3,786</u>	<u>100.00%</u>	<u>(152)</u>	<u>3,634</u>

The balance of the account does not involve the arrearages to those shareholders or shareholders' companies with 5% or over 5% shareholding of the Company till Dec. 31, 2024 (Dec. 31, 2023: none).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

13. Other assets (continued)

13.2. Long-term deferred expenses

2024	Improvement of fixed assets for operation purpose	Other	Total
Dec. 31, 2023	920	4	924
Increase	298	19	317
Decrease	(59)	(18)	(77)
Amortize	(351)	(3)	(354)
Dec. 31, 2024	<u>808</u>	<u>2</u>	<u>810</u>
2023	Improvement of fixed assets for operation purpose	Other	Total
Dec. 31, 2022	961	15	976
Increase	287	21	308
Decrease	(20)	(29)	(49)
Amortize	(308)	(3)	(311)
Dec. 31, 2023	<u>920</u>	<u>4</u>	<u>924</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

14. Allowances for asset impairment

2024	Note V	Dec. 31, 2023	Accrual (transfer back)	Write-off/ Withdrawal after verification	Other changes	Dec. 31, 2024
Provision for impairment of deposits with banks	2	43	2	-	-	45
Provision for impairment of lending funds	3	35	-	-	-	35
Provision for impairment of repurchase financial assets	5	-	13	-	-	13
Provision for loan impairment measured at amortized cost	6	42,878	11,701	(11,425)	(60)	43,094
Provision for impairment of loans measured at fair value with changes recognized in other comprehensive income	6	919	(143)	-	-	776
Provision for impairment of investment in creditor's rights	7	1,869	(838)	-	-	1,031
Provision for impairment of other investment in creditor's rights	7	1,411	(154)	-	-	1,257
Provision for impairment of accrued interest on financial assets measured at amortized cost		175	(40)	-	-	135
Provision for impairment of accrued interest on financial assets measured at fair value with changes recognized in other comprehensive income		17	-	-	-	17
Provision for impairment of fixed assets	8	5	-	-	-	5
Provision for impairment of other assets		321	335	(101)	-	555
		<u>47,673</u>	<u>10,876</u>	<u>(11,526)</u>	<u>(60)</u>	<u>46,963</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

14. Allowances for asset impairment (continued)

2023	Note V	Dec. 31, 2022	Accrual (transfer back)	Write-off/ Withdrawal after verification	Other changes	Dec. 31, 2023
Provision for impairment of deposits with banks	2	24	19	-	-	43
Provision for impairment of lending funds	3	27	8	-	-	35
Provision for impairment of repurchase financial assets	5	11	(11)	-	-	-
Provision for loan impairment measured at amortized cost	6	38,564	10,715	(6,356)	(45)	42,878
Provision for impairment of loans measured at fair value with changes recognized in other comprehensive income	6	892	27	-	-	919
Provision for impairment of investment in creditor's rights	7	2,193	(530)	206	-	1,869
Provision for impairment of other investment in creditor's rights	7	1,144	267	-	-	1,411
Provision for impairment of accrued interest on financial assets measured at amortized cost		175	-	-	-	175
Provision for impairment of accrued interest on financial assets measured at fair value with changes recognized in other comprehensive income		13	4	-	-	17
Provision for impairment of fixed assets	8	5	-	-	-	5
Provision for impairment of other assets		483	(162)	-	-	321
		<u>43,531</u>	<u>10,337</u>	<u>(6,150)</u>	<u>(45)</u>	<u>47,673</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

15. Borrowing from the central bank

	Dec. 31, 2024	Dec. 31, 2023
Medium-term lending facility	38,380	94,900
Re-lending facility for supporting micro and small enterprises	15,055	13,180
Others	675	325
	<u>54,110</u>	<u>108,405</u>
Subtotal	54,110	108,405
Accrued interest	530	784
	<u>54,640</u>	<u>109,189</u>

16. Deposits from banks and other financial institutions

	Dec. 31, 2024	Dec. 31, 2023
Deposit from domestic banks	279	15,582
Deposit from foreign banks	4	76
Other financial institutions	117,413	66,268
	<u>117,696</u>	<u>81,926</u>
Subtotal	117,696	81,926
Accrued interest	121	196
	<u>117,817</u>	<u>82,122</u>

The interbank deposits of related parties of the Group at the end of the year are detailed in Note IX. 2.5.

17. Loans from other banks and other financial institutions

	Dec. 31, 2024	Dec. 31, 2023
Deposit funds measured at amortized cost		
Bank	157,863	128,592
Other financial institutions	5,281	6,894
	<u>163,144</u>	<u>135,486</u>
Precious metal lending measured at fair value through profit or loss for the current period		
Bank	27,755	46,344
	<u>27,755</u>	<u>46,344</u>
Subtotal	190,899	181,830
Accrued interest	1,036	1,284
	<u>191,935</u>	<u>183,114</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

18. Financial assets sold for repurchase

	Dec. 31, 2024	Dec. 31, 2023
Classified by pledges:		
Bonds	161,525	121,774
Bills	<u>1,711</u>	<u>821</u>
Subtotal	163,236	122,595
Accrued interest	<u>32</u>	<u>46</u>
	<u>163,268</u>	<u>122,641</u>
Classified by counter party:		
Banks	151,725	122,578
Other financial institutions	<u>11,511</u>	<u>17</u>
Subtotal	163,236	122,595
Accrued interest	<u>32</u>	<u>46</u>
	<u>163,268</u>	<u>122,641</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

19. Deposits

	Dec. 31, 2024	Dec. 31, 2023
Demand deposit		
Corporate	451,244	415,222
Personal	102,963	86,716
Fixed time deposit		
Corporate	848,260	676,544
Personal	392,154	326,875
Guarantee deposit	40,282	59,018
Others	1,442	1,923
	<u>1,836,345</u>	<u>1,566,298</u>
Subtotal	1,836,345	1,566,298
Accrued interest	33,279	22,238
	<u>1,869,624</u>	<u>1,588,536</u>

See Note IX/2.3 for deposits of the related parties of the Company at the end of the year.

20. Payroll payable

2024	Dec. 31, 2023	Withdrawal	Payment	Dec. 31, 2024
Short-term salary:				
Salaries, bonuses, allowances, and subsidies	3,880	11,589	(11,459)	4,010
Welfare	-	875	(875)	-
Social insurance				
Medical insurance	1	378	(378)	1
Work injury insurance	-	10	(10)	-
House funds	-	912	(912)	-
Labor union's funds and employee education funds	4	39	(39)	4
Contribution plan:				
Basic pension insurance	-	710	(710)	-
Unemployment insurance	-	24	(24)	-
Annuity plan	1	288	(288)	1
	<u>3,886</u>	<u>14,825</u>	<u>(14,695)</u>	<u>4,016</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

20. Payroll payable (continued)

2023	Dec. 31, 2022	Withdrawal	Payment	Dec. 31, 2023
Short-term salary:				
Salaries, bonuses, allowances, and subsidies	4,102	11,546	(11,768)	3,880
Welfare	-	911	(911)	-
Social insurance				
Medical insurance	1	367	(367)	1
Work injury insurance	-	9	(9)	-
House funds	-	819	(819)	-
Labor union's funds and employee education funds	5	55	(56)	4
Contribution plan:				
Basic pension insurance	-	648	(648)	-
Unemployment insurance	-	21	(21)	-
Annuity plan	4	262	(265)	1
	<u>4,112</u>	<u>14,638</u>	<u>(14,864)</u>	<u>3,886</u>

21. Tax payable

	Dec. 31, 2024	Dec. 31, 2023
Value-added tax	681	665
Corporate income tax	1,462	402
Individual income tax	64	72
Urban construction tax	60	40
Educational surcharges	41	28
Withholding and paying taxes on behalf of others	11	17
Others	60	57
	<u>2,379</u>	<u>1,281</u>

22. Bond payable

	Dec. 31, 2024	Dec. 31, 2023
Financial bond payable (a)	79,985	73,991
Secondary capital bond payable (b)	65,492	51,492
Priority Principal Payable of Asset-Backed Securities (c)	1,485	-
Interbank deposit certificates payable (d)	<u>284,246</u>	<u>243,496</u>
Subtotal	431,208	368,979
Accrued interest	<u>2,189</u>	<u>2,104</u>
	<u>433,397</u>	<u>371,083</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

22. Bond payable (continued)

(a) As of December 31, 2024, the Group's financial bonds payable are as follows:

Bond name	Date of issue	Bond period	Book value	Beginning balance	Issued in 2024	Discount Amortization	Repaid in 2024	Ending balance
19 BNB SME Bond 03	2019/10/14	5 years	1,000	1,000	-	-	(1,000)	-
20 BNB SME Bond 02	2020/3/4	5 years	1,500	1,500	-	-	-	1,500
21 BNB 01	2021/4/8	3 years	5,000	4,999	-	1	(5,000)	-
22 BNB 01	2022/2/16	3 years	10,000	9,999	-	-	-	9,999
22 BNB 02	2022/5/6	3 years	10,000	9,999	-	-	-	9,999
22 BNB 03	2022/6/9	3 years	10,000	9,998	-	-	-	9,998
22 BNB 04	2022/11/3	3 years	10,000	10,000	-	-	-	10,000
23 BNB 01	2023/4/13	3 years	10,000	9,999	-	-	-	9,999
23 BNB 02	2023/5/17	3 years	15,000	14,998	-	-	-	14,998
23 Maxwealth Financial Leasing Bond	2023/12/15	3 years	1,500	1,499	-	-	-	1,499
24 Maxwealth Financial Leasing Bond 01	2024/2/28	3 years	3,000	-	3,000	(1)	-	2,999
24 Maxwealth Financial Leasing Bond 02	2024/4/24	3 years	3,000	-	3,000	(2)	-	2,998
24 Maxwealth Financial Leasing Bond 03	2024/6/13	3 years	1,500	-	1,500	(1)	-	1,499
24 Maxwealth Financial Leasing Bond 04	2024/11/19	3 years	3,000	-	3,000	(2)	-	2,998
24BNB Consumer Finance Bond 01	2024/12/4	3 years	1,500	-	1,500	(1)	-	1,499

As of December 31, 2023, the Group's financial bonds payable are as follows:

Bond name	Date of issue	Bond period	Book value	Beginning balance	Issued in 2024	Discount Amortization	Repaid in 2024	Ending balance
13 BNB Bond 02	2013/4/16	10 years	3,000	2,998	-	2	(3,000)	-
19BNB SME Bond 03	2019/10/14	5 years	1,000	1,000	-	-	-	1,000
20 BNB SME Bond 01	2020/3/4	3 years	5,500	5,500	-	-	(5,500)	-
20BNB SME Bond 02	2020/3/4	5 years	1,500	1,500	-	-	-	1,500
20 BNB 01	2020/4/9	3 years	5,000	5,000	-	-	(5,000)	-
21 BNB 01	2021/4/8	3 years	5,000	4,999	-	-	-	4,999
22 BNB 01	2022/2/16	3 years	10,000	9,999	-	-	-	9,999
22 BNB 02	2022/5/6	3 years	10,000	9,999	-	-	-	9,999
22 BNB 03	2022/6/9	3 years	10,000	9,998	-	-	-	9,998
22 BNB 04	2022/11/3	3 years	10,000	10,000	-	-	-	10,000
23 BNB 01	2023/4/13	3 years	10,000	-	10,000	(1)	-	9,999
23 BNB 02	2023/5/17	3 years	15,000	-	15,000	(2)	-	14,998
20Maxwealth Leasing Bond 01	2020/2/25	3 years	1,000	1,000	-	-	(1,000)	-
23 Maxwealth Financial Leasing Bond	2023/12/15	3 years	1,500	-	1,500	(1)	-	1,499

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

22. Bond payable (continued)

(b) As of December 31, 2024, the Group's payable Tier II capital bonds are as follows:

Bond name	Date of issue	Bond period	Book value	Beginning balance	Issued in 2024	Discount Amortization	Repaid in 2024	Ending balance
19 BNB Tier II	2019/7/10	10 years	10,000	10,000	-	-	(10,000)	-
20 BNB Tier II	2020/8/6	10 years	10,000	9,997	-	-	-	9,997
21 BNB Tier II 01	2021/6/3	10 years	6,000	5,999	-	-	-	5,999
21 BNB Tier II 02	2021/7/8	10 years	3,500	3,499	-	-	-	3,499
22 BNB Tier II 01	2022/8/2	10 years	22,000	21,997	-	-	-	21,997
24 BNB Tier II Capital Bond 01	2024/5/13	10 years	14,000	-	14,000	-	-	14,000
24 BNB Tier II Capital Bond 02	2024/9/19	10 years	10,000	-	10,000	-	-	10,000

As of December 31, 2023, the Group's payable Tier 2 capital bonds are as follows:

Bond name	Date of issue	Bond period	Book value	Beginning balance	Issued in 2024	Discount Amortization	Repaid in 2024	Ending balance
19 BNB Tier II	2019/7/10	10 years	10,000	10,000	-	-	-	10,000
20 BNB Tier II	2020/8/6	10 years	10,000	9,997	-	-	-	9,997
21 BNB Tier II 01	2021/6/3	10 years	6,000	5,999	-	-	-	5,999
21 BNB Tier II 02	2021/7/8	10 years	3,500	3,499	-	-	-	3,499
24 BNB Tier II Capital Bond 01	2022/8/2	10 years	22,000	21,997	-	-	-	21,997

(c) On December 3, 2024, Zhejiang BNB Consumer Finance Co., Ltd., a subsidiary of the Group, as the originator, issued Ninghui 2024 Phase I Personal Consumer Loan Asset-Backed Securities in the national interbank bond market, with a total issuance size of RMB 1.876 billion. The subordinated tranches of the aforementioned asset-backed securities are fully held by the Group.

(d) As of December 31, 2024 and December 31, 2023, the Group's interbank certificates of deposit are as follows:

Dec. 31, 2024	Bond period	Effective interest rate	Face value at year-end	Ending balance
Interbank certificates of deposit	1 month to 1 year	1.65%-2.44%	286,140	284,246
Dec. 31, 2023	Bond period	Effective interest rate	Face value at year-end	Ending balance
Interbank certificates of deposit	1 month to 1 year	1.84%-2.73%	245,560	243,496

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

23. Lease liabilities

Analysis by maturity - without discount analysis

	Dec. 31, 2024	Dec. 31, 2023
Within 1 year (included)	684	760
1-2 years (included)	609	612
2-3 years (included)	530	513
3-5 years (included)	655	767
Over 5 years	294	444
	<u>2,772</u>	<u>3,096</u>
Total undiscounted lease liabilities		
	<u>2,550</u>	<u>2,819</u>

In 2024, the total cash outflow related to leasing paid by the Group as a lessee was RMB 1.030 million (2023: RMB 1,085 million), of which RMB 907 million (2023: RMB 983 million) was included in financing activities to pay off lease liabilities, and the remaining cash outflows were included in operating activities.

24. Estimated liabilities

	Dec. 31, 2024	Dec. 31, 2023
Expected credit loss provision for credit commitments	1,358	1,555
Other estimated liabilities	45	118
	<u>1,403</u>	<u>1,673</u>

	Dec. 31, 2024	Dec. 31, 2023
Stage 1 (expected credit loss in 12 months)	1,207	1,516
Stage 2 (expected credit loss for the entire lifespan - no impairment)	75	38
Stage 3 (expected credit loss over the entire lifespan - impaired)	76	1
	<u>1,358</u>	<u>1,555</u>
Total		

Note 1: The assumptions and estimates related to the expected credit loss provision made by the Group for off-balance-sheet events are detailed in Note XII. 1.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

25. Other liabilities

		Dec. 31, 2024	Dec. 31, 2023
Other payables	25.1	11,965	13,461
Liquidation amount payable		3,105	1,946
Output tax to be carried forward		239	195
Dividend payable		24	38
Others		1,003	922
		<u>16,336</u>	<u>16,562</u>

25.1. Other payables

		Dec. 31, 2024	Dec. 31, 2023
Bills payable		7,633	10,171
Securitized assets to be transferred		27	166
Unpaid construction		488	302
Lease deposit		685	345
Others		3,132	2,477
		<u>11,965</u>	<u>13,461</u>

As of December 31, 2024, there were no shareholders, shareholder groups or other related parties holding 5% or more of the voting shares in the balance of this account (December 31, 2023: none).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

26. Share capital

2024	Jan. 1, 2024		Change		Dec. 31, 2024	
	Amount	Prop.	Newly issued	sterilization	Amount	Prop.
I. Shares subject to restriction on sale						
1. State-owned shares	-	0.00%	-	-	-	-
2. Shares held by state-owned legal persons	-	0.00%	-	-	-	-
3. Shares held by other domestic investors	-	0.00%	-	-	-	-
<i>Amongst: shares held by domestic legal person</i>	-	0.00%	-	-	-	-
4. Shares held by foreign investors	76	1.15%	-	-	76	1.15%
<i>Amongst: shares held by foreign legal persons</i>	76	1.15%	-	-	76	1.15%
5. Shares held by senior management	3	0.05%	-	1	4	0.06%
Total of shares subject to restriction on sales	79	1.20%	-	1	80	1.21%
II. Shares not subject to restriction on sales						
RMB-denominated ordinary shares	6,525	98.80%	-	(1)	6,524	98.79%
Total of shares not subject to restriction on sales	6,525	98.80%	-	(1)	6,524	98.79%
III. Total shares	6,604	100.00%	-	-	6,604	100.00%
2023	Jan. 1, 2023		Change		Dec. 31, 2023	
	Amount	Prop.	Newly issued	sterilization	Amount	Prop.
I. Shares subject to restriction on sale						
1. State-owned shares	-	0.00%	-	-	-	0.00%
2. Shares held by state-owned legal persons	-	0.00%	-	-	-	0.00%
3. Shares held by other domestic investors	-	0.00%	-	-	-	0.00%
<i>Amongst: shares held by domestic legal person</i>	-	0.00%	-	-	-	0.00%
4. Shares held by foreign investors	76	1.15%	-	-	76	1.15%
<i>Amongst: shares held by foreign legal persons</i>	76	1.15%	-	-	76	1.15%
5. Shares held by senior management	4	0.06%	-	(1)	3	0.05%
Total of shares subject to restriction on sales	80	1.21%	-	(1)	79	1.20%
II. Shares not subject to restriction on sales						
RMB-denominated ordinary shares	6,524	98.79%	-	1	6,525	98.80%
Total of shares not subject to restriction on sales	6,524	98.79%	-	1	6,525	98.80%
III. Total shares	6,604	100.00%	-	-	6,604	100.00%

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

27. Other equity instruments

27.1. Preferred shares

As of Dec. 31, 2024, the preferred shares issued by the Group are as follows:

Date of issue	Accounting classification	Stock interest rate or interest rate	Issue price	Quantity	Amount	Expiration or renewal	Convertible conditions	Conversion
N.H.Y. 01:								
							Mandatory conversion under	
2015/11/16	Preferred share	4.68%	100	48.5 million shares	RMB 4.85 billion	N/A	certain trigger event	N/A
N.H.Y. 02:								
							Mandatory conversion under	
2018/11/7	Preferred share	4.50%	100	0.1 billion shares	RMB 10 billion	N/A	certain trigger event	N/A

As of Dec. 31, 2023, the preferred shares issued by the Group are as follows:

Date of issue	Accounting classification	Stock interest rate or interest rate	Issue price	Quantity	Amount	Expiration or renewal	Convertible conditions	Conversion
N.H.Y. 01:								
							Mandatory conversion under	
2015/11/16	Preferred share	4.68%	100	48.5 million shares	RMB 4.85 billion	N/A	certain trigger event	N/A
N.H.Y. 02:								
							Mandatory conversion under	
2018/11/7	Preferred share	4.50%	100	0.1 billion shares	RMB 10 billion	N/A	certain trigger event	N/A

N.H.Y. 01: the Company issued preferred shares on November 16, 2015. The preferred shares have no maturity date, and the Company has the right to choose to redeem them in advance. The fixed dividend yield at the time of issuance of preferred shares is 4.60%, and the dividend yield is adjusted every five years thereafter. The fixed dividend yield of preferred shares in the first interest period (November 16, 2015 to November 15, 2020) is 4.60%, and that in the second interest period (November 16, 2020 to November 15, 2025) is 4.68%. Preferred shares do not participate in the distribution of residual profits, and the Company has the right to cancel the payment of dividends. In case of compulsory conversion of shares, the Company has the right to forcibly convert preferred shares into ordinary shares according to the compulsory conversion price. According to relevant regulatory regulations, the preferred shares belong to Tier 1 capital instruments. The Company classifies it as other equity instruments.

N.H.Y. 02: the Company issued preferred shares on November 7, 2018. The preferred shares have no maturity date, and the Company has the right to choose to redeem them in advance. The fixed dividend yield at the time of issuance of preferred shares is 5.30%, and the dividend yield is adjusted every five years thereafter. The fixed dividend yield of preferred shares in the first interest period (November 7, 2018 to November 6, 2023) is 5.30%. The fixed dividend yield of preferred shares in the second interest period (November 7, 2023 to November 6, 2028) is 4.50%. Preferred shares do not participate in the distribution of residual profits and have the right to cancel the payment of dividends. In case of compulsory conversion of shares, the Company has the right to forcibly convert preferred shares into ordinary shares according to the compulsory conversion price. According to relevant regulatory regulations, the preferred shares belong to Tier 1 capital instruments. The Company classifies it as other equity instruments.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

27. Other equity instruments (continued)

27.1. Preferred shares (continued)

The changes of preferred shares issued by the Group were as follows:

2024

	Jan. 1, 2024		Increase		Decrease		Dec. 31, 2024	
	Qty.	Book value	Qty.	Book value	Qty.	Book value	Qty.	Book value
2024 domestic preferred share	148.5 million	RMB 14.81 billion	-	-	-	-	148.5 million	RMB 14.81 billion
		<u>RMB 14.81 billion</u>		<u>-</u>		<u>-</u>		<u>RMB 14.81 billion</u>

2023

	Jan. 1, 2023		Increase		Decrease		Dec. 31, 2023	
	Qty.	Book value	Qty.	Book value	Qty.	Book value	Qty.	Book value
2023 domestic preferred share	148.5 million	RMB 14.81 billion	-	-	-	-	148.5 million	RMB 14.81 billion
		<u>RMB 14.81 billion</u>		<u>-</u>		<u>-</u>		<u>RMB 14.81 billion</u>

27.2. Perpetual bond

As of December 31, 2024, details of perpetual bonds issued by the Group to the public are as follows:

	Date of issue	Accounting Category	Initial interest rate	Issue Price	Qty.	Amount	Maturity
23 NBCB perpetual bond 01							
Jul. 6, 2023		Equity instrument	3.45%	100	0.1 billion shares	RMB 10 billion	Non-fixed term

With the approval of relevant regulatory authorities, the Company issued a non-fixed term capital bond with a total scale of RMB 10 billion in the national interbank bond market on July 6, 2023, and the raised funds were received on July 11, 2023. The unit face value of this bond was RMB 100, with a coupon rate of 3.45%. This bond adopted a phased adjustment of the coupon rate, with a 5-year coupon rate adjustment period, during which interest is paid at the agreed coupon rate. On the benchmark interest rate adjustment date (i.e. every 5 years until the issuance and payment deadline), the level of coupon rate for an adjustment period in the future will be determined by adding the benchmark interest rate on the benchmark interest rate adjustment date to the fixed interest rate difference determined during the issuance pricing.

V. Notes to Items in the Consolidated Financial Statements (continued)

27. Other equity instruments (continued)

27.2. Perpetual bond (continued)

The duration of this bond is consistent with the duration of operation of the Company. This bond issuance is subject to conditional redemption clause of the Company. After 5 years from the issuance date, the Company has the right to redeem all or part of this bond on the annual interest payment date (including the 5th year after the issuance date), provided that the redemption prerequisites are met and approved by the National Financial Regulatory Administration. After the issuance of this bond, in case there are unforeseen regulatory changes that result in the bond no longer being included in other Tier 1 capital, the Company has the right to redeem the bond in full instead of in part.

The accounting category of this bond is other Tier I capital instruments recognized in equity, and the repayment order is after the depositor, general creditors, and subordinated debt ranked higher than this bond, and before all classes of shares held by shareholders of the Company; This bond will be repaid in the same order as other Tier I capital instruments of the Company in the same repayment order.

When a non-survival trigger event occurs, the Company has the right to partially or completely reduce the principal of this bond without obtaining the consent of the bondholders. This bond will be written down based on the proportion of the remaining face value to the total face value of all other Tier I capital instruments with the same triggering event.

This bond adopts a non cumulative interest payment method, and the Company has the right to cancel all or part of the dividend payout on this bond, which does not constitute a default event. The Company has the right to use the cancelled interest on this bond to pay off other maturing debts. The cancellation of all or part of the dividend payout on this bond does not constitute any other restrictions on the Company, except for the distribution of dividends on ordinary shares. The dividend payout for this bond must come from distributable items, and the dividend payout is not co-related to the own rating of the Company, and will not be adjusted with future changes in rating of the Company.

Investors are not allowed to resell this bond, and the funds raised from this bond issuance, after deducting issuance fees, will be fully used to supplement the other tier I capital of the Company in accordance with applicable laws and approval from regulatory authorities.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

27. Other equity instruments (continued)

27.3. Relevant information attributable to equity instrument holders

Relevant information attributable to equity instrument holders is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Equity attributable to shareholders of the parent company	233,151	201,195
Equity attributable to holders of common shares of the parent company	208,341	176,385
Equity attributable to holders of other equity of the parent company	24,810	24,810
Equity attributable to minority shareholders	1,109	1,015
Equity attributable to minority shareholders of common share	1,109	1,015

28. Capital reserve

2024	Jan. 1, 2024	Change	Dec. 31, 2024
Capital reserve	<u>37,611</u>	<u>-</u>	<u>37,611</u>
	<u>37,611</u>	<u>-</u>	<u>37,611</u>
2023	Jan. 1, 2023	Change	Dec. 31, 2023
Capital reserve	<u>37,666</u>	<u>(55)</u>	<u>37,611</u>
	<u>37,666</u>	<u>(55)</u>	<u>37,611</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

29. Other comprehensive income

Accumulated balance of other comprehensive income attributable to the parent company in the consolidated balance sheet:

2024

	Jan. 1, 2024	Change	Retained income from other comprehensive income	Dec. 31, 2024
Other comprehensive income not expected to be reclassified into profit and loss				
Changes in fair value of other equity instrument investments	184	65	-	249
Other comprehensive income expected to be reclassified into profit and loss				
Conversion of self-use real estate to investment real estate measured by fair value	14	(14)	-	-
Changes in fair value of debt instrument investment measured at fair value with changes included in other comprehensive income	3,842	9,986	-	13,828
Provision for credit loss of debt instrument investment measured at fair value with changes included in other comprehensive income	1,761	(224)	-	1,537
	<u>5,801</u>	<u>9,813</u>	<u>-</u>	<u>15,614</u>

2023

	Jan. 1, 2023	Change	Retained income from other comprehensive income	Dec. 31, 2023
Other comprehensive income not expected to be reclassified into profit and loss				
Changes in fair value of other equity instrument investments	66	116	2	184
Other comprehensive income expected to be reclassified into profit and loss				
Conversion of self-use real estate to investment real estate measured by fair value	14	-	-	14
Changes in fair value of debt instrument investment measured at fair value with changes included in other comprehensive income	2,034	1,808	-	3,842
Provision for credit loss of debt instrument investment measured at fair value with changes included in other comprehensive income	1,537	224	-	1,761
	<u>3,651</u>	<u>2,148</u>	<u>2</u>	<u>5,801</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

29. Other comprehensive income (continued)

Incurred amount of other comprehensive income:

2024

	Pretax amount	Less: included in other comprehensive income in the previous period and transferred into profit and loss in the current period	Less: income tax	Attributable to the shareholders of the parent company	Attributable to minority shareholder
Other comprehensive income not expected to be reclassified into profit and loss					
Changes in fair value of other equity instrument investments	87	-	(22)	65	-
Other comprehensive income expected to be reclassified into profit and loss					
Changes in fair value of debt instrument investment measured at fair value with changes included in other comprehensive income	(19)	-	5	(14)	-
Provision for credit loss of debt instrument investment measured at fair value with changes included in other comprehensive income	13,372	(57)	(3,329)	9,986	-
Other comprehensive income not expected to be reclassified into profit and loss	<u>1,050</u>	<u>(1,349)</u>	<u>75</u>	<u>(224)</u>	<u>-</u>
	<u>14,490</u>	<u>(1,406)</u>	<u>(3,271)</u>	<u>9,813</u>	<u>-</u>

2023

	Pretax amount	Less: included in other comprehensive income in the previous period and transferred into profit and loss in the current period	Less: income tax	Attributable to the shareholders of the parent company	Attributable to minority shareholder
Other comprehensive income not expected to be reclassified into profit and loss					
Changes in fair value of other equity instrument investments	155	-	(39)	116	-
Other comprehensive income expected to be reclassified into profit and loss					
Changes in fair value of debt instrument investment measured at fair value with changes included in other comprehensive income	2,535	(124)	(603)	1,808	-
Provision for credit loss of debt instrument investment measured at fair value with changes included in other comprehensive income	<u>298</u>	<u>-</u>	<u>(74)</u>	<u>224</u>	<u>-</u>
	<u>2,988</u>	<u>(124)</u>	<u>(716)</u>	<u>2,148</u>	<u>-</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

30. Surplus reserve

2024	Jan. 1, 2024	Provision in the year	Dec. 31, 2024
Statutory surplus reserve	<u>14,705</u>	<u>2,336</u>	<u>17,041</u>
2023	Jan. 1, 2023	Provision in the year	Dec. 31, 2023
Statutory surplus reserve	<u>12,458</u>	<u>2,247</u>	<u>14,705</u>

The Company appropriated 10% of the net profit to the statutory surplus reserve as stipulated by Corporate Law and regulations of the Company. The accumulated statutory surplus reserve that is more than 50% of the registered capital of the Group cannot be relieved from provisions.

31. Provision for general risks

2024	Jan. 1, 2024	Provision in the year	Others	Dec. 31, 2024
Provision for general risks	<u>24,510</u>	<u>4,230</u>	<u>-</u>	<u>28,740</u>
2023	Jan. 1, 2023	Provision in the year	Others	Dec. 31, 2023
Provision for general risks	<u>20,944</u>	<u>3,554</u>	<u>12</u>	<u>24,510</u>

In accordance with the provisions of the Administrative Measures for the Provision of Financial Enterprises (C.J. [2012] No. 20) issued by the Ministry of Finance, the Group has set up general risk reserves to partially make up for the unidentified possible losses on the basis of the provision for asset impairment. The general risk reserve, as a part of the owner's equity, shall be treated as profit distribution, and shall not be less than 1.5% of the balance of risk assets in principle. It can be distributed year by year with a duration not exceeding 5 years in principle. Provision for general risks also includes other general provision drawn by subsidiaries of the Group in accordance with applicable laws and regulations of their industry.

According to the resolution of the 2023 general meeting of shareholders of the Group on May 15, 2024, the provision for general risks amounted to RMB 3,420,000,000 was withdrawn from the undistributed profits of 2023 (2023: general risk reserve amounted to RMB 2,993,000,000 was withdrawn from the undistributed profits of 2022) . The general risk reserves of subsidiaries in 2024 were RMB 810,000,000 (2023: RMB 561,000,000).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

32. Undistributed profit

	2024	2023
Undistributed profit at the end of last year	87,154	71,493
Net profit attributed to parent company	27,127	25,535
Less: provision for accumulated statutory surplus reserve 1	2,336	2,247
Provision for general risks	4,230	3,554
Retained income from other comprehensive income	-	2
Cash dividend payable for preferred shares	677	757
Cash dividend payable for ordinary shares	3,962	3,302
Interest of perpetual bond	345	-
Others	-	12
	<u>102,731</u>	<u>87,154</u>

See Note XIII for the predetermined 2024 distribution plan.

On April 8, 2024, the meeting of the Board of Directors of the Company passed the resolution: to distribute 10% of 2023 net profit as the statutory surplus reserve and withdraw the amount of RMB 3,420,000,000 as general provision. Cash dividends were distributed to the registered ordinary shareholders after the close of the stock market on the equity distribution registration date, and the payment of cash dividend was RMB 6 (including tax) per 10 shares, with the total cash dividend of RMB 3,962,000,000 being distributed. This distribution decision has been passed at the general meeting of shareholders on May 15, 2024.

The Company has discussed and passed the dividend distribution plan of the preferred shares (hereinafter referred to as "Bank of Ningbo Preferred 01") on the meeting of the Board of Directors held on October 28, 2024, which approved the ex-dividend date for the distribution of the dividend would be November 16, 2023. And according to the total amount of the shares of Bank of Ningbo Preferred 01 that is 48,500,000 with a nominal dividend rate of 4.68%, the cash dividend per share will be RMB 4.68 (tax included) and the total dividend value will be RMB 227,000,000.

The Company has discussed and passed the dividend distribution plan of the preferred shares (hereinafter referred to as "Bank of Ningbo Preferred 02") on the meeting of the Board of Directors held on October 28, 2024, which approved the start value date for the distribution of the dividend would be November 7, 2023. According to the total amount of the shares of Bank of Ningbo Preferred 02 that is 100,000,000 with a nominal dividend rate of 4.50%, the cash dividend per share will be RMB 4.5 (tax included) and the total dividend value will be RMB 450,000,000.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

33. Net interest income

	2024	2023
Interest income		
Loans and advances (Note 1)	68,425	59,795
<i>Including: corporate loans and advances</i>		
<i>Personal loans and advances</i>	34,422	28,454
<i>Notes discounted</i>	30,473	27,973
<i>Trade financing</i>	2,783	2,851
Due from other banks	747	517
Deposit in central bank	420	312
Loans to other banks	1,861	1,749
Redemptory monetary capital for sale	1,276	1,257
Bond investment	679	687
Assets custody plan and credit management plan	25,256	21,130
	<u>4,668</u>	<u>5,836</u>
	<u>102,585</u>	<u>90,766</u>
Interest expenses		
Due to other banks	(2,470)	(2,188)
Borrowing from central bank	(2,527)	(1,933)
Placements from other institutions	(4,277)	(3,596)
Deposit	(34,642)	(30,547)
Repurchase agreements financial assets	(1,268)	(2,015)
Bonds payable	(9,316)	(9,474)
Lease liability	(92)	(106)
	<u>(54,592)</u>	<u>(49,859)</u>
Net interest income	<u>47,993</u>	<u>40,907</u>

Note 1: in 2024, the interest income generated by the impaired financial assets of the Group was RMB 60 million (2023: RMB 45 million).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

34. Net fee and commission income

	2024	2023
Fee and commission income		
Settlement and clearing business	269	283
Bank cards business	200	266
Agency business	4,840	5,747
Guarantee business	648	609
Custody business	388	401
Consulting business	12	30
Others	17	10
	<u>6,374</u>	<u>7,346</u>
Fee and commission expenses		
Settlement and clearing business	(301)	(245)
Bank cards business	(183)	(150)
Agency business	(266)	(317)
Custody business	(64)	(83)
Others	(905)	(784)
	<u>(1,719)</u>	<u>(1,579)</u>
Net fee and commission income	<u>4,655</u>	<u>5,767</u>

35. Investment income

	2024	2023
Investment income from disposal of trading financial assets	830	101
Investment income from disposal of debt instruments measured at fair value with changes included in other comprehensive income	3,745	2,649
Gains from trading financial assets during the holding period	9,798	10,761
Profit and loss of derivatives business	(247)	(30)
Profit and loss of precious metal business	(413)	(382)
Income from equity investment	(2)	6
Income from de-recognition of financial assets measured at amortized cost	-	(4)
Others	(5)	(14)
	<u>13,706</u>	<u>13,087</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

36. Other incomes

Government subsidies related to daily activities are as follows:

	2024	2023
Financial aid	64	40
Refund of withholding personal income tax	30	28
Special fund for inclusive finance	350	672
	<u>444</u>	<u>740</u>

37. Gains and losses from fair value changes

	2024	2023
Fair value change of financial instrument measured by fair value and entered into the current income statement	321	(813)
Changes in fair value of investment real estate	27	(10)
Changes in fair value of derivative financial instruments	(330)	1,984
	<u>18</u>	<u>1,161</u>

38. Exchange gains and losses

	2024	2023
Gains and losses from changes in fair value of foreign exchange derivatives	(1,827)	(3,121)
Other exchange gains and losses	1,549	2,731
	<u>(278)</u>	<u>(390)</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

39. Taxes and surcharges

	2024	2023
City maintenance and construction tax	278	257
Educational surcharges	200	185
Stamp duty	101	69
Housing property tax	79	77
Other taxes	5	4
	<u>663</u>	<u>592</u>

40. Business and administrative expenses

	2024	2023
Staff costs	14,825	14,638
Business expenses	5,931	6,861
Depreciation of fixed assets	995	933
Depreciation of right-of-use assets	784	806
Amortization of long-term deferred expenses	354	311
Amortization of intangible assets	658	359
Short-term lease fee and lease fee of low value asset	123	104
	<u>23,670</u>	<u>24,012</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

41. Credit impairment losses

	2024	2023
Impairment losses on interbank deposits	2	19
Impairment loss on lending funds	-	8
Impairment loss on repurchase agreements	13	(11)
Impairment loss of loans and advances measured at amortized	11,701	10,715
Impairment loss of loans and advances measured at fair value with changes included in other comprehensive income	(143)	27
Impairment losses on debt investments	(838)	(530)
Impairment losses on other debt investments	(154)	267
Credit impairment losses on accrued interest on financial assets measured at amortized cost	(40)	-
Credit impairment loss on accrued interest on financial assets measured at fair value with changes recognized in other comprehensive income	-	4
Impairment loss of other assets	335	(162)
Impairment loss of credit commitment	(197)	(1,397)
	<u>10,679</u>	<u>8,940</u>

42. Income tax

	2024	2023
Income tax of the current period	3,589	2,324
Deferred income tax	<u>476</u>	<u>(35)</u>
	<u>4,065</u>	<u>2,289</u>

Relationship between income tax and accounting profits as follows:

	2024	2023
Total profits	31,286	27,898
Tax rate	25%	25%
Tax amount at statutory tax rate	7,822	6,975
Impact of Subsidiaries Being Subject to Different Tax Rates	(41)	-
Adjustment of current tax items	46	35
Impact of Tax Rate Changes on the Opening Deferred Tax Balance	80	-
Tax-free income	(6,648)	(5,965)
Non-deductible costs	2,790	1,244
Others	<u>16</u>	<u>-</u>
	<u>4,065</u>	<u>2,289</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

43. Earnings per share

Ordinary shareholders' net profit of the current period divided by the weighted average of the outstanding common stock equal to basic earnings per share. Diluted earnings per share was computed by dividing the adjusted profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all potentially dilutive shares for the reporting period by the adjusted weighted average number of ordinary shares in issue.

Calculation of basic earnings per share is as follows:

	2024	2023
Net profit attributable to shareholders of the parent company	27,127	25,535
Less: current net profit of the other equity holders of the parent company	1,022	757
Current net profit of the shareholders of the parent company	26,105	24,778
Weighted average of ordinary shares in issue	6,604	6,604
Basic and diluted earnings per share attributable to common shareholders of the parent company (RMB / share)	3.95	3.75
Net profit attributable to common shareholders of the parent company after deducting non recurring profits and losses	26,280	24,669
Basic and diluted earnings per share attributable to common shareholders of the parent company after deducting non recurring profits and losses (RMB Yuan/share)	3.98	3.74

When calculating the basic earnings per share of common stock, preferred dividends declared for distribution during the current period and perpetual bond interest paid shall be deducted from the net profit attributable to shareholders of the Company. In 2024, the Company declared preferred dividends of RMB 677 million and paid perpetual bond interest of RMB 345 million (compared to RMB 757 million of preferred dividends declared in 2023).

The characteristics of conversion of preferred shares make the Company own or have the possibility to issue common shares. As of December 31, 2024 (Dec 31, 2023: the same), the trigger event of share conversion has not occurred, and the characteristics of share conversion of preferred shares have no impact on the calculation of basic and diluted earnings per share in 2024 (2023: the same).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

44. Notes to items in the Cash Flow Statement

44.1 Cash and cash equivalents

	Dec. 31, 2024	Dec. 31, 2023
Cash	56,146	40,880
<i>Including: Cash</i>	1,607	1,660
<i>Current deposit in other banks</i>	25,651	25,203
<i>Payable balances with central banks</i>	28,888	14,017
Cash equivalent	42,680	16,347
<i>Including: Placements with other Institutions due within 3 months</i>	8,708	7,100
<i>Reserve repurchase financial assets due within 3 months</i>	33,972	9,247
Balance of cash and cash equivalents at the end of the year	98,826	57,227

44.2 Other cash received relating to operating activities

	2024	2023
Pending settlement paid	4,906	19,300
Rent income	19	31
Other incomes	4,649	2,985
	9,574	22,316

44.3 Other cash paid for other operating related activities

	2024	2023
Pending settlement paid	4,796	7,527
Business promotion and advertising	1,330	2,025
Business entertainment expense	361	370
Office and administration expenses	4,372	5,035
	10,859	14,957

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

44. Notes to items in the Cash Flow Statement (continued)

44.4 Cash flow from operating activities

	2024	2023
Net profit	27,221	25,609
Add: loss of fixed assets impairment	10,679	8,940
Impairment loss of other assets	1,019	941
Depreciation of fixed assets	784	806
Depreciation of right-of-use assets	658	359
Amortization of intangible assets	371	329
Amortization of deferred expenses	(1)	(280)
Income from disposal of fixed assets, intangible assets and other long-term assets	(18)	(1,161)
Loss of fair value adjustment	(30,924)	(28,887)
Investment interest income and investment income	92	106
Interest expense of lease liabilities	9,316	9,474
Interest expense of bond payable	476	(35)
Decrease/(increase) in deferred income tax assets	(241,755)	(228,499)
Increase in operational receivables	307,087	385,670
	<u>85,005</u>	<u>173,372</u>

44.5 Cash flows generated from investment activities

The cash received or paid for by the investment activities of the Group mainly arises from buying and selling bonds, interbank certificates of deposit, and asset-backed securities.

44.6 Cash flows from financing activities

The cash flow generated from the financing activities of the Group mainly comes from the bonds and interbank certificates of deposit issued by the Group. The changes in related liabilities from the beginning balance to the end balance can be found in Note V. 22.

V. Notes to Items in the Consolidated Financial Statements (continued)

45. Transfer of financial assets

The Company enters into transactions in the normal course of business by which it transfers recognized financial assets to third parties or to special purpose trusts. In some cases where these transferred financial assets qualify for de-recognition, the transfers may give rise to full or partial de-recognition of the financial assets concerned. In other cases where the transferred assets do not qualify for de-recognition as the Company has retained substantially all the risks and rewards of these assets, the Company continued to recognize the transferred assets.

Securities lending transaction

The transferred financial assets that have not been derecognized at all were mainly the securities lent out in the securities lending transaction. Under such transaction, the counterparty can sell or reuse the above securities without any breach of contract by the Group, but at the same time, it shall bear the obligation to return the above securities to the Group on the maturity date specified in the agreement. For the above transactions, the Group believes that the Group has retained most of the risks and rewards of the relevant securities, so it has not derecognized the relevant securities. As of December 31, 2024, the book value of assets transferred by the Group and the Company in securities lending transactions was RMB 23.33 billion (December 31, 2023: RMB 16.05 billion).

Securitization of credit assets

In terms of securitization of credit assets, the Group sells credit assets to special trust institutions, and then the special trust institutions issue asset-backed securities to investors. The Group may hold some sub-prime asset-backed securities in such businesses, thus retaining some risks and rewards for the transferred credit assets. The Group analyzes and judges whether to derecognize relevant credit assets according to the retention degree of risk and reward.

For credit asset securitizations that meet the derecognition criteria, the Group fully derecognizes the related assets. In 2024, the Group did not transfer any loans through such securitization transactions (2023 transfer date carrying amount: RMB 2.103 billion), thereby transferring substantially all risks and rewards of loan ownership. The Group has fully derecognized the entire amount of these securitized loans.

For credit asset securitizations that do not meet the derecognition criteria in their entirety, the Group continues to recognize the transferred credit assets and recognizes the consideration received as a financial liability. As of 31 December 2024, the Group continued to recognize transferred credit assets with a carrying amount of RMB 1.876 billion (31 December 2023: None), with corresponding financial liabilities of RMB 1.485 billion (31 December 2023: None).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

V. Notes to Items in the Consolidated Financial Statements (continued)

46. Collateral information

Assets used as security

The following assets of the Group are used as collateral for repurchase agreement transactions, inter-bank loans, borrowing from the central bank, bonds and treasury time deposits.

	Dec. 31, 2024	Dec. 31, 2023
Bond		
-For repurchase agreements transaction	170,294	116,203
-For borrowing from the central bank	53,595	102,575
-For financing of bonds	2,240	167
-For treasury time deposits	63,634	58,256
-For other purposes	700	-
	<u>290,463</u>	<u>277,201</u>
Loans and advances		
-For borrowing from the central bank	11,520	-
- Pledge for interbank loans	7,460	6,461
	<u>18,980</u>	<u>6,461</u>
Total	<u>309,443</u>	<u>283,662</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

VI. Interests in Other Entities

1. Interests in the subsidiaries

The subsidiaries of the Company as of Dec. 31, 2024 were as follows:

	Major Operation	Registration	Business nature	Registered capital	Shareholding ratio
	site	place			
Maxwealth Finance Leasing Co. Ltd. (note 1)	Ningbo	Ningbo	Finance leasing Fund	RMB 7 billion	100%
Maxwealth Fund Management Co., Ltd.	Shanghai	Ningbo	management Assets	RMB 0.9 billion	71.49%
Maxwealth Asset Management Co., Ltd.	Shanghai	Shanghai	management Assets	RMB 0.4 billion	71.49%
Zhejiang Yongxin Assets Management Co., Ltd.	Ningbo	Ningbo	management Assets	RMB 20 million	71.49%
Maxwealth International Asset Management Co., Ltd.	Hong Kong	Hong Kong	management Financial services	HKD 0.1 billion	71.49%
BNB Financial Management Co., Ltd.	Ningbo	Ningbo	Consumer finance	RMB 1.5 billion	100%
Zhejiang BNB Consumer Finance Co., Ltd.	Ningbo	Ningbo		RMB 2.911 billion	92.79%

Note 1: Maxwealth Financial Leasing Co., Ltd. increased its registered capital by RMB 1 billion in 2024. During the same year, the Company established seven new wholly-owned subsidiaries: Nanjing Maxwealth Changxing No.1 Leasing Co., Ltd., Fuzhou Maxwealth Changxing No.1 Leasing Co., Ltd., Xining Maxwealth Changxing No.1 Leasing Co., Ltd., Nanchang Maxwealth Changxing Auto Leasing Co., Ltd., Urumqi Maxwealth Changxing Auto Leasing Co., Ltd., Wuhan Maxwealth Changxing No.1 Leasing Co., Ltd., and Ningbo Maxwealth Changxing Leasing Co., Ltd.

Neither of the above-mentioned subsidiaries is listed, so they are both included in the Consolidated Statements of the Company.

In accordance with the Accounting Standards for Business Enterprises, it is required to disclose all the financial information abstracts of the subsidiary with material non-controlling interests. The Company evaluates the non-controlling interests of each subsidiary and comes to the conclusion that neither of them has material non-controlling interests with our Group. Thus we do not think it is necessary to disclose their financial information abstracts.

2. Interests in the structured entities included in the consolidation scope

The structured entities included in the consolidation scope of the Group include securities investment funds issued, managed and invested by the Group, and limited partnerships managed by the Group as general partners. In addition, the asset management plans and trust plans issued and managed by a third-party institution entrusted by the Group were also included in the consolidation scope. As the Group has power over such structured entities, enjoys variable returns by participating in relevant activities, and has the ability to use its power over the investee to affect its variable returns, the Group has control over such structured entities. As of December 31, 2024, the asset size of the structured entities included in the consolidation scope of the Group was RMB 247.406 billion (December 31, 2023: RMB 60.063 billion).

VI. Interests in Other Entities (continued)

3. Interests in the structured entities not included in the consolidated financial statement scope

3.1 Structured entities initiated by the Group that are not included in the scope of consolidation

(1) Wealth investment products

The structured entities initiated and managed by the Group but not included in the consolidated scope are mainly the wealth investment products issued and managed by the Group as the administrator. On the basis of potential client group analysis and study, the Group designs and sells capital investment and management plan to target client groups, inputs the collected financial capital into related financial market or wealth investment products as agreed in the contract, distributes the harvested interests to the investors as agreed. As the asset administrator, the Group obtains the commission including sales fee, fixed management fee, and floating management fee. The Group obtains the commission income as the asset manager. As of December 31, 2024, the balance of such unconsolidated bank wealth investment products of the Group totaled RMB 473.538 billion (December 31, 2023: RMB 402.051 billion).

As of December 31, 2024, the book value of the Group's investment in the above wealth investment products amounted to RMB 877 million (December 31, 2023: RMB 297 million). The maximum loss exposure of the investment in the above wealth investment products was close to its book value.

In 2024, the management fee income obtained by the Group from wealth investment products issued and managed by it but not included in the scope of consolidated financial statements was RMB 1.375 billion (2023: RMB 1.255 billion).

(2) Asset securitization business

The structured entities initiated by the Group that are not consolidated include special purpose trusts established by third-party trust companies in connection with the Group's asset securitization activities. The Group acts as the loan servicer for these special purpose trusts and receives corresponding fee income. The Group assesses that its variable returns from these structured entities are not material. As of 31 December 2024, there were no unconsolidated special purpose trusts (31 December 2023: RMB 4.554 billion). The carrying amount of asset-backed securities investments held by the Group in these credit asset securitization transactions was nil as of 31 December 2024 (31 December 2023: RMB 198 million), with maximum exposure to loss approximating its carrying amount.

(3) Fund and asset management plan

The Group also sponsors another category of unconsolidated structured entities, primarily comprising securities investment funds and asset management plans managed by the Group. These structured entities are established for the purpose of managing investors' assets and generating management fee income. As the Group does not exercise control over these structured entities, they are not consolidated in the financial statements. As of 31 December 2024, the aggregate balance of such unconsolidated structured entities sponsored by the Group amounted to RMB 549.383 billion (31 December 2023: RMB 368.272 billion).

VI. Interests in Other Entities (continued)

3. Interests in the structured entities not included in the consolidated financial statement scope (continued)

3.1 Structured entities initiated by the Group that are not included in the scope of consolidation (continued)

(3) Fund and asset management plan (continued)

As of 31 December 2024, the carrying amount of the Group's investments in the aforementioned securities investment funds and asset management plans totaled RMB 1.131 billion (31 December 2023: RMB 3.384 billion). The maximum exposure to loss associated with investments in these securities investment funds, asset management plans, and partnership-style private equity funds approximates their respective carrying amounts.

In 2024, the management fee income from the securities investment funds, asset management plans and partnership private equity funds issued and managed by the Group but not included in the consolidated financial statements was RMB 1.314 billion (2023: RMB 0.976 billion).

In 2024, the Group did not provide financial support to unconsolidated wealth management products or asset management plans (2023: none).

3.2 Interests in structured entities initiated by third-party financial institutions

(1) Structured entities invested by the Group that are not included in the scope of consolidation

The Group invested in structured entities issued or managed by some other institutions that are not included in the consolidation scope, and recognized the investment income generated from them. These structured entities mainly include asset management plans, trust investment plans, and funds. In 2024, the Group did not provide liquidity support for such structured entities (2023: none).

(2) Structured entities served by the Group that are not included in the scope of consolidation

The Group provided services for structured entities issued or managed by some other institutions, including recommending loan applicants, cooperating in collecting borrower information and deploying pre-risk control models for loan approval, assisting in loan purpose review, repayment reminders, and assisting in dispute resolution. These structured entities mainly include trust plans and asset management plans. The Group believed that the variable returns enjoyed by the Group in such structured entities are not significant, and therefore are not included in the scope of consolidation.

As of December 31, 2024, the total size of the structured entities not included in the consolidation scope was RMB 13.294 billion (December 31, 2023: RMB 11.86 billion).

In 2024, the service charge from structured entities served by the Group that are not included in the scope of consolidation was RMB 66 million (2023: RMB 18 million).

In 2024, the Group did not provide liquidity support to such structured entities (2023: none).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

VI. Interests in Other Entities (continued)

3. Interests in the structured entities not included in the consolidated financial statement scope (continued)

By Dec. 31, 2024, the book value and max loss risk exposure (excluding accrued interest) of the assets formed from the structured entities not included in the consolidation scope but held by the Group are as follows:

2024	Trading financial assets	Creditor's rights investment	Other creditor's rights investment	Total	Max loss exposure
Asset Management Plans and Trust Plans	23,674	32,005	14,687	70,366	70,366
Funds	67,937	-	-	67,937	67,937
Wealth management product	877	-	-	877	877

By Dec. 31, 2023, the book value and max loss risk exposure (excluding accrued interest) of the assets formed from the structured entities not included in the consolidation scope but held by the Group are as follows:

2023	Trading financial assets	Creditor's rights investment	Other creditor's rights investment	Total	Max loss exposure
Asset Management Plans and Trust Plans	11,199	55,900	13,972	81,071	81,071
Funds	206,719	-	-	206,719	206,719
Wealth management product	297	-	-	297	297

VII. Capital Management

The Group adopts a capital management method that is able to prevent inherent risks of the operating business of the Company in compliance with the relevant requirements of the regulatory authority. The capital management is not only to meet the requirements of the regulatory authority but also to guarantee a capital adequacy ratio and a maximum shareholders' equity. Depending on the economic environment changes and risks confronted with, the Company would actively adjust the capital structure including regulating the dividend distribution, transferring capitals and issuing new bonds. The targets and methods of the capital management are the same as the previous year.

Since 2024, the Group has made capital adequacy ratio information disclosure and continuously improved the content of information disclosure in accordance with the Capital Management Measures of Commercial Banks. In September, 2023, the People's Bank of China and the National Financial Regulatory Administration jointly released the list of national systemically important banks in 2023. The Group was in the first group of the list and faced additional capital requirements such as 0.25% additional capital and 0.125% additional leverage ratio. According to the above requirements, its core tier I Capital adequacy ratio shall not be less than 7.75%, tier I capital adequacy ratio shall not be less than 8.75%, and capital adequacy ratio shall not be less than 10.75%. During the reporting period, the Group complied with the capital requirements set by regulatory authorities.

The core tier I capital adequacy ratio, tier one capital adequacy ratio and capital adequacy ratio calculated by the Group in accordance with the Capital Management Measures for Commercial Banks and other relevant regulations are as follows:

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

VII. Capital Management (continued)

	Dec. 31, 2024	Dec. 31, 2023
Core tier I capital		
Including: paid-in capital entered	6,604	6,604
Capital reserve, other equity instruments and other comprehensive incomes entered	53,225	43,412
Surplus reserve	17,041	14,705
General risk reserve	28,740	24,510
Undistributed profit	102,731	87,154
The portion of minority shareholder capital that can be included	260	187
Deduction	(3,003)	(1,961)
Including: goodwill	(293)	(293)
Other intangible assets (excluding land use rights)	(2,710)	(1,668)
Net value of core tier I capital	205,598	174,611
Other tier I capital		
Including: preferred share and premium	14,810	14,810
Other instruments and premiums	10,000	10,000
The portion of minority shareholder capital that can be included	35	25
Net value of core tier I capital	230,443	199,446
Tier II capital		
Including: tier-II capital instrument and premium	65,500	51,500
Provision for jumbo loan loss	23,976	20,776
The portion of minority shareholder capital that can be included	69	50
Net capital value	319,988	271,772
Risk-weighted capital	2,089,099	1,811,196
Core tier I capital adequacy ratio	9.84%	9.64%
Tier I capital adequacy ratio	11.03%	11.01%
Capital adequacy ratio	15.32%	15.01%

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

VIII. Segmental Report

For management purposes, the Group divides products and services into business units. The Group has four segmental reports below:

- (1) Corporate banking involves services provided specifically for Company clients, including deposits, loans, settlements, trade related products and other services;
- (2) Personal banking refers to banking services for individual clients, such as deposits, credit card and debit card businesses, consumer credit services, mortgage loans and private property management;
- (3) Capital banking services include interbank deposit/call loan services, back sale and repurchase services, investment business, foreign exchange transactions, such as self-operating and agency services;
- (4) Other banking services other than the corporate, personal and capital banking services are those segments without forming an individually reportable business unit or the assets, liabilities, incomes and costs without appropriate allocation.

The internal transfer price is determined on the basis of deposit/loan interest rate declared by PBC and inter-bank offered rate corresponding to different fund sources and applied periods. Expenses are allocated in different segments subject to benefit.

2024	Corporate business	Personal business	Capital business	Other businesses	Total
Net interest income	19,468	17,540	10,773	212	47,993
Net non-interest income	5,085	3,423	9,981	149	18,638
Operating income	24,553	20,963	20,754	361	66,631
Operating expense	(7,858)	(7,450)	(8,833)	(263)	(24,404)
<i>Including: depreciation and amortization</i>	<i>(798)</i>	<i>(474)</i>	<i>(1,458)</i>	<i>(61)</i>	<i>(2,791)</i>
Operating profit before impairment loss	16,695	13,513	11,921	98	42,227
Impairment loss	(1,228)	(10,131)	987	(307)	(10,679)
Net non-operating income and expenses	(2)	(8)	-	(252)	(262)
Segment profit	15,465	3,374	12,908	(461)	31,286
Income tax expense					(4,065)
Net profit					27,221
Dec. 31, 2024					
Total assets	893,331	530,927	1,632,841	68,133	3,125,232
Total liabilities	1,487,312	547,701	855,873	86	2,890,972

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

VIII. Segmental Report (continued)

2023	Corporate business	Personal business	Capital business	Other businesses	Total
Net interest income	15,666	17,823	7,156	262	40,907
Net non-interest income	6,244	3,616	10,446	372	20,678
Operating income	21,910	21,439	17,602	634	61,585
Operating expense	(7,703)	(8,112)	(8,503)	(299)	(24,617)
<i>Including: depreciation and amortization</i>	<i>(647)</i>	<i>(425)</i>	<i>(1,290)</i>	<i>(47)</i>	<i>(2,409)</i>
Operating profit before impairment loss	14,207	13,327	9,099	335	36,968
Impairment loss	(877)	(8,507)	458	(14)	(8,940)
Net non-operating income and expenses	-	-	-	(130)	(130)
Segment profit	13,330	4,820	9,557	191	27,898
Income tax expense					(2,289)
Net profit					25,609
Dec. 31, 2023					
Total assets	728,025	478,123	1,453,027	52,487	2,711,662
Total liabilities	1,201,220	446,126	861,973	133	2,509,452

IX. Related Parties Relationships and Transactions

1. Identification of related parties

Related parties of the Group consist of parties listed below:

1) Primary shareholders:

Primary shareholders of the Bank are the shareholders and shareholder groups with 5% shares or more of the Company

Name of related party	Dec. 31, 2024		Dec. 31, 2023	
	Related party or not	Shareholding ratio	Related party or not	Shareholding ratio
Ningbo Development & Investment Group Co., Ltd.	Yes	18.74%	Yes	18.74%
Singapore Overseas-Chinese Banking Co., Ltd.	Yes	18.69%	Yes	18.69%
Youngor Fashion Co., Ltd.	Yes	10.00%	Yes	10.00%

IX. Related Parties Relationships and Transactions (continued)

1. Identification of related parties (continued)

Related parties of the Group consist of parties listed below: (continued)

1) Primary shareholders: (continued)

Other major shareholders:

Name of related party	Relationship with the Group
Ningbo Haishu Industrial Investment Co., Ltd.	Held less than 5% of the shares of the Company and dispatched supervisors to the Company (Note 1)

Note 1: Since February 10, 2023, Ningbo Haishu Industrial Investment Co., Ltd. has dispatched supervisors to the Company. Therefore, it has become the major shareholder of the Company since February 10, 2023.

2) Subsidiaries

See note VI/1 for basic and related information of the subsidiaries.

3) Key management staff and their close family members of the Group.

4) Other enterprises controlled, jointly controlled or significantly influenced by key management personnel of the Group and their close family members.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

IX. Related Parties Relationships and Transactions (continued)

2. Major transactions between the Group and the related parties

2.1 Loans and advances

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Ningbo Development & Investment Group Co., Ltd.	626	946
Group of Youngor Fashion Co., Ltd.	28	71
Group of Ningbo Haishu Industrial Investment Co., Ltd.	2,158	1,438
Other enterprises that are significantly influenced by key management personnel or close family members	6	6
	<u>2,818</u>	<u>2,461</u>

2.2 Financial investment

1) Trading financial assets

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Ningbo Development & Investment Group Co., Ltd.	<u>201</u>	<u>140</u>

2) Creditor's rights investment

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Ningbo Development & Investment Group Co., Ltd.	<u>-</u>	<u>400</u>

2.3 Deposit

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Ningbo Development & Investment Group Co., Ltd.	1,238	643
Group of Youngor Fashion Co., Ltd.	2,053	1,991
Singapore Overseas-Chinese Banking Co., Ltd.	-	-
Group of Ningbo Jinxin Gold and Silver Jewelry Co., Ltd.	-	6
Group of Ningbo Haishu Industrial Investment Co., Ltd.	653	314
Other enterprises that are significantly influenced by key management personnel or close family members	23	36
Key management personnel or close family members of the Group	<u>53</u>	<u>37</u>
	<u>4,020</u>	<u>3,027</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

IX. Related Parties Relationships and Transactions (continued)

2. Major transactions between the Group and the related parties (continued)

2.4 Deposit due from other banks and financial institutions

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Singapore Overseas-Chinese Banking Co., Ltd.	<u>40</u>	<u>39</u>

2.5 Deposit due to the Bank

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Ningbo Development & Investment Group Co., Ltd.	201	181
Group of Singapore Overseas-Chinese Banking Co., Ltd.	<u>3</u>	<u>71</u>
	<u>204</u>	<u>252</u>

2.6 Loans from other banks and other financial institutions

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Singapore Overseas-Chinese Banking Co., Ltd.	<u>570</u>	<u>815</u>

2.7 Off-balance sheet events

1) L/C issuance

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Ningbo Development & Investment Group Co., Ltd.	313	-
Group of Youngor Fashion Co., Ltd.	<u>1,600</u>	<u>1,205</u>
	<u>1,913</u>	<u>1,205</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

IX. Related Parties Relationships and Transactions (continued)

2. Major transactions between the Group and the related parties (continued)

2.7 Off-balance sheet events (continued)

2) Draft issuance

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Ningbo Development & Investment Group Co., Ltd.	531	300
Group of Youngor Fashion Co., Ltd.	1,122	2,263
Other enterprises that are significantly influenced by key management personnel or close family members	11	-
	<u>1,664</u>	<u>2,563</u>

3) L/G issuance

Name of related party	Dec. 31, 2024	Dec. 31, 2023
Group of Ningbo Development & Investment Group Co., Ltd.	12	23
Group of Youngor Fashion Co., Ltd.	2	-
Group of Ningbo Haishu Industrial Investment Co., Ltd.	1	2
	<u>15</u>	<u>25</u>

2.8 Derivative transaction

As of December 31, 2024, the Group's outstanding notional amounts for forward foreign exchange contracts receivable with Singapore Oversea-Chinese Banking Co., Ltd. and its subsidiaries, as well as Youngor Fashion Co., Ltd. and its subsidiaries, amounted to RMB 142 million (December 31, 2023: RMB 31 million). For foreign exchange swaps, the receivable notional amount was RMB 27.53 billion and the payable notional amount was RMB 27.334 billion (December 31, 2023: RMB 25.536 billion and RMB 25.558 billion respectively). The notional principal balance for interest rate swaps stood at RMB 24.82 billion (December 31, 2023: RMB 28.55 billion). The notional principal balance for option contracts reached RMB 567 million (December 31, 2023: nil). Net expenses from derivative transactions for the full year of 2024 amounted to RMB 97 million (2023: RMB 96 million).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XI. Related Parties Relationships and Transactions (continued)

2. Major transactions between the Group and the related parties (continued)

2.9 Interest income from loans and placements with banks and other financial institutions

Name of related party	2024	2023
Group of Ningbo Development & Investment Group Co., Ltd.	39	56
Group of Singapore Overseas-Chinese Banking Co., Ltd.	-	1
Group of Ningbo Haishu Industrial Investment Co., Ltd.	57	54
Group of Youngor Fashion Co., Ltd.	1	5
	<u>97</u>	<u>116</u>

2.10 Deposit interest expenses

Name of related party	2024	2023
Group of Ningbo Development & Investment Group Co., Ltd.	14	6
Group of Youngor Fashion Co., Ltd.	12	3
Group of Ningbo Haishu Industrial Investment Co., Ltd.	10	4
Other enterprises that are significantly influenced by key management personnel or close family members	6	-
Key management personnel or close family members of the Group	1	-
	<u>43</u>	<u>13</u>

2.11 Interest expenses on interbank deposits

Name of related party	2024	2023
Group of Singapore Overseas-Chinese Banking Co., Ltd.	-	1
Group of Ningbo Development & Investment Group Co., Ltd.	1	1
	<u>1</u>	<u>2</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

IX. Related Parties Relationships and Transactions (continued)

2. Major transactions between the Group and the related parties (continued)

2.12 Interest expense on loans from other banks and other financial institutions

Name of related party	2024	2023
Group of Singapore Overseas-Chinese Banking Co., Ltd.	<u>22</u>	<u>21</u>

2.13 Operating and administrative expenses

Name of related party	2024	2023
Group of Youngor Fashion Co., Ltd.	<u>41</u>	<u>35</u>

2.14 Interest income from debt investment

Name of related party	2024	2023
Group of Ningbo Development & Investment Group Co., Ltd.	<u>20</u>	<u>24</u>

2.15 Service charge income from bank acceptance bill

Name of related party	2024	2023
Group of Youngor Fashion Co., Ltd.	<u>1</u>	<u>1</u>

2.16 Service charge income from L/C issuance

Name of related party	2024	2023
Group of Youngor Fashion Co., Ltd.	<u>34</u>	<u>33</u>

2.17 Other transactions with related parties

Name of related party	2024	2023
Remuneration of key management staff	<u>26</u>	<u>32</u>

The Management Team of the Group believes the transactions with the above-mentioned related parties have been conducted in compliance with the regular business transaction terms and conditions and the normal business procedures with the general market price as the pricing fundamentals.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

IX. Related Parties Relationships and Transactions (continued)

3. Major transactions between the Company and its holding subsidiaries

The current balance and major transactions between the Company and its holding subsidiaries have been offset in the consolidated financial statements. Details of the major transactions are as follows:

	Dec. 31, 2024	Dec. 31, 2023
Lending funds	7,907	300
Due from banks	9,264	11,122
Other assets	43	1,073
Deposit	-	1,270
Deposits from banks and other financial institutions	2,605	1,951
Other liabilities	-	1
	2024	2023
Interest income	258	227
Fees and commissions	206	102
Other operating income	9	10
Interest expense	52	42
Service charges and commission expenses	15	7

As of December 31, 2024, the bank acceptance bill issued by the subsidiaries of the Company was RMB 5,387 million (December 31, 2023: RMB 5,415 million). The letter of credit opened was RMB 1,404 million (December 31, 2023: RMB 1,115 million).

There are several related party transactions between the Company and its subsidiaries, which are carried out according to the general commercial transaction terms and conditions, based on the general transaction price and in accordance with the normal business procedures.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

X. Contingent Items, Commitment Items and Main Off-balance Sheet Items

1. Capital expenditure commitments

	Dec. 31, 2024	Dec. 31, 2023
Contracts signed but proceeds not yet withdrawn	<u>2,337</u>	<u>2,500</u>

2. Operating lease commitment

(1) As lessee

The Group's short-term lease contracts primarily relate to premises and buildings. Expenses related to short-term leases and leases of low-value assets are detailed in Note V.40 to the consolidated financial statements. As of December 31, 2024, the aggregate amount of lease contracts executed by the Group for which the lease term has not yet commenced is immaterial.

(2) As lessor

According to the lease contract signed with the lessee, the minimum lease collection amount of the irrevocable lease in the future is as follows:

	Dec. 31, 2024	Dec. 31, 2023
Within 1 year	73	31
1 to 2 years	49	16
2 to 3 years	34	11
Over 3 years	<u>11</u>	<u>17</u>
	<u>167</u>	<u>75</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

X. Contingent Items, Commitment Items and Main Off-balance Sheet Items (continued)

3. Credit commitment

	Dec. 31, 2024	Dec. 31, 2023
L/C issuance	177,284	107,652
Bank acceptance bill	295,235	291,149
L/G issuance	41,932	44,706
Irrevocable loan commitment	<u>68,816</u>	<u>61,668</u>
	<u>583,267</u>	<u>505,175</u>

The issuance of Letter of Credit refers to credit operation that the Group acting at the request and on the instruction of the applicant, makes a documentary credit with a certain amount to the beneficiary and to pay at a certain place under the complying presentation of required documents within a certain period.

Bank Acceptance Bill refers to such credit business that a draft or a bill of exchange drawn upon a payee or a drawee (applicant) is examined and agreed to accept by the Company from applicant's application for acceptance.

The issuance of Letter of Guarantee refers to the credit business in which the Group, at the request of the applicant or principal, promises to the beneficiary in the form of a letter of guarantee that in case the applicant fails to fulfill the obligations or commitments stipulated in the contract, the Group shall fulfill the obligations or assume the responsibilities as stipulated in the letter of guarantee.

Irrevocable loan commitments include the loan limit and credit card issuance commitments provided by the Group to clients.

The amount of the first, second and third stages of the Group's credit commitments were RMB 579,534 million, RMB 3,684 million and RMB 49 million, respectively (as of December 31, 2023: the amount of the first, second and third stages were RMB 502,808 million, RMB 2,360 million and RMB 7 million, respectively).

X. Contingent Items, Commitment Items and Main Off-balance Sheet Items (continued)

4. Commitment on acceptance of national debt

Treasury Bill Redemption Commitment and Savings Bond Redemption Commitment refer to that the Company is entrusted by the Ministry of Finance to issue certain treasury bills and savings bonds (electronic). Investors of treasury bills and savings bonds have a right to ask for redemption of the bills and bonds (electronic) at any time prior to maturity and the Company is committed to redeem those bills and bonds. The redemption price is the principal value of the bills and bonds plus the interest payable on that day.

As of 31 Dec. 2024, the principal value of the certificate treasury bonds and saving bonds (electronic) issued by the Group but not yet at maturity and redeemed is RMB 2,494 million (31 Dec. 2023: RMB 2,269 million). The Ministry of Finance is not to redeem the principal and interest of the certificate treasury bonds and saving bonds (electronic) until the maturity. The Management of the Company considers that the amount for redemption of the treasury bills and savings bonds (electronic) prior to the maturity is not significant.

5. Lawsuit

The Group acted as the defendant in several legal proceedings in the normal course of operation, and the management of the Group believed that the final ruling result of such legal proceedings will not have a significant impact on the financial status or operation of the Group. By the end of Dec. 31, 2024, the total subject amount of the Group for the pending lawsuits was RMB 1,977 million (Dec. 31, 2023: RMB 1,568 million). The Group's management believes that it has fully considered the relevant risks and uncertainties associated with pending litigation and, on this basis, recognizes provisions in accordance with the best estimate.

XI. Entrusted loan business

The entrusted business of the Group includes accepting the entrustment of government departments, enterprises or individuals to issue entrusted loans with the funds provided by them. The entrusted loan business of the Group does not require the Group to bear any credit risk. The Group only holds and manages these assets and liabilities as an agent according to the instructions of the client, and charges handling charges for the services provided. As the entrusted assets do not belong to the Group's assets, they are not recognized in the balance sheet.

The Group	Dec. 31, 2024	Dec. 31, 2023
Entrusted loan	<u>10,282</u>	<u>10,269</u>
Entrusted deposit	<u>10,282</u>	<u>10,269</u>

XII. Financial Instruments and Risk Analysis

The Group disclosed qualitative and quantitative information related to credit risk, liquidity risk, and market risk for the years 2024 and 2023 in accordance with the disclosure requirements of *Accounting Standards for Business Enterprises No.37–Presentation of Financial Instruments*.

The financial risk management mainly reveals the risks taken by the Group and its management and controlling conditions of the risks, particularly the risks confronted in the use of the financial instruments.

- Credit risk: it means the risks the Company may take when the clients or transaction counterparties of the Company fail to fulfill their obligations agreed, including the credit exposure and settlement risk;
- Market risk: it means the exposures influenced by the observable economic parameters of the market, including the fluctuations of interest rate, exchange rate and prices of shares and commodities;
- Liquidity risk: it means the risks brought by the Company's failure to pay the matured debts under normal or depressed market environment.

The Group has stipulated corresponding policies and procedures for recognition and analysis of the above mentioned risks, and also appropriate risk limits and controlling mechanisms. The Group has a Risk Management Committee and its own specific department, The Risk Management Department being responsible for the management of risks. The risk management department has its own clear responsibilities and is somehow independent from the business department bearing risks, and would submit its independent risk reports to the Board of Directors and the Management. The Risk Management Committee is responsible for formulating the policies and procedures for management of the risks, and also regulating the risk limits and management mechanisms. Besides, the Risk Management Committee shall at regular intervals host risk management conferences and meetings in compliance with the market conditions to improve those risk policies and procedures.

1. Credit risk

Credit risk means that clients or transaction counterparties who may be incapable or unwilling to honor the obligations agreed with the Group. Once all of the transaction-parties are in one industry or region, the credit risks would rise for their ability to pay the accounts are affected by the same influence of economic development.

Concentration of credit risks: when a certain number of clients do the same operations or are in the same geographic region, or share the similar economic characteristics in their trades, their ability to fulfill the obligations regulated in the agreements would be simultaneously influenced by the same economic changes. The concentration level of the credit risks reveals the sensitivity of the Company's achievements to the specific trade or geographic area.

Before approving credit for clients, the Group would firstly assess the credit rate and check the credit limit at regular intervals. Management of credit risk also includes receiving the guaranties and guarantees. For the off-balance sheet credit promises, the Company would regularly charge deposits to lower the credit risks.

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

Measurement of expected credit loss

Expected credit loss is the weighted average value of credit loss of financial instruments weighted by the risk of default. Credit loss is the difference between all contract cash flows receivable by the Group according to the original effective interest rate and all expected cash flows received, that is, the present value of all cash shortages.

The Group calculates the expected credit loss in three stages according to the change of credit risk after the initial recognition of financial instruments:

Stage I: Financial instruments with no significant increase in credit risk since initial recognition will be included in stage I, and their impairment reserves will be measured according to the amount of expected credit loss of the financial instrument in the next 12 months;

Stage II: Financial instruments with significantly increased credit risk since initial recognition with no objective evidence of impairment will be included in stage II, and their impairment reserves will be measured according to the expected credit loss during the whole duration of the financial instrument;

Stage III: Financial assets with objective evidence of impairment on the balance sheet date will be included in stage III, and the impairment provision will be measured according to the expected credit loss amount of the financial instrument in the whole life span.

For the financial instrument whose impairment provision has been measured in the previous accounting period according to the amount of expected credit loss in the whole duration of the financial instrument, however, on the balance sheet date of the current period, it no longer conforms to the situation of significant increase in credit risk since initial recognition, the Group measures the provision for impairment of such financial instrument on the balance sheet date of the current period according to the amount of expected credit loss in the next 12 months.

The way the Group measures the expected credit loss of financial instruments reflects:

- The unbiased probability-weighted amount determined by evaluating a range of possible results;
- The time value of money;
- Reasonable and reliable information about past events, current situation and forecast of future economic situation that can be obtained without extra cost or effort.

It is not necessary to identify every possible situation when measuring the expected credit loss. However, by taking the risk or probability of credit loss into consideration, the Group reflects the possibility of credit loss and the possibility of no credit loss (even if the possibility of credit loss is very low).

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

Measurement of expected credit loss (continued)

The Group evaluates the expected credit loss based on forward-looking information, and uses complex models and assumptions in the measurement of expected credit loss. These models and assumptions involve future macroeconomic conditions and the borrower's credit profile (e.g., the likelihood of a default by clients and the corresponding losses). The Group uses judgments, assumptions and estimates in the measurement of expected credit loss according to the requirements of accounting standards, such as:

- Measure expected credit losses in a combination based on credit risk characteristics;
- Criteria used to judge a significant increase in credit risk;
- Definition of default and credit impairment assets that have occurred;
- Parameters for measuring expected credit losses;
- Forward-looking information;
- Provision for losses incurred in response to external circumstances not reflected by the model.

Measure expected credit losses in a combination based on credit risk characteristics

When measuring expected credit losses using a combination approach, the Group has classified exposures with similar risk characteristics. During classification, the Group obtained sufficient information to ensure its statistical reliability. Among them, the Group uses credit rating intervals, product types, and client types to measure retail loans in a portfolio.

Criteria used to judge a significant increase in credit risk

On each balance sheet date, the Group assesses whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. In determining whether the credit risk has increased significantly since the initial recognition, the Group considers that it can obtain reasonable and reliable information, including qualitative and quantitative analysis, external credit risk rating and forward-looking information based on the Group's historical data and without paying extra cost or effort. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group determines the change of default risk during the expected duration of financial instruments by comparing the default risk of financial instruments on the balance sheet date with the default risk on the initial recognition date.

The Group believes that the credit risk of financial instruments has increased significantly when one or more of the following quantitative, qualitative criterion or bottom-line constraint indicator is triggered:

Quantitative criterion

- The rating / default probability of financial instruments at the reporting date has risen to a certain threshold, as compared with the value at its initial recognition.

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

Criteria used to judge a significant increase in credit risk (continued)

Qualitative criterion:

- The debtor has a credit risk event and is likely to cause a significant adverse effect;
- The debtor faces cash flow or liquidity problems, such as the delay of repayment;
- Deterioration of willingness to repay, such as malicious debt evasion, fraud, etc;
- Default of debtor outside the Group, for example, non-performing asset of the debtor is found in the Credit Reference Center of the People's Bank of China;
- A significant increase in credit spreads;
- Changes in the value of collateral that may increase the risk of default (for mortgage and pledge loans).

Bottom-line constraint indicator

- The time of payment of the debtor according to the contract (including principal and interest) has been overdue for more than 30 days.

Definition of default and assets with credit impairment

When a financial asset experiences credit impairment, the Group defines it as having defaulted. Under the new financial instrument standards, the definition standards adopted by the Group to determine whether credit impairment has occurred are consistent with the internal credit risk management objectives for relevant financial instruments, while considering quantitative and qualitative indicators. When evaluating whether a debtor has experienced credit impairment, the Group mainly takes into consideration the following factors:

- Significant financial difficulties of the issuer or debtor;
- The debtor's breach of contract, such as default or overdue payment of interest or principal;
- The creditor gives the debtor concessions that would not be made in any other circumstances due to economic or contractual considerations related to the financial difficulties of the debtor;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The active market of the financial asset disappears due to the financial difficulties of the issuer or debtor;
- Purchase or originate a financial asset at a substantial discount reflecting the fact that a credit loss has occurred.

The credit impairment of financial assets may be caused by the joint action of multiple events rather than the events that can be identified separately.

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

Parameters for the measurement of expected credit loss

The Group measures the provision for impairment of different assets based on the expected credit loss of 12 months or the whole duration by taking into consideration whether the credit risk has increased significantly and whether the credit impairment has occurred. The key parameters of expected credit loss measurement include probability of default, loss rate of default and exposure to default. By taking the Basel New Capital Accord system used in the current risk management system as the basis, and by adhering to the requirements of the new financial instrument standards, the Group has established a model integrating factors of default probability, default loss rate and default risk exposure, taking into account the quantitative analysis and forward-looking information of historical statistical data (such as counterparty rating, guarantee method, collateral type, repayment method, etc.).

The relevant definitions are as follows:

- Probability of default is the probability that the debtor will not be able to perform its payment obligations in the next 12 months or the whole duration. The default probability of the Group is adjusted according to the results of the internal evaluation model of the new capital accord, introducing forward-looking information and removing prudent adjustment, thus reflecting the default probability of the debtor under the current macroeconomic environment;
- Default loss rate refers to the Group's expectation on the loss degree of default risk exposure. Default loss rate varies with the type of counterparty, the way and priority of recourse, and the type of collateral. Default loss rate is the percentage of exposure loss at the time of default, as calculated on the basis of the next 12 months or the whole duration;
- Default exposure is the amount that the Group should be reimbursed at the time of default in the next 12 months or throughout the duration.

Forward-looking information

The assessment of significant increase in credit risk and the calculation of expected credit loss involve forward-looking information. By analyzing the historical data, the Group identifies key economic indicators that affect credit risk and expected credit loss of various business types. In addition to common economic indicators such as Gross Domestic Product (GDP), Consumer Price Index (CPI), Producer Price Index (PPI) and Broad Money Supply, multiple categories of indicators such as industry, interest rate and exchange rate, and survey index are also included.

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

Forward-looking information (continued)

The weight of multiple scenes is set based on the principle of benchmark scenes as the main focus and supplemented by other scenes, combined with expert judgment. As of December 31, 2024, the Group set four scenarios applicable to all portfolios, with the benchmark scenario having the highest weight. According to sensitivity calculations, in case the weight of the optimistic scenario increases by 10% and the weight of the benchmark scenario decreases by 10%, the expected credit loss amount decreases by approximately RMB 1,076.24 million compared to the current result. In case the pessimistic scenario weight increases by 10% and the benchmark scenario weight decreases by 10%, the expected credit loss amount increases by approximately RMB 2,370.89 million compared to the current result (Dec. 31, 2023: in case the weight of the optimistic scenario increases by 10% and the weight of the benchmark scenario decreases by 10%, the expected credit loss amount decreases by approximately RMB 1,046.24 million compared to the current result. In case the pessimistic scenario weight increases by 10% and the benchmark scenario weight decreases by 10%, the expected credit loss amount increases by approximately RMB 2,040.15 million compared to the current result.

The impact of these economic indicators on the probability of default and the loss rate of default varies with the type of business. In this process, the Group mainly uses external data, which is supplemented by judgment of internal experts. The Group determines the relationship between these economic indicators and default probability and default loss rate through regression analysis.

The Group regularly updates the forecast value of macroeconomic indicators, and measures the relevant weighted credit provision according to the expected credit loss (stage I) in 12 months or in the whole duration (stage II and stage III).

Under the benchmark scenario, the Group prioritized referencing the predicted values published by external authoritative institutions. In case such external predicted values are not available, the prediction results of professional teams and relevant models within the industry will be referred to. For other scenarios, historical actual data will be used for analysis and prediction.

As of December 31, 2024, the Group has considered various macroeconomic scenarios, taking the central parity rate of USD/CNY (monthly) and the Purchasing Managers' Index (PMI) as examples. The economic assumptions used for estimating expected credit losses (ECL) are presented below:

Item	Range
Central parity rate: USD/CNY (monthly)	6.14– 7.42
PMI	49.25 %-51.57%

In 2024, the management of the Group has also considered and provisioned for losses due to external environmental factors that were not reflected through the model, thus further enhancing risk resisting and recovering capability.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

1.1 In-balance-sheet assets

Loans and advances by industry are listed as follows:

	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Prop (%)	Amount	Prop (%)
Agriculture/forestry/animal/fishing	6,848	0.46	6,305	0.50
Mining	1,379	0.09	1,817	0.15
Manufacturing	175,176	11.87	165,369	13.20
Production and supply of electricity, gas and water	23,256	1.58	16,271	1.30
Construction	63,640	4.31	45,304	3.62
Transportation, storage and mailing	25,193	1.71	19,988	1.60
Information transfer, computer service and software	11,676	0.79	10,345	0.83
Wholesale and retail	140,719	9.53	112,240	8.96
Hotel and restaurant	3,106	0.21	2,720	0.22
Finance	2,787	0.19	4,374	0.35
Real estate	141,980	9.62	115,518	9.22
Leasing and commercial service	229,112	15.52	169,133	13.49
Scientific research, technological service and geological reconnaissance	21,330	1.45	15,559	1.24
Management and investment of water resources, environmental and public facilities	61,332	4.16	52,429	4.19
Residential and other services	1,842	0.12	1,664	0.13
Education	1,763	0.12	1,920	0.15
Sanitation, social security and welfare	1,695	0.11	1,128	0.09
Culture, sports and entertainment	5,493	0.37	3,437	0.27
Public management and social organization	1	0.00	-	-
Subtotal of corporate loans and advances	918,328	62.21	745,521	59.51
Personal loans and advances	557,735	37.79	507,197	40.49
Total	1,476,063	100.00	1,252,718	100.00

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

1.1 In-balance-sheet assets (continued)

Loans and advances by region are listed as follows:

	Dec. 31, 2024		Dec. 31, 2023	
	Amount	Prop (%)	Amount	Prop (%)
Zhejiang Province	950,064	64.37	806,713	64.39
<i>Including: Ningbo</i>	<i>488,200</i>	<i>33.07</i>	<i>432,125</i>	<i>34.49</i>
Jiangsu Province	318,913	21.61	274,268	21.89
Shanghai	66,587	4.51	58,245	4.65
Beijing	53,796	3.64	48,566	3.88
Guangdong Province	68,515	4.64	52,053	4.16
Other provinces and cities	18,188	1.23	12,873	1.03
	<u>1,476,063</u>	<u>100.00</u>	<u>1,252,718</u>	<u>100.00</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

1.2 Credit risk exposure

The maximum credit risk exposure borne by the Group is the book value of each financial asset (including derivative financial instruments) in the balance sheet. On the balance sheet day, the maximum credit risk exposure of off balance sheet credit business has been disclosed in note X. 3. Maximum credit risk exposure refers to the total credit risk exposure without considering the available collateral or other credit enhancement.

	Dec. 31, 2024				
	Phase I	Phase II	Phase III	N/A	Total
Assets					
Due from Central Bank	145,698	-	-	-	145,698
Deposits in other banks	29,105	-	-	-	29,105
Lending funds	38,074	-	-	-	38,074
Redemptory monetary capital for sale	33,965	-	-	-	33,965
Loans and advances	1,400,678	33,185	3,391	-	1,437,254
Financial investment:					
Trading financial assets					
(Note 1)	-	-	-	357,003	357,003
Creditor's rights investment (note 2)	381,131	7,353	-	-	388,484
Other creditor's rights investment	624,512	3,570	-	-	628,082
Others (note 3)	3,445	-	99	33,664	37,208
Total	<u>2,656,608</u>	<u>44,108</u>	<u>3,490</u>	<u>390,667</u>	<u>3,094,873</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

1.2 Credit risk exposure (continued)

	Dec. 31, 2023				
	Phase I	Phase II	Phase III	N/A	Total
Assets					
Due from Central Bank	127,471	-	-	-	127,471
Deposits in other banks	26,290	-	-	-	26,290
Lending funds	40,541	-	-	-	40,541
Redemptory monetary capital for sale	9,251	-	-	-	9,251
Loans and advances	1,191,058	19,963	2,732	-	1,213,753
Financial investment:					
Trading financial assets (Note 1)	-	-	-	350,243	350,243
Creditor's rights investment (note 2)	414,410	4,300	-	-	418,710
Other creditor's rights investment	464,369	1,050	-	-	465,419
Others (note 3)	4,449	-	207	30,358	35,014
Total	<u>2,277,839</u>	<u>25,313</u>	<u>2,939</u>	<u>380,601</u>	<u>2,686,692</u>

Note 1: Among the above financial investment - trading financial assets, the balance of asset management plans and trust plans is RMB 23,674 million (December 31, 2023: RMB 14,340 million), as mainly managed and operated by third-party trust plan trustees or asset managers. As of December 31, 2024, the Group's fund trust and asset management plan included RMB 3,331 million (December 31, 2023: RMB 8,387 million), which was ultimately invested in credit assets.

Note 2: In the above financial investment - debt investment, the balance of asset management plans and trust plans is RMB 32,471 million (December 31, 2023: RMB 57,050 million), as mainly managed and operated by third-party trust plan trustees or asset managers, and ultimately invested in credit assets. The impairment provision is RMB 467 million (December 31, 2023: RMB 1,151 million). The balance of credit assets in the second stage is RMB 4,231 million, with an impairment provision of RMB 167 million (December 31, 2023: the balance of credit assets in the second stage is RMB 2,772 million, with an impairment provision of RMB 404 million). As of December 31, 2024, the Group had no outstanding credit assets or related allowances for expected credit losses in the third stage (December 31, 2023: Nil).

Note 3: Others include derivative financial assets and other financial assets.

The maximum credit risk exposure of financial assets measured at fair value listed in the above table only represents the current maximum credit risk exposure, rather than the maximum credit risk exposure after future changes in fair value.

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

1.3. Collateral and other credit enhancement

The type and amount of collateral depend on the credit risk assessment of the counterparty. The Group takes the acceptable type of collateral and its value as the specific implementation standard.

The collateral accepted by the Group mainly includes the following types:

- (i) Reverse repurchase agreements: bills and bonds, etc;
- (ii) Corporate loan: real estate, machinery facilities, land use right, deposit receipt, equity, etc;
- (iii) Personal loan: real estate and deposit receipt, etc;
- (iv) Debt investment: real estate, certificates of deposit, equity, land use rights, etc.

The Management checks pledge value periodically and asks clients to increase the amount of pledge when necessary.

1.4 Credit quality analysis of financial assets in compliance with credit rating system of the Group

As of December 31, 2024, the principal amount of impaired loans and advances was RMB 11,267 million (December 31, 2023: RMB 9,499 million). The fair value of the collateral for impaired loans and advances was RMB 5,366 million (December 31, 2023: RMB 12,389 million). The collateral includes machinery and equipment, real estate, land, equity, etc.

1.5 Restructured loans

Restructured loans represent the loans whose original repayment terms have been modified as a result of the deterioration of borrower's financial conditions or inability to repay the loans according to the contractual terms. Common forms of restructured loans: loan extension, borrowing for repaying, interest deduction, deduction of partial principal, adjustment of payment method, improvement of collateral and change guarantee conditions. By December 31, 2024, the book balance of restructured loans of the Company was RMB 2,278 million (December 31, 2023: RMB 1,197 million).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

1. Credit risk (continued)

1.6 Investment financial products

The book value of bond investment (excluding accrued interest) is listed as follows according to external credit rating and credit loss impairment stage:

	Dec. 31, 2024			Total
	Stage I	Stage II	Stage III	
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration	Financial assets with credit impairment (expected credit loss for the entire duration)	
Not rated	212,487	2,796	-	215,283
Above A (included)	709,576	705	-	710,281
Below A	-	-	-	-
Total	922,063	3,501	-	925,564

	Dec. 31, 2023			Total
	Stage I	Stage II	Stage III	
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration	Financial assets with credit impairment (expected credit loss for the entire duration)	
Not rated	199,801	-	-	199,801
Above A (included)	543,191	1,033	-	544,224
Below A	16,801	-	-	16,801
Total	759,793	1,033	-	760,826

2. Liquidity risk

Liquidity risk is the risk of being unable to meet the repayment obligations at the maturity, which can result from the mismatches of terms or amounts of the assets and liabilities. The management of liquidity risks of the Group covers the prior plans, current management, afterward-adjustment and emergency plans. According to supervision authority's administration index system for the liquidity risks, the Company has also designed a series of daily liquidity risk supervision system in compliance with applicability and the actual conditions of the Company, so as to control the execution of limitations on specific indexes daily, and also classify the system in accordance with supervision and adjustment rates.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.1 Undiscounted contract cash flow of non-derivative financial instruments classified as of maturity

Dec. 31, 2024	Overdue	No maturity	On demand	Within 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Items of assets									
Cash and balances with central banks	-	116,304	31,001	-	-	-	-	-	147,305
Due from other banks	-	-	17,647	-	9	11,638	-	-	29,294
Loans to other banks	-	-	-	23,705	13,950	509	-	-	38,164
Redemptory monetary capital for sale	-	-	-	33,987	-	-	-	-	33,987
Loans and advances	14,093	-	-	104,187	186,721	650,891	381,212	250,670	1,587,774
Financial investment:									
Trading financial assets	-	158	313,519	1,680	1,608	17,602	20,501	3,692	358,760
Investment in creditor's rights	-	-	-	24,770	23,804	52,669	188,127	168,033	457,403
Other investment on creditor's rights	-	-	-	5,901	8,699	101,078	349,954	224,837	690,469
Other equity instrument investment	-	512	-	-	-	-	-	-	512
Other financial assets	129	-	241	1,229	538	1,348	542	72	4,099
Total assets	14,222	116,974	362,408	195,459	235,329	835,735	940,336	647,304	3,347,767

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.1 Undiscounted contract cash flow of non-derivative financial instruments classified as of maturity (continued)

Dec. 31, 2024	Overdue	No maturity	On demand	Within 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Items of liabilities									
Cash and balances with central banks	-	-	-	13,333	9,354	32,443	-	-	55,130
Due from other banks and financial institutions	-	-	112,786	31	2,628	2,612	-	-	118,057
Placements from other institutions	-	-	-	39,714	39,777	100,359	14,244	-	194,094
Trading financial liabilities	-	-	2,013	39	404	791	-	-	3,247
Financial assets sold for repurchase	-	-	-	162,728	474	89	-	-	163,291
Deposits	-	-	563,712	200,233	195,733	432,072	516,552	71	1,908,373
Bonds payable	-	-	-	18,330	104,311	210,722	86,991	26,160	446,514
Other financial liabilities	-	-	3,960	2,069	3,964	4,551	1,073	115	15,732
Total liabilities	-	-	682,471	436,477	356,645	783,639	618,860	26,346	2,904,438
Net amount of balance sheet liquidity									
	14,222	116,974	(320,063)	(241,018)	(121,316)	52,096	321,476	620,958	443,329
Off-balance-sheet commitments (note 1)									
	-	-	77,461	73,580	116,809	305,203	9,883	331	583,267

Note 1: The off-balance-sheet commitments of the Group were listed according to the remaining term of the contract.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.1 Undiscounted contract cash flow of non-derivative financial instruments classified as of maturity (continued)

Dec. 31, 2023	Overdue	No maturity	On demand	Within 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Items of assets									
Cash and balances with central banks	-	112,882	16,249	-	-	-	-	-	129,131
Due from other banks	-	-	17,719	9,981	1,027	12,121	-	-	40,848
Loans to other banks	-	-	-	16,977	12,635	11,769	-	-	41,381
Redemptory monetary capital for sale	-	-	-	9,253	-	-	-	-	9,253
Loans and advances	11,684	-	-	96,846	157,544	603,068	314,451	254,211	1,437,804
Financial investment:									
Trading financial assets	-	-	208,318	10,228	12,747	55,502	38,149	34,545	359,489
Investment in creditor's rights	-	-	-	7,262	10,188	47,106	200,161	254,057	518,774
Other investment on creditor's rights	-	-	-	2,600	16,859	74,122	316,012	96,017	505,610
Other equity instrument investment	-	321	-	-	-	-	-	-	321
Other financial assets	207	167	592	756	796	1,210	1,032	7	4,767
Total assets	11,891	113,370	242,878	153,903	211,796	804,898	869,805	638,837	3,047,378

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.1 Undiscounted contract cash flow of non-derivative financial instruments classified as of maturity (continued)

Dec. 31, 2023	Overdue	No maturity	On demand	Within 1 month	1-3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Items of liabilities									
Cash and balances with central banks	-	-	-	6,168	16,425	88,571	-	-	111,164
Due from other banks and financial institutions	-	-	63,534	924	9,686	21,322	-	-	95,466
Placements from other institutions	-	-	-	19,184	36,952	122,646	7,369	-	186,151
Trading financial liabilities	-	-	7,060	2,430	1,958	935	-	-	12,383
Financial assets sold for repurchase	-	-	-	122,220	358	81	-	-	122,659
Deposits	-	-	524,823	224,686	121,830	282,596	463,316	27	1,617,278
Bonds payable	-	-	-	25,530	45,185	184,863	108,386	21,260	385,224
Other financial liabilities	-	-	1,278	2,249	2,942	8,139	34	-	14,642
Total liabilities	-	-	596,695	403,391	235,336	709,153	579,105	21,287	2,544,967
Net amount of balance sheet liquidity	11,891	113,370	(353,817)	(249,488)	(23,540)	95,745	290,700	617,550	502,411
Off-balance-sheet commitments (note 1)	-	-	70,313	82,862	107,590	221,316	22,936	158	505,175

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.2 Cash flow analysis of derivative financial instruments

Derivative financial instruments settled on a net basis

The derivative financial instruments settled on a net basis by the Group are interest rate swaps and interest rate option derivative financial instruments.

The table below represents cash flow distribution of derivative financial instruments at close-out netting with remaining maturity. Balance at the date of maturity means: from the balance sheet date to the contract expiry date, the amount of derivative financial instruments under specified periods is the cash flow that has not been converted into cash.

Dec. 31, 2024	Within 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total
Interest rate swap	10	(9)	(507)	(34)	(540)
Interest rate option	(4)	-	-	-	(4)
Dec. 31, 2023	Within 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total
Interest rate swap	6	26	(225)	(7)	(200)
Interest rate option	-	-	-	-	-

Derivative financial instruments settled at full amount

Derivative financial instruments settled at full amount include foreign exchange forwards, credit risk mitigation instruments, currency swaps, currency exchange, foreign exchange options, equity options, gold options and precious metal contracts.

The table below represents cash flow distribution of derivative financial settled at full amount with remaining maturity. Balance at the date of maturity means: from the balance sheet date to the contract expiry date, the amount of derivative financial instruments in specified periods is the contract cash flow, which has not been converted into cash.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.2 Cash flow analysis of derivative financial instruments (continued)

Derivative financial instruments settled at full amount (continued)

Dec. 31, 2024	Within 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total
Foreign exchange forwards					
Cash outflow	(33,293)	(37,666)	(223)	-	(71,182)
Cash inflow	33,519	37,949	218	-	71,686
Currency swap					
Cash outflow	(551,780)	(605,697)	(40,979)	-	(1,198,456)
Cash inflow	551,048	608,169	40,215	-	1,199,432
Currency exchange					
Cash outflow	(16,008)	(26,931)	(36)	-	(42,975)
Cash inflow	16,019	26,870	37	-	42,926
Option					
Cash outflow	(118,712)	(143,081)	(1,041)	-	(262,834)
Cash inflow	119,219	143,233	1,028	-	263,480
Credit risk mitigation instruments					
Cash outflow	-	(20)	-	-	(20)
Cash inflow	-	-	-	-	-
Precious metal contracts					
Cash outflow	(14,091)	(3,918)	-	-	(18,009)
Cash inflow	23,415	17,110	-	-	40,525

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

2. Liquidity risk (continued)

2.2 Cash flow analysis of derivative financial instruments (continued)

Derivative financial instruments settled at full amount (continued)

Dec. 31, 2023	Within 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Total
Foreign exchange forwards					
Cash outflow	(35,684)	(19,985)	(739)	-	(56,408)
Cash inflow	36,029	20,249	772	-	57,050
Currency swap					
Cash outflow	(275,977)	(287,760)	(6,886)	-	(570,623)
Cash inflow	276,886	288,271	6,989	-	572,146
Currency exchange					
Cash outflow	(7,125)	(22,206)	-	-	(29,331)
Cash inflow	7,164	21,737	-	-	28,901
Option					
Cash outflow	(89,155)	(98,798)	(1,378)	-	(189,331)
Cash inflow	89,858	99,964	1,395	-	191,217
Precious metal contract					
Cash outflow	(10,879)	(261)	-	-	(11,140)
Cash inflow	24,244	26,582	-	-	50,826

3. Market risk

Market risk can exist within non-transaction business, as well as transaction business.

The Group established market risk management institutions and teams with the Market Risk Department observing the market risk exposures of the trade, which is also responsible for preparing the relevant market risk management policies and submitting them to the Risk Management Committee. Under the current risk management structure, the Market Risk Department is mainly responsible for managing the risks arising from transaction business market and foreign exchange. And the risks of the transaction business market of the Company mainly come from the market maker business, client-investment business and some short-term market investment profit opportunities.

In compliance with the established standard and current management capability, the Group measures the market risks through sensitivity analysis. Before releasing new products or business, its market risks shall be identified according to corresponding regulations and rules.

3.1 Interest rate risk

The interest rate risk of the Group arises from the mismatch of the agreed maturity of interest-bearing assets and interest-paying liabilities and the re-pricing date. And the interest-bearing assets and interest-paying liabilities of the Group are mainly counted in the unit of RMB.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.1 Interest rate risk (continued)

Maturity or re-pricing date (the earlier one) analysis of assets and liabilities of the Group at the Balance Sheet date:

Dec. 31, 2024	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Overdue/no interest	Total
Items of assets							
Cash and balances with central banks	139,501	-	-	-	-	7,804	147,305
Due from other banks	26,769	-	2,301	-	-	35	29,105
Loans to other banks	23,454	13,701	499	-	-	420	38,074
Derivative financial assets	-	-	-	-	-	33,664	33,664
Redemptory monetary capital for sale	33,959	-	-	-	-	6	33,965
Loans and advance payments	161,274	208,017	740,104	240,128	55,736	31,995	1,437,254
Financial investments:							
Trading financial assets	855	1,520	52,141	19,825	2,705	280,115	357,161
Investment in creditor's rights	24,234	17,632	45,864	174,070	122,612	4,072	388,484
Other investment on creditor's rights	5,897	7,953	100,001	336,931	170,109	7,191	628,082
Other equity instrument investment	-	-	-	-	-	512	512
Other financial assets	-	-	-	-	-	3,544	3,544
Total assets	<u>415,943</u>	<u>248,823</u>	<u>940,910</u>	<u>770,954</u>	<u>351,162</u>	<u>369,358</u>	<u>3,097,150</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.1 Interest rate risk (continued)

Maturity or re-pricing date (the earlier one) analysis of assets and liabilities of the Group at the Balance Sheet date: (continued)

Dec. 31, 2024	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Overdue/no interest	Total
Item of liabilities							
Due to the central bank	13,000	9,043	32,067	-	-	530	54,640
Due to banks and other financial institutions	112,752	2,589	2,355	-	-	121	117,817
Placements from other institutions	39,341	39,237	98,863	13,458	-	1,036	191,935
Trading financial liabilities	-	-	-	-	-	3,247	3,247
Derivative financial liabilities	-	-	-	-	-	30,360	30,360
Financial assets sold for repurchase	162,676	471	89	-	-	32	163,268
Deposits	763,238	156,082	446,953	470,007	65	33,279	1,869,624
Bond payable	18,319	103,553	205,354	79,985	23,997	2,189	433,397
Other financial liabilities				-	-	15,732	15,732
Total liabilities	1,109,326	310,975	785,681	563,450	24,062	86,526	2,880,020
Interest rate sensitivity gap	(693,383)	(62,152)	155,229	207,504	327,100	282,832	217,130

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.1 Interest rate risk (continued)

Maturity or re-pricing date (the earlier one) analysis of assets and liabilities of the Group at the Balance Sheet date: (continued)

Dec. 31, 2023	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Overdue/no interest	Total
Items of assets							
Cash and balances with central banks	121,780	-	-	-	-	7,351	129,131
Due from other banks	14,593	999	10,688	-	-	10	26,290
Loans to other banks	16,587	12,142	11,109	-	-	703	40,541
Derivative financial assets	-	-	-	-	-	20,167	20,167
Redemptory monetary capital for sale	9,249	-	-	-	-	2	9,251
Loans and advance payments	96,782	185,264	664,014	175,623	49,000	43,070	1,213,753
Financial investments:							
Trading financial assets	9,583	11,734	52,701	33,027	31,746	211,675	350,466
Investment in creditor's rights	6,019	7,369	36,081	160,522	204,153	4,566	418,710
Other investment on creditor's rights	1,904	14,959	63,880	288,667	90,438	5,571	465,419
Other equity instrument investment	-	-	-	-	-	321	321
Other financial assets	-	-	-	-	-	4,206	4,206
Total assets	<u>276,497</u>	<u>232,467</u>	<u>838,473</u>	<u>657,839</u>	<u>375,337</u>	<u>297,642</u>	<u>2,678,255</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

Unit: CNY One Million

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.1 Interest rate risk (continued)

Maturity or re-pricing date (the earlier one) analysis of assets and liabilities of the Group at the Balance Sheet date: (continued)

Dec. 31, 2023	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years	Overdue/no interest	Total
Item of liabilities							
Due to the central bank	6,000	16,000	86,405	-	-	784	109,189
Due to banks and other financial institutions	62,185	8,530	11,211	-	-	196	82,122
Placements from other institutions	18,886	35,982	119,879	7,083	-	1,284	183,114
Trading financial liabilities	-	-	-	-	-	12,359	12,359
Derivative financial liabilities	-	-	-	-	-	14,187	14,187
Financial assets sold for repurchase	122,174	354	80	-	-	33	122,641
Deposits	738,050	119,230	273,933	435,061	24	22,238	1,588,536
Bond payable	25,495	44,669	179,330	99,487	19,998	2,104	371,083
Other financial liabilities	1,782	2,730	5,420	-	-	4,709	14,641
Total liabilities	974,572	227,495	676,258	541,631	20,022	57,894	2,497,872
Interest rate sensitivity gap	(698,075)	4,972	162,215	116,208	355,315	239,748	180,383

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.1 Interest rate risk (continued)

The Group uses sensitivity analysis to measure the potential impact of changes in interest rates on the net interest income and equity of the Group. The following table presents the results of interest rate sensitivity analysis by assets and liabilities on the balance sheet date.

	Dec. 31, 2024		Dec. 31, 2023	
	Interest rate changes (basis point)		Interest rate changes (basis point)	
	-25	25	-25	25
Net interest income (decrease)/increase	1,699	(1,699)	1,607	(1,607)
Increase/(decrease) in other comprehensive income in equity	3,860	(3,860)	2,721	(2,704)

The above sensitivity analysis is based on the static interest rate risk structure of assets and liabilities.

The sensitivity analysis of net interest income is based on the financial assets and liabilities held by the Group at the end of the year (excluding financial assets and liabilities measured at fair value through profit or loss), and the expected impact of interest rate changes within one year on net interest income. The sensitivity analysis of equity is based on the revaluation of other debt investments held at fixed interest rates at the end of the year measured at fair value with changes recognized in other comprehensive income, and the expected impact of changes in interest rates on their corresponding equity.

The above analysis is based on the following assumptions: all assets and liabilities that are re-priced or matured within three months or three months to one year are assumed to be re-priced or matured in the middle of the relevant period; and the yield curve moves in parallel with the change of interest rate.

Due to the above assumptions, the actual changes in the net interest income and equity of the Group caused by interest rate increases or decreases may differ from the results of this sensitivity analysis.

3.2. Exchange rate risk

The Group is established and operates within the territory of the People's Republic of China, mainly engaged in RMB business, with foreign currency business mainly conducted in USD.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.2 Exchange rate risk (continued)

Assets and liabilities in compliance with currencies are as follows:

	RMB	USD converted to RMB	Other currencies converted to RMB	Total
Dec. 31, 2024				
Items of assets				
Cash and balances with central bank	140,870	6,265	170	147,305
Due from other banks	18,561	9,279	1,265	29,105
Loans to other banks	32,993	5,081	-	38,074
Derivative financial assets	33,642	20	2	33,664
Redemptory monetary capital for sale	33,965	-	-	33,965
Loans and advance payments	1,416,502	20,214	538	1,437,254
Financial investment:				
Trading financial assets	346,329	10,824	8	357,161
Investment in creditor's rights	385,014	3,470	-	388,484
Other investment on creditor's rights	606,278	20,695	1,109	628,082
Other equity instrument investment	512	-	-	512
Other financial assets	3,541	3	-	3,544
			-	-
Total assets	<u>3,018,207</u>	<u>75,851</u>	<u>3,092</u>	<u>3,097,150</u>
Items of liabilities				
Due to central bank	54,640	-	-	54,640
Due to banks and other financial institutions	116,586	1,224	7	117,817
Loans from other banks	191,183	752	-	191,935
Trading financial liabilities	3,247	-	-	3,247
Derivative financial liabilities	30,336	21	3	30,360
Financial assets sold for repurchase	163,268	-	-	163,268
Deposits	1,799,108	64,068	6,448	1,869,624
Bonds payable	433,397	-	-	433,397
Other financial liabilities	15,682	48	2	15,732
Total liabilities	<u>2,807,447</u>	<u>66,113</u>	<u>6,460</u>	<u>2,880,020</u>
In-balance-sheet net position	<u>210,760</u>	<u>9,738</u>	<u>(3,368)</u>	<u>217,130</u>
Off-balance-sheet position	<u>557,974</u>	<u>18,654</u>	<u>6,639</u>	<u>583,267</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.2 Exchange rate risk (continued)

Assets and liabilities in compliance with currencies are as follows: (continued)

	RMB	USD converted to RMB	Other currencies converted to RMB	Total
Dec. 31, 2023				
Items of assets				
Cash and balances with central bank	123,274	5,760	97	129,131
Due from other banks	16,591	8,100	1,599	26,290
Loans to other banks	21,260	18,430	851	40,541
Derivative financial assets	20,154	15	(2)	20,167
Redemptory monetary capital for sale	9,251	-	-	9,251
Loans and advance payments	1,199,900	11,478	2,375	1,213,753
Financial investment:				
Trading financial assets	349,380	1,075	11	350,466
Investment in creditor's rights	416,403	2,307	-	418,710
Other investment on creditor's rights	437,934	27,048	437	465,419
Other equity instrument investment	321	-	-	321
Other financial assets	4,204	1	1	4,206
Total assets	<u>2,598,672</u>	<u>74,214</u>	<u>5,369</u>	<u>2,678,255</u>
Items of liabilities				
Due to central bank	109,189	-	-	109,189
Due to banks and other financial institutions	81,909	206	7	82,122
Loans from other banks	180,642	1,807	665	183,114
Trading financial liabilities	12,359	-	-	12,359
Derivative financial liabilities	14,172	17	(2)	14,187
Financial assets sold for repurchase	122,641	-	-	122,641
Deposits	1,519,200	64,406	4,930	1,588,536
Bonds payable	371,083	-	-	371,083
Other financial liabilities	14,639	2	-	14,641
Total liabilities	<u>2,425,834</u>	<u>66,438</u>	<u>5,600</u>	<u>2,497,872</u>
In-balance-sheet net position	<u>172,838</u>	<u>7,776</u>	<u>(231)</u>	<u>180,383</u>
Off-balance-sheet position	<u>478,852</u>	<u>18,603</u>	<u>7,720</u>	<u>505,175</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.2 Exchange rate risk (continued)

The Group adopts sensitivity analysis to measure the possible impact of exchange rate changes on the Group's net exchange gains and losses. The following table presents the results of exchange rate sensitivity analysis based on current assets and liabilities as of December 31, 2024 and December 31, 2023.

	Dec. 31, 2024	
Alteration of exchange rate	-1%	1%
Alteration of profit before tax due to exchange rate risk	(64)	64
	Dec. 31, 2023	
Alteration of exchange rate	-1%	1%
Alteration of profit before tax due to exchange rate risk	(75)	75

The above sensitivity analysis is based on the presumption that the assets and liabilities have static exchange rate risk structures and also calculates the influences of the rational changes of foreign currencies exchange rate against Renminbi on the pretax profit when all the other factors remain stable. The analysis is based on the presumptions that: (1) the currency exchange rate fluctuates at 1% (absolute) against closing price on the balance sheet date (middle price); (2) currency rates fluctuate against Renminbi simultaneously in parallel; (3) foreign exchange exposure includes spot exchange exposure and forward exchange exposure. Based on the above analysis, the real changes of the net exchange gain and loss of the Company caused by fluctuation of exchange rate may be different from the results received from sensitivity analysis.

3.3 Disclosure of fair value

Financial assets and liabilities measured at fair value

Fair value is the price the market participant receives when selling an asset or pays when transferring a liability in the orderly transaction on the date of measurement. The fair value measured and disclosed in the financial statement is determined on this basis price that is either observable or estimated using a valuation technique.

The financial assets and financial liabilities measured at fair value are divided into three levels in terms of valuation as follows:

- Level 1: the unadjusted quotation of the same assets or liabilities in the active market.
- Level 2: the directly or indirectly observable input values of the related assets or liabilities besides level 1. The input parameters sources include Reuters and ChinaBond.com.
- Level 3: the unobservable inputs of the related assets or liabilities.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.3 Disclosure of fair value

Financial assets and liabilities measured at fair value (continued)

As of Dec. 31, 2024, the financial assets and liabilities held measured by fair value complying with the above three levels are as follows:

	Open market price (Lv. 1)	Valuation technique-observable market variable (Lv. 2)	Valuation technique-unobservable market variable (Lv. 3)	Total
Continuous fair value measurement				
Derivative financial assets	-	33,664	-	33,664
Loans and advances	-	98,606	-	98,606
Trading financial assets	209,904	143,904	3,353	357,161
Other investment on creditor's rights	-	628,082	-	628,082
Other equity instrument investment	-	-	512	512
Total financial assets	<u>209,904</u>	<u>904,256</u>	<u>3,865</u>	<u>1,118,025</u>
Trading financial liabilities	1,293	1,954	-	3,247
Derivative financial liabilities	-	30,360	-	30,360
Total financial liabilities	<u>1,293</u>	<u>32,314</u>	<u>-</u>	<u>33,607</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.3 Disclosure of fair value

Financial assets and liabilities measured at fair value (continued)

As of Dec. 31, 2023, the financial assets and liabilities held measured by fair value complying with the above three levels are as follows:

	Open market price (Lv. 1)	Valuation technique-observable market variable (Lv. 2)	Valuation technique-unobservable market variable (Lv. 3)	Total
Continuous fair value measurement				
Derivative financial assets	-	20,167	-	20,167
Loans and advances	-	85,133	-	85,133
Trading financial assets	206,866	135,151	8,449	350,466
Other investment on creditor's rights	-	465,419	-	465,419
Other equity instrument investment	-	-	321	321
Total financial assets	<u>206,866</u>	<u>705,870</u>	<u>8,770</u>	<u>921,506</u>
Trading financial liabilities	182	6,878	5,299	12,359
Derivative financial liabilities	-	14,187	-	14,187
Total financial liabilities	<u>182</u>	<u>21,065</u>	<u>5,299</u>	<u>26,546</u>

In 2024 and 2023, the Group has neither transferred the financial instrument fair value's levels from 1 and 2 to level 3, nor transferred the fair values between level 1 and level 2.

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.3 Disclosure of fair value (continued)

Financial assets and liabilities measured at fair value (continued)

For the financial instruments that are traded in the active market, the Group determines their fair values in compliance with the quotation of the active market; for the financial instruments that are not traded in the active market, the Group determines their fair values in compliance with the valuation technique. The primary valuation model adopted is the discounted cash flow method.

The level 2 financial instruments of the Group mainly include the bond investment and derivative financial instruments. The fair value of Renminbi bond is determined in compliance with the valuation results of China Government Securities Depository Trust & Clearing Co., Ltd., Interbank Clearing House Co., Ltd and China Securities Index Co. Ltd., and the derivative financial instruments are valued complying with discount cash flow method and Black-Scholes Model. All the major valuation parameters adopt the valuation method that can observe the market information.

For the unlisted equity investments held by the Group, except for some investments that refer to the latest transaction prices of similar or identical financial instruments, the valuation multiplier method of comparable companies is mainly used and appropriate adjustments are made, such as adjustments for lack of liquidity. The measurement of their fair value may adopt unobservable parameters that have a significant impact on valuation. Therefore, the Group classifies these assets into Level 3, and unobservable parameters that may have an impact on valuation mainly include liquidity allowances. For the asset management plan and trust plan investment held by the Group, the cash flow discount model is mainly used for valuation. Unobservable parameters involved in the valuation model include risk-adjusted discount rate, etc. As of December 31, 2023, the amount of fair value changes caused by the above unobservable parameter changes was not significant. The management has evaluated the impact of macroeconomic changes and loss coverage parameters to determine whether necessary adjustments should be made to the fair value of Level 3 financial instruments. The Group has established relevant internal control procedures to monitor its exposure to such financial instruments.

Adjustment of fair value measurement

Continuous adjustment of Lv. 3 fair value measurements are as follows:

2024

	Trading financial assets	Investment in other equity instruments	Trading financial liabilities
Beginning balance	8,449	321	5,299
Include in other comprehensive income	-	147	-
Gains or losses included in profit or loss	(189)	-	-
Increase	-	44	-
Sold/matured	(4,907)	-	(5,299)
Ending balance	3,353	512	-

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.3 Disclosure of fair value (continued)

Adjustment of fair value measurement (continued)

2023

	Trading financial assets	Investment in other equity instruments	Trading financial liabilities
Beginning balance	26,661	169	21,170
Include in other comprehensive income	-	156	-
Gains or losses included in profit or loss	4	-	(1,327)
Increase	2,969	3	3,816
Sold/matured	(21,185)	(7)	(18,360)
Ending balance	8,449	321	5,299

Financial assets and liabilities not measured by fair value

Financial assets and financial liabilities not measured at fair value primarily include: cash and balances with central banks, deposits in other banks, loans to other banks, redemptory monetary capital for sale, loans and advances measured at amortized cost, debt investments, borrowings from central banks, deposits from banks and other financial institutions, funds borrowed from banks and other financial institutions, financial liabilities held under repurchase agreements, customer deposits, and bonds payable.

For the investment in debt and bonds payable that are not reflected or disclosed by fair value, their book values and fair values are listed in the following table. Among them, for the item at the Level II of fair value measurement, the fair value of RMB bonds is determined by the latest valuation results published on www.chinabond.com.cn, and the comprehensive valuation published by Bloomberg is used for foreign currency bonds without active market quotations; the fair value at Level III of fair value is based on the valuation method of expected cash flow recovery.

	Book value	Fair Value	Dec. 31, 2024		
			Level I	Level II	Level III
Financial assets: Investment in creditor's rights	388,484	407,318	-	342,421	64,897
Financial liabilities: Bonds payable	433,397	435,628	-	435,628	-
	Book value	Fair Value	Dec. 31, 2023		
			Level I	Level II	Level III
Financial assets: Investment in creditor's rights	418,710	431,354	-	328,847	102,507
Financial liabilities: Bonds payable	371,083	372,159	-	372,159	-

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XII. Financial Instruments and Risk Analysis (continued)

3. Market risk (continued)

3.3 Disclosure of fair value (continued)

Financial assets and liabilities not measured by fair value (continued)

Except for the above financial assets and liabilities, the fair values of the other financial assets and liabilities of the balance sheet not measured by fair value are determined by the future discount cash flow method and their book values are similar to their fair values:

Asset	Liability
Cash and deposits with central bank	Borrowings from central bank
Deposits in other banks	Deposits from banks and other financial institutions
Loans to other banks	Loans from other banks
Redemptory monetary capital for sale	Financial assets sold for repurchase
Loans and advances	Deposits
Other financial assets	Other financial liabilities

XIII. Other events after balance sheet day

1. According to the resolution of the Board of Directors on April 8, 2025, the profit distribution plan (predetermined) of the year 2024 is listed as follows:

- 1) Distribute 10% of 2024 net profit amounted to RMB 2,336 million as legal surplus;
- 2) According to *Administrative Measures for the Withdrawal of Reserves of Financial Enterprises* (C.J. [2012] No. 20), the Company withdraws 1.5% of risk assets value as at the end of 2024 amounted to RMB 3,820 million as general risk provision;
- 3) A cash dividend of RMB 9 (including tax) per every 10 shares will be distributed based on 6.604 billion shares at the end of 2024. The profit distribution plan is yet to be approved by the Shareholders' Meeting.

2. On February 6, 2024, the Fifth Meeting of the Eighth Board of Directors of the Company reviewed and approved the *Resolution on Capital Increase for BNB Consumer Finance Co., Ltd.*, agreeing to make a capital contribution in cash to BNB Consumer Finance Co., Ltd. (hereinafter referred to as "BNB Consumer Finance") in an amount not exceeding RMB 1.5 billion. On January 24, 2025, BNB Consumer Finance received the *Reply of Ningbo Financial Regulatory Bureau on the Change of Registered Capital of BNB Consumer Finance Co., Ltd.* (Y.J.F. [2025] No. 13). As of the audit report date, BNB Consumer Finance has completed the formalities for the modification of registered capital in the industrial and commercial registration.

As disclosed above, there's no other significant event of the Company that needs to be disclosed after this balance sheet day.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to the Main Items of the Financial Statement

1. Long-term equity investment

2024

	Beginning balance investment	Changes during the year					Ending book value	Ending Impairment provision
		Increased by	Equity method Gains & losses	Comprehensive Income	Other changes In equity	Declared cash Dividend		
Subsidiary Maxwealth Fund Management Co., Ltd.	647	-	-	-	-	-	647	-
Maxwealth Financial Leasing Co., Ltd.	6,000	1,000	-	-	-	-	7,000	-
BNB Wealth Management Co., Ltd.	1,500	-	-	-	-	-	1,500	-
Zhejiang BNB Consumer Finance Co., Ltd.	4,695	-	-	-	-	-	4,695	-
	<u>12,842</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,842</u>	<u>-</u>

2023

	Beginning balance investment	Changes during the year					Ending book value	Ending Impairment provision
		Increased by	Equity method Gains & losses	Comprehensive Income	Other changes In equity	Declared cash Dividend		
Subsidiary Maxwealth Fund Management Co., Ltd.	647	-	-	-	-	-	647	-
Maxwealth Financial Leasing Co., Ltd.	5,000	1,000	-	-	-	-	6,000	-
BNB Wealth Management Co., Ltd.	1,500	-	-	-	-	-	1,500	-
Zhejiang BNB Consumer Finance Co., Ltd.	1,195	3,500	-	-	-	-	4,695	-
	<u>8,342</u>	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,842</u>	<u>-</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to Main Items of the Financial Statement (continued)

2. Loans and advances

2.1 Loans and advances classified by corporate and individual

	Dec. 31, 2024	Dec. 31, 2023
Measured at amortized cost		
Corporate loans and advances	689,992	549,290
Loans	676,205	537,167
Trade financing	13,787	12,123
Personal loan	498,671	465,102
Personal consumption loan	298,464	278,874
Personal operating loan	101,813	98,937
Personal housing loan	98,394	87,291
Accrued interest	<u>2,494</u>	<u>2,207</u>
Subtotal	1,191,157	1,016,599
Less: Provision for impairment of principal of loans and advances measured at amortized cost	(36,970)	(37,921)
Provision for impairment of accrued interest on loans and advances measured at amortized cost	<u>(126)</u>	<u>(161)</u>
Subtotal	(37,096)	(38,082)
Measured at fair value with changes included in other comprehensive income		
Discount and others	<u>98,606</u>	<u>85,133</u>
Book value of loans and advances	<u>1,252,667</u>	<u>1,063,650</u>

The total amount of loans and advances issued by the Company in the first, second and third phases were RMB 1,240,732 million, RMB 39,005 million and RMB 10,026 million respectively (December 31, 2023: the amounts in the first, second and third phases were RMB 1,067,211 million, RMB 25,877 million and RMB 8,644 million respectively).

On December 31, 2024, the loans measured at fair value with changes included in other comprehensive income were generated from discount business, and their impairment provision was RMB 776 million (December 31, 2023: RMB 919 million), which was included in other comprehensive income.

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to Main Items of the Financial Statement (continued)

2. Loans and advances (continued)

2.2 Loans and advances classified by guarantee method

	Dec. 31, 2024	Dec. 31, 2023
Credit loan	511,180	449,114
Guarantee loan	320,155	244,160
Mortgage loan	349,512	318,877
Pledge Loan	106,422	87,374
Total loans and advances	1,287,269	1,099,525
Accrued interest	2,494	2,207
Less: Provision for impairment of principal of loans and advances measured at amortized cost	(36,970)	(37,921)
Provision for impairment of accrued interest on loans and advances measured at amortized cost	(126)	(161)
Book value of loans and advances	1,252,667	1,063,650

2.3 Overdue loans

	Dec. 31, 2024				Total
	Overdue for 1-90 days (included)	Overdue for 90-360 days (included)	Overdue for 360 days - 3 years (included)	Overdue for over 3 years	
Credit loan	2,802	3,971	448	15	7,236
Guarantee loan	77	80	79	-	236
Mortgage/pledge loan	1,442	2,351	690	25	4,508
	4,321	6,402	1,217	40	11,980

	Dec. 31, 2023				Total
	Overdue for 1-90 days (included)	Overdue for 90-360 days (included)	Overdue for 360 days - 3 years (included)	Overdue for over 3 years	
Credit loan	2,646	2,864	433	49	5,992
Guarantee loan	239	202	66	180	687
Mortgage/pledge loan	1,216	1,311	1,101	48	3,676
	4,101	4,377	1,600	277	10,355

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to Main Items of the Financial Statement (continued)

2. Loans and advances (continued)

2.4 Provision for loan impairment

The changes in the provision for impairment of loans and advances issued in 2024 are as follows:

Provision for impairment of principal of loans and advances measured at amortized cost:

	Stage I	Stage II	Stage III	Total
	Financial assets with credit impairment			
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration	(expected credit loss for the entire duration)	
Beginning balance	25,521	6,281	6,119	37,921
Accrual in the year	(3,549)	2,480	9,937	8,868
Transferred to stage I	1,819	(1,812)	(7)	-
Transferred to stage II	(689)	718	(29)	-
Transferred to stage III	(106)	(412)	518	-
Write-off	-	-	(12,095)	(12,095)
Other transfer-out	-	-	(187)	(187)
Reversal caused by the recovery of original loans and advances	-	-	2,511	2,511
Reversal of interest on impaired loans and advances	-	-	(48)	(48)
Ending balance	<u>22,996</u>	<u>7,255</u>	<u>6,719</u>	<u>36,970</u>

Provision for impairment of loans measured at fair value with changes included in other comprehensive income:

	Stage I	Stage II	Stage III	Total
	Financial assets with credit impairment			
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration	(expected credit loss for the entire duration)	
Beginning balance	918	1	-	919
Provision/(reversal) of the current year	(144)	1	-	(143)
Transferred to stage I	<u>1</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Ending balance	<u>775</u>	<u>1</u>	<u>-</u>	<u>776</u>

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to Main Items of the Financial Statement (continued)

2. Loans and advances (continued)

2.4 Provision for loan impairment (continued)

The changes in the provision for impairment of loans and advances issued in 2023 are as follows:

Provision for impairment of principal of loans and advances measured at amortized cost:

	Stage I	Stage II	Stage III	Total
	Financial assets with credit impairment			
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration	(expected credit loss for the entire duration)	
Beginning balance	24,043	3,890	7,031	34,964
Accrual in the year	1,386	2,430	5,381	9,197
Transferred to stage I	651	(642)	(9)	-
Transferred to stage II	(472)	967	(495)	-
Transferred to stage III	(87)	(364)	451	-
Write-off	-	-	(8,007)	(8,007)
Other transfer-out	-	-	(4)	(4)
Reversal caused by the recovery of original loans and advances	-	-	1,816	1,816
Reversal of interest on impaired loans and advances	-	-	(45)	(45)
Ending balance	25,521	6,281	6,119	37,921

Provision for impairment of loans measured at fair value with changes included in other comprehensive income:

	Stage I	Stage II	Stage III	Total
	Financial assets with credit impairment			
	Expected credit loss in the next 12 months	Expected credit loss for the entire duration	(expected credit loss for the entire duration)	
Beginning balance	885	7	-	892
Provision/(reversal) of the current year	34	(7)	-	27
Transferred to stage II	(1)	1	-	-
Ending balance	918	1	-	919

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to Main Items of the Financial Statement (continued)

3. Net interest income

	2024	2023
Interest income		
Loans and advances (note 1)	55,947	51,212
<i>Including: corporate loans and advances</i>	<i>26,231</i>	<i>21,761</i>
<i> Personal loans and advances</i>	<i>26,186</i>	<i>26,065</i>
<i> Notes discounted</i>	<i>2,783</i>	<i>2,851</i>
<i> Trade financing</i>	<i>747</i>	<i>535</i>
Due from other banks	595	467
Due from Central Bank	1,861	1,749
Placements to other financial institutions	1,286	1,262
Redemptory monetary capital for sale	675	687
Bond investment	25,178	21,063
Financing product and credit plan	4,668	5,836
	<u>90,210</u>	<u>82,276</u>
Interest expense		
Due to other banks	(2,522)	(2,228)
Borrowing from central bank	(2,527)	(1,933)
Placements from other institutions	(705)	(895)
Deposit	(34,641)	(30,549)
Financial assets sold for repurchase	(998)	(1,765)
Bonds payable	(9,131)	(9,467)
Lease liabilities	(89)	(102)
	<u>(50,613)</u>	<u>(46,939)</u>
Net interest income	<u>39,597</u>	<u>35,337</u>

Note 1: in 2024, the interest income from the impaired financial assets of the Company was RMB 48 million (2023: RMB 45 million).

Bank of Ningbo Co., Ltd.
Notes to Financial Statements (Continued)
For the Year Ended 31 December 2024

XIV. Notes to Main Items of the Financial Statement (continued)

4. Cash flow from operating activities

	2024	2023
Adjusting net profit to cash flow from operating activities		
Net profit	23,360	22,466
Add: credit impairment loss	7,717	7,395
Depreciation of fixed assets	967	908
Depreciation of right-of-use assets	729	748
Amortization of intangible assets	591	318
Amortization of deferred expenses	330	311
Income from disposal of fixed assets, intangible assets and other long-term assets	(7)	(279)
Loss/(gain) from changes in fair value	(695)	(2,841)
Investment interest income and investment income	(30,847)	(28,865)
Interest expense on lease liabilities	89	102
Interest expense on bonds payable	9,131	9,467
Decrease in deferred income tax assets	746	168
Decrease in operating receivables	(189,319)	(180,465)
Increase in operating payables	274,415	341,171
Net cash flow from operating activities	<u>97,207</u>	<u>170,604</u>

XV. Comparative Data

Certain comparative data have been reclassified and rearranged to conform to the presentation of the financial statements.

Supplementary Information:

I. Detailed Statement of Non-recurring Profits and Losses

	Unit: in RMB 1 million	
	2024	2023
Profits and losses on disposal of non-current assets, including the offsetting portion of the provision for asset impairment	1	280
Changes in fair value of investment real estate	27	(10)
Other non-recurring profit and loss items other than the above	(198)	(89)
Subtotal	(170)	181
Less: affected amount of income tax	(4)	(70)
Total	(174)	111
Including: Affected amount of minority equity (after tax)	1	2
Non-recurring profits and losses attributable to common shareholders of the parent company	(175)	109

The confirmation on the items of non-recurring profits and losses of the Group is reported in compliance with *Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profits and Losses (Revised in 2023)*.

II. ROE (Return on Equity) and Earnings per Share

2024	Weighted average ROE (%)	Earnings per share (RMB)	
		Basic	Diluted
Net profit attributable to common shareholders of the Company	13.59	3.95	3.95
Net profit attributable to common shareholders after deducting non-recurring profits and losses	13.69	3.98	3.98
2023	Weighted average ROE (%)	Earnings per share (RMB)	
		Basic	Diluted
Net profit attributable to common shareholders of the Company	15.08	3.75	3.75
Net profit attributable to common shareholders after deducting non-recurring profits and losses	15.01	3.74	3.74

The calculation of earnings per share and return on equity of the Group is carried out in accordance with the provisions of the *CSRC Rules for Information Disclosure and Reporting of Companies that Offer Securities to the Public No. 9 - Calculation and Disclosure of Return on Equity and Earnings per Share (revised in 2010)*.

Supplementary Information (continued):

III. Unaudited Supplementary Information

Evaluation Indexes for National Systemically Important Bank

The Company calculated and disclosed the evaluation indexes for 2023 national systemically important bank according to the requirements of *Evaluation Method for Systemically Important Bank* issued by PBC and the former CBRC, as well as *Notice on Data Filling for Evaluation of Systemically Important Bank* issued by the former CBRC.

Unit: in RMB 10 thousand, number

Index	2023
Adjusted balance of assets on and off the balance sheet	332,527,769
Assets among financial institutions	54,772,028
Liabilities among financial institutions	56,909,319
Issuance of securities and other financing tools	71,749,990
Payment amount settled through payment system or agent bank	7,081,912,966
Assets under custody	400,969,817
Agency and consignment businesses	281,233,375
Corporate clients (number)	673,921
Personal clients (number)	34,972,451
Domestic business institutions (number)	492
Derivative products	217,379,642
Securities measured at fair value	56,375,884
Assets of non-bank subsidiaries	17,078,946
Wealth management services	-
Balance of wealth management products issued by financial subsidiaries	40,205,124
Overseas credit and debt	2,996,783